Auditors’ Constitution of Performance
a study on the duality of performance in the auditing profession

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Abstract
For decades, the auditing profession has been under scrutiny, due in part to its close association with a business rationale.
This has led to some to call for de-professionalization, where accountability, control, and commerce would threaten
auditing’s autonomy. Yet auditing is regarded as a principle of social organization and control, wherein it produces trust and
legitimacy to society. By focusing on the individual auditor and the micro-level dynamics in the auditor’s organizational
context, this dissertation challenges traditional notions of professionalism and commercialism as dichotomies. Based
on documents, observations, and in-depth interviews with auditors holding different levels of experience, performance
was targeted as a central concept for auditors’ understanding of auditing as a social and organizational phenomenon.
Accordingly, by critically appraising the significance of performance in the professional-organizational context of Big
Four firms, this dissertation engages with auditors’ reasoning and everyday work activities. Here, performance is suggested
to hold a central role in how auditors manage and reconcile conflicting institutional logics — as well as accountability
demands — in their everyday work. By theorizing on the mediating role of performance, this dissertation explores how
performance is enacted in both structure (control, rituals and norms) and agency (reflective monitoring and rationalization).
Drawing on structuration theory, performance is shown to constitute modalities in actors’ use of structure, a process in
which conflicting institutional logics are replicated, revised, and rejected. The findings further pinpoint the active role of
auditors in mobilizing and defining legitimate performances within particular local settings. In this, a previously neglected
interplay between bureaucratic and social performance practices that is performed by auditors is recognized as essential
in exploring auditing as defined in the local professional-organizational settings. This interplay suggests a need to further
attend how auditing is performed by practitioners in micro-level, everyday work. To conclude, this dissertation indicates
that auditors’ reasoning on and mobilization of performance define the evolving auditing profession, one where rules and
accountability regimes dominate. As a consequence, the influence of individual agency, professional communities, and
social interaction are emphasized as key components for our understanding of the continuously developing professional
field of auditing and the maintenance of a strong professional ethos.

Keywords: Auditing, auditors, performance, performance management, control, structure, agency, institutional logics,
profession, accountability.

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Cristoffer Lokatt
To Erika.
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“If we want things to stay as they are, things will have to change.”

(Lampedusa 1959: 10)
The first part of this dissertation discusses the role and development of auditing in society, but in particular, it seeks to problematize the micro-level dynamics of auditing. Power (1994, 1997) has suggested an audit society where demand for control, trust, and accountability has spread to professional and organizational domains of society. The professional community — the auditing profession — is no exception to this accountability regime and has been subject to what can be called an audit implosion, with increased concerns for secondary risk management (i.e., the risk of financial and reputational losses). As a consequence, auditors find themselves subject to performing in accordance with the dominant institutional demands, where bureaucratic practices reduce professionals' autonomy.

However, whereas much has been said about the professional ethos and the de-professionalization of the auditing profession in contemporary professional contexts (the Big Four firms) (Carrington et al. 2013; Fogarty 2014; Suddaby et al. 2009), there is less research on the constitutive effects of performance on professional values and the active role of the auditor in maintaining legitimacy (cf. Ahrens and Chapman 2002; Corvellec 1996). Therefore, the main objective of the current dissertation is to discuss the role of performance in professional contexts and how performance is a concept that is both a medium and outcome of reproduction of practices (Giddens 1984; Power 2004a). In short, this is a dissertation about auditors' constitution of performance.
“In a curious irony, […] when the link between means and ends is unclear, technical procedures of accounting […] information gathering, and evaluating can become ends in themselves, establishing an organization as responsible, rational, and successful.”

(Bromley and Powell 2012: 518)

1. INTRODUCTION
Auditing allows independent, legitimate actors (auditors) to express opinions about the actions of others (the auditee). This is part of an account-giving process where the agent needs to provide an account of pre-defined descriptive devices (Power 1997). In this, the ability of accounting and auditing to make objects accountable, and thus comparable to the accounts of others, is essential in defining legitimate performances (Ahrens and Chapman 2002; Gill 2009). Here, previous research has discussed the constitutive role of audits (Svärdsten Nymans 2012) and, on a conceptual level, the inherent discursive effect where accounting and auditing is assumed to link the conduct of individuals and organizations to political objectives (Miller and O'Leary 1987; Miller and Rose 1990; Power 1997). This follows the constructivist research paradigm, where auditing, animated by Power’s audit explosion thesis (1994), is described as having had profound impacts on societal impressions and behaviors (in the contexts of, e.g., universities, hospitals, and law). Accordingly, the current dissertation acknowledges the role and influence of accountability
and auditing in organizations and society and focuses on the role of the legitimate individuals — the auditors — and how their account-giving process is part of defining the process of becoming legitimate professionals (Ahrens and Chapman 2002; Grey 1998; Shore 2008; Suddaby and Viale 2011). In short, the auditor’s everyday work activities are here assumed to constitute important mediators in defining legitimate performances. In effect, these micro-level dynamics (i.e., the activities of the auditor) constitute a foundation for our understanding of account-giving and accountability processes (Gill 2009; Power 1997, 2004a).

Accordingly, despite the considerable role of auditing in our daily lives, little reflection has been made on the conditions under which auditing is performed. On an idealistic level, this could be described as an inquiry into the conditions of our existence (e.g., political ideologies and social structures), but on a more pragmatic level, this reflection is concerned with the conditions under which performance emerges within the context of the audit organization. Because if auditing is a practice that permeates organizations and our daily lives by imposing the logics of accountability and measurements, then the audit organization (following a business rationale) and the auditor should, similarly, be subject to this accountability regime. Consider, for example, the role and activities of a manager in any organization. The manager is responsible for the performance and needs of the activities occurring in the department and must give accounts of these. In the assessment review, the manager is held accountable for the ways in which she or he was able to fulfill the objectives and is rewarded based on the performance output. Similarly, the audit organization assesses and rewards the performance of its auditors by making them subject for control in, for example, assessment reviews (Gill 2009). The auditor needs to perform in line with the audit rationale, and the auditor also needs to account for the performance according to the logics of accountability, measurability, and performability (Ahrens and
Chapman 2002). In this line of reasoning, auditing needs to be thought of as an everyday practice carried out in local settings and local organizations (Giddens 1990; Mennicken 2006). The concept of performance thus becomes central in approaching the inherent meaning of the audit rationale and, in particular, how the individual auditor performs and accounts for his or her performances. Consequently, the audit organization and the hierarchical order of the audit organization entail many clues as to how the audit rationale has become and constitutes a dominant exposition of principles in contemporary society.

Furthermore, according to Andon and Free (2012: 132), the auditor represents a “vehicle for institutionalized values about the manner in which organizational and individual performance is represented and understood” (emphasis added). The auditor thus holds a central role in the constitution of institutional values and does so in the act of performing. Here, previous research has conceived of the auditor as a governable subject. How the auditor provides legitimate accounts and become a legitimate actor in the contexts of professional, political, organizational, and individual interests thus shows a comprehension of the structural properties that constrain and enable professional action. The enabling features have been recognized in the ways auditors undertake game playing, politicking, and social activities. However, in times of an audit society, and where almost everything is checked (Gill 2009; Power 1997), the effects of auditors’ ability to reflexively monitor and adjust behavior has received less interest. The need to attend the role and lives of the ones checking us seems particularly essential. Accordingly, Carter and Spence (2014) and Alvehus (2017) suggest a need to attend to the micro-level of professional actors, and according to Broberg (2013), there is a need to better understand auditors’ everyday work. The effects of increased accountability practices (Power 1997; Yang 2012) have led to both intended and unintended consequences. In light of this, further attention
should be given to auditors’ everyday work activities and the ways auditors adapt to and circumvent existing structures.

In particular, this approach implies studying performance and structures of performance in professional settings. To do so, I have adopted Corvellec’s broad definition of performance, where notions of performance are attached to new contexts, providing a variety of meanings. In particular, the various notions of performance reveal complex relationships to notions such as competition, commensurability, hierarchy, and justice, as well as efficacy, managerialism, and measurement (Corvellec 1996). Furthermore, performance is founded on a tension between the image of a process and that of a result.

“[P]erformance shapes the lives of people and organizations in accordance with its logics and demands […] [it] has become of central importance for our perception of our activities and our understanding of the world.” (Corvellec 1996: 13-14)

Performance, and its inherent logics, are not only important for how people organize, do things, and reason in everyday work. Performance holds a commanding position in organizations (Corvellec 1996; Svärdsten Nymans 2012). Therefore, how performance is understood and constructed in specific contexts assumes an understanding of its inherent logics and of the individual’s ontological security (Giddens 1991). Whereas performance shapes the lives of people, it is also shaped by the contexts in which it is situated, suggesting that we need to approach performance as a situated practice. In the specific context of auditing, the auditor needs to perform both according to the expectations of the profession and to those of the society, thus adhering to Corvellec’s call for various notions of performance, wherein the duality of the structure can help inform our understanding of the interplay between structure and agency (Giddens 1984).
Performance constitutes an important link between professional, organizational, and individual interests. In this regard the ambition of the current dissertation is to further explore how performance is reproduced in the “intersection of structures [i.e., authority, control, norms, and accountability] and agents [i.e., communication, frames of activities, and use of values and ideals]” (Giddens 1984) by engaging in everyday practices and reasoning of auditors. That is, performance practices are the means by which structures are translated into actions, and thus hold influence in the reconciliation of conflicting logics at the sites where professionalism is constituted (cf. Cooper and Robson 2006).

With this rather general positioning, in the remainder of this first chapter, I will elaborate on and narrow down the research problem, develop the aim and research question, and outline some of the expected contributions coming from this research process.

1.1. The study and the research problem
In relation to the development of the auditing profession, previous research emphasizes the role of the Big Four firms as pivotal for the legitimacy and regulatory development of the profession (Cooper and Robson 2006; Whittle et al. 2016). The firms are perceived as important actors that promote and disseminate a shared set of economic and institutional conditions (Cooper and Robson 2008), thus holding influence and power over the development of the auditing profession. Furthermore, acknowledging the influence of these firms, the institutional field of auditing has been assumed to be fueled by organizational interests, which has led to a struggle to define contemporary professionalism (see, e.g., Carter and Spence 2014; Hanlon 1994, 1998; Kornberger et al. 2011). Previous research has discussed professions as part of an expanding market orientation (Hanlon 1996), where the need to balance professional and organizational interests is prominent in maintaining legitimacy and in
remaining relevant to the public. Market orientation in professional contexts has also led more recent research to consider the role of the firm and the ways in which professional work is organized and structured (see, e.g., Spence and Carter 2014; Whittle et al. 2016; Willmott and Sikka 1997).

For institutional theorists, the desire for legitimacy is understood as a central driving force behind organizational action (Oliver 1991). In particular, legitimacy is defined as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within socially constructed systems of norms, values, beliefs and definitions” (Suchman 1995: 574). De-legitimatization can, consequently, be understood as the process of questioning, eroding, or undermining the legitimacy of a particular institution (Suddaby and Greenwood 2005). For accounting and auditing in particular as a “legitimating institution” itself (Richardson 1987), the legitimacy of the profession is a central concern. However, although the accounting literature has paid much attention to the role of accountancy in establishing legitimacy (Dirsmith et al. 1997; Richardson 1987), only a few studies have explored the process through which the legitimacy of the contemporary accountancy profession has been established (Suddaby et al. 2009).

Following increased interest in the professional firm, previous research has proposed a dichotomy between auditing (as a professional practice) and the organizational context in which it is practiced. The organizational context has been assumed to hold influence, and even define, the actual work activities (Cooper and Robson 2006; Meyer and Rowan 1977; Spence and Carter 2014). According to Hanlon (1994), this dichotomy is apparent in the conflicting objectives between professional and commercial interests, a conflict that by definition undermines the
critical professional traits that an occupation must possess (Fogarty 2014). Because of this, as the auditing profession seeks legitimacy, the professional firm has become an important mediator in professionalization and regulatory processes as it “mediates, forms, and transforms” professional and organizational practices (Cooper and Robson 2006).

Whereas the firm has been suggested to act as an important mediator of professional and commercial interest, previous research has focused on the two logics’ inherent dualism and how a dominant commercial logic could lead to de-professionalization. However, less interest has been given to the reconciliation of professional and commercial interests and how the inherent interplay between these interests is central for the continued relevance of the auditing profession. Only recently has research seemed to acknowledge that fundamentally opposite interests are dependent on one another “in the creation and tending of institutions” (Muzio et al. 2013; Scott 2008: 219). This suggests a need to critically review the sociology of the professions literature in contemporary professionalization and institutionalization projects because the reconciliation of opposing logics implies new ways of understanding professional work from the perspective of the professional. This follows Malsch and Gendron (2013: 893), where professional and organizational interests “co-exist, fuse, hybridize, and conflict” in the creation of institutional order and dis-order. Consequently, the previously proposed dichotomy in the institutional field of auditing can be challenged (at certain levels of professional work) by recognizing that conflicting interests co-exist and reconcile in professionalization processes. Accordingly, researchers have only recently begun exploring logics from the actors’

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1 According to Greenwood (1957), a profession must hold numerous requisite traits (e.g., specialized knowledge, autonomy, self-regulation, and public interest dedication) to be recognized. When other characteristics are introduced, professional traits are no longer in ascendancy.
perspectives or “at the coalface” (Barley 2008; Bévort and Suddaby 2016). Although institutional logics are portrayed as conflicting from a macro perspective, the study by Alvehus (2017) shows that conflicting logics are reconciled in everyday processes in how actors replicate, revise, and reject institutional logics. Rather than assuming a dichotomy between various institutional logics, this approach directs attention to the duality of structure (Adler et al. 2008; Alvehus 2017; Dirsmith et al. 1997; Giddens 1984) and how structure and agency work as “interpenetrating” one another in a duality of mutual constitution (Dirsmith et al. 1997).

1.1.1. The inclusion of agency in professional contexts

Acknowledging the concept of agency in professional contexts, the current dissertation adds to the insight that conflicting interests “hybridize” in auditors day-to-day equivocal instances of agency (Lawrence and Suddaby 2006; Noordegraaf 2015; Evetts et et. 2016). In particular, hybrids are defined as the coming together of different and potentially contradictory sets of features and values (Harrison 1993); and whereas much attention has been directed to the role of the firm, less has been said about how the individual acts for the “coming together” of multiple sets of principles (Noordegraaf 2015). This can be related to Berger and Luckmann’s (1991) theory of the duality of structure and agency, where structures “divest individuals of any power and cast them as mere puppets, bereft of any free will or agency and manipulated by powerful social institutions.” Structures in this form are simplistic and mechanistic, but they are social constructions that can be changed by human beings. Similarly, in Giddens’ (1984) structuration theory, the relationship between structures and agents is a central phenomenon that involves intersubjective understanding and meaning from the perspective of the agent:

“Structures do constrain actors, but actors can also transform structures by thinking about them and acting on them.
Accordingly, in discussing actors’ understanding of their local context in interviews, agency emerged as an important concept, especially in terms of how day-to-day activities came to illustrate the structure–agency nexus (in how auditors managed structures) and how various interests were merged in the activities that, for the auditors’, defined their professional ethos.

Most research in this domain has identified the conflicting logics from a macro perspective and has thus ignored the “considerable degrees of agency and freedom” (Bévort and Suddaby 2016) that exist in relation to institutional demand (Alvehus 2017; Barley and Tolbert 1997). Furthermore, whereas previous research has focused on either “professionals and other actors associated with the professions” (Lawrence and Suddaby 2006) or the elite core of the profession and the importance of leaders in shaping organizational and professional discourse (e.g., Kornberger et al. 2011), the present dissertation will emphasize the interactions among individuals, in particular the community in which the interactions occur. Interactions and the creation of strong social capital (Carter and Spence 2014) are essential parts in doing professional work and thus need further attention to better understand how the processes of legitimate professional work emerge in the micro-foundations of professional communities. Furthermore, the community offers a space where meaning originates and is reified, but also a space that professionals communicate with and are involved and engaged in (Muzio et al. 2011). Thus, the professional community is important for how audit work is given meaning and how auditors make sense of their everyday life as professionals. The community offers a space where formal structures and relations to “relevant others” needs to be understood in relation to one another. For the auditor, this is a space in which the audit work is given
meaning by the very structures and relations to which the auditor needs to give an account for his or her performances.

1.1.2. **Performance as a link between structure and agency**

For the auditor, performance is what determines the quality of one’s job, the appearance put forth to clients and colleagues, and career ratings obtained in the formal evaluation programs within the Big Four firms (Anderson-Gough et al. 1998; Gill 2009; Grey 1998; Kida 1984). However, performance is a diverse concept that is determined in the context in which it is practiced (Corvellec 1996). It links the organizational context and the practice of auditing, where diverse performance practices reveal the inherent complexity in auditing. Furthermore, performance is not exclusive to either a professional or commercial logic, but rather is based on the auditor’s ability to perform in diverse ways. Consequently, performance is determined through different “systems of controls” (audit reviews, performance management, informal communities/norms, etc.) where one needs to obtain a certain level of performance according to the various interests (i.e., the interests of the profession, business, team, individual, etc.).

From previous research, we have learnt that the context is a crucial site where the profession, professional identity, and practices that are deemed to be part of auditing are developed (Cooper and Robson 2008). The firm holds influence over the development of the auditing profession by means of imposing structures and control, defining what an audit is and how a good auditor should appear to the relevant others (i.e., clients and colleagues). This has been acknowledged in previous research; for example, Anderson-Gough et al. (2001, 2002) and Kornberger et al. (2011) identify the role of structures and practices and how auditors are socialized in the intertwined formal and informal organizational processes to define the appropriate auditor and audit work. The relationship between formal
and informal structures is also important because auditors can find ways of performing. That is, performance is not only determined in the formal structures by which the auditor can be assessed, but also, and perhaps more importantly, in the informal structures and in relation to others. Furthermore, Dirsmith et al. (1997: 20) acknowledge the role of social agents, where auditors learn to “game the formal structures” to serve their own ends, thereby leaving the professional to be both a “resource in and a constraint upon organizational change.” In this, structures emerged in the duality of social relations in that social relations (e.g., mentoring) infused the words, thoughts, and actions of the practitioner. The relations that the auditor established with others, rather than the formal structures, thus constitute the structural modalities that infuse meaning for the auditor. Although structures are important in informing agents of “what they do and why they do it” (Giddens 1984), the role of the agent as one who possesses reflexive abilities (Berger and Luckmann 1991) cannot be neglected. Rather, the practitioner — the agent — holds a central role in the socialization of professional values and norms. The role of individual interpretation and subjectivity in contemporary professional settings offers considerable degrees of agency and freedom when compared with previous institutional research (Bévort and Suddaby 2016), while active engagement in networking strategies builds strong social capital internally in the firm (Anderson-Gough et al. 2006; Briscoe and von Nordenflycht 2014; Carter and Spence 2014).

Consequently, how auditors make sense of their role as professionals and undertake networking strategies to “game the formal structures” is of interest because it offers ways to understand how structures are translated into actions and hence how auditing is practiced and made sense of in the micro-processes of auditing. This would suggest that auditing needs to be understood not only as a practice determined in the duality of structure (Dirsmith and Covaleski 1985; Dirsmith et al.
1997), but also in the sense that auditors are active agents in various social spaces. These spaces, or professional communities, are not only important for our understanding of how professionalism is defined (according to structuration theory), but also in terms of where auditing is made sense of (i.e., if auditing is defined in structures and the organizing of a professional work or in the social relations auditors construct).

The role of the professional community and how the auditor performs in this setting is thus of interest because it is in this relation that structure–agency identities are formed, practices is reproduced, and performance is made sense of. In this, performance can be both an output (a deliverable such as billing rate, client hours, audit quality, etc.) and a process (such as strong social capital, trust, sales techniques, learning, etc.). Both performances are important and need to be carried out according to the objectives of the firm. However, because performance is not only a structural concept determined by logics that are uncontrollable by human agents, there is also a need to emphasize the role of the agent as an important determinant in the production and reproduction of the performance logic, thus creating a logic that incorporates both professional and organizational interests. The auditor is part of interpreting the performance required and thus is part of the “reproduction of social systems” (Giddens 1984). However, in making these interpretations, the auditor does not act alone but rather is dependent on various social relations and networking strategies. This brings attention to the audit community and the ways in which the community and the structures surrounding it inform auditors’ performance. By attending to the role of agency, it can be argued that performance is a combination of structures and social relations that are central to how performance is mobilized as legitimate within the local (i.e. professional-organizational) context.

By attending to the ways auditors perform, we can further our understanding of auditing, the context in which it is practiced, and the
auditor practicing it. Because, after all, the auditor working in an audit firm does perform auditing. However, the performance can be driven by commercial and professional logics depending on the situation. By emphasizing the concept of performance in this particular context, we can attend to how performance acts as a modality between structure and agency and how performance constitutes, and in turn is constituted by, various institutional logics (structure). The concept of performance thereby directs attention to the ways conflicting logics (e.g., professionalism vs. commercialism) reconcile in everyday practices at the individual level (Bévort and Suddaby 2016). This reconciliation nuances previous research on de-professionalization, but also adds to the literature that emphasizes the role and influence of the individual agent in professionalization projects.

1.2. Development of aim and research question
The dissertation directs attention to practices of performing in contemporary professional organizational contexts. This involves studying performance and control in various forms in relation to what auditing is for those practicing it. How professionals depict their roles, responsibilities, and activities and how they perform these can thus help us better understand how auditing emerges from the professional community, a community construed by the auditor and the relations on which auditors’ build their performances. Following the influence of the organizational context — the firm — on auditing (Cooper and Robson 2006; Suddaby et al. 2009), it seems reasonable to further explore how performance constitutes both a restraining and enabling role in auditors’ everyday work. Hence, the aim of this dissertation is as follows: The aim is to contribute to the understanding of performance and its constitutive effects on structures and agents in the complex institutional environment of Big Four
The research questions that will guide this process are as follows:

- How are legitimate performances identified, replicated, revised, and rejected by the auditor?
- What performance practices are used by auditors to meet professional and organizational expectations?

Studying the individual, the social agent, “offers a way to understand organizational settings and phenomena while bridging the levels from micro to macro” (Alvesson et al. 2008: 7), suggesting that the ways auditors’ perform (the auditor) informs our understanding of the professional context (the firm) and the institutional setting (the profession). By being immersed in the concept of performance in the professional-organizational context of auditing, this dissertation seeks to make two main contributions, as follows:

1. The dissertation illustrates how professional and commercial logics exist in relation to one another through the mobilization of bureaucratic and social performance practices and, further, how performance practices are replicated, revised and rejected throughout auditors’ career. Consequently, a move beyond the dichotomy of professionalism versus commercialism, as well as hybrid professionalism, is suggested because performance practices are mobilized to respect and restrain, respectively, the professional and commercial space in everyday work. At the micro-level, as a consequence, institutional logics are interpreted and reconciled by professionals in their everyday work experiences, where individuals have “considerable degree of agency and freedom” (Bévort and Suddaby 2016: 18) in relation to institutional demands. The dichotomous professional and commercial logics, at the level of the
auditor, can thus be argued to be managed through a situated performance logic in their everyday work.

2. Through the dialectic of control (Giddens 1984), it is shown that performance is constituted by structural properties and human social relations. Because the structural and the social are interpenetrating one another in a duality of mutual constitution, the role of the agent in institutional contexts is emphasized for the constitution of legitimate performances. This finding adds to the current literature on professionalization, and particularly with literature on de-professionalization, as the findings suggest that professionalism is maintained at a higher level because of the strategic and reflexive auditor. Accordingly, everyday performances and game-playing (cf. Gill 2009) are used at the micro-level to limit the influence of management control and bureaucratism over knowledge, thus reinforcing claims of professional autonomy within the professional community.

1.3. Structure of the dissertation

Following this introductory chapter, the dissertation continues with an extensive literature review to describe auditing, the audit profession, and how professional firms (Big Four) have become important actors in professional settings (Chapter 2). This is described in relation to the sociology of professions literature to illustrate the role of professional and organizational interests. This is followed by the theoretical framework, where institutional logics and structuration theory are used to discuss the relationship between logics and structuration. The concept of performance will be used to illustrate how structures and agency emerge in professional contexts, constituting an important concept for our understanding of professional practices and everyday work. Chapter 4 discusses methodological considerations and the context of the study. In the second
part, Chapters 5–8, relevant empirical materials are presented regarding
the professional and commercial logic and, subsequently, the bureaucratic
and social practice that auditors draw upon to legitimize their
performances. In the third section, Chapter 9 presents the discussion and
analysis, followed by Chapter 10, where the conclusions and contributions
of the study are given.
“…the pressure to measure more dimensions of performance is at best a road to mediocrity, the creation of ‘timidity’ and risk adversity […] Consequently, when a measure becomes a target, it ceases to be a good measure.”

(Power 2004a: 775)

2. PERFORMANCE IN AUDITING CONTEXTS

Previous research has identified and discussed various aspects of auditing, ranging from certain auditing characteristics, such as audit quality and structure-judgement, to discussions on auditing as a profession (e.g., Carrington and Catasús 2007; Francis 2004; Wyatt 2004). Common to these studies is that they tend to approach auditing at the macro-level (Broberg 2013), where accounting and auditing are conceived of as practices that shape, and is being shaped by, wider organizational, social, and political processes (Hopwood 1987; Miller and O’Leary 1987; Miller and Power 2013). Accordingly, as auditing has changed over time in response to institutional demands and expectations, it has also acted as an constituent for the institutional contexts in which it operates (cf. Hanlon 2004; Power 1997; Cooper and Robson 2006). It is argued that to understand the development of auditing, there is a need to further attend the micro-level and practices auditors undertake to correspond to exogenous demands. This will be discussed in light of Cooper and Robson’s (2006) findings, where professional and organizational contexts are considered to be important for the maintenance of one’s professional
status. This development further strengthens the argument by Humphrey and Moizer (1990) in that auditing is not determined from exogenous pressures (e.g., regulations), but needs to be discussed as a socially constructed phenomenon in the [local] contexts in which it is practiced.

Furthermore, whereas previous research in the sociology of professions has emphasized the influence of professional and organizational contexts on the development of professions (Cooper and Robson 2006; Evetts 2003; Funck 2012), it has been suggested that we increasingly need to consider the micro-level dynamics that occur in these contexts (Alvehus 2017; Bévort and Suddaby 2016; Dirsmith et al. 1997). These micro-level dynamics refer to the role of the professional (the individual) in managing conflicting interests in complex environments. This is particularly salient in the accounting and auditing profession, where much previous research has drawn upon the sociology of professions literature to argue for a dichotomy, and as a consequence, the de-professionalization of the auditing profession (i.e., weakening of the knowledge base, lack of autonomy following a dominant commercial logic in the auditing profession, etc.) (see, e.g., Fogarty 2014; Freidson 2001). This dichotomy emerges in the ways the profession accomplishes and frustrates the public interest (some empirical examples include the cases of Enron, WorldCom, and more recently in Sweden, HQ). Furthermore, the increasing role of an accountability rationale in professional organizations infuses a gap between the means and ends, where a distinction between professional values and professional practice is apparent in contemporary professional organizations (Bromley and Powell 2012; Fogarty 2014). As a result, the previous research has come to diminish the role of the autonomous professional, instead of focusing on the role of structures and accountability. Here, the micro-level approach offers ways to engage in everyday practices and keep auditors’ reflexivity in the production and maintenance of professional legitimacy (Barley
This provides further emphasis on the need to attend to the professional and organizational context in which auditors work, here being understood as the “rules and standards are translated into practice and where professional identities are mediated, formed and transformed” (Cooper and Robson 2006: 416). This becomes especially salient in an auditing context where increased public scrutiny has led to prescriptive regulation and emerging accountability pressures (Power 2003a; Yang 2012). According to Broberg (2013), this response can be seen as a way of coping with and producing legitimacy under economic, regulatory, and political pressures (Humphrey and Moizer 1990; Ritzer 1996). In general, the responses to these exogenous demands have been an increased reliance on structure. This follows the findings of Ritzer (2013), who suggests a homogenization and rationalization of work practices in response to a changing society.

In attending to how these changes influence professional conduct in an auditing context, previous research has drawn on governmentality literature to emphasize the structural properties that shape professional conduct and audit professionalism (Anderson-Gough et al. 2002; Gill 2009; Grey 1998; Power 1997). Aspects such as socialization, time reckoning, mentoring, and performance narratives have been suggested to govern and control individual conduct in these contexts. This has been a consistent theme in management control literature, where the performance of an entity (i.e., organization or individual) pertains to the sphere of control in the sense that an action or individual performance is subject to supervision and adjustment according to the set goals and expectations (Corvellec 1996). In this regard, the reliance on structure and control is evident in professional and organizational contexts. However, there is the need to further attend to micro-level dynamics and the role of the individual as one who can actively manage competing interests within his
or her everyday work (Alvehus 2017; Carter and Spence 2014; Malsch and Gendron 2013).

To approach these dynamics and the role of the individual, it should therefore be noted that the current dissertation does not engage with audit practice per se; rather, the activities being studied refer to the performance [practices] of the auditor. To better engage with these performance practices, this chapter will provide an overview of the development of auditing, reflecting on how exogenous change has come to influence audit practice and contemporary professionalism and, in particular, how this has come to influence auditors’ everyday work.

2.1. The development of auditing

The concept of auditing has remained largely unchanged over the course of time. Yet what constitutes an audit is not always clear and can at times be hard to pin down. According to Flint (1988), the audit function serves, in its essence, an important task in providing information and reassuring interested stakeholders about the performance of others. This is achieved by means of conducting an “unbiased examination and evaluation of the financial statements of an organization” (Fraser and Pong 2009: 107), where auditing is an “activity aimed primarily at fraud detection and direct inspection of transactions” (Mennicken and Power 2013: 2). Over time, however, auditing has incorporated a wide range of services (e.g., financial reporting, sustainability reporting, regulatory compliance, and risk assurance), where extended professional jurisdictions have given way for new domains of professional services (Picard et al. 2014; Willmott and Sikka 1997). Whereas the key objective is to provide “reasonable assurance to its stakeholders” (see IAASB, FAR), new techniques and methods to attain this main objective have been developed as response to (external) expectations, regulations, and new challenges for the professional firm (Cooper and Robson 2008). In practice, the movement
from detailed verification and fraud detection to the enhancement of
creditability indicates not only increased complexity, but also a wider
scope of issues (e.g., report irregularities, identify business risks, consider
reliance on internal controls, etc.) that the audit function needs to address
to maintain legitimacy for the institutional field of auditing (Whittle et al.
2016).

Historically, at its early stages, auditing was considered a practice
of examination, where the traditional conformance role of auditing was
central for how checking and verification activities occurred. The work of
auditors was devoted to reviewing and auditing financial accounts.
However, with the Industrial Revolution, new markets emerged, and the
influence of capital became apparent, not only in the rise of large-scale
factories, but also in how the audit practice became dependent upon
knowledge in new markets. This development led the auditing profession
to acquire knowledge in new areas; as business systems became more
advanced, firms organized globally and the “checking of accounts”
approach no longer was sufficient for providing reasonable assurance and
trust to stakeholders (Carnegie et al. 2012). Consequently, as complexity
in firms grew, readjustments in auditors’ approaches were made as “elite
professionals eagerly created and seized” business opportunities in
emerging markets (Hanlon 2004: 200). According to Hanlon (2004), these
developments were in line with and shaped by the external environment,
where a need for trust and accountability emerged. The auditing profession
was thereby able to extend its assurance function to other dimensions of
business, hence incorporating professional and organizational interest
within the boundaries of the firm.

The development of auditing is illustrated in the following table,
where the key objectives are outlined to further emphasize how auditing
has developed in response to external expectations and public interest.
The development of the auditing profession can be analyzed in the Swedish context, where the Professional Association for Accountants and Auditors in Sweden (FAR) describe their objectives and how they see the “new auditing profession” as developing (FAR 2016). In their report, the profession is described as an active actor in driving development in the industry (e.g., by leading globalization and digitalization) and identifying the (coming) needs of clients. Furthermore, the vision of FAR tells a story about the accounting and auditing profession not only to be a control and assurance practice, but also as a practice that guides the auditee in the development of new risk and assurance practices.

Table 1. The development of auditing

<table>
<thead>
<tr>
<th>Time period</th>
<th>Definition / objective</th>
</tr>
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<tbody>
<tr>
<td>–1840</td>
<td>Detailed verification of every transaction</td>
</tr>
<tr>
<td>1840–1920</td>
<td>(i) The detection of fraud (ii); the detection of technical errors; and (iii) the detection of errors of principles</td>
</tr>
<tr>
<td>1920–1960</td>
<td>(i) Reliance on internal controls; (ii) audit evidence through internal and external source; (iii) emphasis on the truth and fairness of financial statements; (iv) shift to audit of the P/L statement; and (v) physical observation of external evidence</td>
</tr>
<tr>
<td>1960–1990</td>
<td>Audit with objective to “rely on the system” and internal controls. Risk-based audit emerged. Secondary objective of auditing here being the provision of advisory services</td>
</tr>
<tr>
<td>1990–2015</td>
<td>Lending credibility to the financial statements by means of value-adding services, such as reporting on irregularities, identifying business risks, advising management on the internal control environment, and the provision of related services</td>
</tr>
<tr>
<td>2015–</td>
<td>Proactive approach (FAR; IAASB)</td>
</tr>
</tbody>
</table>
Thus, in creating trust and legitimacy toward the public, the profession needs to anticipate the development in the market through a proactive approach, thereby providing independent assurance to its stakeholders. The view that the profession is an actor that is active in its institutional environment is coherent with Scott’s (2008) description of professions as institutional agents and is further salient when attending to the mission of FAR:

“The mission of FAR is to help the industry to benefit business and society.” (FAR 2016)

In FAR’s mission, three actors are outlined for where the auditing industry is supposed to act for the utility of business and society. The role of FAR is thus to support the audit industry by means of providing competence, professional pleading, and formation of opinion. The auditing profession has followed the development of the market as the role and influence of stakeholders has increased significantly, along with the need to have timely and accurate information. The expectations held upon the profession have, therefore, become an important framework in preparing for the future, especially because the expectations represent what value others see in the audit function and how it will best suit its stated objectives (to provide “reasonable assurance”). Although being an independent assurance function, auditing is influenced by external expectations. The need for change, particularly the need for change in accordance with external expectations, was apparent in an interview with the general secretary of FAR:

“But all of this is just the beginning of a big adaptation for the industry […] We shall also talk about which expectations there are in our industry from different stakeholders. Our work today will constitute an important foundation when we write the
This statement was made in the context of auditors’ increased risk and responsibility but could be linked to a more general discussion on an institutional shift in the auditing profession. In particular, this institutional shift seems to be focused on closing the expectation gap in discussions on strategy and future developments where auditing moves toward advisory services and value creation for clients. The need to be independent and remain relevant to stakeholders and society at large are still the main objectives; however, auditing is made useful in practice and remains legitimate through other approaches (Andon et al. 2015; Olakivi and Niska 2016). Andon and Free (2012), for example, suggest that auditing was used as an important mediating practice in an organization’s crisis management and was made useful (providing value) through its independent and legitimating role. In particular, the current change that the auditing profession is going through suggests that: “conventional auditing principles, procedures and logics are transmogrified in novel domains by assurance providers” (Andon and Free 2012: 132) to the extent that auditing has become the subject of evolving societal expectations of certification, assurance, and accountability (Power 1997).

Although the practice of auditing has transformed over time, along with changes in the broader institutional environment (Hanlon 2004), its key objective has remained largely the same, that is, the provision of the external examination and assurance of an organization’s activities. According to the IAASB, the objective is to:

“…serve the public interest by setting high-quality auditing, assurance, and other related standards […] thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and

International Auditing and Assurance Board
Serving the public interest, auditing holds an important role in the creation of trust in being a “control mechanism of monitoring and securing accountability” (Flint 1988; Mennicken and Power 2013). However, in serving the public interest, the objective of auditing is not only to monitor and secure accountability, but also to produce trust and reputational capital to clients and the auditors themselves (Andon and Free 2012; Power 2004b). The audit explosion and the emerging role of auditing are discussed by Power (1997); he identifies the development of auditing in society to have led to greater commitments to accountability and control, not the least for the individual, who has become the subject of formal scrutiny as performances are formalized and made auditable.

This development toward greater reliance on auditing and other assurance practices in mundane organizational practices (where auditing is used to assure, among others, IT systems, internal controls, financial information, sustainability, and crisis management) suggests an evolution along Power’s (1994) audit explosion thesis, where traditional myths of neutrality should be challenged, in particular because auditing can be assumed to have profound impacts in managing societal impressions and behaviors. Yet auditing has for long been treated as a “black-box” in the sense of being perceived as a technical and politically neutral technique of verifying accounts (Flint 1988; Hopwood and Miller 1994). Following an increased reliance on auditing in society, the “black-box metaphor” has gained more interest, and efforts have been made to “politicize auditing” (Jeppesen 1998) and emphasize the institutionalized values and political and organizational interests that are inherent in contemporary auditing (Saks 2012).

1 With a similar approach, Power (2004b: 778) discusses the use of performance measurement systems as a black-box, where the “task of social science is to […]
To this effect, the work of Power (1994, 1997, 2003b) can be related to the work of Flint (1988: 14) in that “audit is a social phenomenon. It has no purpose or value except in its practical usefulness. It is wholly utilitarian.” Auditing is depicted as a socially constructed phenomenon. It exists because of a perceived need for information and reassurance about the conduct and/or performance of others. Auditing fills a key role in providing this information by serving the interest of the public (the need of others). However, as the needs and expectations of the public change, auditing needs to adapt to remain useful. The evolution of auditing and its key objectives can be assumed to be influenced by the factors contextualized in the economic, political, and sociological environment (Picard et al. 2014; Teck-Heang and Ali 2008). Therefore, auditing is a constantly developing practice, one that needs to meet the expectations of others while remaining autonomous and true to its key objectives. This balancing act is one that has caused much tension and debate about the role and utility of auditing and the auditing profession (see, e.g., discussions on the principal-agency dilemma and the audit expectation gap) (Humphrey and Moizer 1990; Kaplan 1984), particularly following recent audit failures where auditing experienced a great legitimacy crisis in terms of its political mandate to practice, following wider creditability and trust issues within the public sphere (Whittle et al. 2016).

The empirical case of Enron and Arthur Andersen in the early 2000s represents a good example of how the interests of the auditing profession stand at odds with public interest. Although several professional groups (e.g., auditors, accountants, bankers, analysts, lawyers, etc.) legitimized the actions of Enron, the professional ethos was pushed to its de-naturalize them and to recover the social and political work that has gone into their construction as instruments of control.” This will be further discussed in this chapter, but the argument that auditing and performance practices are infused with values and [conflicting] interests is a central tenet for the objective of the current dissertation.
limits following expressed concerns of the close relationship between auditing and consulting services. Concerns regarding auditing’s independence eventually led to profound consequences for the firms, professions, and society, as increased regulation, control and accountability have followed (Mennicken and Power 2013; Shore and Wright 2015). These changes have also entailed challenges for the auditing profession where accountability, control and an increased structured approach contradicts traditional professional values of autonomy, and individual judgements.

In relation to this, the concept of auditability refers to the “production of auditable performance embodied in formalistic, externally verifiable systems of control” (Power 1997) and has caused consequences where professional judgement and ethical reasoning have been undermined in favor of forms of ritualistic compliance and technical procedural correctness (Gill 2009). In particular, in their study on auditing and corporate governance, Mennicken and Power (2013: 310) show that auditing builds on the idea of governing, where it has become a “governance paradigm in its own right, driving, and being driven by, the logic of auditability”. Importantly, though, whereas attention could be directed to the systems that produce auditable evidence, we need to remember that auditing is a practice of judgment, building on auditors’ ethical relationships to their practice and understanding of it. Much previous research has tended to neglect the role of the autonomous professional while bridging the levels from micro to macro (Alvesson et al. 2008), in particular in contexts where there is a fear of structures and changing social demands (Bromley and Powell 2012).

Although auditing drives the development toward increased accountability and control in society, there is also a need to reify the professional ethos, which is something that cannot be legislated for directly and that requires greater understanding of the processes in which
professional judgment is developed. In this, it is suggested that we need to understand audit firms as organizations, where their governance structures and processes influence not only auditor independence and auditor skepticism, but also the auditors’ shared ethos (Gill 2009; Mennicken and Power 2013). Therefore, one can argue that auditing builds its trust and legitimacy toward its stakeholders and the public not only by creating auditable evidence, but also through its maintenance of independence and creation of trust. This further separates auditing as a practice (of governance and control) and a profession (building on trust and professional ethos).

To summarize, in its early stages, accounting and auditing were considered to be neutral and technical-rational crafts. More recently, however, some more critical perspectives have examined auditing as a socially constructed phenomenon that serves interests beyond its “technical-rational function” (Humphrey and Moizer 1990). This follows the social constructivism paradigm on accounting where, for example, Burchell et al. (1980), Hopwood and Miller (1994), and Miller and O’Leary (1987) discuss accounting beyond a technical-rational technique that is merely reflecting society. Rather, accounting is a practice that actively shapes, and in turn is shaped, by wider social, political, and organizational processes. From this perspective, auditing cannot be understood as a neutral and natural phenomenon of society, but rather, it needs to be studied as a “socially constructed, contextually dependent phenomenon, capable of serving a variety of roles and functions” (Humphrey and Moizer 1990: 219). Therefore, the objective to serve the public interest needs to be discussed in relation to existing expectations of the auditing profession, especially because the audit function has developed to serve not only the interest of others, but also its own inherent interests, which has led to a long-standing critique of the auditing professions’ claims for independency. This comes from auditing’s need to remain relevant in
society, showing a little into the why of the practice’s development from the verification of technical financial data to professional judgement on the “reasonableness of assumptions.” Auditing is, indeed, a practice of governance, but because it functions in complex environments, “the roles of audit [are] developing in constant interaction with other governance mechanisms” (Mennicken and Power 2013: 324). This turns attention to how auditing as a profession withholds trust, auditing adapts to the needs of society, and, in particular, audit firms actively organize the professional shared ethos (Noordegraaf 2015), which constitutes the foundation of the auditing profession. Accordingly, it is suggested that without “a trust in the professional” we would have seen many more audit debacles, but without structure, who knows where we would be in this world full of complexity.

2.2. Audit professionalism

There are many ways to define a profession, and the prerequisites needed to qualify as a profession have long been debated. Accordingly, the auditing profession has traditionally been defined as a profession (Abbott 1988), yet it has been theorized as having vague attributes because it is difficult to distinguish auditing from other occupations such as law, tax, and consulting. The objective of this dissertation is not, however, to discuss the role of the profession to society or the maintenance of legitimacy at the level of the profession. Rather, and in line with the objective of this chapter, the current dissertation seeks to acknowledge certain key attributes of the profession in particular situations and how auditors reasons about and prioritize their professional role in particular situations. Similarly, professionalization is considered to be “a complex and dynamic process with several levels of action” (Abbott 1991: 380), suggesting that professionalization and professionalism are context-dependent factors with pertaining attributes. Professionalism is thus not confined to a certain situation or action but is dependent on a system of
complex interactions where critical traits are given [different] meanings and purposes (Fogarty 2014) To maintain its professional legitimacy, professionalism is here suggested to take its stance from the attributes of “closure,” where knowledge, expertise, and autonomy are central (such attributes are, e.g., educational requirements, limited recruitment, examinations, legitimization, and authorization) (Evetts 2003; Saks 2012).

As discussed in the previous section, auditing holds an important function in society, where it acts as a “legitimizing function to external stakeholders” (Andon and Free 2012; Power 1997). As such, auditing provides value to society at large by offering relevant, high-quality assurance. The audit function, and the auditors practicing, thus provide assurance and need to align their interests with those of the public. Furthermore, the legitimacy of the auditing profession builds on the notion that auditing constitutes an independent function, one where auditors represent institutionalized values of those represented (Andon and Free 2012). This implies that auditors need to act in accordance with the interest of those represented, which, in ideal forms of professionalism, is the public. However, as seen in how the audit function has developed over time, audit firms have come to serve many interests and have developed practices that go beyond auditing’s objective to serve the public interest (Abbott 1988; Evetts et al. 2016); this is a development that has followed from, among other factors, the rise of large-scale organizations in the professional field (Fogarty 2014). This development has been recognized in the sociology of professions literature, where professions are discussed not as pure forms (containing all dimensions of a profession), but also as a part of a conflict orientation where professionalism is a “zero-sum ongoing

Following the rise of technology, large-scale organizations started to emerge and became a benchmark for how professions were to approach their business, not only specializing in one field of expertise, but also offering a more comprehensive supply of services to clients, leading to intangible and constantly shifting demarcations in how a profession could be defined (Abbott 1988)
struggle for work and recognition” (Abbott 1988). This approach further suggests that occupations do not need to be attentive to all the requisite traits that an occupation must possess to constitute a profession (Greenwood 1957). Rather, professionalism is constituted in the ways an occupation “accomplishes or frustrates the public interest” (Fogarty 2014). This implies that professionalism is constituted through “relational forms of sociological discourse that connect professionalism in the context […] in which it is practiced” (Gleeson and Knights 2006: 290). Here, professional autonomy is attained when being socially accountable (i.e., fulfilling external demands and expectations). Because these are attributes at a higher level for the individual — who is already in the “closed” professional community — it becomes of importance to learn the formal and informal practices to give the appearance of being professional (Cooper and Robson 2006; Anderson-Gough et al. 2002; Grey 1998; Hines 1989).

According to Fogarty (2014), the discussion of what constitutes a profession should not center around whether the requisite traits are fulfilled or not, but rather, they should focus on the ways in which an occupation seeks social esteem or legitimacy from the public.

“The idea of a profession is sufficiently debatable to render continued discussion of absolute status somewhat pointless. If one conceives of the important phenomenon as the process whereby occupations must continue to strive for social esteem, it does not matter whether we call some a profession and deny that label to others. All occupations are engaged in a purposeful change process that is well-worthy of study. The extent to which such change accomplishes or frustrates the public interest presents a dimension to which both insiders and outsiders should be attentive.” (Fogarty 2014: 52)

Along the reasoning of Fogarty, professionalism will be used as a broader term to recognize the ways in which auditing seeks social esteem and legitimacy among its stakeholders. Accordingly, whereas previous
research has tended to focus on conflict orientation (i.e., the tensions and conflicts between professions and various stakeholders, the private and the public, and markets and civic society, etc.), less interest has been given to the ways in which structure (e.g., the ways in which professional work is conditioned) and agency (e.g., resistance, compliance, and creative engagement) is reconciled (rather than portraying contrasting interests). By adopting a relational understanding of structure and agency (Gleeson and Knights 2006), the inherent dualism in the sociology of professions (Abbott 1988; Fogarty 2014) can be challenged, giving way for an analysis of professional work, accountability, and legitimacy (Gleeson and Knights 2006; Ling 2007; Scott 2008).

One of the more persistent struggles in the writing of this dissertation has been to engage in and separate literature on the macro-, meso-, and micro-level that drive the processes of professionalization (Malsch and Gendron 2013). Based on previous research, the auditing profession is complex because it holds vested interests that “distort the achievement of their purported higher goal, value or purpose” (Whittle et al. 2016: 784). This follows from the recognition that auditing is “arguably one of the more ‘commercial’ professions” (Greenwood and Suddaby 2006: 44), thus recognizing the auditing profession as increasingly integrating “commercial economic logics within the traditional professional logics” (Hinings et al. 1999). To follow the argument by Malsch and Gendron (2013), the complexity in theorizing the ongoing changes in the auditing profession has led to conflicting conclusions in the institutional field of auditing, where a post-professional era fueled by commercial interests (Hanlon 2004) stands against the core of professions, that is, strong occupational control and a special relationship between the client and the professional (Abbott 1991).
However, by including the perspective of the individual, the professionalization project has come to emphasize several dimensions of professional work through which professional discretion and autonomy is accomplished (e.g., identity formation, game playing, and framing of performance measures) (Brouard et al. 2016; Gill 2009; Goretzki et al. 2016). In particular, this implies individual judgment and reflexive monitoring to balance the prevailing perspectives that have led to polarized camps (deterministic vs. voluntarist views) in the professional literature (cf. Gleeson and Knights 2006).

Rather than eroding professional values, Abbott’s (1988) acknowledgement of the system of professions builds on the argument that professional values arise from imitating the structural arrangements of true professional organizations, and their structures (if seen as hierarchical or bureaucratic) become a way to create professional values and norms for the profession as a whole. Acknowledging the influence of the institutional and organizational context, several researchers (see, e.g., Evetts 2003; Greenwood and Lachman 1996) have, however, argued for the decline of professions, stating they are under “threat from organizational, economic and political changes.” This is in line with the work of Noordegraaf (2015) and Evetts (2003), who both state professionalism increasingly is linked to “well-managed organizational surroundings” in which professional work needs to combine and actively organize contradictory professional and managerial principles (e.g., autonomy and control). The emerging hybrid professional practice and the hybridization of professions where occupations do not hold clear occupational boundaries that has followed from changing societal and organizational contexts therefore hold

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1 Professionalization refers, generally, to an occupation’s transformation into a profession, where norms, knowledge, certification and autonomy maintains its occupational closure. However, as occupations’ exists in an evolving, contemporary society, the legitimacy of the occupation is constantly challenged.
consequences for the ways professional values arise in contemporary professional organizations.

To better approach the literature and engage in the vested interests that influence professional work, the following definition of professionalism is used:

“The idea of ‘professionalism’ – deeply embedded not only in accounting but also in professions such as the law and medicine – is founded on the notion that actors are able to transcend their vested sectional or personal interests in pursuit of higher goals or values, such as truth, knowledge, reason, client well-being, or more general notions of ‘societal benefit’ or the ‘public good.’” (Abbott 1988 in Whittle et al. 2016: 134)

In this definition, vested and personal interests are acknowledged as always being present; however, professional properties (such as knowledge and autonomy) ensure that these interests are transcended in pursuit of higher values or objectives. Similarly, the criticism of the auditing profession is grounded in the assumption that auditing has lost its “higher goals or values” because commercialism has become the dominant logic (Hanlon 1994; Mennicken and Power 2013). However, in Abbott’s (1991) analysis of the professionalization project, we can see that there is a need to separate the events occurring at the local level and the ones at the level of the profession. Therefore, the professional project is complex and diffused, having vested interests occur in different forms. Only when the basic events of professionalization (e.g., control of work, knowledge institutions, professional licensing, etc.) at each level are infected by other goals or values does the profession lose its power. This is consistent with the critique on de-professionalization literature, where, for example, Alvehus (2017) and Carter and Spence (2014) suggest that we still know little about how institutional logics (professional and organizational interests) emerge and are reconciled in everyday work experience.
“Although institutional logics are portrayed as conflicting or contradictory from a macro-perspective, they must be interpreted and reconciled by professionals in everyday work experience […]. In fact, individuals have ‘considerable degrees of agency and freedom’ […].” (Alvehus 2017: 2)

Consequently, how professions emerge and how professionals come together, identify, and become members of the same group is thus part of the creation of a professional identity, one that is:

“…associated with a sense of common experiences, understandings and expertise, shared ways of perceiving problems and their possible solutions. This common identity is produced and reproduced through occupational and professional socialization by means of shared and common educational backgrounds, professional training and vocational experiences, and by membership of professional associations […] and societies where practitioners develop and maintain a shared work culture.” (Evetts 2003: 401)

As a result, professionalism becomes enacted in the ways professionals behave to, respond with, and approach clients. This follows the vast strand of literature on socialization (e.g., Anderson-Gough et al. 2006; Grey 1998; Kornberger et al. 2011) that shows a professional identity is formed in informal communities and networks and through the embodiment of (professional and commercial) habitus (Spence and Carter 2014). Whereas professional identity is formed in the context of the audit firms, attention is needed on the ways professionals become legitimate actors (internally as well as externally). This can also be related to the argument by Power (1997) that auditing (seen as a practice of expertise) defines the legitimate practices of others, thus being part of the (re)production of an accountability regime in society, or, from a different perspective, where professions are seen as constitutive of society:

“…not only do professions and occupations presume to tell the rest of their society what is good and right for it, but also they
determine the ways of thinking about problems which fall in their domain.” (Evetts 2003: 400)

How a profession and so too professionals develop and are understood needs to account for the hidden powers that are imposed through the socialization processes and the contexts in which they operate (Gill 2009). It therefore becomes important to attend not only to the practice of auditing (the expertise) and the development of the audit profession, but also to the production (and re-production) of audit professionalism within the professionalization project. This approach emphasizes the ways organizations (i.e., the Big Four) and organizational practices are a part of shaping contemporary professional identity (Evetts et al. 2016; Cooper and Robson 2006). As a result, both organizational and professional interests have been analyzed in previous research as a way to understand auditing as profession. Along this reasoning, Scott (2008: 233) argues that “the notion of profession is itself an institutional model specifying the characteristics of the social structures of those actors performing knowledge work in our society”. Therefore, if the profession constitutes the structures of others, the context in which professional work is practiced becomes even more important to attend to, especially from the perspective of those practicing.

Scott (2008) elaborates further on his argument that professions are determined by endogenous and exogenous forces, saying that in an organizational context, put in a bureaucratic setting, even specialized labor (i.e., audit professionals) will create work routines, role structures, and professional autonomy with the effect of eroding professional ethos. Even though the difference, in practice, might be hard to identify with fluctuating demarcations, as in the case of the system of professions, it is interesting to notice how the implementation of routines, structures, and guidelines all work to strengthen the governance paradigm (Power 2000) and consequently narrow the role and influence of individual discretion.
The implementation of bureaucratic practices would then erode professional autonomy in favor of standardized templates and manuals (Ritzer 2013).

Professional work carried out in auditing has increasingly been researched, especially where the institutional and organizational contexts are emphasized (see, e.g., Cooper and Robson 2006; Malsch and Gendron 2013). Recognizing the sites where professional work is carried out has brought forth conflicting logics; here, commercial interests (e.g., profitability, efficiency) stand in contrast to traditional professional logic. The professional logic is defined, although narrowly, as independent, autonomous, and with one clear objective (Cooper and Robson 2006; Freidson 2001). This conflict of interest has been well documented in research, where a growing dominance of commercial goals since the mid-1960s onwards has culminated in major corporate collapses (such as the case of Arthur Andersen and Enron), leading attention to the dominance of commercial logics in the Big Four (Hanlon 1994; Sweeney and McGarry 2011). Research in the post-Enron era has focused on the role of regulations, audit quality, and independence (Francis 2004), but has, to a larger extent, also turned attention to the organizational context, audit firms’ strategic goals, and the structures that guide and control professionals (Anderson-Gough et al. 2005; Carnegie and Napier 2010; Fogarty and Rigsby 2010). This is one of the conclusions in Mennicken and Power (2013: 324), who state that professional and organizational structures are emphasized for our understanding of contemporary professionalism:

"Furthermore, it is important to develop a better understanding of auditing firms as organizations, and their governance structures and processes. How does an audit firm's organizational structures, its appraisal and mentoring arrangements, and hierarchies between junior and senior auditors impact on auditor independence and auditor skepticism? What is
the impact of codified audit firm governance arrangements on auditors’ shared ethos…?

In the next sub-section of this chapter, the role of professional and organizational contexts will be discussed to further the understanding of how auditors infuse meaning into their professional values and how auditors navigate complex organizational structures while maintaining their professional ethos.

2.2.1. The professional and organizational context
The contextual aspects in an organization or a profession need to be taken into consideration as the understanding of a profession and the profession’s development evolves. For example, recent research has looked at how control and supervision in professional service firms are imposed on individuals and become part of producing a coherent set of values and knowledge among its members (Brivot and Gendron 2011; Carnegie and Napier 2010). Following Jenkins et al.’s (2008) and Alvesson and Willmott’s (2002) argument that contextual factors are perceived as “boundary-setting forces” that will guide, shape, and legitimate behavior within the setting of operations, the current dissertation seeks to elaborate on the constraints that are put on the individual (professional) in the process of governing and constructing the professional, that is, in the process of professionalization. Furthermore, in line with Cooper and Robson (2006) and Dirsmith et al. (2015), there is a need to see how these contextual factors emerge within the organizational structure. This becomes important in the context of the audit profession, where the search for autonomy (Hines 1989) and legitimacy (Guénin-Paracini and Gendron 2010) stands against pressures on the individual auditor to take on more clients and simultaneously improve the margins. This conflict of interest is recognized as endangering audit judgments (Gendron and Spira 2009; Gill 2009). This would also follow the findings by Kornberger et al.
(2011), showing auditors needed to adopt the role and reasoning of a manager (rather than emphasizing the reasoning of an auditor) to advance within the predefined partner track. Or in the words of Spence et al. (2015):

“Recent research on professional service firms [such as the Big Four], has produced a vista in which institutional complexity, competing rationalities and organizational paradoxes are prominent landmarks.” (p.766)

This is in line with the argument of Abbott (1988): a profession cannot be understood solely from the content of professional activity but needs to be assessed from the larger context in which the profession operates, embracing operating conditions of formal institutions and an increasing inter-professional activity that later will come to constitute the roots of the profession. This emphasizes the importance of embracing the full context of both operating and professional conditions (i.e., both internal and external conditions) to understand how the different categories interact with each other and explain the behavior of the professional (Bik 2010). Working in an audit firm where factors such as the professional and organizational context matter (Cooper and Robson 2006) in the understanding of how governance, power, and control mechanisms are directed toward and impinge the professional member (of the audit institution), it could be argued that is crucial to further highlight these structures and techniques of power over the individual. However, rather than taking a governmentality perspective, the role and influence of the individual will here be emphasized as important for the professionalization project. This would follow Hopwood’s (1987) call for field studies examining accounting and auditing in the contexts in which these fields operate, hence allowing for analysis of auditing as a socially constructed phenomenon and how its inherent (professional) properties are structured according to the dominant rationale.
In general, the research field of professional services is studied from one specific or isolated aspect of professional work. That is, engaging in previous research on professional services often leads to divides or dichotomies, such as occupational vs. organizational, professionalism vs. commercialism, or professionals vs. managers (Noordegraaf 2015). In the occupational strand of literature, the focus is on the occupational systems and boundaries that define (and discipline) professional work. Here, factors such as knowledge, values and culture are emphasized as important for professional development. Studies from this perspective often take a macro-perspective, emphasizing how professional work is institutionalized and how professional ecologies change as the occupational boundaries are redrawn (Abbott 1988; Muzio and Ackroyd 2005). The social order of professions is here central because the actors and other segments negotiate its professional legitimacy (Noordegraaf 2015). In the organizational strand of literature, the research often focuses on the micro- or meso-aspects of professional work. The “managed professional business” (Brock 2006) is central and constitutes an important perspective in the explanation of professional work. In particular, focus lies on how professional work is organized, how professionals are managed and governed in these professional contexts, and how organizational actors play a critical role in the rise and spread of professional standards (Cooper and Robson 2006; Suddaby et al. 2007).

According to, among others, Wyatt (2004) and Hanlon (1994), the commercialization of the profession gave way for the entrepreneurially minded individual who would come to challenge the traditional, stable notions of professionalism (Evetts 2003; Gendron and Spira 2009; Picard et al. 2014). As a result, many studies have argued that auditing has lost its primary objective: serving the public interest (Bik 2010; Willmott and Sikka 1997); the traditional notions of professionalism rather became
marketing devices in new occupational domains (Fournier 1999; Hanlon 1998). From a historical perspective, Picard et al. (2014) offer an explanation as to how this institutional change comes across in the ways audit institutions represent themselves through visual images (e.g., in promotional brochures) and how the representation of the profession symbolizes a shift in the professional logic. This is also in line with Jeacle (2008), who finds that auditors increasingly tend to identify with a business rationale while using the professional logic to legitimize the field to external audiences. Accordingly, a distinction is made between professionalism (what the audience wants) and commercialism (what the audit firm wants).

With this in mind, the study by Carnegie and Edwards (2001) on how professionalization as a dynamic process historically leads an occupational group to occupational ascendency in the construction of a profession becomes interesting because this shift can be argued to be part of a larger professional and institutional change (Malsch and Gendron 2013; Muzio et al. 2013). Perhaps, the distinction made by Hanlon (1994) between “social service professionalism” and “commercialized professionalism” is only part of a natural development within the field of professional occupations. That is, if we take the professionalization process seriously, contradictions, paradoxes, and conflicting logics will emerge that traditionally have been assumed to erode professionalism, triggering processes of de-professionalization and proletarianization because professional and commercial logics are treated as mutually exclusive (Fogarty 2014). Muzio et al. (2013) discuss in a similar context the increased amount of exposure to managerial and bureaucratic practices:

“…this would inevitably erode professionalism, as the new organizational context of work would at minimum expose professionals to managerial pressures and at worst recreate factory like conditions.” (Muzio et al. 2013: 702)
Although Freidson’s (2001) work treats professionalism, consumerism, and bureaucracy as distinct and mutually exclusive logics, implying a direct relationship where an increase in one would trigger a decrease in the other, the institutional perspective offers a way to combine different institutional, managerial, and occupational logics (Cooper et al. 1996; Evetts 2003). The various logics, traditionally treated as competing logics, rather is seen as constituting a combination of different institutional, managerial, occupational, and organizational logics that can indeed coexist within the professionalization project (Leicht and Fennell 2001). This hybridization of various logics in the profession is thus important in the production of managerial, commercialized, or organizational forms of professionalism (Faulconbridge and Muzio 2008; Hanlon 1998; Noordegraaf 2015). In addition, it can be argued that professionalism is being deployed as a performative discourse and disciplinary mechanism to manage and motivate individuals in a broad set of occupational contexts (Evetts 2003; Fournier 1999).

The complexity and varied roles of auditing have made the audit profession a hybrid: serving the public interest on the one hand and serving commercial self-interests on the other (Malsch and Gendron 2013). This is supported by Spence et al. (2015), who look at the role different forms of capital have in making the global accounting firm homogenous regarding promotion criteria.

“…professional and commercial values are wed together in a sort of marriage of convenience: ‘the two [logics] depend upon one another for their success’, implying that one can never fully dominate the other. In other words, although the Big 4 have come to dominate the wider field of accounting of which they are part, they have not done so via concomitantly elevating the accumulation of economic capital as the main raison d’etre of accounting services.” (Spence et al. 2015: 768)
The fueling of commercialism that is inherent in contemporary audit professionalism is thus an extension of the traditional assurance provided and constructs new (business) opportunities for the audit firm (Gendron and Spira 2009; Wyatt 2004). Today, consulting revenues exceed auditing revenues at all major audit firms, and the “enhanced role” played by today’s auditors implies that they are not only there to enhance the credibility of financial statements, but also to provide value-added services to clients (Gendron and Spira 2009; Picard et al. 2014). Consequently, the inherent professional status of auditing has extended to new jurisdictions (new services offered) beyond its traditional objectives. This is often referred to as institutional change in the auditing profession, further resulting in the de-professionalization of the profession.

However, as indicated by Funck (2012), change may strengthen the archetype of professionalism because it improves the conduct and practice of professional work. Rather, in line with Freidson (1988), as long as a profession is free to decide on the technical content of work, it will not significantly change its status and essential characteristics as a profession. Importantly though, Evetts (2002) stresses the need to consider the individual level of professional autonomy because this only is relevant to the individual’s decisions regarding the individual client, not the professional’s work situation more generally. This implies a need to further attend to how individual auditors are controlled and informed by management control structures, how increased accountability in the audit profession has come to affect auditor’s individual autonomy, and, finally, how these structures influence the auditors’ archetype of professionalism.

The current dissertation draws upon a similar approach: the logics inherent in audit professionalism are illuminated and discussed as an outcome of the organizational context (Cooper and Robson 2006) and

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traditional professional traits (Evetts 2003) such as autonomy and knowledge. In line with previous research, this dissertation will adopt a similar approach, showing how professional traits are set in relation to commercial, managerial, and bureaucratic logics. The role of auditors “as institutional carriers or agents” (Muzio et al. 2013) is thus emphasized in the creation, maintenance, and disruption of professional and organizational patterns, especially in how these are expressed in professionalization processes (Cooper and Robson 2006).

2.2.2. Contextualized audit professionalism

Similar to the healthcare context studied by Funck (2012), the auditing profession has experienced a development toward increased accountability and control.

“Given that the legitimacy of a profession depends on the client’s recognition of the professional’s knowledge and expertise and that the new insights enable more people to discuss and question [the outcome], we can claim that the professional autonomy and the privileges of freedom have changed the way in which today’s […] professionals have to communicate what they intend to do and why more clearly than before. […] With greater focus on performance and a growing number of manuals and standards, people outside the profession are able to judge and comment on the quality of care, which has resulted in today’s physicians needing to communicate with politicians and patients – two interest groups with increasing influence – to a greater extent in order to defend and legitimise their actions in society.”

(Funck 2012: 14)

Auditors are important carriers of the legitimacy of the auditing profession and need to represent the profession in a manner that creates public trust in the professional, audit organization, and profession. These are three important actors in the creation of legitimacy and in attending to

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1 For simplicity, this will be referred to as a commercial logic because this has been theorized to be the strongest dichotomy of professional ethos.
the public interest. Accordingly, the ways in which these actors “accomplishes or frustrates the public interest” (Abbott 1988) will be constitutive for how auditing remains legitimate in society.

Throughout history, there have been numerous examples of how the auditing profession has maintained legitimacy (successful assurance services), created legitimacy (through extension of services, e.g., crisis management, as discussed by Andon, 2012), and disrupted legitimacy (e.g., the Enron and Arthur Andersen case). These are all examples of how auditing has developed in accordance with or against the public interest following development in the economy, market, and demand for assurance. This development also highlights the transparency and communication needed between auditing as an autonomous occupation and the public. If the auditing profession wishes to continue to hold legitimacy, there is a need to close the “audit expectations gap” (the conflict between what the public expects from an audit and what the auditing profession prefers) and perform in a manner that accomplishes the public interest. This follows the findings of Flint, where auditing “is an evolving process, reacting with changing expectations about the performance or conduct of the individuals or organisations to which it is applied” (1988: 13).

In this, an important development is the systematic approach and bureaucratization of auditing (Fogarty 2014; Ritzer 2013). This follows the development of the audit society (Power 1997) where there is a greater emphasis on performance as calculable objects in the evaluation of quality to explain levels of legitimacy. Particularly, Power’s thesis of an audit society refers to the demands for accountability and control where (internal) systems of checking play important roles in the formalization and standardization of performance as a means for creating trust (Power 2004a; Strathern 2000). The rise of an accountability regime, which would have performance becoming standardized and comparable (Ritzer 2013),
is therefore central for the ways professional occupations become legitimized and are evaluated based on the “growing number of manuals and standards” that dictate professional work (Funck 2012).

As a consequence of an increasing accountability regime, where occupations, professional organizations, and professionals all are held accountable to their performances and quality of work, research in the sociology of professions literature has turned toward the organizational context and the ways in which professional work is structured and organized (Cooper and Robson 2006; Noordegraaf 2015). In this domain, contradictory professional and managerial principles (e.g., autonomy vs. control, quality vs. efficiency, etc.) are discussed as either de-professionalizing elements or as a hybridization of professional work where professional work is (re)organized according to the alignment of these contradictory principles (see Chapter 3 for an elaborated discussion on institutional logics and their hybridity). This suggests that increased attention to the organizations where professional work is organized and structured to accomplish public interest, so we need to discuss professionalism from the perspective of the auditor. In everyday work, the auditor needs to encompass both professional and commercial interests and thus must conform to external and internal pressures.

The influence of the professional context is further discussed by Gill (2009); he offers a detailed account of accountants’ day-to-day work and reveals the tacit norms according to which accountants construct their knowledge on a daily basis. These detailed narratives suggest a need to further emphasize the institutional context and how it comes to interfere with traditional professional values and accentuate the role of negotiation in the construction of knowledge and construction of the successful auditor (Carter and Spence 2014). Here, the professional-organizational context matter for how professionals are to understand professionalism as the local context shapes professionals’ understanding of everyday work. How
various logics emerge and influence the individual is noted in recent research where the auditor needs, in extension to the traditional role, to be entrepreneurially driven, attend client relations, possess marketing skills, and contribute to the bottom line of the firm (Greenwood et al. 2002; Picard et al. 2014). In short, cross-selling and product selling has become part of the business and are built into the assessment goals of auditors (Sweeney and McGarry 2011). For the auditor, this development suggests that performance, in particular legitimate performance, is structured and formalized in ways that go beyond the public interest. Although representing a profession that needs to respond to the interests of the public, the performance of the auditor is structured according to a professional and commercial logic. This development for the auditor is perhaps best captured by Picard et al. (2014):

“…the image of professionalism, integrity, and rigor, traditionally promoted by the profession, has gradually given way to an image of accountants as effective managers, leaders, and decision makers – in line with the multidisciplinary nature of the field.” (p.2)

Therefore, this conflict orientation suggests a profession that is in ascendency as the interests of the public are diminished in favor of a business orientation (Fogarty 2014). However, it could be contended that the structured and systematic approach adopted in the auditing profession to evaluate (internal) quality and performances are rather a way to increase transparency, close the audit expectations gap, and hence increase the legitimacy of the profession. Contextualized audit professionalism is therefore relevant in a study on how auditors reason about their role as professionals while identifying with the interests of the firm (Picard et al. 2014). To better comprehend auditors’ everyday work experience, the strategies inherent in “being a successful professional” (Carter and Spence 2014) is thus important to address.
2.2.3. Professional appearance

Hines (1989) notes that auditors have been considered as belonging to a profession because they give the appearance of having a unique knowledge and expertise. The vague professional aspects that define a profession are thereby suggested to take the appearance of professional behavior. This can be seen in how, among others, Power (1994) suggests the auditor to be understood “as a vehicle of institutionalized values” where audit professionalism is more about behavior, conduct, and professional appearance rather than knowledge and expertise (Anderson-Gough et al. 2001, 2002; Grey 1998). The need to “appear professional” is thus critical and a key aspect that is part of auditors’ formal and informal training procedures. To attain professional appearance, previous research has turned attention to the role of mentoring, dress codes, work hours, and time reckoning (Anderson-Gough et al. 2001; Dirsmith and Covaleski 1985; Fogarty 1992; Gill 2009). Whereas the conclusions seem to suggest that appearance is given primacy over technical competence and accreditation, it should be noted that many studies have focused on the shaping of professionalism in the particular organizational context of audit firms. Along this reasoning, Grey (1998) claims that “behavioral norms are not stipulated by professional associations” but rather they are produced and reproduced within the audit firms (see also Broberg 2013 for an elaborated discussion on micro-level auditing and how audit firms constitute audit practice). Professional appearance, therefore, is not a closed attribute relating to a profession, but rather, it is the traits that need to be accepted within the professional community (Adler et al. 2008).

The study by Kornberger et al. (2011) shows how audit managers are faced with the need to transform their social practices following advancement in the organizational hierarchy. The success of the manager depends upon their ability to perform in new spaces, which suggests that
the performance of the manager is constructed in individuals’ perception of the situation and context (Corvellec 1996). Similarly, it can be contested that auditors’ everyday work are as much shaped by formal requirements as by internal expectations and informal norms.

According to Pentland (1993: 618), “auditors are so highly socialized, and the degree of control over their behavior is so stringent, that they are more aptly characterized as machines.” This quote signals the strong influence of the system and the structures in place on audit work. Although auditors are bound to formal knowledge requirements and formal organizational structures, it is the influence of the tacit, informal structures that is addressed to illustrate how comfort and consensus are reached within a group of auditors. From an empirical perspective, Anderson-Gough et al. (2005) addresses the socializing activities (formal and informal) that occur in the Big Four. Here, the importance to get a group identity (“getting in and getting on”) to become recognized as partner material is emphasized as crucial for becoming a legitimate partner. In Pentland (1993), the audit work is performed in groups in relation to one another. Emotions, rather than rational calculations, are found to be fundamental for the production of the social order. This finds further support in Anderson-Gough et al. (2000: 1155), where the need to be included in a community is emphasized as important to become successful:

“Socialization can be regarded as the numerous formal and informal processes which enable individuals to become successful/functioning members of a collectivity.”

Socialization practices, be they formal or informal, are thus important for the auditor. Both in terms of being able to appear professional and to learn the technical and social aspects pertaining to auditing. In effect, professionalism is not only determined at the highest
levels, but also within the institutional contexts in which professional appearance is mediated. In this, the role of the collectivity has been given certain, but limited, interest in terms of how professional appearance is communicated, mobilized, and actively negotiated within the professional community (Dirsmith and Covaleski 1985; Goretzki et al. 2016; Rose 2004). The following section will show how auditors learn to perform in these particular contexts by attending to the performance construct (Corvellec 1996).

2.3. **Performance in institutional settings**

In the organizational context of professional service firms, in particular audit firms, concepts of performance become important when defining the successful auditor (Carter and Spence 2014; Gill 2009). This follows the literature on discourse analysis in how discourses are constitutive of subjects (such as auditors) and the disciplinary consequences that follow from discourse on organizational employees (Gendron et al. 2007). Therefore, performance is conceptualized as a central concept in that it defines the practices that matter (Barad 2003; Corvellec 1996). Goretzki et al. (2016) and Gill (2009) discuss that in establishing a certain discourse, professional status and position in the organizational hierarchy are important factors in how professional members learn.

Stressing the role of certain agents in the professionalization and socialization project, Hanlon (1997) and Carter and Spence (2014) emphasize the dominance of economic capital in pursuing a career and in the “becoming of the successful auditor.” This can be related to Townley (1997), Power (2004a), and Townley et al. (2003), where the management of professionals and professionals’ work is stressed. More specifically, these authors emphasize the role of performance measurement and management in the rationalization of a certain social order, one where performance measures are used as “one element of achieving a reasoned
justification for action [and] their use as the extension of a market economy and managerialism” (Townley et al. 2003: 1046). The sites where professionalization practices occur are hence important because they incorporate the structures, logics, and practices of management that are served within the professionalization project.

Along this reasoning, studies on socialization show the various ways professional members are socialized and learn how to behave. In this, the role of management control (Dent 1990; Otley and Pierce 1995), management by objectives, and mentoring (Dirsmith and Covaleski 1985) are important mechanisms that create and maintain a particular social and professional order. Because these are control mechanisms that occur at the organizational level, they hold sway not only over the professional, but also over the ways in which professional practice is maintained. Therefore, the audit firm is recognized as an important mediating actor in prevailing professional norms, values, and logics within the development of professions (Cooper and Robson 2006). To this extent, the current dissertation seeks to bring together the literature on the sociology of professions with critical research on the professionalization project.

Thereby, this dissertation seeks to contribute to a better understanding of how professionals working in contemporary professional firms (such as the Big Four) are active agents in defining the concept of professionalism. Accordingly, professionals are important actors that actively can manage the competing logics and their shifting salience within their everyday work (Alvehus 2017). In this, the auditor interprets and practices the professional norms and values that are mediated through the various management control and performance structures.

Furthermore, although multiple logics exist in the context of the organization and profession, the economic, managerial, bureaucratic, and commercial logics all have been argued to be prevalent within the Big Four firms (Carter and Spence 2014; Hanlon 1997, 2004; Reay and Hinings
2009; Spence and Carter 2014; Willmott and Sikka 1997). This is in contrast to the findings of Lander et al. (2013), who show that accounting firms and accountants are highly dependent on technical capital in promotion processes. Perhaps, this further reflects the institutional change or the extended occupational boundaries of the audit profession, where the “possibility of coexistence, co-penetration, sedimentation, and hybrid[ity] of different institutional, managerial, occupational and organizational logics” (Muzio et al. 2013: 703) visualize not only the inherent logics in professionalism, but also the inherent skills and expertise required by professionals. How audit professionals reason about their performances and the extent of freedom they experience as having in their professional role is thus of interest as both the restraining and enabling effects of performance, providing important insights into the professional life and day-to-day practices of auditors.

To this extent, performance has been conceptualized as a construct driven by professional and commercial interests. The auditor needs to adhere to external expectations but also must identify with the interest of the firm. Therefore, it has been suggested that the auditor faces competing interests that eventually will come to erode professionalism. Therefore, the performance construct (Corvellec 1996) is a central component in guiding everyday work and professional conduct, but, as will be discussed, performance does not flow unproblematically in contemporary professional-organizational contexts.

2.3.1. Performance as legitimate means (-ends)

In his research on performance and performance narratives, Corvellec (1996: 13) argues that:

“Everywhere, performance shapes the lives of people and organizations in accordance with its logics and its demands.”
Whereas performance and performance stories are essential in the assessment of individual and collective human efforts, it is also described in the management accounting literature as a form of a result assessed through comparison and as an element of evaluation and control. Following the argument of achievements being the result of performance stories, performance becomes a concept dependent on its context. The awareness of one’s own performance in relation to others’ performance (Gill 2009) is therefore not only an interesting notion, but also one that comes to define where, when, and how someone performs. Although there are various meanings to the word performance, depending on the audiences and the objective of the appraisal, the word in and of itself is often referred to as “quality of one’s work” (Gill 2009). This is, however, problematized by Brivot and Gendron (2011), who argue for control and surveillance (based on performances) being subject to resistance, obedience, and compromises, hence being objects that the individuals want avoid (through, e.g., game playing). This suggests a dialectical relationship in how performance emerges in the structures and sheds light on the realm of action (Barley and Tolbert 1997; Giddens 1984) and the ways in which action defines institutions in an interactive relationship.

In a similar vein, Power (2004a: 776) states that “performance measurement systems function to define performance, direct management attention and induce behavioural change, rather than to represent phenomena faithfully”. The “interests of control” are thus central for defining legitimate performances because behavior is adapted to fit with the rationale of the performance system. As a consequence, Power argues that performance [measurement systems] is merely the technologies of representation that “provide transitory managerial rationalities, [and] myths of control.” Therefore, there is a need to investigate performance and its subsequent systems to recover the social and political work (i.e.,
the professional and organizational interests) that can be assumed to reside in these constructs.

In the context of auditing, performance and performance control have long been recognized as fundamental components that monitor everyday work (insinuating practices of time measurement, quality of work, having a full work schedule, and appreciation of colleagues). Furthermore, the behavioral aspects have been considered vital for an auditor to be recognized as legitimate and successful (Anderson-Gough et al. 2001; Carter and Spence 2014; Gill 2009; Grey 1998). So the versatile nature of auditors’ performances and the distinction between formal and informal processes (Anderson-Gough et al. 2000) through which auditors have learned to adapt and conform to competing institutional interests (e.g., professionalism and commercialism) becomes contested. The performance measurement system therefore runs the risk of being a “fatal remedy” (Power 2004a) because auditors have learned to circumvent the system, only maintaining it for purposes of accountability and external legitimacy. For the auditor, then, legitimate performances are attended to by means of framing and mobilization (Goretzki et al. 2016). In particular, this implies that whereas formal systems of control can be “gamed” (Gill 2009), auditors draw upon other resources to make sense of and make claims about performance. This further suggests that compartmentalization, or the “locating” of conflicting practices (e.g., control and professional autonomy) in different portions of the organization (Dirsmith et al. 1997), is a central aspect in how performance is framed and negotiated by the auditor. That is, performance can be divided and mobilized into different “spaces” in which the performance is regarded legitimate (or not). Goretzki et al. (2016) show in particular how different numbers [performances] are mobilized for particular situations, and, in line with Ahrens and Chapman (2002), that performances are mobilized according to managers’ self-interests at different times. Thus,
performance is a situated achievement in the sense that it follows a particular rationale for a particular context. Gill (2009) illustrates this in his detailed narrative on accountants’ reasoning and how they actively shape and narrate their performances according to prescribed expectations. Legitimacy can therefore be argued to have different sources because performance indicators are “sometimes traded off against one another” (Ahrens and Chapman 2002). This suggests that the interactive construction of performance is subject to the dialectic of control (Giddens 1984), according to which subordinates can also exercise power over superiors by mobilizing certain resources (e.g., accounting numbers).

The inclusion of agency in discussions on what constitute legitimate performances in professional-organizational contexts is an important dimension to existing research because legitimate performances in the context of auditing often assume conformity and external pressure on professionals. The suggestion that auditors are active agents in the framing and mobilization of performance and thus have the potential to undermine existing performance measurement systems further gives new dimensions to the concept of accountability. The next sections consider how accountability structures have been discussed in previous research, opening up discussions on the role of the auditor as an active agent in processes of decoupling (Bromley and Powell 2012). This implies that legitimate performances are not conceived in performance measurement systems and management control practices; rather, performance becomes legitimate in the separation of [accounting] numbers and social practices. Accordingly, Goretzki et al. (2016) find legitimate performances to be negotiated within the professional community, and Power (2004a) suggests performances to be ends rather than means in practices that construe the legitimate professional (Ahrens and Chapman 2002). Hence, what the auditor does (i.e., professional work) is a result of existing structures and social activities (i.e., a negotiated order). To further attend
to these dimensions, the roles of accountability and control in professional contexts are here further discussed.

2.3.2. Performance in contexts of change

Drawing on Rose and Miller (1992), auditing is characterized by technological elements at its operational level, where tasks and routines are performed by professionals to provide assurance. However, as argued by Power (1997), the practice of auditing is also characterized by a programmatic element, an idea that auditing should be able to control and allocate accountability. It is a system of values and goals, a system that is necessary for making larger regulatory programs work because auditing produces comfort, trust, and legitimacy to society. The consequences, Power argues, is reflected in the emerging focus on secondary risk because auditing has spread to other dimensions of society, implying concern over one’s own risks with a view to avoid responsibility, blame, and financial penalty (Power 2004b).

Following Power’s (1997) notion of an audit explosion and, consequently, an audit society that has accountability and increased monitoring being dominant features in society (e.g., in universities, hospitals, and, I argue, in the professional context of auditing), auditing has become a key practice in providing legitimacy and assurance to various stakeholders (Andon and Free 2012; Power 1997). However, whereas the auditing profession traditionally is described as a stabilizing element in society that builds upon the characteristics of a systematic knowledge base, independence, and a publicly spirited ethos (Muzio et al. 2013), the development toward an accountability regime has challenged the notion of auditing as an independent and autonomous practice. This becomes especially salient in considering how auditors “foster an instrumental and disengaged approach to their work, rather than to foster a collective ethos in which public trust will be placed” (Gill 2009: 14). This claim is made in
relation to how auditors construct knowledge based on technical rules and guidelines rather than on professional norms and a professional ethos. Consequently, the findings by Gill (2009) suggest that auditing is a regulated practice whereof uniformity, predictability, and verifiability have become key words. This finds further support in the study by Ramirez (2013), who investigated the auditing profession in the UK. The study further emphasizes accountability and control, showing that the institutionalization of auditing has generated a space in which control over auditors can be maintained through practices of calculation and verifiability.

Therefore, the development of auditing has urged the profession to adopt a structured- and system-based approach where regulation, standardization, and formal systems of checking constitute the practice of auditing. According to Van Maanen and Pentland (1994), descriptive devices in the process of auditing have led the practice of auditing to be managed rather than produced. Consequently, quality is not about attaining high standards or producing the best product or service; rather, it becomes being recognized when adhering to uniform, predictable, and verifiable practices (Power 1997: 59). Whereas auditing still is about providing assurance to external stakeholders, the practice of auditing has, in theory, become more focused on managing, rather than producing, assurance through predictable templates and standards.

Consequently, the environment surrounding auditing (regulatory bodies, standards, and the emergence of the Big Four) has changed much along with society; auditing has not only been part of, but also become the subject for, increased control, governance, and administrative practices. This has led the profession (the organizing of the profession) and professional organizations toward a bureaucratic rationale where procedural controls dominate (Malsch and Gendron 2013; Thornton 2004). This includes, among others, standardized templates, best-practice
templates, management-by-objectives, and explicit performance indicators (Mangen and Brivot 2014), implying an emphasis on structure over judgment in professional work (MacLullich 2003).

However, Funck (2012) analyzes the effects of restricted professional autonomy and found other occupational principles (other than professional principles) that drive change and improve conduct and practices of professional work. In particular, whereas previous studies have focused on the constraining effects of hierarchical and management control and market mechanisms, Funck finds these changes in the organizing of the profession to strengthen the professional archetype of professionalism:

“"The sheer fact that a greater reliance is put on hierarchical and managerial controls today indicates that alternative preferences with respect to how professionals should be organised and controlled as well as how their performance should be evaluated and rewarded exists in today’s society."

(p.2)

This development would then threaten the autonomy of the profession as the auditing profession would experience a reduced autonomy and hence lose power and freedom over judgment:

“"Professions [...] have been perceived as under threats from organisational, economic and political changes, [and] are portrayed as experiencing a reduction in autonomy and dominance, [and] a decline in their abilities to exercise the occupational control of work.” (Evetts 2003: 396)

As indicated by Abbott (1991), professions develop in different

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* Autonomy is generally the precondition of professionalism because it means having the power and freedom to control and regulate decisions and work activities within a particular occupation. According to Funck (2012: 1), “to abolish professional autonomy [...] is to abolish the possibility of carrying out professional work,” indicating the importance of autonomy for the archetype of professionalism.
directions and exercise a great deal of power and control over their development. The perceived changes toward greater control (system-based approach) and accountability are restraints on the profession, but perhaps, these changes represent a response by the profession rather than something that is forced on occupational values that threatens professional autonomy and results in de-professionalization (see also Fogarty 2014; Scott 2008).

In this vein, bureaucratism took hold as a way to enhance transparency and accountability, but also as response to shifting demands from clients for improved cost efficiency and more specialized services (cf. Weber 1949). Demands from society and clients have consequently infused different and often competing logics in the audit profession, resulting in pressures to adopt a new occupational identity as new fields are created and new actors are included within the structural boundaries of the audit profession (Suddaby et al. 2007). Therefore, the evolution of auditing and its key objectives are influenced by factors that are contextualized to the economic, political, and sociological environment. This becomes especially salient as the audit profession seeks to maintain its trust and legitimacy in various institutional fields (Picard et al. 2014).

According to Ritzer (2001), structural changes in society that move toward bureaucratism and capitalism lead to increased external control and internal rationalization of dominant logics (such as bureaucratism, which emphasizes work rationalization and cost efficiency) (Fogarty 2014; Ritzer 2001). Following the work of Power (1997), these structural changes are the effects of the audit society, which has created a space where accountability and legitimacy are central for justifying the reasoning and rationality of professionals and professional practice.

In effect, the development of auditing has been influenced by a general institutional shift in society toward bureaucratism, accountability, and a need to verify or control all elements of social life. The objective of auditing has remained the same, and although auditing expands to new
domains (e.g., sustainability auditing, sports, etc.), the effects of a control society has influenced the practice of auditing itself and thus the ways auditors perform. In particular, there is a dominant accountability regime in the audit firms where auditors are accountable to various controls.

In a similar vein as the work by Power (1994) and Mennicken and Power (2013), who show accountability and corporate governance dominates organizational life and society, Otley (2003) finds that performance management increasingly is concerned with external influence in determining relevant performance measures:

“...there has been an increased interest in ideas of corporate governance and the external control of organizations, generally focused around the theme of ensuring that senior managers work in the interests of shareholders and deliver appropriate value to the owners of a business. This has taken several forms, with the European approach being more concerned with the design of monitoring arrangements outside the influence of senior managers, whereas the US approach has paid more attention to the construction of appropriate performance measures.” (p.316)

This would imply not only that it is the daily practices and routines that have become subject for standardization and a bureaucratic rationale, but also that the ways in which auditors are managed and evaluated have become subject for this expanding accountability regime. Although holding autonomy over their work, auditors are subject to increased interference by external parties (professional associations, media, clients, etc.), which in turn influences how auditors set out to perform. It can therefore be argued that auditors are subject to the control of exogenous demands and expectations from the general public.

2.3.3. Performance and accountability
Accountability and control are important components in society and contemporary organizations. They hold influence over professions,
organizations, and individuals in that they direct practices to follow certain predefined structures, such as template work schemes and checklists, where the output is compared with standardized output measures (Ritzer 2013). Accordingly, too much accountability [potentially] damages professionalism. Applying accountability models in organizations with multiple interests (i.e., hybrid organizations where professional and organizational interests are combined) leads to even further accountability challenges because the models tend to be production oriented (Yang 2012). Previous research has also tended to focus on accountability as formal systems of verifiability and control. These systems are important in managing individuals, defining good performance, and directing individuals toward a professional habitus. In this, accountability has been regarded as exogenous — a practice imposed on actors and to which actors are assumed to adhere. Accountability has become a symbol for good governance, where the actors (individuals or authorities likewise) are held to account for their actions. Drawing on the works of Power (1997), Strathern (1997), and Broadbent and Laughlin (2003), accountability has developed into an elusive concept. It is a natural phenomenon that exists everywhere. But it is not restricted to the formal systems. Bovens (2005: 184) defines accountability as a “social relationship in which an actor feels obligation to explain and to justify his or her conduct to some significant other”.

By adopting this definition of accountability, the actors’ role can be further emphasized because actors reflexively monitor current structural arrangements and are able to influence existing accountability arrangements. Accordingly, accountability is “a social relationship in which actors feel an obligation to explain and to justify his or her conduct to some significant other” (Bovens 2005). From this perspective, actors’ knowledgeability requires an examination of “how actors reproduce and reshape the accountability environments. In other words, [analysis] must
be based on balanced attention to both social structure and human agency” (Yang 2012: 263). This will be further discussed in Chapter 3, where Giddens’ structuration theory is used to discuss the interactive relationship between [accountability] structure and agency. This approach takes into consideration that agents often participate in designing accountability systems (e.g., performance indicators) and are active participants in gaming and reformulating existing performance measures (Ahrens and Chapman 2002, 2007; Gill 2009; Goretzki et al. 2016; Power 2004a). Therefore, in reviewing previous research on performance and management control, we need to remember the reflexive monitoring of the individual in the sense that the individual is engaged in the social relationship through which she or he explains his or her conduct and hence has the ability to game the formal systems and indicators according to his or her self-interest.

2.3.4. Performance and management control

Gill (2009) states that: “it has been argued that what gets accounted for shapes organizational members’ view of reality and that the practice of accounting lends the appearance of rational organizational practice.” Isolated from other practices, accounting only plays a marginal role; but in a context where it can be acted upon, it becomes significant and holds a legitimating role (Richardson 1987). This is because accounting practices have come to represent a body of expertise, one that competes with and intrudes on other bodies of expertise and that, in collaboration with others (e.g., engineering, law, politics, etc.), enable possibilities for action in organizations and society (Miller 1994).

Accounting and the use of numbers as a means to communicate have been used for a long time: “accounting has come to be regarded as a social and institutional practice, one that is intrinsic to, and constitutive of social relations, rather than derivative or secondary” (Miller 1994: 2).
Accordingly, activities are increasingly structured around the practice of accounting (Mennicken and Miller 2012), which is used as a tool to create structure and organize and compare different actors (e.g., individuals, organizations, etc.) with each other. Furthermore, Mennicken and Miller (2012: 4) claim that “the calculative instruments of accountancy transform not only the possibilities for personhood, they also construct the physical and abstract calculable spaces that individuals inhabit.” Numbers and accounting then become a way of making performance visible and recognized in specific contexts (Miller and O’Leary 1987).

This constructivist view, one where accounting is located in relation with other projects for the social and organizational management of individual lives (Miller and O’Leary 1987), is thus suggested to emphasize the ways in which the individual is constructed (through the use of accounting) as a more manageable and efficient entity. However, as Otley (2003) remarks, the management of organizational and individual performances has moved from an emphasis on management control to performance management, in particular following changes in the contexts in which organizations operate. In particular, this change has come from changes in how organizations are organized and operate (from vertical integration and divisionalization to outsourcing, business-process orientation, and value chain management). Consequently, Otley (2003: 316) finds:

“This latter change [where budgeting has been replaced with management accounting as the dominant control technique] has been reflected in the use of the term ‘strategic management accounting’, which although diffuse in its meaning, is perhaps best characterized by a change in focus from cost to an increasing concern with value.”

Like the development in the auditing profession, we can see a development toward value creation also in the ways organizations are
managed and controlled: less emphasis is put on hierarchical controls in favor of the co-ordination of activities.

This development further suggests the need to manage “beyond the numbers” (Townley 1998) because “financial controls have been complemented by a range of non-financial performance measures” (Otley 2003: 316). Although Otley uses the example of the balanced scorecard to illustrate this point, similar conclusions can be drawn when studying the development of performance evaluations and performance management in professional and organizational contexts (e.g., Bik 2010; Gill 2009; Hanlon 1994, 2004; Kornberger et al. 2011). Here, performance, in particular performance management, is defined through the content of the performance management system and the kinds of performances that are evaluated. In this, performance management includes the setting of corporate, departmental, team, and individual objectives, and the use of appraisal systems, reward strategies, training schemes and individual career plans. Furthermore, because the overall objective of performance management is to “enhance the performance,” professional service firms (the Big Four) have come to understand the importance of managing and organizing human capital for firm success (Noordegraaf 2015). In this, performance management plays a critical role because:

“…managers, be they in the public or private sector, are under constant pressure to improve the performance of their organizations.” (Holloway et al. 1999: 351)

This indicates performance management to be an important tool for the Big Four firms in managing the interests of the firms (commercial logic), but they also need to make sure that auditors act in accordance with the interests of the profession (professional logic). The dichotomy between the professional and commercial logic could be suggested to reside in the ways performance management is structured because it directs the
performance of the professionals. Accordingly, Carter and Spence (2011: 308) argues that management accounting and performance management are used as a response by capital to control labour, where “capitalism controls labour via the imposition of a regime of accountability”. However, their findings further suggest the role of social practices and agency to be central to the emergence of a more qualitative, rational practice diminish the role of measurement, control and discipline in knowledge-based organizations.

Therefore, recognizing that “performance shapes the lives of people” (Corvellec 1996) and that “what gets accounted for shapes organizational members’ views of reality” (Gill 2009), the current dissertation acknowledges the work by Giddens (1984) and the inclusion of agency in relation to performance management literature (e.g., Otley 2003; Simons 1995). In particular, the framework by Simons (1995) shows that as performance is measured and evaluated, the appropriate action is not (always) to take measures and bring “action back to plan” (diagnostic control); also, one might need to revise the plan (interactive control) because the plan (objective) might no longer lead to the desired results. In particular, Simons (1995: 209) defines diagnostic controls as “formal information systems that managers use to monitor organizational outcomes and correct deviations from preset standards of performance” and interactive control systems as “formal information systems that managers use to personally involve themselves in the decision activities of subordinates” (p.216). Consequently, the performance management system is in constant interaction with the external (professional associations), the internal (organizational interests), and the individual.

Furthermore, Simons (1995) identifies two general categories of control. The first is the control via belief systems. Here, control is maintained by creating shared values and vision among employees. In this, we can find organizational culture (Bik 2010) and mission statements.
Often, belief systems are hard to alter and are established over a considerable period of time. The second control is boundary systems. Boundary systems are established to limit managerial authority and discretion. Boundary systems are particularly important in risk management practices (Otley 2003; Power 1997) but can potentially also run the risk of preventing managers from taking actions that are necessary and appropriate. This is discussed by Power (2004b): the control and risk management of everything is based on the need to avoid responsibility and blame by adhering to a system of control. The risk of failure is thus incentivizing for auditors because they need to cope with existing structures.

Therefore, the need to recognize a wide range of possible controls in the creation and management of performance is necessary because managers — or as in this case professionals — draw upon several controls to help them understand the interest of the organization or profession interest. In this, several formal structural practices can be identified, such as, performance evaluation, feedback, reviews, mentoring, and performance measurement (Biron et al. 2011). Additionally, as outlined by Simons (1995) above, the role of more informal systems of control (i.e., belief systems) are also necessary constructs when considering how performance management shapes the lives of people in organizations. In this, professional and organizational interests need to be considered, along with performance management structures are interpreted and understood by the professionals. Therefore, it can be argued that performance is shaped in how performance management is structured and the ways in which individuals become part of a certain belief system (e.g., socialization), but also in how individuals interpret the structures and perform according to their prevailing interests (e.g., Blomgren and Waks 2015; Noordegraaf 2015).
2.3.5. Framing performance accounts

In a similar vein, the studies by Ahrens and Chapman (2002, 2007) illustrate how management control, in particular accounting, is mobilized in local settings to fulfill [their understanding of] the organization’s objectives. The social actors are important in that they situate the “interrelationship between technical and interpretative accounting processes in the wider field of organizational practices.” (Ahrens and Chapman 2002: 168). This suggests that the ways in which actors are controlled and managed depends not only on how structures are implemented (Miller and O’Leary 1987), but also how controls are understood and mobilized in local settings (Ahrens and Chapman 2002, 2007; Gill 2009). This leads us to consider performance management systems as “structures of intentionality [that] both shape and are shaped by shared norms and understandings” (Ahrens and Chapman 2007: 22). In consequence, accounting and performance management are not only technologies used to pursue a particular strategic or programmatic ambition (increase efficiency, promote economic growth, encourage responsibility, etc.) (Hoskin and Macve 1994; Miller and O’Leary 1987; Miller 2001: 394), but also the plural and, at times, vested interests inherent in the use of accounting.

“They left relatively unexplored the practical commercial and strategic uses of accounting. Understandably, in seeking to correct the simplifications of functionalism early interpretive studies have tended to downplay the ways in which accounting can and does help organisations through its role in the constitution of particular functionalities. Organisational members may well be aware of the limitations of accounting and reporting practices. Nevertheless, they draw on them, for example, to discharge formal obligations, communicate with colleagues, pursue informal objectives, avoid switching costs, etc. Through such uses, accounting can potentially make significant contributions to the ways in which organisational motivations take shape and organisations coordinate intentional action.” (Ahrens and Chapman 2007: 2)
This quote reveals important insights into how accounting and performance management practices can be used in organizations. Because the use (of control practices) goes beyond the confines of governmentality literature (which only discusses the use of accounting in particular situations), the work by Ahrens and Chapman (2002, 2007) implies that accounting remains a potential for control; however, the authors acknowledge the need to consider other organizational processes as a means for control. In particular, Ahrens and Chapman’s (2002) study on legitimate performances indicates how performance is shaped in everyday processes (situations) that are subject to individual interpretation of wider objectives. Furthermore, the use of formal control systems (such as management control and audit quality monitoring) can be used not only to account for performances, but also to discharge accountability. Here, performance measurement systems can be used to meet the organization’s objectives and individual performance targets, hence taking a strategic character in how the objectives are fulfilled. This directs further attention to two fundamental questions regarding how performance is managed and the ways it emerges in professional organizations. In particular, performance can be discussed from the perspective of what performance is (Ahrens and Chapman 2002; Gill 2009; Power 2004a; Sundström 2015) and where performance is (Dirsmith et al. 1997; Giddens 1984) regarding how performance is constituted in the local, professional context.

This separation of performance into what performance is in different contexts or situations can be further related to Schatzki’s (2005) work on the sites of organizations and how individuals learn to participate in a practice based on a composition of many rationales and relations. In this, practices and actions occur in “objective spaces of the setting of action [which] help determine how and which actions are performed […] [A]ctions likewise transpire in historical contexts, dependent on times, places, traditions and contemporaneous events” (Schatzki 2005: 468).
Accordingly, any action is influenced by how the individual has learned to behave and on the contexts in which she or he has learned. In discussions on what performance is and in which situations performance can be recognized, one therefore needs to attend to its institutional context (i.e., professional values and expectations) and the micro-level of social life, where social orders and formations arise from local phenomena (Alvehus 2017; Goretzki et al. 2016; Spence et al. 2015). According to Schatzki (2005: 467), this is considered a site ontology in which social life is tied to a context (site) of which it is inherently a part. Because meaning is mediated in the contexts of which one participates, it is the local practices that are central for the individual’s understanding of wider institutional phenomena. Accordingly, the site is central to analyzing and explaining social phenomena (i.e., performance). Thus, to better understand contemporary professionalism, there is a need to further discuss performance in the local contexts (the Big Four firms) in which it is constituted (cf. Cooper and Robson 2006) because performance defines and makes visible the actions of individuals (Svärdsten Nymans 2012). Consequently, we need to further attend to the micro-practices of everyday work (see Chapter 4 for an elaborated discussion on this) to better understand professional work within the professional community (Adler et al. 2008).

What is performance?
Expectations on how one should perform are created by comparison (with previous performances or performances of others), meaning the individual must adapt and perform according to the expectations set (Jeacle and Carter 2011). This becomes a governing technique to obtain control in the process of constructing a homogenous script of behavior among individuals in the organization. By means of control and governing techniques, a trust in the individual and between the individuals on a team
is created and becomes a factor in how performance is made visible (Gill 2009). Trust is something that is constructed for and by people in organizations, thereby producing some degree of predictability. The performance at the various levels of the hierarchy is hence suggested to be rather predictable. The study by Kornberger et al. (2011) is relevant because it recognizes the changing demands and expectations of how legitimate and relevant performances are constituted over the career of the auditor.

Where is performance?
Looking at how performance is assessed and evaluated internally and at how the relevant facts are recognized and chosen as relevant, it must be asked whether this is reflective of the actual performance. The crystallization of facts to evaluate performance becomes a simplified task in which the performance can only be judged based on a very specific and narrow context (Gill 2009). In an audit setting, this specific and narrow context becomes important for the actors to be aware of because it will determine how their performance is to be assessed. Because performance measures crystallized, objective facts, subjective adjustments to these measures are made to correct perceived deficiencies. As the measures are adjusted and biased (based on, e.g., prior performance, comparison to others, etc.), uncertainty is created regarding how performance is accounted for and in what space. This space is seldom articulated but left for the actors to define and adapt to (Goretzki et al. 2016). The process in which performance is crystallized is hence important for how (and where) the professional performs and is indicative for how performance measures (controls) are adjusted to make the performance recognized and managed in various ways.
2.3.6. Performance, knowledge, and career

“Networking is a social process, which occurs both within and between the formal structures and boundaries of organizations.” (Anderson-Gough et al. 2006: 232)

Performance is used to control people, to evaluate their achievements, and to construct stories of achievements (Corvellec 1996). Performance can be diverse; primarily, though, it is context dependent. For the professional, the concept of career becomes central. In particular, how performances are recognized and acted upon by the individual becomes a central aspect in the study of what particular performance it is that matters. This perspective differs from many of the previous studies in that systems have been considered to monitor, control, and construct the professional (performance as restraints); the systems are also recognized and acted upon by the individuals as they attempt to better their careers. The concept of career thus comes with a duality. Career can be used to control and guide the individual, but the concept of career also withholds different modes of rationality — modes that the individual needs to make sense of as a “rational” thing to do.

“The career requires the organization to establish systems that measure tasks, establish job ladders, produce records that monitor individual performance and progress…Data cannot be private and ephemeral but must be aggregated, permanent and analyzable […] Paradoxically, the availability of data that established populations and norms can also be used by its subjects to monitor that procedural justice.” (McKinlay et al. 2012: 12)

A common assumption in audit research is that career is central for individuals working in the Big Four, in which a certain “up-or-out” culture is evident (Kornberger et al. 2011). To make career, you depend on the established systems within the organization, for example, the measurement of tasks. These structures of control require the data to be objective,
comparable, and analyzable to make individuals not only governable (Miller and O'Leary 1987), but also comparable, to one another. This use of data generated through control structures indicates a paradox in that individuals can make use of the data to establish categories of performance and norms, hence monitoring procedural justice and resisting the control from above (McKinlay et al. 2012). This would be in line with the notion of a lateral network in which individuals come to govern themselves (Brivot and Gendron 2011), one where established norms and evaluations on and by peers makes the individual a powerful agent in defining the performances that matter. The concept of the self-governing individual can be related to Mannheim’s theory of self-rationalization; in this theory, the individual is assumed to systematically control his or her impulses. Self-rationalization is most likely to be found among the following:

“…staff of large-scale organizations. Here the control of the organization’s rules and regulations is supplemented by self-rationalization, especially in the case of staff members and their careers. […] Self-regulation exerts control over matters (ideas, feelings, leisure time) that functional rationalization cannot cover.” (Ritzer 1997: 25-26)

Here, the self-rationalization — or the self-observation that aims primarily at self-transformation — is the focus where professionals perform according to their experiences and training in contrast to the large-scale reproductive organizations where performances are self-repeating (Ritzer 2001). How one learns and becomes socialized is a complex and frustrating process, as noted by Ibarra (2000: 146):

“Aspiring partners are expected to act like partners before they have the competence to actually do so. Creating a partner persona involves three tasks: observing role models, experimenting with possible selves, and evaluating their results. Figuring out what to learn, whom to learn from, and how to act is not easy.”
The focus here is on the importance of active performance in this organizational context and how it reduces the most significant impediments to learning: passivity, invisibility, anonymity, and lack of accountability (Schulman 2005: 57).

Furthermore, career is conditioned upon intertwined organizational structures (McKinlay et al. 2012), but individuals also have the capability to resist and bypass these systems (Cooper and Robson 2008). In this, professional firms have adopted managerial structures of control and accountability (Freidson 2001), and professional careers are increasingly conditioned by opportunities within the organization (Fogde 2010; Grey 1994; Leicht and Fennell 2001; Suddaby et al. 2009). An important debate to address in relation to career in the global Big Four firms is the promotion process and its inherent logic upon which considerations of partnership admission is based because it constitutes a central activity within the organization. More specifically, Spence et al. (2015) discuss how different forms of capital (e.g., technical, economic, cultural, etc.) in the promotion process are central for the audit profession in becoming “truly global in nature.” Their findings shows an overall homogeneity of economic capital as the chief criterion and also finds support in the works of Cooper and Robson (2006), Malsch and Gendron (2013), and Adler et al. (2008) in the organizational context and commercialism matter in the professionalization project and in where the Big Four constitute main actors in defining professionalism.

“…the overall rejection of formal global appraisal processes was not indicative of institutional heterogeneity. The informal local appropriation was, rather, homogenous across different contexts, boiled down to the rather Darwinian criterion of who can increase the size of the economic cake.” (Spence et al. 2015: 790)
Here, performance is driven by the accumulation of economic capital as the main criterion for development. This finding is coherent with most research on socialization and career in audit firms (Big Four), suggesting the diverse nature and conflicting interests that auditors need to attend to in the practice of defining legitimate performances. The fact that Big Four firms are driven by economic incentives can be set in relation to findings of professional or organizational identity and the socialization of professional members. This indicates a similar pattern at the level of the professional, where the need to contribute to the “economic cake of the firm” and adopt a “selling” approach as one progresses in the firm is stressed as the path to one’s success (Kornberger et al. 2011).

Furthermore, along the reasoning of Ahrens and Chapman (2007: 4), performance is a situational practice where “action arises from and structures context”, thus suggesting that actions arise from both the structures of the firm (e.g., hierarchy, culture, performance measurements, etc.) and from the professional’s understanding of what performance is in a given situation. Relating their findings on the role and function of performance management in organizational contexts, in particular the type of control implemented (Simons 1995), with career, one could argue that with:

“…diagnostic control systems the performance of lower level employees is controlled by monitoring deviations from target on a number of defined criteria. This system is appropriate where performance standards can be preset, outputs can be measured and action can be taken to reduce any variance between actual and standard. With interactive control systems, however, face-to-face meetings with subordinates are used to ‘probe subordinates to explain any unforeseen changes in their business and offer suggested action plans’. These meetings are used to challenge and debate data, assumptions and action plans, and performance is rewarded more subjectively on the basis of effort.” (Pierce and Sweeney 2005: 341-42)
Performance and performance management are thus important for career and define the type of management control exercised in audit firms. Although certain levels of control over professionals are always present, the mix of controls and various situations professionals are exposed to suggest that professionals need to learn the formal and informal characteristics of their work. In terms of being a professional, career and career progression are fundamental aspects for the “successful professional” (Carter and Spence 2014; Grey 1994, 1998), and performances are not only determined in the ways the actors perform according to the professional logic, but also in terms of how they adapt to current expectations (Gill 2009).

2.3.7. Performance and control as a means of learning

Becoming a professional is a process that involves learning the intrinsic values of the profession and learning to adjust to the needs of the firm. This is a continuous balance that the professional needs to master, and in the process of becoming, the professional must learn to perform according to the expectations. Therefore, to better understand the learning process that the professional undergoes and the controls imposed on the individual, the slightly revised model proposed as an analogy to increasing professionalism by Dreyfus and Dreyfus (1986, 2005) is employed to illustrate the transformation of the professional. The model consists of five steps, which, for the purpose of this dissertation, is presented as four stages to better reflect the key professional roles in the Big Four.
Table 2. Four-stage model of skill acquisition and levers of control

<table>
<thead>
<tr>
<th>Experience (years)</th>
<th>Characteristics of learning</th>
<th>Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Novice and advanced beginner</strong></td>
<td>- General rules following - Context-independent - Low feeling of responsibility - Development of a base of action</td>
<td>- Explicit set of beliefs that define basic values - Formally stated rules and standards</td>
</tr>
<tr>
<td>1–3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Competent performer</strong></td>
<td>- Prioritization according to a hierarchical order - Emotional involvement</td>
<td>- Feedback systems, measurements - Ex ante and ex post evaluations</td>
</tr>
<tr>
<td>4–8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Proficient performer</strong></td>
<td>- Emotionally immersed - Recognizes specific perspectives (of what to do)</td>
<td>- Diagnostic control systems (profit plans, budgets, goals, and objectives systems)</td>
</tr>
<tr>
<td>9–12</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Expert performer</strong></td>
<td>- Intuitive behavior - Application of professional knowledge and professional norm system - Actions based on situational discrimination</td>
<td>- Interactive control systems (to participate in the face-to-face meetings with subordinates, to involve managers with the decisions of subordinates)</td>
</tr>
<tr>
<td>13+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Novice**

Individuals at the first level learn to act in specific cases. At this first stage, individuals recognize facts, characteristics, and rules without any reference to the particular situation in which the facts and numbers occur. This implies that individuals perform according to general rules and standards (Simons 1995) and adopt basic values to make sense of the situation they are in. Furthermore, individuals at this stage are not immersed in specific cases because they do not assume responsibility; rather, they follow predefined steps. Individuals at this stage generally judge their skill by evaluating how well they have followed the rules they have learned (Dreyfus and Dreyfus 1986: 21). As the individuals advance, they become...
advanced beginners, who follow a similar approach as the novice. As further experience is accumulated, certain situational characteristics can be outlined. They see similarities between other experiences in similar situations. In other words, advanced beginners possess a base for action, which contains both context-independent and context-dependent elements. Even advanced beginners experience a limited sense of responsibility for the consequences of their actions.

**Competent performer**
At this next stage, experience has been gained, and the individual is able to recognize key elements in specific situations. Therefore, the characteristics of this stage are the ability to prioritize (what to do) according to a hierarchical order and over time to prioritize in a detached way from the rules and standards. The performance of the competent performer is evaluated not only based on the individual’s ability to follow rules, but also on the individual’s ability to adapt to feedback. Dreyfus and Dreyfus (2005) argue that the competent performer becomes emotionally involved as he or she learns the task at hand. Emotional involvement is also a pre-requisite for further progression.

**Proficient performer**
Proficient performers are immersed in their jobs. At this stage, individuals recognize a specific perspective and hold the ability to prioritize. This is done somewhat intuitively, but the individuals are still aware of their prioritization according to a list of possible actions. At this stage, individuals are assumed to follow the rules and standards because they are immersed in their jobs, and performance is rather controlled and based on diagnostic control systems.

**Expert performer**
Finally, the expert performer not only sees what needs to be achieved, thanks to a vast repertoire of situational discriminations, but also sees immediately how to achieve the goal (Dreyfus and Dreyfus 2005: 787). The individual acts intuitively because she or he recognizes specific situations and holds the ability to modify qualified practical knowledge. The ability to do this is a precondition for being able to adapt to the client’s needs. Dreyfus and Dreyfus argue that if one asks “an expert for the rules he or she is using, one will, in effect, force the expert to regress to the level of a beginner and state the rules learned in school” (Dreyfus and Dreyfus 2005: 788). In relation to Freidson’s ideal type — the proficient performer and the expert performer — this person would be judged as being “professional.” Emotional involvement, recognition of the situation at hand, the possibility to evaluate the task, and to act in accordance with one’s evaluation are critical for the application of professional knowledge but are also relevant for the application of professional norm systems.

The steps presented in the model by Dreyfus and Dreyfus (1986, 2005) can be equated to the organizational hierarchy (junior auditor, manager, senior manager, and partner) that the professional needs to advance through. The performance at each level can be equated to the (individual) performance targets set up at each level. Learning “how to perform” professional skills is hence equated to performing according to organizational targets. Although the ability to make professional judgments increases in the process, the role and influence of control needs to be stressed in this context. The model suggests that the professional advances through a hierarchy based on professional skills and the ability to make judgments. However, as previous research has shown, the imposition of output controls (e.g., bureaucratic controls) has led the professional’s work to include instruction manuals, quality standards, action plans for different activities, and — as an effect of increased
accountability — an increased demand for documentation and measurements. Therefore, the analogy to professionalism can be used to illustrate in what ways control is imposed and in what ways the controls used are a part of facilitating learning for the professional.

In relation to Simons (1995), the types of controls imposed on the professionals in their first few years can be described as a learning process of embodying the beliefs system (the basic purpose, values, and direction of the organization). The actual work conducted is indeed important, but never are these beginner professionals trusted because the work is controlled in several instances (by the seniors, the coach, and the partner). The work conducted is related to the simple tasks that require documentation and accountability. Therefore, in the stage of the novice, and to some extent as well in the stage of the advanced beginner, performance is about finding yourself within the organization, doing a good job (a job you could never excel in), and start finding the right “space” where you belong. The experience of being a professional is rather distant at this stage, and the focus lies instead on being part of the community and fitting in.

For professionals with four to eight years of experience, the controls corresponded more to that of the competent performer. Although the same controls existed in the beginning of their career, the importance of measurements and being profitable was less emphasized. At this stage, however, the performance is characterized by the ability to sell additional services to clients, start building networks and business contacts, and position yourself both within and outside the organization. At this stage, the firm starts to require profitable work. The expectations increase quite dramatically, and there is a need to perform at many levels of the performance evaluation scheme. At this stage, the professionals have acquired their CPA certificate and have therefore taken the decision to “invest themselves in the job.” They are, in the words of Dreyfus and
Dreyfus, “emotionally involved” — a prerequisite for making professional judgments and becoming an expert.

2.4. **Conclusion: Performing professionalism**

Generally, the act of performing is based on a certain set of expectations and is evaluated in a formalized process. The formalization of performances is an important part for professionals in learning the professional norms and skills. However, it also entails the firm to hold control over the process of performing and control over the output performed. Using feedback, evaluations, and a pre-set target, the professional is assumed to become immersed into the life as a professional. Consequently, professionals who are not emotionally involved tend to perform according to standards, hence with the risk of becoming detached from ideal professional work (i.e., not making autonomous judgments) (Freidson 2001). In other words, in being an expert performer, one needs to be able to combine the diagnostic and interactive control systems. In the stages of the novice, advanced beginner, and competent performer, the focus is rather on performing accordingly, adopting the norms and values, and then learning to be accountable in the right space.

Performance is an important concept, not only in how it directs practices in local situations (Ahrens and Chapman 2002, 2007; Otley 2003), but also because it creates a social order in which professional and organizational values and structures are re-produced. This social order is created throughout the career of the professional, where she or he must perform according to different performance controls and professional values, especially as the expectations on the professional advances (Pierce and Sweeney 2005). The practice(s) of individuals are thus important to further attend to, as Ahrens and Chapman (2007: 23) concludes:

“…social order is much more complex than simply the reproduction of action or values. Instead, social order arises from
actors’ ongoing efforts at developing their actions as part of certain fields of practices, that is to say, with reference to the fields’ understandings, rules, and engagements. Actors may want their actions to blend in or stand out depending on their judgement of what the situation calls for.”

Performance is thus determined in specific contexts and is based on individuals’ understanding of what performance is needed. Situated performances (Goretzki et al. 2016) are thus central for understanding the constitution of professional and commercial logics and how they can both be reconciled and conflict in actors’ active management in everyday work (Alvehus 2017). Furthermore, Spence and Carter (2014) find the commercial logic to be accorded a significantly higher status than the professional logic in auditors’ habitus and the hierarchal structures of the Big Four firms. However, their conceptualization also shows individuals’ ability to disembody constraining institutional logics to further emphasize the “scope for professional self-determination.” This can be further related to the inherent logic of performance measurement (Power 2004a), where performance measures become performance targets that are formulated to construct accountabilities and challenge existing practices. This effect of the use of performance thus reveals the inherent duality that resides in the concept. Performance is a powerful tool through which practices can be directed and controlled, but it also enables individuals to interpret and act differently according to their reasoning in a particular situation (Goretzki et al. 2016). Because both performance measurement systems and professionals are part of embodying performance practices, they are also part of defining the professional jurisdiction and legitimate performances. The following chapter will further discuss how the concept of performance can be used as an important mediating concept to better understand how

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In their study, the institutional logics were labeled commercial-professional logic and technical-professional logic to further emphasize the changing meaning of contemporary professionalism.
professionals draw on structures and agency to reach professional self-determination.
The constitution of agents and structures are not two independently given sets of phenomena, a dualism, but represents a duality. [...] Structure is not to be equated with constraint but is always both constraining and enabling.

(Giddens 1984: 25)

3. INSTITUTIONAL PROCESSES AND STRUCUTURATION

The increasing demands for accountability and control in society — and in audit organizations — has led to individual and organizational performances increasingly being formalized, standardized, and made auditable (Power 1997; Ritzer 2013). To a certain extent, it can be argued that the rise of the audit society is rooted in Parson’s (1951) definition of institutional theory, where actors feel compelled to comply because “refusal or failure to do so results in feelings of anomie and, at the extreme, mortification” (cf. Cooper et al. 2008). This follows from Scott’s (1995: 15) definition of institutional theory as:

“A system of action is said to be institutionalized to the extent that actors in an ongoing relation oriented their action to a common set of normative standards and value patterns.”

(emphasis in original)

Accordingly, institutions are “socially constructed templates for action, generated and maintained through ongoing interactions” (Meyer and Rowan 1977: 346). In this, actors reproduce expectations and the
interpretations of behavior according to the norms and values that, over time, have become established. From the perspective of institutional theory, it is the ongoing interactions that through a history of negotiations create the institution. This recursive relationship is described by Barley and Tolbert (1997: 94) as follows:

“The patterned relations and actions that emerge from this process gradually acquire the moral and ontological status of taken for granted facts which, in turn, shape future interactions and negotiations.”

The role and influence of the actor is in this assumed to be limited, or even rejected; here, Meyer and Rowan’s (1977: 42) structuralist approach suggests that “[institutionalization] involves the process by which social processes, obligations, or actualities come to take on rule-like status in social thought and action”. In this, however, institutional theory conceives the actor as an organization, leaving little room for individual influence in the shaping of institutional practice. By this definition, institutions are rational, taken-for-granted rules and assumptions. By being isomorphic, organizations accordingly gain legitimacy, resources, and stability.

Although having similarities to the establishment of an audit society, an area the demand of trust and legitimacy follows rationalizing trends in society, such as managerial science (the measurement of everything), accountability, and trust (Bromley and Powell 2012; Power 1997; Strathern 2000), it is worthwhile noting that the rise of institutions also leads to important practices of decoupling (where structure and activities are separated, leading to ceremonial inspection and evaluation). In particular, Power (1997: 96) argues that decoupling is an end (in a means-end relationship) to increased internal complexity.
one prima facie sign of decoupling is the creation or enhancement of organizational sub-units explicitly to manage the external audit process [...]."

The quote refers to how organizations respond and adapt to external pressures and how this process can generate both internal complexity and inconsistency. Activities to monitor and evaluate are used to achieve trust and legitimacy in society. These activities are “often infused with value beyond the technical requirements of the task at hand” (Selznick 1957: 17), leading to the means (to achieve legitimacy) becoming ends in themselves. The decoupling refers to how structures and demands for accountability and legitimacy merely become representations, loosely connected with the activities undertaken in the organization (Bromley and Powell 2012). To deal with conflicting interest, Dirsmith et al. (1997) discuss the compartmentalization (i.e., decoupling) of formal control and professional autonomy. This approach suggests that activities are separated from the core work, only leaving symbolic ties to one another. In effect, Greenwood and Hinings (1996) suggest an increased emphasis on internal groups and individuals as “professionals often act through informal channels to promote the goals of their respective subunit” (Bromley and Powell 2012: 505).

In short, institutional theory links the actions of organizations to a larger social structure, which assumes that actors have mutual awareness and interests and, importantly, that institutions constrain the actions that produce them. In this, institutional theory tends to assume there are constraints put on individuals and collectives. The influence of the actor is restrained to the established norms within the institution, which primarily is determined from exogenous pressures. Whereas previous research (as discussed in Chapter 2) tends to rely on exogenous or structuralist explanations in discussions on performance, management control, and even professionalization, it is suggested that there is a need to further
attend to the micro-level dynamics and the role of the agent in the how institutions are created, reproduced, and altered. This follows the study by Alvehus (2017: 2), where it is argued that institutional [logics] often are studied from a macro perspective, whereas we know little about the “micro-level dynamics of institutional logics” and how “conflicting logics can reconcile in everyday practices”.

Giddens’ structuration theory (1984, 1991) offers a nuanced perspective because it is argued that the creation and reproduction of social systems is based on the analysis of both structure and agents, where phenomenology and social practices are examined at the “inseparable intersection of structures and agents.” Accordingly, institutional practices (that conform to isomorphic pressures) are analyzed from both the structural properties that organize everyday life and from the perspective of the agent, who is recognized as a knowledgeable agent able to perform [situated] social action. To this extent, social actions (even the small ones) contribute to the production and reproduction of social systems. The social systems consist of “situated activities of human agents” (Giddens 1984: 25), where the activities are both constrained and enabled by structures (i.e., rules and resources). The agents draw upon their knowledge of the structural context, and although being influenced by their structural properties, they are also knowledgeable agents who reflexively monitor their actions and those actions’ contexts and settings to rationalize and evaluate the efforts taken. In essence, agents experience inherent and contrasting amounts of autonomy and dependence: agents can always choose to either act or not (Stones 2005).

To summarize, the structuration theory focuses on the “dynamics by which institutions are reproduced and altered” (Barley and Tolbert 1997: 112), suggesting that institutionalization and structuration provide

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Knowledgeability refers to “what agents know about what they do, and why they do it” (Giddens 1984).
important links between action and institution. Similarly, as suggested in the discussion above, performance is defined through the structures and institutionalized logics of what constitutes good performance. Performance also withholds certain freedom to act (Corvellec 1996), where actors are not only restrained, but also able to alter existing structures (Dirsmith and Covaleski 1985; Giddens 1984). This suggests a need to further consider how actions affect institutions (i.e., how interpretations of performance affect institutions) and, following the work of Giddens (1984), individual agency. First, however, I will discuss the role of institutions and institutional logics in professional-organizational contexts and how exogenous institutional pressures come to influence professionals’ everyday work.

3.1. Institutions and the development of institutional logics

How do institutions influence and shape cognition and action in individuals and organizations, and how are they in turn shaped by them? This is the opening question that Thornton et al. (2012) gives, one that has inspired the following framework to discuss the role and influence of institutional logics and the interrelationships between institutions, organizations, and individuals. Furthermore, the institutional logics approach offers a way to understand how individual and organizational behavior is positioned and influenced by the social context. It does so by emphasizing how various social dimensions of institutions both enable and constrain social action. This approach is related to the debate on the primacy of structure or agency in shaping human behavior. In this dissertation, I will follow the approach by Giddens (1984), where social structure “is both the medium and the outcome of social action.” Institutional logics refer in this to:
“...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)

By this definition, institutional logics are important in that they permeate the everyday practices of organizational and individual behavior. This follows from Friedland and Alford (1991), who state that logics are central for understanding organizational and individual behavior and hence for understanding the principles and reasoning of an institution. Each existing logic is constitutive of individuals, organizations, and society, and because they exist in different institutions of society simultaneously (such as the bureaucratic state, capitalist market, family, etc.), they need to co-exist, conflict, and be made sense of by the agents. In a context where different logics exist, they are therefore important to attend to because they provide sources of agency and change (Thornton et al. 2012). This, as will be discussed, is an important notion in a professional context where the concept of “hybridization” has emerged in recent research (see, e.g., Blomgren and Waks 2015; Evetts et al. 2016; Noordegraaf 2015). Rather than assuming that a profession is dominated by one single logic (i.e., the professional logic), it is argued for the need to acknowledge a plurality of logics in situations of institutional complexity. This is important if we are to understand how change emerges and how practices develop over time and space in specific institutions (Malsch and Gendron 2013).

The current dissertation will take particular interest in the ways that institutional logics are defined and how they can be used to explain what happens at the micro-level, that is, at the level of the individual in professional organizations. The focus on professional organizations allows, more specifically, the analysis to take into consideration the “micro-foundations of institutional logics” (Blomgren and Waks 2015)
and the ways that specific institutional orders (at the societal level) are understood, interpreted, and made sense of by the individual. The remainder of this chapter will set out to discuss the various institutional logics that can be found in these professional organizations, how they conflict and align, and how the hybrid actor (Carter and Spence 2014; Malsch and Gendron 2013; Noordegraaf 2015) has become essential in discussions on contemporary professionalism.

3.1.1. Institutional orders and the professional field

According to Friedland and Alford (1991), society consists of three levels, individuals, organizations and institutions are all necessary. Whereas many studies have focused on one level to explain the processes of institutionalization on the societal or on the organizational level (e.g., DiMaggio and Powell 1983; Meyer and Rowan 1977), the work by Friedland and Alford (1991) has offered ways to bridge macro-structural perspectives with micro-process approaches. Although a distinction is made between the different contexts of society, each with its own distinct logic, it becomes important to recognize the intersections and how these create effects in the relations and behavior of individuals and organizations. Building on the work of Friedland and Alford (1991), which identifies several key institutional orders, Thornton et al. (2012) identifies seven institutional orders in their typology: markets, corporations, professions, states, families, religions, and community. In each of these ideal types of orders, there exist logics that can be both homogenous and heterogeneous, or conflicting, thus implying that any context in society holds influence from other contexts because they are influenced by logics from other contexts. This is consistent with the approach that society is an inter-institutional system, one constituted by multiple social orders but, analytically, where institutional orders can be separated into different
empirical contexts; this makes it useful for studying multiple logics in conflict and consensus, as well as the hybridization of logics.

In the various institutional orders, actions could, if adopting Meyer and Rowan’s (1977) approach, be rendered rational (and thus irrational) based on the fulfilling of defined logics. According to this approach, there would be one source of rationality and thus one defined way to act. However, because focus has moved away from isomorphism at the higher levels (i.e., in the society or in the organizational fields), the analysis is now concerned with institutional logics as “defining the content and meaning of institutions”, suggesting that institutional logics shape “rational mindful behavior” (Thornton and Ocasio 2008: 100), but also that agents are a part of defining the institutional logic. This is an important notion not only because it suggests that structures and agency are equivalent in analysis, but also because it takes into consideration the effects of the logics residing in a competing variety of contexts.

Consider, for example, the case of professions and the various contexts in which accounting firms need to act according to the institutional logic of the professions, corporations, markets, and state. This is where the various logics meet, conflict, and align with one another and where the firm (or in the case of, e.g., Blomgren and Waks (2015) and Malsch and Gendron (2013), the professional) is shaped by the various logics and act accordingly as the logics conflict and conform. The social context in which the logics (e)merge is thus complex and needs to be so. Rather, the question becomes how institutional logics come to influence human and organizational behavior based on their understanding of the various institutional logics.

Sociological research on professions has pointed to contemporary changes in the nature of professional work (e.g., Cooper and Robson 2006). In short, it can be argued that professional work has become increasingly embedded in large and oftentimes heterogeneous
organizations (Suddaby et al. 2009), thus resulting in a market or corporate logic at the core sites of professionalization and regulation (Cooper and Robson 2006). This has resulted in accounting and auditing becoming a multidisciplinary practice, one where non-professional work is migrated with traditional professional work as a consequence of the changing conditions in the market.

Fogarty (2014) discusses the competing logics where the traditional approach to professionalism is contrasted with the “new” commercial era within the professional field. These competing interests, it is argued, has led to a de-professionalization of the accounting field where the core principles of professional work, such as autonomy and control, are weakened because of the contradictory commercial and managerial principles. However, the conflicting logics that have led to this de-professionalization of the accounting profession can be seen already in how it is organized: the pursuit of public interest and technical expertise have characterized the accounting profession. By inhabiting a space of autonomy, the role of the profession has been to balance the interest of the market and the state, thus suggesting that in the very definition of the profession, there is the harboring of conflict between the institutional orders of the market and the state. This balance has, as a consequence, been challenged in recent years, and the accounting profession has faced several ethical lapses and a loss of legitimacy toward its external stakeholders (Cooper and Robson 2006). This could be explained within traditional institutional theory, where it is assumed that one logic dominates the others and thereby defines the professional field.

3.1.2. The development of institutions

The basic idea of traditional institutional theory is that organizational action is shaped by ideas and interactions in the organization’s social context (i.e., in the institutional environment). The ideas and interactions
taking place consist of, according to Meyer and Rowan (1977), “myths” (consisting of services, techniques, policies, and programs) that become central because institutional isomorphism depends on the organization’s response to the rules and belief systems prevailing in society. Therefore, organizational actions must be understood in relation to other organizations and actors in their environment because the prevailing “myths” influence organizations.

Through the process of institutionalization, the “myths” are seen as ideas that are “taken-for-granted” by most actors in the organization’s environment. The concept of institutionalization is further referred to as “processes by which social processes, obligations or actualities come to take on a rule like status in social thought and action.” (Meyer and Rowan 1977). When certain ideas become institutionalized, they tend to exclude other ideas. In its pure form, the “myth” then implies that “alternatives are literally unthinkable” (Zucker 1987), leading to the establishment of an institution, which is defined as:

“More or less taken for granted repetitive social behaviors that are underpinned by normative systems and cognitive understandings that give meaning to social exchange and thus enable self-producing social order.” (Greenwood et al. 2008:5)

Institutions could be perceived as the routine ways in which things are organized and how ideas are perceived, either in an organization’s environment or within an organization for solving certain problems. As actions become organized, the social order is established.

Institutional theory thus proposes that the organizations’ behaviors are given by their need to be regarded as legitimate in their institutional environment. Thus, institutionalism is based on the notion that to survive, organizations must convince larger audiences that they are legitimate entities worthy of support (Meyer and Rowan 1977). Therefore, legitimacy is seen as a force that works as a constraint regarding the change and
pressures that force organizations to act the same way and according to the expectations from their environment (DiMaggio and Powell 1983). Subsequently, to secure social approval or legitimacy, it has been argued that organizations conform to the demands of their environment; they become isomorphic (Meyer and Rowan 1977).

From this perspective, legitimacy becomes central. Organizations act in accordance with the dominant “myth” or the “rules of the game” to be perceived as legitimate. The surrounding environment (the social context) thus influences the organization because it mediates external expectations on how the organization is to behave. In a sense, legitimacy becomes important because it “protect organization from having its conduct questioned” (Meyer and Rowan 1977: 349). In particular, this is a central concern in studies on professions because legitimacy is the foundation of its existence. Therefore, it can be assumed that professional organizations are heavily influenced by governing associations (e.g., FAR, IAASB) and their creation of certain “myths.” To remain legitimate, the professional organization needs to become isomorphic.

Moving to the perspective of the organization, DiMaggio and Powell (1983) propose a framework in which organizations are active respondents to different pressures in their institutional environment. Assuming that organizations seek to be legitimate, they tend to adopt similar structures. In particular, the framework proposes three types of pressure (normative, mimetic, and coercive) that lead to organizations gaining institutional isomorphism (i.e., a societal mandate or legitimacy to operate). The tendency for organizations to adopt similar structures could then be explained by the discussions on multiple pressures on organizations.

To conclude this section on the development of institutions, the institutional environment surrounding organizations (and, in particular, professional organizations) is embedded in multiple demands. The
multiplicity of demands within this environment forces the organization to play “two or more games at the same time” (Kraatz and Block 2008: 243). This is an important finding because it suggests that organizations are not only subject to external pressures (from multiple sources or stakeholders), but also that these pressures could potentially lead to conflicting “games” that the organization needs to manage. By moving closer to the subject of analysis (i.e., the organization or the individual), the institutional environment becomes complex because it consists of several interests. How these interests are “played out” by the subject becomes important because it defines the “more or less taken for granted repetitive social behaviors” and thus is part of enabling the “self-producing social order” (Greenwood et al. 2008: 5).

### 3.1.3. Institutional logics – linking structures and agents

Many studies on professional service firms, such as law and accounting firms, have identified the existence of several logics and competing demands from various institutional orders. In particular, it is the institutional order of the market, the state, and democracy that has come to influence the development of professions. That is, whereas the logic of professionalism is based on (the self-control of) expertise, quality, and work (Freidson 2001), the state also holds influence over the profession by means of regulations. Furthermore, the emergence of the market in professional contexts has increased the influence of a managerial or corporate logic in various situations. This has led to an increased competition in the market, where price, quality, knowledge, and resources all are qualities that need stringent attention paid to; hence, major institutional shifts in the field of accounting and auditing have been documented in an effort to remain competitive (Malsch and Gendron 2013).
In this domain of research, much attention has been given to the “competing logics” where commercialism stands against professionalism (Sweeney and McGarry 2011; Willmott and Sikka 1997). The emergence of a market logic has come to dominate the development of much professional work (Blomgren and Waks 2015). Consequently, the “competing logics” approach has been used to explain institutional change and the development toward a market orientation in professional fields. However, as pointed out by Thornton and Ocasio (2008), competing logics are not by themselves an explanation for change but could rather be used to analyze resistance, alignment, and the antecedent of practice. Therefore, the various logics are important to acknowledge in complex, institutionalized settings that often are characterized by institutional pluralism (Blomgren and Waks 2015). Not the least, the various logics “have often been treated as fixed exogenous forces exerting influence in a more or less given way” (Blomgren and Waks 2015: 81), implying that there is a need to attend to the micro-foundations, or the individual perspective, on how logics are understood, enacted, and practiced in day-to-day activities. Recognizing that logics are interactive and connect the individual- and group-level of analysis is thus important because it offers a way to analyze individuals, organizations, and institutions as being constituted (also) by flexible, endogenous forces.

More recent research adopting an institutional logics approach has in line with this come to challenge the more traditional perspective on professions. In Malsch and Gendron (2013), for example, it is suggested that the major institutional shifts that have been described in the accounting profession are rather a consolidation of various values and logics. This consolidation process is a result of a deliberate attempt to extend professional jurisdiction by means of challenging an institutional stability (the professional jurisdiction) with institutional change (the commercial logic). This occurred because of:
“…the attempt made by the accounting profession to step outside the traditional boundaries of its field while maintaining the barriers protecting its professional privileges.” (Malsch and Gendron 2013: 872)

Furthermore, Carter and Spence (2014) highlight not only how the commercial-professional and technical-professional logics are linked in the hierarchy of the firm (see also Hanlon 1994), but also how the individual plays an important role in the “internalization of professional values.” Here, the individual is described as an important actor who actively embodies various institutional logics (and, as a consequence, disembodies others), thus suggesting that the professional logic (a combination of commercial and technical logic) is subject to self-determination.

Although the behavior and practices of individuals have been well documented in previous research on professional service firms, the role of agency has often been omitted in favor for the role of, for example, power, structures, and hierarchies (see, e.g., Covaleski et al. 1998; Grey 1998; Kornberger et al. 2011). By adopting a perspective on how logics are worked out in day-to-day activities, agency becomes a central aspect for our understanding of how logics not only conflict, but also align and transform one another. The importance of focusing not only on the field or organizational level in studies on institutional logics is further stressed because the degree of individual agency varies, where professionals iterate between the different logics to promote individual, organizational, and professional interests (Bévort and Suddaby 2016). The role of the institution (at the field level), therefore, needs to be complemented with studies that incorporates organizational self-interest and agency (Dirsmith et al. 1997). This is a development from previous critiques on institutional theory, where the lack of attention to the role of organizational self-interest and individual self-interest and their response to the process affecting them
has been pointed out (DiMaggio and Powell 1983). In other words, the process of examining institutionalization needs to contain several levels of analysis, showing that institutional pressures occur not only from external coercive pressures, but also from within.

In a similar vein, Oliver (1991) discusses the need to better understand strategic responses to institutional pressures; here, the degree of organizational conformity and resistance in response to various institutional pressures needs to be taken into consideration. The recognition of organizational self-interest and active agency (Dirsmith et al. 1997) is stressed as important in discussions on organizational behavior because the “taken-for-granted character of institutional rules, myths and beliefs as shared social reality” (Oliver 1991:145) needs to be looked at also from the organization’s perspective. In particular, Oliver (1991: 174) suggests:

“…that organizations may engage in manipulative strategies to shape the social or political definition of organizational effectiveness. In this way, an organization's responses to the institutional environment will not only influence organizational performance, they may also influence the criteria, measures, or standards used by institutional constituents to evaluate performance.”

An organization’s responses to institutional pressures exerted on it can therefore not be taken for granted because organizations have self-interest and can adapt their behavior according to the social context in which it operates. But, and perhaps more importantly, organizations also have an interest in changing the institutional environment in which they operate. The inclusion of “active agency” in institutional theory is thus important because it allows the analysis to consider institutional structures, individual agency, and the interplay between them. This interplay is recognized as embedded agency (Giddens 1984; Sewell 1992) and becomes important because it lessens the assumption of structures’
primacy over action, instead suggesting that individual and organizational interests and agency are both enabled and constrained by prevailing institutional logics. Because the “interests, identities, values and assumptions of individuals and organizations are embedded within prevailing institutional logics” (Thornton and Ocasio 2008: 103), we need to attend not only to how individual and organizational actions are embedded within institutions, but also how the institutions are constituted by the actions of individuals and organizations (Berger and Luckmann 1991; Thornton and Ocasio 2008). By this definition, structures do not hold primacy over agency, but neither can agency be analyzed separately from its structure. The two exist in a duality (Giddens 1984).

3.1.4. The dialectics of logics

Many studies have expressed concern about the de-professionalization of professions (Fogarty 2014; Oliver 1991) and the changing contexts in which professional services are offered (Noordegraaf 2015). These studies often take the traditional (pure) image of professionalism as something that is autonomous, (self-)controlled, and filling a role as servants of the public interest (Freidson 2001). Therefore, as other interests emerge, the professional field has been portrayed as a subject for a de-professionalization, where the inherent professional values become subjugated in favor of others. Professionalism, as it stands, is thus based on a rather static approach where professional work is defined as professionals’ ability to treat individual cases based on knowledge and expertise. Where the autonomous space becomes challenged by other interests (and other ways of conducting professional work, such as the consideration of budgets, supervision, and reforms), professional work and professional values are weakened.

However, this static approach to professionalism (often referred to
as pure professionalism) has been challenged in more recent years; here, professionalism is stressed as a combination of various logics in organized work settings. In particular, Noordegraaf (2015: 2) emphasizes that these combinations are the result of:

“…the ambiguities of both professionalism and managerialism, stress the fact that managerialism might also be a matter of meaningful management, and show how professionalism and managerialism might be intertwined in daily practices.”

The inclusion of managerialism, or commercialism, in discussions of professionalism is important because different practices might enrich one another. In particular, managerialism refers to the organized and managed action aimed at producing goods and services that satisfy customers’ preferences, needs, and wants (Noordegraaf 2015: 15). The focus on organizing the business according to the expectations of the clients also emerges in the development of the profession, where the profession should constitute a value-creating function to the external stakeholders (FAR 2013). Consequently, the “rivalry of logics” (Reay and Hinings 2009) might therefore not lead to a “de-professionalization,” as suggested by Fogarty (2014), but rather, it could potentially lead to a new logic in which professional practice has become re-institutionalized (Malsch and Gendron 2013) and professional work improved (Funck 2012).

To illustrate the dichotomy proposed in previous research between the logics of professionalism and commercialism, the following table is presented, containing some of the traits traditionally associated with each logic.
Each logic in the table above illustrates ideal types, and are rather uncommon to find in their purest form (e.g., either professionalism or commercialism) (Noordegraaf 2015). Pure professionalism is when there are no traces of other logics, and professionals act based on their autonomy, knowledge, and professional values. When professional work is controlled by organizations and organizational principles, there is controlled professionalism, where both logics need to align, hence no longer representing their ideal solutions.

Noordegraaf (2015: 6) explains the development in professional work toward a hybrid professionalism as a process where professionalism becomes a managed form and where the logics align as a normal part of professional work:

“Professional work becomes a matter of combining professional and managerial principles, which do not so much create ‘controlled professionalism’ but more ambivalent, balanced, and subtle forms of ‘managed professionalism’—professional action is positioned within managed and organized surroundings that both respect and restrain professional spaces.”

Before moving on and discussing professionalism as a hybrid form of the two logics (professional and commercial), it is important to
recognize the influence of the social context. The social context in which these logics emerge is complex; there is a need to look at how, for example, quality and efficiency and skills and hierarchy can be organized in a way so that they support one another. The different logics of how to perform thus needs to be identified in the institutional environment in which they exist. This is the first step to move beyond the dichotomy between the professional and commercial logic and acknowledge the emerging discussion on hybrid professionalism.

Separating the various logics from one another allows for a pure analysis of the social contexts in which they are experienced (Noordegraaf 2015). However, the different traits of each logic often are blurred with traits from another logic, thus leading to a mixed or coupled logic that guides professional work. This is often referred to as hybrid professionalism, a concept developed to explain how professional work is a matter of combining (balancing) professional and managerial principles and how one can position professional action within both a professional and managerial logic. Whereas institutional theory often ignores “how institutions are created, altered and reproduced” (Barley and Tolbert 1997), discussions on institutional logics could lead to a better understanding of how the institutional process is affected by various interests. As indicated by Malsch and Gendron (2013), the reproduction of institutions occurs both at the field level and in the firms’ structures and practitioners’ mindset. Therefore, it becomes important to consider not only which logics exist in a particular institutional environment, but also how these are structured and mediated to the agents acting upon them. The link between structures and agents becomes especially clear when considering the role of institutional change; here, Battilana (2006: 654) finds: “how can organizations or individuals innovate if their beliefs and actions are all determined by the very institutional environment they wish to change?”. Apparently, change occurs not in the structures but also in
how agents interpret and act upon the structures. This is where the process of institutionalization becomes subject for agency and where the need to attend to the micro-foundations of institutions emerge. The hybridization of logics seems to occur at the field or organizational level, which brings about the question of leading to the inclusion of agency in the analysis of institutional logics.

3.2. Structuration theory

Giddens’ structuration theory seeks to neutralize, or bridge, objectivist and subjectivist theories. In particular, whereas objectivist theories posit structures as exogenous, or detached from actions, and subjectivist theorists emphasize the (free) agent, Giddens seeks to situate structures in human practice and reifies the socio-structural context. This is further described by Archer (1982: 455) as:

“On the one hand structuralist Marxism and normative functionalism virtually snuffed-out agency—the acting subject became increasingly lifeless whilst the structural or cultural components enjoyed a life of their own, self-propelling or self-maintaining. On the other hand, interpretive sociology busily banished the structural to the realm of objectification and facticity—human agency became sovereign whilst social structure was reduced to supine plasticity because of its constructed nature.”

Structuration then refers to the examination of the interplay between structure and the agent. From a wider perspective, society is constituted by human action, which, in turn, is a result of society. This duality between structure and the agent is what Giddens refers to as structuration. Structuration, the duality of structure, is further defined as:

“Structure as the medium and outcome of the conduct it recursively organizes; the structural properties of social systems do not exist outside of action but are chronically implicated in its production and reproduction.” (Giddens 1984: 374)
Structure (rules and resources) are in this both a process of and a constraint on human action (like institutional theory, except from the emphasis on the human or individual). However, the reproduction of social systems (institutions) is in this not a “mechanical outcome, [but] rather […] an active constituting process, accomplished by, and consisting in, the doings of active subjects” (Giddens 1984). This suggests that structure develops over time and through space because it is in constant interaction with the agent. As the agent is active in day-to-day interactions, she or he reproduces the norms and values that through history have become institutionalized (DiMaggio and Powell 1983; Scott 2008). This reproduction of social systems takes the form of: “[r]eproduced relations between actors or collectivises, organized as regular social practices” (Giddens 1984).

Accordingly, it is important to make distinctions between structure(s) and system(s) and, similarly, between time and space. In particular, this suggests that the structuration theory is concerned with the day-to-day routines of the actors, where time is irreversible for the subject but not for the institution or for the routine in itself (Giddens 1984). Therefore, the co-presence of the actor and institutions is an important aspect to consider because the actor is present and needs to consider his or her role and influence as a co-present agent. By introducing the concept of “reflexive monitoring,” Giddens put particular emphasis on the agent in the ways actions are (knowingly) carried out. This is what Giddens refers to as practical consciousness. It is what actors know about social conditions (knowledgeability) and everyday life. Reflexive monitoring refers here to the agent’s ability to monitor his or her “actions and those actions settings and contexts” (Giddens 1984: 25) that then lead awareness in the ways ones’ actions influence established structures. Because actors are able to verbally express their knowledge and communicate their knowledgeability, structures become institutionalized agency, as the
auditor constitutes a “vehicle of institutionalized values” (Andon and Free 2012). Consequently, the actions of the auditor are the result of a structure-agency nexus where conflicting interests are reconciled and managed in everyday work. Therefore, the agent is central to attend in studies on professions and professionalism.

“Through action, agents produce structures; through reflexive monitoring and rationalization, they transform them. To act, agents must be motivated, must be knowledgeable must be able to rationalize the action; and must reflexively monitor the action.” (Giddens 1984: 5).

Structuration theory puts particular emphasis on the relationship between structure and agent, rather than on the production of particular norms and values in a larger context. The theoretical framework is thus concerned about the “conditions governing the continuity or transmutation of structures, and therefore the reproduction of social systems” (Giddens 1984: 27). Therefore, structuration theory provides ways to analyze how social systems are created, reproduced, and altered by putting emphasis on the structural properties that guide action. The following table illustrates the duality of structure and structuration as presented by Giddens (1984: 25).

<table>
<thead>
<tr>
<th>Structure(s)</th>
<th>System(s)</th>
<th>Structuration</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Rules and resources, or sets of transformation relations, organized as properties of social systems”</td>
<td>“Reproduced relations between actors or collectivises, organized as regular social practices”</td>
<td>“Conditions governing the continuity or transmutation of structures, and therefore the reproduction of social systems”</td>
</tr>
</tbody>
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Table 4. Structuration theory

Structuration recognizes a social cycle in which structural properties allow “the binding of time and space in social systems.” This implies that systems are constituted by “the situated activities of human agents”
(Giddens 1984: 25) and that their actions follow the rules and resources enabled by structures in a specific situation. By acknowledging the agent’s ability to reflexivity monitor action (i.e., being knowledgeable and act with rational consciousness), it is suggested that social systems are (re)produced over time and through space in the patterning of social interaction:

“To examine the structuration of a social system is to examine the modes whereby that system, through the application of generative rules and resources, is produced and reproduced in social interaction.” (Giddens 1979: 353)

Central to Giddens’ theory is the duality of structure. In this, “social structures are both constituted by human agency, and yet at the same time are the very medium of this constitution” and where “structures are constituted through action, and reciprocally how action is constituted structurally” (Giddens 1979: 161). The structuration of social interactions across time and space therefore involves several “modalities,” which are the means by which structures are translated into actions.

The modalities are ways for Giddens to relate structure to action and, similarly, action to structure because these exist in a duality. In particular, where structuralist theories conceive of structures as putting constraints upon human agency by determining and shaping action (see, e.g., Foucault 1982), voluntarist theories conceive of structures as being the product of actors choices (see, e.g., Dillon 2009); the modalities represent the ways structures are encoded and reflexively monitored by actors. In the process of structuration, therefore, structures are encoded “in actors’ stock of practical knowledge (in the form of interpretative schemes, facilities, and norms…which Giddens calls modalities), they [the modalities] influence how people communicate, enact power, and determine what behaviours to sanction and reward” (Barley and Tolbert 1997: 99).
As outlined in the figure below (Figure 1), structure is represented as “signification involves semantic rules; as domination unequally distributed resources; and as legitimation, moral or evaluative rules” (Giddens 1979: 133). In this, “rules and resources are the properties of communities and collectivities; the modalities of the middle line have to do with the modes in which actors can draw upon rules and resources in the production of interaction” (Bryant and Jary 2003: 254). The modalities include interpretative schemes that represent actors’ stock of knowledge and reflexive monitoring in the sustaining of communication; facilities include command over people and resources; and norms include the normative expectations of actors with subsequent sanctions.

The role of human agency, through the agent’s ability to reflexively monitor, is emphasized as central (although Giddens gives primacy to neither) because it recognizes the role of human action and self-interest. Structuration theory provides in this a unique perspective (in contrast to, e.g., governmentality literature) on the role and influence of structures where any system of account is constructed as to cheat on them (e.g., Power 2004b). Jos and Tompkins (2004) subsequently discuss the “paradox of accountability” where an interactive relationship between [structure] accountability and agency is indicated.

“Responsible interpretation and application of legitimate external accountability demands depends on the cultivation of the virtues that support good administrative judgment, but the institutions and mechanisms that are used to communicate these external standards, and that monitor compliance with them, often threaten the very qualities that support responsible judgment.”

(Jos and Tompkins 2004: 256)

Accordingly, when structures put too much constraint on individuals, these individuals use their knowledgability to alter and reproduce the existing systems, decoupling their activities (ends) from the means of the structure (cf. Power 2004a). Strathern (1997) has phrased this
paradox as: “[w]hen a measure becomes a target, it ceases to be a good measure,” suggesting that individuals [and structure] try to anticipate the effect and then take actions to alter the outcome. This recursive relationship emphasizes the role of time and space: interactions occur in a definite setting for a definite period (Yang 2012). Within this particular environment, people and structure are constantly adjusting.

Giddens submits further that actors’ actions have both intended and unintended consequences. This refers to the actors’ day-to-day conduct in the contexts of social activity, what agents know about what they do, and why they do it. Practical consciousness consists in this of all the things which actors know about the social context in which they operate (i.e., about everyday life). Because this constitute the conscious aspects that actors reflect on (even if certain activities may have become routinized to an extent that actors are unaware about certain habits), the practical consciousness holds a central role in the work by Giddens (1984), as well as in this dissertation. Furthermore, discursive consciousness refers to what actors can say about social conditions. Actors’ knowledgeability and ability to reflexively monitor social conditions are thus central tenets in Giddens’ duality of structure. The duality of structure, wherein structure, modality, and interaction are examined as existing in an interplay is presented below (Figure 1).

**goodhart’s law**, where the original formulation was: “Any observed statistical regularity will tend to collapse once pressure is placed upon it for control purposes.” This observation is important because it suggest that individuals will learn expectations set and take actions to alter its outcome. Thus, the indicator or statistical figure will cease to be a good representative as people start to “game it” (Gill 2009).
This will be further discussed in the following sections, where structure and interaction are illustrated in relation to the concept of performance and the ways in which structuration theory can be applied in contemporary professional, organizational, and institutionalized settings.

3.3. Performance and the cycle of structuration

Although numerous previous studies have targeted the concept of performance and how it refers to a specific quality of a person's work, performance also refers to generalizations of performance and how well a person does his or her work (Corvellec 1996; Gill 2009). This implies that the concept of performance cannot be illustrated as an output, but when translated into more general understandings, performance entails ways to interpret what it means to be an auditor in contemporary professional and organizational settings.

Similarly, many studies have explored the audit setting, the factors influencing auditing, and how (audit) practice depends on the organizational context in which it is practiced. In combining studies on performance with studies on auditing, a new dimension is explored where performance both constitutes and is constituted by the structured institutional setting that informs actions and decisions (Libby and Luft
1993). This becomes particularly relevant in a setting where auditing seeks to change to “remain relevant” (IAASB), thus suggesting that the performance of auditors is relevant for the continued relevance of the practice of auditing. Furthermore, the organizational setting has previously been assumed to hold a profound influence on the professionalization and regulatory processes of auditing (Cooper and Robson 2006). This is an important notion that has received great interest in auditing research. However, although we know that the firm is influential, less interest has been given to the determinants of performance in this organizational setting. According to Libby and Luft (1993), the concept of performance is diverse and is affected by “conceptually distinct factors” that need to be understood individually and in relation to one another.

Structures, in the form of, for example, management controls are important in creating boundaries for what to do and when to do something. The boundaries created are important because they define the work associated with a professional group (Gill 2009) and, further, because they direct learning and promote expectations to members’ in the professional group. Within the field of auditing, structures are important not only to maintain power as an occupational group, but also to guide auditors within a “complex environment fueled by diverse logics” and various socialization processes (Carter and Spence 2014; Kornberger et al. 2011). Following the work by Giddens (1984), it can further be contested that structures are translated into actions and, thus, that structures are important in defining practice.

To better understand structuration (Giddens 1984, 1991) and how it influences the professional and organizational life of auditors, it is useful to examine Giddens concept of modalities and the ways in which the performance concept constitute an important mediator between the institutional realm (signification, domination, and legitimation) and the realm of action (communication, power, and sanction) (see Table 4). In
particular, a modality of a structural system is the means by which structures are translated into actions, thus suggesting that performance contains important interpretative schemes, resources, and norms in the social cycle of structuration. The following illustrates how performance works in translating structures into actions and how the agent draws upon his or her reflexive monitoring and knowledgeability in the process of producing and reproducing structure(s).

3.3.1. Structure and performance

“Rules and resources, or sets of transformation relations, organized as properties of social systems.” (Giddens 1984)

Structure(s) takes the form of rules and resources in the analysis of social systems. Giddens (1984: xxv) refers to this as the “structuring properties allowing the ‘binding’ of time-space in social systems,” where the properties allow for a systematic approach in institutionalized settings. Furthermore, the concept of rules withhold two aspects: (1) codes of signification or meaning and (2) normative elements or sanctions; however, the concept of resources could take authoritative (command over persons) and allocative (command over objects) forms.

These properties of structure(s) can thus empower and/or restrain agents to act in a certain manner according to the dominant logic (institutional myths/values). In his framework, Giddens presents three dimensions of structure: signification, domination, and legitimation. These dimensions are briefly described by Macintosh and Scapens (1990: 460), as follows:

“Signification provides meaning. It is the abstract cognitive dimension used by agents for communication and understanding. It includes organized webs of semantic codes, interpretive schemes and discursive practices. Legitimation provides morality. It is the shared set of values and ideals, normative
rules, mutual rights and moral obligations. Domination provides influence. It is the blueprint for power relations of autonomy and dependency. It is concerned with allocative and authoritative resources that provide for the coordination and control of people and things.”

Accordingly, signification produces meaning and restricts and enables actors to make sense of the context in which they operate. Communication of performances are thus central for how performance is given meaning and legitimacy and is mediated as significant. Domination, on the other hand, refers to resource allocation and the control of resources. Drawing on certain resources, actors influence one another, seeking to persuade the other part about their performance in a particular situation (Goretzki et al. 2016). The final rule of legitimization relates to theories of legitimacy and social order. It seeks to establish order via societal norms, values, and standards so that all are related to some sanction for the individual if one fails to comply (Yang 2012).

As argued by institutional theory, structures are used to reproduce historical patterns. However, as indicated in the structuration framework, structures are used by agents in different ways, and rules and resources are drawn upon to achieve certain means. This further implies that agency is limited to a certain space (e.g., social position) (Sewell 1992) where the agent can use the rules and resources to the extent of his or her social position.

In relation to the discussion on performance, these rules and resources could take the shape of domination (e.g., mentor or team manager), signification (e.g., fitting in/socialization), or legitimation (adopting a professional mind-set). Because rules exist in the dimension of signification (e.g., the meaning of a regulatory framework) and through sanctions (e.g., Supervisory Board of Public Accountants), these performances are determined (most often) by external actors and thus hold little influence over the performance aspect as a means for career.
Therefore, this aspect of performance will only constitute a small part of the current dissertation; rather, the emphasis will be put on the ways in which performances are structured at the organizational level.

3.3.2. Interaction and performance

“Reproduced relations between actors or collectivises, organized as regular social practices.” (Giddens 1984)

Sewell’s (1992) interpretation of agency as restrained to certain spaces according to the agent’s social position implies certain contextual constraints on the scope (effect) agency has in the structuration process. However, all humans have the capacity for agency, and although limited to social position and formed by the rules and resources in that position, the structure empowers agents to act according to their desires, intensions, and knowledge. Importantly, agency encompasses both individual and collective action, which requires attention to how actions are coordinated and the ways (or extent) in which collective reflexivity and consciousness are able to draw on existing structures.

“Agency entails an ability to coordinate one’s actions with others and against others, to form collective projects, to persuade, to coerce, and to monitor the simultaneous effects of one’s own and others’ activities. Moreover, the extent of agency exercised by individual persons depends profoundly on their positions in collective organizations.” (Sewell 1992: 21)

According to Giddens, the human need for ontological security leads people to repeat routine patterns of behavior that unintentionally reproduce existing structures. Here, routinization is conceived as a central part in actors’ day-to-day social activities. However, all agents can deploy a range of causal powers, and thus, all power relations involve some sort of dialectic of control. The agent is presented by Giddens as operating in both a deterministic and voluntaristic manner. The agent also experiences
different levels of consciousness. Practical consciousness refers to what actors know about social conditions and what the agent brings to everyday tasks but cannot express. Similarly, discursive consciousness is the ability to express knowledge (Buhr 2002; Giddens 1984).

Agents’ knowledgeability (everyday tasks, ability to express verbally, and contextual knowledge) makes the agent able to rationalize through processes of reflexive monitoring and sense of accountability. In their everyday tasks, agents must coordinate projects, goals, and contexts while performing actions. The coordination of these performances and tasks represents the agent’s knowledgeability and thus the extent of agency.

In relation to performance in professional firms, agency entails both professional work (i.e., making judgements according to set rules and the agent’s knowledgeability) and the agent’s ability to operate and cooperate. This implies that performance can take different forms if drawn upon by the individual or by the collective.

3.4. Agency and performance to attend competing logics

One fundamental feature of professionalism is the control professionals have over the tasks they perform (Abbott 1988; Freidson 2001). Accordingly, because professionals set out to perform according to the structures and controls in the organization, they are socialized in a particular pattern or routine that corresponds to the institutional myths and orders of the organization and the broader belief systems of society. The institutional logics approach focuses on how broader belief systems shape the cognition and behavior of actors (Friedland and Alford 1991; Thornton et al. 2012) and consequently how social order is established. However, as suggested by more recent research, there is a need to attend the role of the organization and individual to better understand how institutions are
produced and reproduced. The “pluralism, complexity, or the coexistence of a number of institutional logics” (Kraatz and Block 2008) can be better understood if we further attend to the institutional life and role of structures and agency. The role of institutional logics and institutional life makes it possible to further analyze the “overarching sets of principles that prescribe how to interpret organizational reality, what constitutes appropriate behavior, and how to succeed’ that define institutional logics” (Thornton 2004: 70). By combining the perspectives of structuration and institutional logics in a study on performance in professional-organizational contexts, it can further be contended that institutional logics occur at the institutional and organizational level, whereas more attention is given to analyze “the actions of micro-level actors as they manage competing logics” (Reay and Hinings 2009). The role of performance is in this to combine how versatile practices of performance, and hence performance controls, constrain and enable professionals in their everyday work.

3.5. Conclusion: Performance as modalities
The inclusion of not only agency but also performance in the analysis on contemporary professionalism allows for broader discussions on how everyday practices in professional settings inform professionalism and institutional change in this context (see, e.g., Noordegraaf 2015; Suddaby et al. 2009). Whereas previous research has identified the need for auditors to accommodate various logics and perform according to the professional and commercial interests, the conceptualization of performance as modalities through which structure(s) and agents interact (Macintosh and Scapens 1990) sheds light on how the everyday, mundane practices influence contemporary professionalism. Furthermore, in the context of a professional setting, one where the professional auditor is assumed to be
an autonomous individual, the role of structures needs to be further emphasized because structures empower and restrain agents.

In this, structuration theory enables an analysis of how performance is organized (Noordegraaf 2015; Otley 2003; Sweeney and McGarry 2011), acted on by individuals (Kornberger et al. 2011), and in turn becomes institutionalized in (and through) professional and business-orientated organizations. This further suggests that the ways in which performance is scripted allows for encoding the social logic of what Goffman (1983) calls an “interaction order” (Barley and Tolbert 1997: 99). This further suggests that institutions manifest themselves in behaviors that are characteristic of that setting and hence will appear as local variants of more general principles. The study of performance in the local contexts of professional firms thus suggests a study on the more general principles that define audit professionalism.

To summarize, inspired by the framework of Dirsmith and Covaleski (1985), the current dissertation combines the sociology of professions literature, institutional logics, and structuration theory. This framework will be used to analyze the everyday formal and informal performance practices of auditors and suggest ways through which the various logics can be reproduced in this local setting.
“The phenomenological analysis of everyday life, or rather of the subjective experience of everyday life, refrains from any casual or genetic hypotheses, as well as from assertions about the ontological status of the phenomena analysed.”

(Berger and Luckmann 1991: 34)

4. METHODOLOGY

Giddens (1979, 1984) argues that we should not see objects and subjects as distinct entities, but rather, they should be viewed as interrelated in everyday practices. Considering day-to-day interactions, social life is neither the outcome of individual actions that is determined by how individuals feel, what they intend, or plan to achieve, nor is it determined by social structures (institutions, rules, and resources). Social structures do, indeed, place constraints on human agency, but individuals do have free will that is also enabled by the very same structures. For Giddens, we therefore cannot think of structure and agency as ontologically distinct features; they are a duality that are “always interdependent and interrelated” (O'Reilly 2012). The ways in which structure and agency exist in duality can be studied through the concept of practice (Barley and Tolbert 1997; O'Reilly 2012). Practices are the ways of doing, thinking, and seeing things through the experiences that individuals gain over time. In this, the concept of practice provides an important bridge between the macro and micro perspectives because it offers a way to analyze the
interaction of individuals and the wider structures. Adopting the work of Wenger (1998: 47), practice is what traditionally is recognized as structures — codes, rules, regulations, and procedures, but also:

“...all the implicit relations, tacit conventions, subtle cues, untold rules of thumb, recognizable institutions, specific perceptions, well-tuned sensitivities, embodied understandings, underlying assumptions, and shared world views. Most of these may never be articulated, yet they are unmistakable signs of membership in communities of practice [...].”

Consequently, practice is about knowing (and understanding) how to go on in any given circumstance. This is, accordingly, what Giddens recognizes as practical consciousness is the actors’ ability to reflexively monitor and reproduce or alter existing structures. In this, individuals’ relations, networks, and communities are central for how structures (and agency) are made sense of and enacted upon. A community of practice, therefore, involves “dense relations of mutual engagement organized around what they are there to do” (Wenger 1998: 74). In all situations of everyday life, individuals need to “negotiate their way forward, each bringing to the situation their own internalized structures and adapting their own goals and expectations in line with the experiences, norms and practices of others” (O'Reilly 2012: 8). In this, individuals have different roles, backgrounds, identities, goals, status, power, and experiences that together form the community of practice that constitute the process of structuration and hence the process through which audit professionalism emerges.

Paying attention to both the wider structure and the micro-level reasoning of individuals, within the context of action and practice, the current dissertation seeks to bridge the gap between macro- and micro-level dynamics in the ways conflicting institutional logics are reconciled (cf. Alvehus 2017) within this particular community of practice. This
approach allows the examination of “such structural phenomena as institutional logics [that are] encoded in social practices through socialization of formal structures” (Barley and Tolbert 1997: 115) and of agency and reflexive monitoring. This further supports the phenomenological approach in that it allows for “detailed and subtle treatments of the nature of practical [and discursive] consciousness” (Giddens 1984: 7). By engaging in practices of socialization and learning, as well as the ways actors reason upon practices that have become habitual (that actors are unconscious of), the intersection between structure and agency is emphasized. Furthermore, by engaging with actors and their community of practice (O'Reilly 2012), the remaining part of this chapter will discuss the professionals’ approach to the prevailing institutional logics and how they (the professionals) engage in practices of performance through formal and informal trajectories to achieve their goal of career.

4.1. Methodological considerations

Phenomenology is the way in which one perceives and interprets events and one’s relationship to these events. It is the study of structures of consciousness as experienced from the first-person point of view (Starks and Trinidad 2007). This approach is thus concerned with different forms of experience from the perspective of the subject living through or performing them. Reality is comprehended through embodied experiences where meaning is captured in the common features or essences of an event (Fadyl and Nicholls 2013). The phenomenological approach thus takes great interest in the taken-for-granted assumptions because it seeks to state the obvious (the essences), and by doing so, it challenges and illuminates preconceptions about phenomena that cannot be revealed by ordinary observation (Covaleski and Dirsmith 1990: 565). More specifically, phenomenology, or an interpretative phenomenological analysis, focuses
on the meaning that particular experiences or events hold for participants (Larkin and Thompson 2003).

Furthermore, a main aim of the phenomenological approach is “the return to the concrete.” Here, reality can only be understood from the immediate experience of individuals (Eagleton 1983). Perceived reality is thus treated as pure “phenomena” and constitutes the only absolute data from where to begin (Groenewald 2004). In other words, it could be argued to exist as an essential perceived reality with common features that are used to understand how meaning is created through embodied perception. The central structure of an experience is its intentionality, and by approaching the perceived experiences of audit professionals, the dissertation will study the meaning of the objects experienced (e.g., performance, career, audit, etc.). In a wider sense, by engaging in the lived-world, or the everyday life, of various actors, the current study seeks to understand the social phenomena of professionalism from the perspectives of the people involved (Welman and Kruger 1999). In this, Townley’s (2008: 113) notion of contextual rationality where “rational action does not need to be fully aware of the reasons for action” becomes interesting. Implying that action is rational only in certain contexts and is not always performed based on fully aware reasons, a distinction is made between reason and rationality. This implies, in particular, that when attending the “rational way to behave,” one needs to account for the subjective side of organizations, that is, the non-rational dimension of organizational behavior. Townley (2008) explains this approach as “for practitioners it provides a less rationalistic way of understanding their organizational worlds, one closer to their lived experience.” This follows Groenewald (2004: 5) and how he describes phenomenology:

“A researcher applying phenomenology is concerned with the lived experiences of the people […] involved, or who were involved, with the issue that is being researched.”
It should be noted early on that the phenomenological conceptions of the subject are the center of many analyses where “the subject acts as a source of originary meaning” (Fadyl and Nicholls 2013). In contrast, Foucault takes a starting point in the “history of the present” (Dreyfus and Rabinow 2014) in that historical conditions form the ways in which we speak, think, and act. Our experiences of ourselves and our lives are discursive effects, creating the structure of our reality (Foucault 1982). Consequently, “discourse makes possible our current reality, and conversely to think, say or do anything outside of our current realm of discourse would appear as unreasonable, incomprehensible, insane or simply impossible” (Fadyl and Nicholls 2013: 26). This can be further equated to governmentality literature in which, among others, Miller and O’Leary (1987) argue that the rise of accounting, performance, and management systems is part of the broader construction of the governable person and is thus related to political rationalities and political programs (Power 2004a; Svärdsten Nymans 2012). Accordingly, both perspectives are relevant in a study on legitimate performances in a professional context, although containing some limitations that need to be considered. Strictly construed, phenomenology does not account for meaning produced by structure (as is the case with linguistics). Foucault (1982) (mostly) neglects the “care of the self” in the micro-theorizing (Fadyl and Nicholls 2013). Despite this, I find both approaches to be of interest in the study of [audit] professionalism, especially because they offer ways to understand the “dual duality of structure” and social relations (Dirsmith et al. 1997) in the sense of how actions shape and are being shaped by structure. In particular, this refers to the ways structure and agency exist in a duality of mutual constitution because both aspects are included in the explanation of how social order is created (Giddens 1984) within particular
contexts. In line with this reasoning, I find Merleau-Ponty’s bridge from phenomenology to structuralism to be of interest as it offers ways to take into account both structure and agency (cf. Giddens 1984, 1993) and is hence a way to bridge previous research on, for example, governmentality and analysis of “the subjective experience of everyday life” (Berger and Luckmann 1991: 34).

“For the philosopher, the presence of structure outside of us in natural and social systems and within us as symbolic function points to a way beyond the subject-object correlation which has dominated philosophy from Descartes to Hegel.” (Merleau-Ponty 1964: 123)

This approach offers a way to see structures as both objective realities that are independent of any mind and meanings informing the lives of individuals. Studying both structures and how these structures enter into the lives of individuals, the approach taken will offer a way to engage with individuals and how they experience, engage with, and reproduce the structures (e.g., the rules, norm systems, and management control systems) that are both a medium and outcome of contemporary professionalism. This dialectical approach of phenomenology and structuralism starts from the notion of experience and the recognition of individuals’ ability to reason (whether the reasoning follows a rational or irrational logic, cf. Townley 2008). However, the approach also acknowledges that in a given context, individuals are caught up in power relations (see Giddens “rule of domination”, Figure 1) that they may or may not be aware of (Sembou 2015). Furthermore, the bridge between institutions and structures (Barley and Tolbert 1997) and actors is a central tenet in Giddens’ structuration theory, where the phenomenological

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approach offers ways to further emphasize the agent in the processes of institutionalization and structuration. Acknowledging the relation between structuralism and phenomenology further allows one to go beyond the central problems inherent in previous research where freedom and power are in contrast, leading to questions such as: “Who holds power? In whose interests do they wield it? How is it legitimated? Who does it represent?” (Rose 2004: 1). Rather, Giddens’ structuration theory suggests that “…power is never merely a constraint but is at the very origin of the capabilities of agents to bring about intended outcomes of action” (1984: 173). The role of agency is thus central in an analysis of the constitution of social practice, in particular in contexts where social practice comes to define the legitimate professional.

Taking a constructivist, qualitative approach to the research questions set out earlier, the current study aspires to describe, translate, analyze, and otherwise infer into the meanings of phenomena (Covaleski and Dirsmith 1990). Focusing on specific phenomena and scrutinizing the activities and experiences of those involved and the context in which these activities and experiences occur (Cooper and Robson 2008), the present study is directed toward informing theoretical discussions by providing detailed examples of how and why specific practices or activities are done. The analytical emphasis of the study is thus to provide an in-depth understanding of auditors’ reasoning and performance practices by analyzing the complexity of human behavior in circumstances where auditors’ realities are construed by conflicting institutional logics. To this extent, the current study follows the constructivist spirit in that it:

“assumes that to understand inherently complex and capricious phenomena, one should investigate the processes and actions, including the use of technologies, by which social actors (auditors) in real-life settings produce stable practices and associated meanings.” (Power and Gendron 2015: 155)
In consequence, the present study takes interest in “how” often these facts that are produced are taken for granted in a field of practice. It does so by not taking the notion of performance as a given, but rather by engaging in auditors’ perceptions and rationalizing of their own performances, an approach that offers insight into existing structures, as well as the consciousness (and reflexive monitoring) of these auditors. This follows the argument by Power and Gendron (2015: 153): “Good research, regardless of method, aims to better understand reality”. Accordingly, the current study takes interest in the concept of performance and how performance and the ways this social phenomena are instituted in and/or composed of people’s actions and relations (Schatzki 2005).

The present study thus inquires into how ordinary members of the auditing community attend to everyday life by adhering to “particularly the meanings attached to actions and events in the language of its principal actors” (Covaleski and Dirsmith 1990: 544). Furthermore, approaching a phenomenon based on qualitative methods allows for a construction of the phenomenon by means of description and interpretation. This perspective is in line with that of social constructivism, where processes of becoming are constitutors of what it (i.e., the phenomenon) is currently taken to be (Law and Singleton 2000; Svärdsten Nymans 2012). This implies that how a phenomenon (e.g., control and performance) is constructed and used by the practitioner is a social construct from the perspective of the individual.

Furthermore, describing a phenomenon can be used to understand discontinuity and disequilibrium, in contrast to large-scale studies that tend to assume temporal stability and equilibrium (Cooper and Robson 2008; Power and Gendron 2015). This is in line with the philosophical commitments of critical theory, of which the primary concern is to “unmask their [technical management control techniques] lack of objectivity by exposing the creative role played by underlying social values, partial interests, and power relations in producing them” (Willmott
This follows the approach taken by Dirsmith et al. (1997) and Covaleski et al. (1998), wherein structure (techniques of control), agency, and institutions are analyzed in relation to the professional member. Attending to the reasoning and embodied perception of the professional, the assumed rationality of formal control systems (e.g., management by objectives) could be exposed and described from another point of view. Thus, taking a critical approach to the taken-for-granted assumptions offers an alternative way to understand (the production of) professionalism. According to Harvey (1990: 1), this approach “attempts to dig beneath the surface of historically specific oppressive social structures” and aims to confront prevailing knowledge and the structures that enforce it by providing an alternative reading and understanding of it.

In this, the ambition to “return to the concrete” is crucial in the attempt to reveal previously hidden structures of oppression and counteract the discursive closure brought about by the acceptance of any knowledge. That is, there is a need to take the perspective of the reflexive agent (the individual) and his or her ability to reason and (re)produce existing structures. This is in line with the phenomenological approach in that:

> “Phenomenological statements, like philosophical statements, state the obvious and the necessary. They tell us what we already know. They are not new information, but even if not new, they can still be important and illuminating, because we often are very confused about just such trivialities and necessities.” (Sokolowski 2000: 57)

By engaging in questions of how and why, the present dissertation discusses the structures, techniques, and values within a profession that hold jurisdiction based on accountability practices and legitimacy. In particular, the role of structure has previously been illustrated by the audit society, where auditing and practices of auditing are central for how organizations and individuals organize themselves (Power 1997).
However, by attending to the expressed experiences of living in an audit society, where accountability, legitimacy, and trust are central for the practitioner (and the professional firm), the reasoning of professionals in adhering to certain structures and their logics are illuminated and discussed from the perspective of both professional and organizational interests. In the analysis of both structures and agents (Giddens 1984) in this particular professional context, it is possible to better understand what constitutes professional practice because individual and social collectivities (Schatzki 2005) are merged (i.e., individual autonomy, professional, and organizational interests need to be aligned). Auditors’ reasoning and fundamental understanding of what they do (Broberg 2013) can thus illuminate how conflicts and dichotomies are managed as part of their everyday work. By engaging with auditors’ lived experiences and their reasoning on specific issues previously taken for granted concepts, such as quality, control, and performance, can be explored from actors’ perception and how they are (re)produced in different ways (Power and Gendron 2015).

The interpretative phenomenological approach is here used to provide clues about how the participants embody meaning to their being as professionals and what is meant by professionalism in a contemporary organizational context. Engaging with the performance construct, concepts such as control, judgments, community, and career are discussed as essential for auditors to be perceived as successful (Cooper and Robson 2006; Suddaby et al. 2009).

4.2. **Empirical context**

“Analyzing the social construction of auditor inference can be read as a merely critical project which undermines the knowledge base of auditing by relating it to specific contexts and local interests. Thus, bringing in the messy backstage of audit
Auditing is a legitimating practice to the public (Power 2003a). Yet not much is known about the backstage practices, partly because of professional service firms’ reluctance to provide access to these practices (Power 2003a). Furthermore, a critical research approach toward auditing and an assumption of a discrepancy between back- and front stage (Kornberger et al. 2011) seems to undermine an essential part of the audit profession in that the practices of management and logics of commercialism (enterprise-minded individuals) stand in contrast to the professional, trustworthy profession. Hence, the present dissertation seeks to better capture the “messy backstage” by providing insights into the reasoning of professionals themselves in how and why they enact in professionalism in a certain way. Attending to the “lived experiences” (Covaleski and Dirsmith 1990) of professionals, common features of professionalism and control in a professional setting emerge and might uncover core elements of this “messy backstage.”

To better capture the messy backstage that is prominent in the Big Four, the current study draws on interviews with professionals at various stages in their career progression, from trainees to partners. This approach brings forth potential differences and similarities in how professionalism is produced in the empirical setting, especially highlighting where specific logics are introduced (e.g., at what point in the career does commercial skills become prominent?). The use of interviews has been recognized as important because data are contained within the perspectives of people (Groenewald 2004), and the engagement with the lived world of the interviewees provides an opportunity to comprehend the multiple beliefs that may exist about concepts and phenomena (Cooper and Robson 2008). The qualitative approach also allows for a wide range of perspectives; here, individuals in the accounting field, stakeholder groups, and individuals
within firms who are not accountants, such as in HR or internal non-accounting service departments, can be included and add to an interdisciplinary perspective of the investigated phenomena. Including several perspectives, the pre-conceptualizations of the researcher might be challenged, providing further a reflexive approach toward the researched phenomena. This implies not only being open toward challenging preconceptions about the researched phenomena, but also adopting a critical perspective toward the answers given to further the argument, relating various experiences with each other.

Taking interest in the duality between structure and agency, the present dissertation follows the reasoning of Giddens (1993) to understand the organizing of produced meanings within the context of professional organizations. That is, meaning is produced in communicative acts and by attending to professionals’ descriptions of what they do, and in relation to the structures they work in, the “produced meanings” within audit professionalism can be further attended.

“"The organization of 'accountability', as has been made fully clear in existentialist phenomenology after Heidegger, is the fundamental condition of social life; the production of 'sense' in communicative acts is, like the production of society which it underpins, skilled accomplishment of actors – an accomplishment that is taken for granted, yet is only achieved because it is never wholly taken for granted. Meaning is communicative acts, as it is produced by lay actors, cannot be grasped simply in terms of a lexicon, any more than it can be transcribed within frameworks of formal logic that pay not attention to context-dependence." (Giddens 1993: 25)

An interpretative, qualitative approach is adopted, and here, the interviews are semi-structured or discussion based. As the project progressed, the interviews have come to focus on different aspects of the backstage in the Big Four, such as the formal performance evaluation system or the social relations that are part of reproducing this system.
Whereas the interviews in the beginning of the project focused on organizational structures and socialization, the later part of the data collection process has come to focus on the reasoning and the informalities (the social relations) that emerged as important. Adopting to and elaborating on new phenomena that emerge from interviews is in line with the approach taken by Suddaby and Viale (2011) and provides the study with a greater depth in terms of topics discussed, also providing the interviewee with the opportunity to discuss matters of interest to him or her. As the interviews went along, it also became clear how various themes were related to one another (e.g., how career and a commercial reasoning are intertwined) in the everyday life of the auditor and how this came through in a way of multiple reasoning. That is, by reflecting on and discussing the evaluation system, the technical work of auditing and role of others in the professional community and an environment of reflexivity was encouraged, so both the interviewee and the researcher could discuss topics that could be related to reasoning according to the commercial and/or the professional logic. As a result, among the themes discussed are: performance and control, career progression and ambitions, their perceptions of working as professionals and the balancing act between ethics, professionalism, and commercial values. Because the empirical context is complex, incorporating both a business and professional logic, where performances are evaluated in various ways, the focus on the individual professional became a way to better understand under which conditions the individual operated and to which logics he or she seemed to rely upon. The various themes discussed were later helpful in coding and analyzing the data.

4.3. **Data collection and analysis**

Doing research on sites otherwise recognized as “closed” for researchers (see, e.g., Power 2003a; Power and Gendron 2015) created an initial issue,
so access to interviewees has primarily relied upon the use of personal and professional contacts, an official list of active auditors, and their contact information (provided by the Supervisory Board of Public Accountants). Interviews were arranged with those auditors who responded to the formal inquiry to participate in the study. These interviews are the primary unit of analysis.

4.3.1. Data collection
The process of data collection has centered around two empirical projects. First, the study focuses on interviews and reoccurring meetings with auditors. The interviews took the form of an interactive dialogue, where both the interviewer and interviewee were engaged in the dialogue to capture “rich descriptions of phenomena and their settings” (Groenewald 2004: 11). The aim of the interviews was to lead a discussion on topics of interest for the interviewee. That is, the interviewer entered the interview with a set of varied questions and let the interviewee choose where to focus and where to elaborate. This was pursued to get more detailed narratives and an open discussion on the ongoing negotiations between different values. The ambition with the reoccurring group discussions was to talk about career issues, ambitions, what junior professionals come to value, and how their understanding of what matters changes over time.

As a complementary data set, blog posts from the web pages of the Big Four and Facebook pages were collected over a period of three years (49 blog posts, 13 video blogs, and three online chats were documented). This data were gathered to analyze the ways of representing the profession and to learn about the commercial features of the profession and learn more about the firms’ strategies in how to approach new members. In addition, the researcher participated at two mingle events arranged by the Big Four firms, where contact was made with both students and representatives of the firm to understand how expectations are mediated. This data were only
used to complement or support the other empirical material and has not in itself been analyzed or used for any of this research.

To find support for this development within the particular context of the current study, especially as part of the professional logic, I analyzed selected discipline cases in the Supervisory Board of Public Accountants over the period 1999–2016 (approximately 13 statements per year are published). The statements were studied with the purpose to identify trends in the development of the profession (the intersection between professional values and a bureaucratic rationale) and to identify whether the statements were concerned with the content of the audit (assumed to be relatable to the accountability regime) or expressed concern for the behavior of the auditor (assumed to be relatable to the professional and ethical values).

This was done to identify how the audit practice has evolved over time and how auditors embody certain institutional logics in their habitus when professional bodies exert pressures (Spence and Carter 2014). Thereby, the discipline cases complement the interviews with an external perspective, and attention is given to how auditors are reviewed and held accountable to established professional norms. The cases reported on in the Supervisory Board of Public Accountants are under review for a reason (reported mistakes or wrongdoings) and therefore concern cases that are either clear violations of professional norms and rules or cases that are in a gray area (where judgment is required). In studying the cases, I looked at the reasoning and the ways the opinions were expressed, hence forming an opinion on how auditing has progressed and how the professional body (the Supervisory Board of Public Accountants) has adapted to a changing context.

The current dissertation project is based on interviews pursued through 2013–2017 and consists of 58 interviews with the following groups: junior professionals (18), managers (19), audit partners (19), and HR managers (2). Furthermore, there were four reoccurring focus groups
with junior professionals at different stages of their careers (experience ranging from one month ahead of their start at a Big Four firm up to professionals working in their third year) (each meeting averaged four participants). The individual interviews lasted on average 55 minutes, and the focus groups lasted on average 114 minutes, consisting of three to five junior professionals in each meeting. In the few cases where the interviewee wanted to read and approve the transcript and the material used, the transcript and notes were sent to the interviewee together with a context description for approval.

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<th>Table 5. Data overview</th>
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While conducting the initial interviews, the focus on practice seemed to dominate the discussions. That is, although the questions per se were centered on performance, evaluations, and practices of organizing, the interviewees seemed to constantly come back to and refer to the audit practice, the regulatory frameworks, and how they acted from a professional perspective. This gave awareness to other paths into the explanation of how structures, performance measurement systems, and career were perceived and experienced by the interviewees. Following this, the interviews naturally developed to focus more on the practice of auditing, relating back to the influence of structures but in a subtler way, one where the practices of doing auditing was related to the practices of performing in auditing. This distinction came to be of importance in the analysis, where the central themes of professional and commercial logics emerged, but also in terms of where performance occur and the distinction between bureaucratic and social practices. The distinction between work and performance (i.e., reasoning according to professional and/or organizational interests) was further discussed in interviews with partners, whereas interviews with junior professionals focused on sense-making, comprehension of the auditing context, and their coping of internal and external expectations. As the interviews progressed, the commensurability between the lived experiences of junior professional, managers, and partners emerged as a common theme. They all seemed to follow the same structures of control (e.g., being evaluated in similar dimensions,
following the same career trajectory). In the final data collection phase, this led attention back to discussions on socialization, the role of the professional community, and the importance to maintain a strong network in order to become successful.

In all interviews, the questions were “naturalistic” (Covaleski et al. 1998) and adjusted to be relevant for the interviewee. For example, in cases where the practice of auditing “triggered” interest from the interviewee, the subsequent discussion focused on practices of auditing, adjustments to globalization, outsourcing, and demands for accountability, aspects that all related to the performance of the auditor in complex institutional contexts. The overarching theme of performance was maintained by asking open-ended, broad questions. For example, the following questions were asked: “What is important when setting your goals?” “How is your performance evaluated?” “What are your daily routines?”

The interviews and the informal meetings, with support from webpage data, were used to come closer to the phenomena investigated. That is, by engaging with professionals at various levels, the thesis sought to capture the essence and core communalities of audit professionalism in contemporary organizations. The reasoning and rationality used was central to identify common descriptions of the specific phenomenon (Starks and Trinidad 2007). An analysis of how agents use forms of rationality, in what situations, and for what purposes is an analysis of power (Townley 2008). Hence, the phenomenological approach was helpful in capturing the role of structures and governance and how they are a part of creating the “accountable professional,” but also, from the perspective of the individual, how conscious and habitual actions are part of the reproduction of these control systems. This approach is thus helpful in illuminating the institutional logics (i.e., professionalism and
(Knights and Willmott 1989; Starks and Trinidad 2007).

4.3.2. Data analysis

Taking into account how the professionals embody meaning or make sense of their everyday lives as professionals, the analysis centered around the clustering categorization of meaning to capture the taken-for-granted assumptions in relation to the specific context in which the professionals are active (Larkin and Thompson 2003; Starks and Trinidad 2007). By doing so, I was able to approach the structural properties that guide professional work while having the professional’s perspective in mind. In particular, this gave me the opportunity to engage in how performance is interpreted and enacted by professionals working in complex institutional contexts that are comprised by professional and organizational interests.

The analysis of the collected data was comprised of three steps: (i) initial coding, (ii) theme identification, and (iii) institutional logics. The initial codes were identified in interview transcripts and by listening to interview recordings. The codes were developed based on the actors’ words, better capturing the lived experiences and auditors’ reasonings in particular situations. An unstructured attempt to categorize the situations in which performance emerged (e.g., “evaluation meetings,” “at the client,” “in mentoring processes,” etc.) was developed; however, this was not conducted on a continuous basis. Rather, seniority and professional role (junior professional, manager, (equity) partner, etc.) was found to be relevant in the analysis of how performance was construed. The initial codes could take the form of “leadership,” “billable hours,” “relations,” “performance,” “knowledge,” “career goals,” or “goals” based on recurring key “performance activities” that auditors were asked to define during the interview. The codes were then grouped in themes that were developed from previous research and where common reasoning could be
identified. The key themes identified were: “governance,” socialization,” “community,” and “agency.” They were based on an analysis of how and where performance emerged as important for the auditor (and the effects associated with this).

The themes were developed and transformed over the time of the dissertation project. Because the dissertation initially was aimed to be written as a compilation, the themes took inspiration from the domain theory for each of the three research articles developed. With the decision to write a monographic dissertation in 2015, the empirical data were re-grouped and re-written to fit the purpose of this work. The analysis, with its subsequent initial codes and themes, remained and were used to categorize the data according to the literature on institutional logics and socialization. In this process, the data were identified to fit either according to a professional or commercial logic13 to better fit with previous research on conflicting institutional logics. The categorization of professional logic was based on its inherent characteristics (defined in Table 2). Similarly, the commercial logic was classified based on the characteristics discussed and to further emphasize a break from traditional pure professionalism. This was, however, not a straightforward classification, and in line with the auditors’ reflections, it was at times hard to separate the discussions to belong to either a professional or commercial logic. In these cases, the transcripts were classified according to both logics (i.e., in line with

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13 The separation between logic and practice is made on purpose to illustrate the distinction between how auditors reason according to [a certain logic] and perform through [a certain practice]. Although Freidson conceives of professionalism as a third logic as an alternative to consumerism and bureaucracy, the labeling of a commercial logic is here used to further emphasize a break from professionalism. It is further contended that performance is made legitimate (as a response to exogenous accountability pressures) through bureaucratic and social practices that adhere to either a professional or commercial logic. Furthermore, the distinction between logic and practice is an important one as the current dissertation argues that bureaucratic practices support the professional logic in several dimensions (cf. Chapter 10).
research on hybrid professionalism), which proved helpful in the analysis of how performance practices intersected in a “duality of mutual constitution” (Dirsmith et al. 1997). Although not being “clear cut” in how to divide the empirical material, because both professional and commercial performances are part of auditors’ everyday life, the separation into two distinct logics was done to further illustrate the different dimensions of professional work. Furthermore, the distinction between two different institutional logics was done according to Barad’s (2003) notion of “how matter comes to matter” in discussing the ways in which various performances become matters of signification (the matters that are perceived as important), where professional and commercial (business) reasoning are given different levels of importance in various situations.

Furthermore, the analysis concentrated on how performances are recognized and mobilized as legitimate by drawing on performance as bureaucratic and social practices. This categorization was made based on Wenger’s (1998) definition of practices and the auditors’ recognition of performance as accountable. For the auditors, the process of making the performance legitimate constituted in generally as either practices of adhering to bureaucratism (performance [control] systems, quality, independence, etc.) or to be accepted in the social community.

4.4. A reflexive note on the research process
Having worked a short period in one of the Big Four firms, I quite soon came to think about the expectation gap that I experienced, that is, the

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14 Barad’s discussion on “how matter comes to matter” finds ground in the lapse from materiality (facts) to signification (representation) in determining (what) matter. More specifically, it is argued that discursive practices set out to represent preexisting things to determine what is real, and what matter.

15 The term expectation gap could, according to the American Institute of Certified Public Accountants (AICPA), be defined as “the difference between what the public and financial statement users believe auditors are responsible for and what auditors themselves believe their responsibilities are.” In this context, however, I
expectations I had entering the firm and what I came to do in practice. Although initially only being assigned simpler tasks, the interaction with clients, performance reviews, and the mentoring were early on all directed toward “climbing the [career] ladder” and rather different from my preconceptions of what an auditor does. Therefore, I decided to dive deeper into this subject and initiated this research project. Again, having a preconception of what auditors do and focusing on the constraints and structures put upon them, the initial phase of this process was focused on governmentality and the shaping of professional identities. This was also reflected in the first couple of interviews conducted, where the focus was on performance structures and how professionals reflected on and adapted to existing structures. What emerged, however, was the freedom experienced and the seemingly “lack of” professional judgment in auditors’ descriptions of what they do. Rather, the performance practices that came to matter were the ones that could be mobilized and made significant in different contexts. In other words, performance seemed to be a situated practice that could be framed differently depending on its relevance to a certain situation and audience.

Therefore, the emerging focus on freedom and agency came to define the remaining research process. Although early on having a preconception of what auditors do — and, to some extent, that preconception remains — the gathering of empirical material and its subsequent analysis were influenced by an idea of a dualism in what auditors do and the pure forms of professionalism. Although being a recurring theme in previous research, where the dichotomy between professionalism and commercialism have long been debated, the close
interactions with professionals at various stages of their career taught me
the micro-level complexity in institutional contexts, where various
expectations need to be aligned at the level of the individual.
Consequently, and contrary to previous research, the proposed dichotomy
was acknowledged but not recognized as a problem by the auditor, as long
as one were “aware and conscious about ones’ role in everyday situations”
(I7). Although the current dissertation attempts to engage in auditors’
everyday work and reasoning, it does not seek to engage in individuals’
conscious experiences, nor does it engage in the unconscious motives of
individuals. So the dissertation does not offer detailed treatment of
consciousness as suggested by phenomenology, nor does it study direct
human behavior; rather, it examines the reflexive reasoning of individuals
(Giddens 1984: 7). Therefore, the dissertation offers reasoning on the
constitution of performance and the role of individuals in established,
professional contexts.

The current dissertation does not seek to analyze the discursive and
practical consciousness of professionals but rather focuses on generating
understanding for how matter comes to matter (Barad 2003) in terms of
how performance constitutes an important mediator between macro- and
micro-level dynamics and how legitimate performances emerge in
complex institutional environments.
This second part of the dissertation is based on the empirical study and will present participants’ reasoning according to the two logics previously discussed (i.e., the professional and commercial logic). Because the dissertation has a particular focus on performance in an auditing context, various ways of performing and mobilizing the performance are the center of the study. In particular, what it means to perform and to perform in an auditing context was a key part in pushing the study further. By engaging in discussions with auditors’ everyday lives, their practicing, and strategizing (Grey 1998), the objective was to let the participants discuss and reflect on practices otherwise taken as axiomatic. Therefore, to gain a better understanding of their work and the everyday practices that they undertake, the following chapters present the empirical context in which auditors practice (from changes in practices of auditing to current performance controls) and how they manage the assumed dichotomy between professionalism and commercialism.

As illustrated in the previous chapters, performance is multifaceted and context dependent (Corvellec 1996). From previous research, we have learned that performance can take the shape of audit quality (Francis 2004; Ramirez 2013), conduct (Grey 1998), or entrepreneurism (Hanlon 1998; Picard et al. 2014), emerging in the embodiment of institutional logics in auditors’ habitus (Spence and Carter 2014). Furthermore, because audit firms are concerned with controlling the cost and quality of an audit (Pierce and Sweeney 2005), management control practices are central in directing
the performance of auditors toward organizational interests. Hence, the following chapters will discuss how performance is structured in professional and organizational contexts, how auditors learn the “performance discourse,” and how performance relates to the previously discussed institutional logics, all from the auditors’ perspectives.
“From ‘social trustee professionalism’ toward a new ‘expert professionalism.’”
(Brint 1996)

5. THE PROFESSIONAL LOGIC

In the sociology of profession literature, the professional logic is assumed to be determined in preformed structures where the professional characteristics define “ideal professionalism” (e.g., Abbott 1988; Freidson 2001; Greenwood 1957). These characteristics are essential for maintaining the occupational space in which professions operate. Along this reasoning, previous research has recognized the role and influence of the Big Four in how professionalism is organized according to either a professional or commercial logic. However, when attending to auditors’ reasoning and understanding of their everyday work activities (Broberg 2013), professionalism is both a matter of following predefined structures (e.g., templates, assessment forms, and tick-boxing sheets), as well as being able to communicate, reason, and discuss different solutions (as part of holding expertise). In discussions with auditors about their professional roles, this distinction was emphasized: professional work was understood as both “ticking the box” practices and being able to perform “value-adding” activities to the client. Common to all interviews was, however, a reasoning on the increasing accountability regime where documentation, standardization, and a structured approach are essential aspects of
professional work. Consequently, as the empirical material indicates, the professional logic is increasingly driven by the inclusion of bureaucratic practices (see more in Chapter 7) and an “administrative burden” (I18, partner). Importantly, though, professionalism is not only a matter of autonomy and self-dependence; it is also defined from structural properties (rules, organizational schemes, etc.) and therefore needs to be understood as emerging from local phenomena such as relations and micro-orientated practices (Schatzki 2005).

5.1. The professional path
According to Freidson (2001: 17), the “two most general ideas underlying professionalism [are] the idea that professionalism is so specialized as to be inaccessible to those lacking the required training and experience, and the belief that it cannot be standardized, rationalized or commodified.” Professional work therefore requires specialized knowledge because there is the need for discretionary judgement in times of uncertainty. This means that a key part of professionalism is a strong knowledge base, in which auditors prevail based on their educational background and discretionary expertise. This is maintained through processes (e.g., accounting tests and authorization) and structures in the firms that regulate professional work (Cooper and Robson 2006). This is the starting point for this empirical chapter, where professional work and its inherent structures will be further discussed from the perspective of the auditors. This perspective allows for further discussions on the interrelationship between structure and agency in professional work contexts and how this relationship informs the professional logic.

During my meetings with the auditors, the professional logic was a central starting point for our discussions. Because my objective was to look for how professionalism was experienced and enacted, and through which structures this occurred, the auditors’ opinions and experiences of
what constitutes professionalism was used to initiate the talks. From these discussions, professionalism was described rather differently between junior professionals and senior auditors. In particular, whereas junior professionals described professionalism based on accumulating knowledge, learning how to approach audit assignments, and getting to know the client, the more senior auditors described professionalism as the ability to make judgements but also as the ability to “build and attend client relations” (I14, manager). Furthermore, as the discussions went on to go over how professional performances were evaluated, professionalism emerged as a practice that has developed according to an accountability regime, one where professional judgments need to follow and be documented according to specified audit steps. Yet in practice, the auditors perceived their professional ethos as being maintained in the “bureaucratic nightmare” (I7, partner) that they had to adapt to as they found a certain comfort level in being able to “return to the facts” and document their structured reasoning (i.e., reasoning according to predefined audit steps). For others, the emergence of bureaucratic practices did not “influence my approach to what makes a good audit [or] the importance to establish a good relationship with the client” (I16, senior manager). Another auditor reasoned in a similar way, stating how he or she described how professionalism has remained despite changes in professional practice:

> We do have a lot of forms about our independence and so on but I think it should be enough with just one question – does it feel good in your stomach when you do something? Do you have a good feeling in your stomach when you go for a conference to haunt with the client? And then you realize that you might end up in the paper for it?! (I10, partner)

In practice, auditing maintains a strong professional ethos based on its specialized knowledge and independency, where auditors make professional judgements based on their knowledge and experience.
To acquire authorization (public accountant), the professional needs to hold a certain educational background and professional experience. These are prerequisites in the recruitment process, and candidates are assumed to hold the right competence for the job. However, during the recruitment process, this is rarely a way for the applicant to perform or to stand out compared with other applicants. Rather, the skills that one is looking for in the recruitment process are leadership, the ability to adopt the firm culture, and the ability to build trust with clients and colleagues (I43, HR-manager). These were all traits that were valued throughout the professionalization process and that were considered important to “succeed as a professional in the firm” (I26, partner). This was an underlying assumption throughout the interviews and has become a central part of the empirical material, where technical knowledge and professionalism are discussed (by the auditors) as common ground that is hard to outperform others with. That is, there are expectations of holding a certain level of expertise, as defined in the evaluation schemes’, but to become the rising star of the organization you need to “be able to sell the services” (I26, partner).

In the interviews, other aspects than those traditionally associated with professionalism were considered to be important for their role as professionals. However, the interviewees recognized the need for education and a strong knowledge base in their roles and further discussed the “education package” as important for obtaining a good understanding of auditing. This was stressed as important parts for their role as professionals, yet a distinction was made between professional work (in terms of technical knowledge) and ordinary work (in terms of making career in the firm). The need to hold and demonstrate competence, for example, by passing the CPA exam, is important and matters in the various
evaluations. This was also considered a “passage point” needed to stay in the firm in the long run, despite meeting all evaluation and expectation targets in terms of knowledge and contribution to the firm (commercialism) (I22, partner). This is well in line with what was indicated above; there is more to the work as an auditor, where technical knowledge and professional skills are rather perceived as a common ground.

As a partner you need to have the right skills and technical know-how, but that’s the basics [fundamental], what comes to matter [in the end] is your ability to attract clients, contribute with profitability and manage and motivate people. (I13, partner)

For the individual auditor, “being an auditor” includes concerns about technical knowledge, but also about other aspects that are often related to the “interest of the firm” (I13, partner). This distinction also illustrates how the professional and commercial logics play out in the reasoning of auditors and how the logics become layers to one another in the day-to-day work (Streeck and Thelen 2005). For the first part — technical know-how and professional reasoning — the participants experienced a rather “structured [organized] process towards getting a grip of auditing” (G4: 1, junior professional), where a combination of hands-on experience, distinct evaluation programs, and the introduction of an education package offered a “structured way forward in the firm” (G1: 3, junior professional).

In discussing professionalism, the education package became a central vantage point when auditors sought to define professionalism. For junior professionals, the education package offered was perceived as a standardized program or process with little freedom to choose which courses to take (during their first two years). In addition to formal courses, they were obliged to take part in various [accounting] tests and web tutorials. According to the junior professionals, during their first two years,
there was a feeling “that you had to follow the program […] almost felt like being back at uni [in terms of education]” (I3, junior professional), despite the fact that you “never really learned anything new [but] still had to take the course…” (G2: 3, junior professional). The courses are necessary because they offer a space where knowledge can be leveled (everyone having the same approach) and where junior professionals can learn the reasoning and critical approach needed in conducting an audit (I7, partner).

5.2. Structures of knowledge

As illustrated in the education matrix below (Figure 2), the basic education is a structured (mandatory) process where the courses are outlined for junior professionals and followed by yearly tests. As the education matrix illustrates, the courses are designed to cover basic knowledge in accounting and auditing but foremost to introduce the junior professionals in the life as an auditor (see, in particular, course “audit case for newly employed” that is offered to junior professionals during their first weeks in the firm as to be able to meet the client, Figure 2). This part of the education was as well discussed by junior professionals as important for their understanding of how to approach clients and colleagues in everyday situations.
From the education matrix, there is a rather structured and standardized approach to how junior professionals are set to learn auditing. This approach could be seen in all audit firms included in this dissertation; the courses offered followed a similar structure and content. Related to the framework on learning and skill acquisition, this structured approach follows the initial steps (novice to advanced beginner), where individuals are guided through formal rules regardless of context and individual future ambitions (e.g., becoming business partner or going through the expert track). This approach further suggests that auditors are guided through certain belief systems and learn formally stated rules and norms.

Accordingly, the need for a structured approach was particularly echoed by junior professionals who used the formal structures in the firm to get a grip on auditing. This approach was also important because it worked as a template in the learning process and became an assurance that junior professionals could go back to “make it work in [everyday] situations” (G1: 1, junior professional). The following quote comes from a blogpost where a junior auditor reflects on the first year working in a Big Four firm, further illustrating how auditing is a learnt technique guided by systems, processes, and templates:
In February, I have worked in EY for one year. Help, the time goes so fast! I will now try sum up my first year at EY and in the working life.

During the period February to May I was mostly confused. Everything was new and unaccustomed. A lot of new technical terms, both in Swedish and in English, new processes, systems and computer programs to learn. Just the effort to learn all the abbreviations that we use here at EY was like learning a new language. […] Now I am looking forward to continue to develop and feel ready for a spring with new, exciting assignments!

(In Blog post, EY, 2016-11-20)

In this, the junior professional learned auditing through practice, and although expressing anxiety about having this kind of responsibility, the professional found comfort in the template (steps) learned during the introduction course and in the audit team. This structured approach toward auditing was also discussed by others who recognized the comfort found in the first courses, where expectations were mediated, basic accounting knowledge repeated, and an audit case introduced. However, despite finding comfort in repeating the technical aspects of accounting, this wasn’t the key takeaway from the education offered.

It’s not hard [doing auditing]. It’s very basic knowledge, you aren’t expected to excel in this [domain]. I think, for me, it’s more about getting to know people and being comfortable with the assignments that I’m involved in. What is coming up next in terms of evaluation is a test. [From] What I’ve heard it’s just an accounting test, very basic things like debit and credit and account for the firm’s [internal] policies… If you fail one of the tests it’s not really a big deal. (G1: 2)

In learning the technical aspects of auditing, the participants recognized the need to gain experience. This could be seen in the many blog posts posted by junior professionals in describing their work as an auditor.

Hi!
This week I have been doing ongoing audits for a bigger IT-consultancy firm that have their closing [financial statements] in April together with a newly employed colleague. I’m really glad to have the opportunity to work with her. It is a lot of fun and developing to work at a client together with a skilled and experienced auditor where you feel that you can discuss and reason about various issues right when they emerge.

(Blog post, PwC, 2014-05-03)

Although this “learning by doing approach” was perceived as good for the participants because early on they could get a good understanding of auditing and get the hands-on experience needed, concerns were expressed regarding their technical expertise at this stage.

A struggle in the beginning is this legitimacy thing towards the client. When you only been at the firm for two days and have no prior experience from working with accounting and then you sit at the client and have no idea how an accounts payable looks like. And you know that you cost them 800 kr per hour… (G4: 1, junior professional)

Despite not holding technical expertise from the beginning, junior professionals recognized that they were not dependent on that specific knowledge to conduct good work. Rather, knowledge was gained by doing, and the experience gained from the various assignments over time would lead to the knowledge and experience required to become a professional. The fact that junior professionals were not required to hold strong technical knowledge was also recognized by the partners; they discussed how they identified and evaluated junior professional members in the team. In this, it was stressed that auditing is something that “you learn over time,” and early on, it is rather a question of fitting in with the team and demonstrating social skills (in meeting clients). In terms of technical knowledge, the partners did not expect junior professionals to excel because the tasks were rather standardized, but they were instead looking for those who held an underlying understanding for accounting.
We are of course always looking for that star, of course, someone that stands out and that gets it. I would say that you identify that person quite fast, you can tell if a junior auditor is just looking at previous documentation or if she actually gets it. (I5, partner)

The first few weeks in the firm was also recognized as an important phase where junior professionals learned how “to talk, dress and in essence what auditing really was about” (I11, partner). This became especially important for some; one professional reflected on the first weeks and how this time was associated with getting to know the main client;

I’m not quite sure how it feels to work as an auditor in the office because I’m never there! (Laughter) You know these first few months have been crazy, I think I’m at [client’s name] Monday to Friday and only at the office on Friday afternoon’s, and then there’s no one else there. (I39, junior professional)

The technical side of auditing was not stressed as key characteristics for what it meant to be professional. This was rather perceived as a hurdle they needed to pass to get the chance “to be professional in other domains” (I3, junior professional).

In the long-term you need to be technically competent. Of course, you can always succeed anyways but in the long-term it is your technical skills that will matter, it will catch you eventually [if you lack technical knowledge]. (I11, partner)

For junior professionals, performance was experienced as being able to show technical skills, take courses, and conform to the (often preset) expectations. Furthermore, the performance was experienced to be rather homogenous, implying that one only needed to follow rules and templates to “make career.”

5.3. Subordinating through performance
Building on the findings by Noordegraaf (2015), professions need to be organized to be effective in terms of professional control (shared norms,
rules, standards, and values) and to maintain their autonomy with other professional groups. As the conditions for professional services change, for example, within emerging client markets and technologies, the need to re-organize professional services becomes more prominent. However, as pointed out by Noordegraaf (2015), “professional services need to incorporate the aforementioned political nature of professionalism, also by defining and showing added professional value”. This is coherent with the view that the participants of the current study conveyed: technical knowledge and professional values are learned through a structured approach and professional communities. However, whereas the practice of auditing is perceived to be the common denominator, a practice that is more and more subject to automatization (big data) and offshoring, added professional value refers to the auditors’ ability to go beyond the technical protocol and rely on professional judgment.

In doing auditing, the current development toward accountability has the professional life of auditors become “a bureaucratic nightmare” (I27, senior manager), so auditing today is less about making judgement and more about making sure compliance is met. The risk involved in being an auditor has, in other words, risen following increased standardization and bureaucratic control (see also Fogarty 2014). The increased personal risk of being an auditor can thus be assumed to hold consequences also in the more minute aspects of everyday life. Auditors need to document their reasoning, findings, and conversations to greater detail, but perhaps more importantly, auditors need to maintain their professional domain, not crossing their jurisdictions. The professional logic is still important and dominates what auditors do and how they do things, but because of an expanding accountability regime, auditing has become a standardized practice that runs the risk of neglecting the role of professional judgment. Furthermore, because the performance of auditors is defined in a comprehensive way, the auditors who succeed need to hold competence
beyond technical knowledge. This was stressed throughout all the interviews and was mediated to the junior professionals even before they started their employment (e.g., in the recruitment process, blog posts, etc.)

    Well, we have several types of partners I would say. The ones that are experts on technical issues but then not as good with client relationships and then the ones that are very good at selling and socializing but maybe not that technically knowledgeable. But these [the technical experts] are a minority. Today, I would say that in order to become partner (equity partner) you need to embody a social personality and be able to show good numbers. (I4, partner)

The above quote gives an indication of how core professional values, such as knowledge and expertise, are subordinate to other logics. Although being present, the practice of auditing is not how professionals perceive the primary objective of performing; rather, technical knowledge and a certain level of expertise are ‘the lowest common denominator of professionalism’ (Grey 1998: 575). Although all interviewees recognized technical skills as essential for pursuing a career in auditing, these were discussed as “lower level activities” within the organization, implying a need to be a “rounded business person” as opposed to being labeled a “technician” or “specialist” (Spence and Carter 2014). Rather, emphasis was placed on the importance of conforming to the firm’s policies and values because it was perceived as more important to fit in. This leads us to consider the role of the commercial logic in the following section and how this logic can help us better understand auditing and the everyday life of an auditor.
“Social skills are increasingly needed as one becomes a partner. They entail social traits such as background, business contacts or club membership.”

(Hanlon 1996: 350)

6. THE COMMERCIAL LOGIC

Researcher: What is performance to you, and which performances matter the most?

Auditor: A performance is… we usually say: it is when you do something extraordinary…and you can tell if you do something extraordinary. (I10, partner)

My biggest struggle was how to position myself […] After my first year I had to step up, add more hours, more efficient hours at least, and take on more responsibility. It was almost like I had to deliver to the client, to the team and, besides, be ready to be a mentor and have knowledge about all our processes. It was hard to keep up.

(II, manager)

These quotes, the first from a partner and the second from a former auditor, illustrates that performance is multifaceted, but also that to perform, there is a need to go beyond the ordinary. For the auditor, it is not enough to be valued (e.g., as a competent person), but also, she or he must add value to the firm and for the client. The distinction made by Gill (2009: 101) between adding value and being valued is present here: the commercial
logic adds expectations to the performance of the auditor, and one needs to perform beyond the ordinary to be seen as a prominent auditor.

As we have seen in Chapter 5, professionalism is based on professional knowledge and technical competence and also on other aspects. For partners, the commercial logic and an economic rationale emerge early on because they help the auditors identify with the firm and seek to remain competitive in the audit market.

To become partner there are three things required. That you are technically solid. You know your stuff, you’re a skilled professional. You are a good model and hold managerial skills. No one becomes partner without having been group leader – you have to be able to lead and manage people, get people on the train so to say. And then as a partner you are part of the firm’s profitability. Then you need to be able to canvass. You need to make sure to keep your accounts and you need to make sure to win new ones [accounts/clients]. There is always a need to show that you can win bids/offers; that’s pretty much what it’s all about. It’s ‘survival of the fittest’, we do compete against the other three… (110, partner)

The quote above gives insight into the importance of possessing commercial traits and personal qualities that fit the organizational values. In the assessment structures, one’s ability to lead others and mentor people is evaluated. This is done in the peer reviews, but also in the “evaluation rooms,” a place where partners and senior managers meet to discuss the performance of others. In these discussions, professional conduct is considered but is not discussed to a great extent. Rather, it is commercial qualities that are considered important for the auditor. This is well emphasized in the formal performance structures in which auditors are evaluated. Although not having a defined target (e.g., 90% billable hours), their numbers are evaluated and discussed with the mentor and team manager. This was further discussed by one partner who further stressed the importance of performing in the commercial arena:
As a partner, you need to have the right skills and technical know-how, but that’s the basics (fundamental), what comes to matter is your ability to attract clients, contribute with profitability and manage and motivate people. (II3, partner)

To make performance matter beyond an evaluation context, the auditor needs to be able to pass judgment readily and perform better than others (Fogde 2010). Performance is therefore a contextually bounded construct, and here, meaning is attached on the basis of how others perform, what is valued within the evaluation process, and, further, how the auditor makes the performance visible.

Although discussions on the macro-level involve the relevance of auditing and the maintenance of its independence, for the individual auditor, the concerns are rather expressed in terms of being a good leader and adding value to the firm. Performing within the audit context is thus difficult because one needs to consider both the professional and commercial logic, as discussed in previous research (e.g., Carter and Spence 2014; Malsch and Gendron 2013), but also according to various interests (on different levels of practice).

The multifaceted practice of auditing can also be seen in how junior auditors describe their daily lives. As previous research has shown, there are expectations of auditors to be “colorful” and hold many qualities. In one blog post, the life of an auditor was described as follows:

This week I have been assisting in creating brochures to a client that I work with a lot right now. I, therefore, have gotten the opportunity to wake my artistic eagerness for the first time since I graduated from arts school many years ago… My role here at EY is very alternately and can withhold anything from audit accounts in annual reports, construct report, graphs and brochures to holding presentations to clients at seminars. (Blog post, EY, 2015-03-10)

As this junior professional describes, the everyday, mundane practices and the diverse nature of professional work emerge. In particular,
the blog post illustrates that auditors need to practice in diverse arenas and hold many skills to perform and deliver value (to be valued). Similarly, the performances that matter are those that not only correspond to what is expected but those that go beyond the ordinary.

6.1. Structured commercialism

Very few respondents felt the need to “go to the top.” Rather, they saw the first few years as a setting in which they could “put in the hours, but still have fun.” One interviewee reflected upon the first year in an audit firm as it being like the first year at university, that is, long nights at times but also parties and new friends to socialize with. This provides insight in that professionals are immersed in their jobs to the extent that output controls are less important. Rather, the controls used refer to the belief system and the normative controls, in that the professional is expected to make his or her own (professional) decisions and perform in line with the strategy of the firm. Here, the performance depends on the situation, his or her ability to contribute to the firm, and showing that he or she has the qualities “beyond the ordinary.”

![Figure 3. Education matrix — further education](image)

The transition from junior professional to senior associate or manager was generally characterized with the passing of the CPA exam being a key threshold. Once the test has been passed, the professionals were given incremental responsibilities, not the least in terms of being team managers, where they were given the opportunity to demonstrate their ability to lead others. The authorization also came with increased expectations from the
firm to take on client responsibilities, and increasingly, targets for adding new clients to the client list became important characteristics in evaluations. This development can also be seen in the education matrix for managers (see Figure 3) that shows a part of the education package (under personal development) is courses on “Helping People Buy” and “Personal Development” which indicates the rite of passage (Kornberger et al 2011) that auditors need to pass in becoming manager. The need to be able to sell additional services and promote the firm to clients was also discussed by one participant who was about to start his role as a manager:

Right now, I’m working with some really good people, I can always go to them if I need help but they also give me [freedom] to do my job. I don’t know… I wouldn’t say that I have client responsibilities right now, not in the formal way at least… But for example tomorrow I’m going to a client alone, and in practice I’m their contact person. […] It’s not expected or perhaps required is a better word, that I sell additional services [e.g. tax, consulting services] but after the summer I’ll start as a manager and the first course I’ll take is a course in selling techniques and I know from colleagues that this will be a [bigger] factor in evaluations. (I6, manager)

Having worked in the firm for three years, this professional identified with the firm, its objectives, and, in particular, with the audit team(s) to which she or he belonged. The trust he or she felt early on from superiors also diminished the transition from junior professional to manager because many of the responsibilities and performances of the manager were already introduced. The new role as manager would rather imply increased formal responsibilities, whereas, in practice, the same work was expected by the professional.

In discussions with the participants of the current study, it became apparent that structures were important for different reasons. Structures were perceived as important for conducting audit work for junior professionals because the professionals were given “template for doing
auditing” (G2: 3, junior professional), but these structures were at the same time perceived as an increased risk for senior auditors who became exposed to an expanding accountability regime. Simultaneously, structures were described as important in the guidance of the career project. This follows previous studies on the “socialization processes” of auditors (Anderson-Gough et al. 1998, 2005), where auditors learn to behave in certain ways (Grey 1998) to fit in and adopt context-dependent identities (Kornberger et al. 2011).

As professionals’ advance, the structures focus more on other aspects than professional values and technical knowledge (see Figure 3 for more). As a manager, senior manager, and partner, the courses are focused on knowledge sharing, client approaches, and sale courses. Furthermore, following an ongoing accountability regime in auditing, senior professionals experienced an increased reliance on checklists and protocols in their daily work. This turns attention to the role of structures as an incremental part of contemporary professionalism.

One auditor (senior manager) who had chosen the “expert partner” track (in contrast to the “equity partner” track) elaborated on the need to stay visible in other domains as well to reach a partner position, even when technical knowledge and expertise were the focus:

That’s always there [the demand to show profitability]. I mean, when I discuss my next steps with my coach we focus a lot on how I can contribute to the firm in terms of profitability. (I28, senior manager)

The technical work of auditing is indeed important and fulfills important aspects in the work of auditors. However, this was often perceived as something that could be accomplished by anyone just following the pre-defined steps. Auditing (or audit work) in its most formal sense was therefore perceived to be a common denominator, instead emphasizing other skills that were important for being a successful auditor.
Auditing is not hard. Sometimes I wonder why you need an education for doing what we’re doing right now… You just sit there and waits for something that you need to think for actually solving the problem. (G3: 2, junior professional)

Although knowledge acquisition still was important and represented a significant part of the total education hours for managers, for the professionals working as managers, the biggest perceived difference was the increasing focus on client relations and an expectation to start contributing to the firm. This could be described as a shift toward the organizational or commercial interests that in previous research have been assumed to divide the profession.

My role today [as a manager] does not really come with many differences. I still need to do my job, be knowledgeable and perform. […] Perhaps the biggest difference is that my profitability ratios [on the assignments] matters a little more. (I28, senior manager)

As auditors progress in their roles, the commercial logic matters to a larger extent, and the knowledge required no longer focuses on expertise (technical). Rather, organizational interests come into play, and auditors need to be guided into new domains of performance. In the interview, one auditor emphasized the importance of having a mentor to guide you because this was the only way for him or her to advance to get the “hints of where you need to perform.” This can be related to Kuklinski and Segura (1995), where informal signals and the influence of the elites are recognized as important for guiding public opinion. Similarly, the performance is here recognized following the formation of opinion in the environment and the auditor’s reasoning upon what is needed.

My coach is very important to me. He’s always supported my decisions [in particular in the decision to take the expert-partner track] and I can discuss everything with him. I guess it works like a sounding board… it’s very free discussions but he can also give me hints in what is important given these or those ambitions… It’s good
to have someone with more experience that knows the rules of the
game so to say. (I28, senior manager)

The coach, or mentor, is here described as an important actor in the
professionalization process. In particular, the coach is necessary in times
where you seek the next career step because she or he informs the mentee
about the qualities needed. Being a senior manager and seeking
partnership, having a coach was deemed important not for how to perform
as a professional (in terms of doing auditing) but rather how to perform in
areas that mattered for partnership.

   We don’t want everyone to look for partnership, we can’t
have a firm where everyone is the same type … But we have this
diversification as well… either you can go for the expert partner
track or the equity partner track. And if you’re, like me, an equity
partner you need to be able to contribute to the others. (I4, partner)

This was not something that was formally expressed in the requirements,
yet the ability to contribute to the firm was looked for at an early stage.

   The ideal auditor is someone that is a leader, someone that
can contribute to the firm, inspire people, delegate… but, of course,
doing a good job, that is fundamental […]. (I4, partner)

   It’s not the only thing but of course, we look a bit extra for
those that can manage the client, sell our services. (I22, partner)

Although the firms recognize the need for diverse knowledge and
skills, they also actively seek those who have those “special traits” and are
able to promote the firm. Because this is an important feature in
contemporary audit firms, financialization (Alvehus and Spicer 2012) as a
form of control became an important feature in this context because it
merged “soft skills” with commercial targets. In particular, the
financialization of controls could be seen not only in the course package
offered and in the need of the mentor, but also in how self-evaluations and
evaluations on assignments developed.
In my first weeks in the firm I was given a lot of time to write my goals and ambitions [...] It focused very much on personal development, almost like finding yourself. (G2: 1)

The personal evaluations are very important I think, not the least as they show your ambitions but also your awareness [what you can improve, what is important in different situations]. Now I need to be more specific, like what I will work with in order to reach a certain ratio but it’s also important to think about what you need for the future [to become partner]. (I6, manager)

The ways of thinking about career (Alvehus and Spicer 2012; Grey 1994) thus became an important control feature in the Big Four firms, a control driven by financial interests.

Building trust involves creating relations, which helps perform technical sound work. But the performance becomes increasingly about other interests, whereas the professional logic is the foundation for everything else.

The partners in the current study tended to stress the role of others, that is, the role of internal evaluations, where coworkers evaluated the partner on each assignment. Thus, the control system tended to emphasize the role of being able to maintain relationships, being a role model, and being able to lead others. The importance to perform according to the economic logic was implicit, but what the partners found to be of greater interest (in how they needed to become recognized) was in how others perceived them. When attaining this level, the audit work was not perceived to be the performance, but rather, the performance depended on doing the right actions based on the context.

In a discussion on what makes a good auditor and how a senior auditor recognizes someone that someone has “it”, that is, if the auditor will go all the way and make equity partner, the following was said:

A good auditor is one that is technically solid, is independent and that holds a high ethical standard.

Researcher: Is that the “type” that you are looking for?
No… I don’t know if that’s the ones you’re looking for, you look for someone that is a good sales person and that takes the lead in projects… Someone that can make it a bit more fun at the workplace. But to be a good auditor you need to have high integrity and to be technically solid. (I26, partner)

When you eventually become senior manager you should have the… at least in theory… the opportunity to become partner [to pass the threshold] and if you haven’t managed to become partner when you’ve been senior manager for 5, 6, 7 years… well, then you might never be, partner. If you anyway want to continue in the industry you become a sort of executive director, some kind of expert, right. You have experience when you are 40 years old. And then you get to work with those questions. Or you realize that you will never be partner and then you do something else. (I10, partner)

The influence of a business rationale in auditing is always present and needs to be taken seriously. This follows from discussions on the career project and the characteristics that a future partner needs to hold. Although this often was discussed in informal communities (e.g., evaluation rooms), the performance programs and evaluation schemes were used to objectively assess the commercial performance of auditors. Furthermore, the need to excel in other dimensions than audit work was stressed by several, where the performance of others (during reviews) at the level of the manager very much focused on one’s ability to lead others and guide them while contributing according to the interests of the firm.

You need to be a good leader. You are not just an auditor but a leader, a manager, a peer. You need to show that you can manage a team and still meet the demands of the firm and the demands of the profession. (I26, partner)

6.2. Measurement and accountability
Related to discussions on a de-professionalization of the audit profession following the dominance of professional and commercial logics, the auditors in the current study did not experience a dichotomy between these
two; rather, they made a separation between audit work and career. In particular, whereas the former can be related to structures related to the professional logic, the latter is contingent on structures adherent to commercial practices. This distinction was made by several interviewees who noticed a separation between auditing as work and auditing as career project. In particular, one audit partner discussed auditing as being a structured practice that is subject for extensive internal and external controls to ensure [audit] quality, but most of the partners had achieved their position by performing [mainly] in accordance with other logics (than the professional logic).

Auditing, today, is very regulated, very much... We are subject for both internal reviews and external reviews [by the Supervisory Board of Public Accountants], and if you miss out in for example the documentation or in something that you should have seen it can lead to consequences for you [as a professional] [...] But I would say that most of the partners are better at selling, let's say... in managing the numbers [in terms of profitability] than at doing a high-quality audit... So, there are different ways to succeed... (I20, partner)

Whereas the formal parts of auditing (compliance with regulations, documentation, and, increasingly, judgment) often were described as coming from a structured process of doing auditing, the participants often emphasized other structures as important for the work that mattered for the career project. Structures could be used both as a means to perform a high-quality audit and as a way to “promote yourself [internally] to the right people” (I6, manager).

I would say that the commercial side is what matters. I need to be professional [hold technical competence] but in the end, it is my contribution to the bottom line that counts. (I8, partner)

The use of administrative components therefore could be used by auditors to manage both internal and external expectations. Often, the
auditors also recognized the need to be able to show their performances; one auditor expressed the need for “tangible performances that you can show you manager” (I6, manager). Although emphasizing the need to show good, high-quality work, it was the commercial activities that mattered and the awareness about the need to show on good performance in this that emerged in all the interviews. In particular, in one interview, a former manager discussed the need to be profitable, but also to let others be profitable.

*I know I was very aware about the hierarchical order and whom to ask when you got stuck with something. It was, more or less formally expressed, that you should never ask the auditor that have a higher billing rate. In that sense it was very hierarchical (...) and you knew you and your team were evaluated based on how profitable you were. (I41, senior manager)*

This quote signals the need to adapt to existing structures and follow the dominant rationale through which performance is determined. The strong hierarchical order is furthermore strengthened through measures and facts to which one is held accountable.

Finally, and in relation to the effects of accountability and the need to document everything done, no matter if it concerns audit work or other performance criteria, a senior auditor joked that she or he used to work according to the following motto:

*Standardize, formalize, record. Because auditors love documentation!* (I26, senior partner)

### 6.3. Following and challenging structures

As one progresses through the organization, the performance logic changes. However, that change is only implicit because the specific performance evaluated is emphasized in relation to the career project. That is, the performances that matter are established in relation to the
expectations set for the auditor. Although the system and its inherent functions are the same for junior professionals as for partners, it is the inherent logic of account-giving that transforms as one progresses. As indicated by the partner above, the system is unable to capture the performances that matter at the various career stages. There is therefore a need to participate in other practices of account-giving for individual performances as to be able to make the performances visible to others’. However, for this reason there are also gaps in the formal system (i.e., what is accounted for) that are taken care of within the community (i.e., mediating expectations). The apparent need for the professional to navigate through various logics emerges both in terms of how the professionals define certain performances as more important than others and how the evaluation system is designed to render visible a certain type of performance. However, because there is a change in logic along the career path, the controls come to function instead as a form of disciplinary power, emphasizing profitability and efficiency from the outset. This also aligns with Carter and Spence (2014), who find that formal evaluation systems emphasize commercial logic and the “adding to the economic cake of the firm” mode of reasoning.

Clearly, then, being able to perform according to the right logic is perceived as important. Nevertheless, all of the interviewees characterized the performance evaluation system as stable and predictable, especially in terms of how expectations were mediated and performances compared and judged. This could be derived from the “formalized performance package” issued to all junior professionals at the beginning of their careers, defining the education, clients, and expected performance for their first few years. The focus was on learning accounting and auditing, “getting in and getting on,” and becoming socialized in the corporate culture; the actual work (auditing) was described as something “a monkey could do” (G2: 3, junior professional).
Finally, although a certain performance is mediated through the formal evaluation system, what matters in the evaluation process is the skill of anticipating expectations and being able to explain outcomes. As the auditor progresses in the hierarchy, he or she is expected to perform “at the margins.” This performance is not quantified or hierarchized, and the auditor therefore needs to be able to explain his or her worth to the firm. The role of the community here is to support the auditor in anticipating and explaining the performance.

Although having rules, oversight bodies, and professional norms that guide practice, it becomes evident that individuals’ behavior is significantly influenced by the structure and rules of the firm. Often, accounting and auditing decisions are complicated matters that are based on judgment and tacit norms. When the control and oversight of professionals turns into micromanagement (Gill 2009), professionals tend to identify as businesspeople and employees because their actions, values, and norms are influenced by the objectives of the firm. This “blurring of boundaries” between various identities (e.g., professional, businessman, consultant, etc.) is an important notion in this context because it affects how auditors manage the need of “being professional” yet “being client-centric.” In making sense of what to do in complex situations and in day-to-day activities, auditors will come to act according to the expectations mediated upon them. However, what became apparent in these discussions was the need to attend to other aspects that were stressed as important in the structures of the firm and that were emphasized by auditors at all levels. In being a good auditor, you need to have a strong social capital (Carter and Spence 2014) and personal network, both internally and externally. These were aspects emphasized as very important for auditors’ success and for delivering an impressive performance.
“…bureaucracies emphasize the quantification of as many things as possible. Reducing performance to a series of quantifiable tasks helps people gauge success.”

(Ritzer 2001: 30)

7. BUREAUCRATIC PRACTICES

“Oh Lord, with each advance of the computer age, I was told I would benefit. But with each ‘benefit’, I wind up doing more work. This is the ATM [automated teller machine] rule of life…I was told – nay promised – that I could avoid lines at the bank and make deposits or withdrawals any time of the day. Now there are lines at the ATMs, the bank seems to take a percentage of whatever I withdraw or deposit, and, of course, I’m doing what tellers (remember them?) used to do.” (Robertson (1994) in Ritzer 2013: 125)

In discussions with, in particular, senior auditors concerns were expressed about the current development towards bureaucratism, in line with the quote by Robertson (above). Their frustration was in particular with the increased work load that they had to administrate and, accordingly, directed attention from the “real task of making judgments” (117, partner). Yet, these practices were found necessary in contemporary auditing as they provided legitimacy and accountability in terms of avoiding responsibility (i.e., being able to point to what have been done). By junior professionals’, this was as well described as an important “performance structure” in terms of making knowledge visible to the more seniors’, and thus in promoting
oneself. The bureaucratic structure of the audit firm is thus important in mobilizing performance, learning to play the game and in creating legitimacy. The development of auditing, towards a reliance on standardized processes and control consequently holds many benefits but there is also a need to remember the performances that are accounted for.

7.1. From making judgments to a tick-boxing practice
Whereas previous studies have emphasized the firm as an important site in which legitimacy is maintained (see, e.g., Cooper and Robson 2006; Power 2003a), it should be noted that oversight bodies and regulations hold influence on the legitimacy of the profession. Thus, the Supervisory Board of Public Accountants is an important actor in maintaining legitimacy within the auditing profession and does so primarily by relying on technical expertise in regulating the profession. The following example illustrates auditing’s dependence on documentation procedures and emerged as an example of a perceived ongoing trend, one where reliance on technical procedural correctness becomes of greater importance (see also Mennicken and Power 2013):

A-son's audit documentation shows that the company has drawn up a special list of loans and that the latter loan is referred to as a commercial loan. However, in its audit report, A-son has not informed that such a separate list of loans has been established. By its failure in this regard, A-son has failed to fulfill his obligations as an auditor. (Case D24/001 – rn.se)

As the case above illustrates, the opinions are constructed based on a technical-rationale and find support in regulations (rather than in professional norms). In particular, even though the auditor has made a correct judgement of the situation, and even followed the documentation procedures, the auditor was convicted on basis of failing to communicate
this to external parties. This is in line with the fear expressed by senior auditors' where their judgment would be given less importance in situations of conflict. Furthermore, this suggest auditing being subject to an evolving accountability regime, which is in line with Power’s (1997) thesis of an audit society. Furthermore, along the reasoning of Gill (2009: 7), the broader issue lies in “the reduction of the ethical [values] to the technical [facts] with the rules-bound rationalism that this entails”, thus suggesting that professional values have been reduced to a technocratism (as opposed to traditional forms of professionalism where knowledge and expertise are emphasized) as key parts of professional work.

Although the audit profession has built a case of being an autonomous profession acting in the interest of the larger society and has managed legitimacy crises by relying on its professional ethos (Carnegie et al. 2012), the current development of the profession (from a reliance on values to a reliance on facts) indicates an institutional shift in auditing where a “rules-bound rationalism” dominates the traditional view that auditing should act as “the public watch-dog” (Humphrey and Moizer 1990).

Because of the above development toward a greater emphasis on accountability, it can be argued that the Supervisory Board of Accountants has progressed from expressing opinions about the objective of the auditing profession (i.e., professional identity) toward attending to issues of a more technical character, where documentation, professional judgment, and the individual auditor have been in focus. This could be seen as a result of the emergence of a bureaucratic logic where auditing relies on the verifiability of judgments. The importance to document the

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17 Because this is not the main focus of this dissertation, further examples of this shift will not be displayed or discussed at any length. This is merely an observation based on the studied data from the Supervisory Board of Public Accountants’ register.
audit process is, as a consequence, emphasized following increased demands on compliance. This development was expressed in several of the interviews; one partner discussed the development as a movement toward bureaucratization, and although the same work was being conducted, the burden to document the process has increased significantly:

Researcher: What is the biggest difference [working with auditing] today compared with working with auditing 20 years ago?  
Audit partner: Well, it is definitely the process of documentation. It’s completely different! Today, the process of documentation and control [to reach] compliance is totally different compared with 20 years ago. (I17, partner)

The importance to document the audit process and how this has changed was further discussed by another audit partner:

Earlier it was more praxis and judgment that directed how you do things and how you made sampling and so on but now it is much more regulated [controlled]. I think that Sweden and the Supervisory Board of Public Accountants is heading towards [compliance] and that there is a need to document everything. There needs to be audit evidence for the smallest thing… it’s more and more about attaining compliance, and to be honest, there’s not many that likes it in this check-list environment. (I20, partner)

Following the development of the auditing profession and some of its most recent crises, it seems that to maintain its legitimacy, the response has been to increase the transparency of the audit process and have auditors be mandated to document every step of the audit. This is a development that has led not only to a bureaucratization of the audit, but also to a state where auditing has become a personal matter, one where the auditor can be held accountable not only to the Supervisory Board of Accountants, but also, as expressed by one auditor: “even worse, to the media [and subsequently to the general public].” This is also consistent with the findings of Bovens (2005), who discusses the effects of [political] accountability, states that professional managers need to be alert to legal,
financial, and administrative accountabilities, and finally notes that professionals risk being faced with lawsuits and need to represent their firm. The audit explosion and increase of accountabilities have given rise to new accountability relations, and professionals need to manage new pressures of performing.

The development toward a bureaucratization of auditing was also discussed by one auditor, implying that auditing today is less about making judgments and more about fulfilling the “bureaucratic nightmare” (I13, partner) that, in essence, is there just to make auditors accountable. In other words, the risk in being an auditor has increased following increased standardization and bureaucratic control (Fogarty 2014). Auditors need to document their reasoning, findings, and conversations in greater detail, but perhaps more importantly, auditors need to maintain their professional domain, not crossing their jurisdictions. The stricter control of auditors could then be assumed to complicate their position as independent actors because they face increased accountability, along with a demand to provide value and knowledge to clients.

The extent of this shift in the auditing environment, where accountability and compliance have become more prominent features of the audit process, is perhaps best illustrated in the following quote by one audit partner who discusses the perceived change in the audit practice:

_Ten years ago, only 10 percent of the auditors did [extensive] documentation whereas today it’s the reverse, it’s about 10 percent of the auditors that do a bad, or careless, documentation and 90 percent that makes extensive documentation._ (I17, partner)

The movement toward compliance during the last decade is apparent in discussions with auditors and has come with consequences in the practice of auditing. Although there is a general understanding of this shift among the auditors, it is described as a movement “in the wrong direction” (I24, senior manager), “toward a tick-boxing culture” (I17,
partner) with the risk of weakening the knowledge base. However, the need to belong to a compliance environment is described as necessary if the profession is to maintain its legitimacy and trust in society.

In the interviews, the auditors expressed their autonomy as a key part of their professional work. However, among the audit partners’ concerns were the current development toward an accountability regime where they experienced their autonomy to be threatened by bureaucratic controls. The trust among partners were high; however, the trust to and from their clients and media were a concern that was experienced to “have pushed the audit profession towards stagnation” (I15, partner). In particular, the audit partner referred to the increasing time they had to spend to fill in forms and documents that:

[…] had no purpose except tick-boxing . . . these kinds of controls have always been there, not as formalized but still they were there. Now, if we don’t tick the box, we [both the firm and the individual practicing auditor] can be subject for a multimillion law suits. (I15, partner).

While recognizing the fact that auditing has become a “tick-boxing practice” where one can simply follow the audit steps outlined in the audit program, concerns were expressed about maintaining a high level of professionalism. Because auditing, by the more senior auditors, was perceived as an “increasingly standardized practice,” there was a fear that junior professionals would not get the experience needed to (learn to) make judgment calls because of the overly structured approach. Furthermore, senior auditors recognized that auditing increasingly was conducted in front of the computer but without any real understanding of what they (junior professionals) were doing. The development within the profession toward a reliance on IT-systems where audit work is defined by following the audit program (steps) comes with the consequence that junior professionals miss the basic understanding for accounting and auditing.
This is in line with how junior professionals perceive auditing, where it is described as a:

*standardized process [that] just follows the steps [in the audit program] and it is hard to do more than required.* (G4: 3, manager)

Similar to senior auditors, junior professionals expressed concerns about the level of professional judgment that they are expected to perform. Increased reliance on standardized templates and audit programs make it difficult for professionals to perform high-quality jobs because:

*[you] only are expected to check that the numbers are correct and compare with previous years’ documentation, then mark the audit step as finished […] It all comes down to making it as simple as possible and to be really efficient.* (G3: 3, junior professional)

In discussions with auditors about their understanding of professional work and their role as auditors, the concepts of judgment and accountability often emerged. Although these concepts can be used as opposites, for the auditors, they were used as two ways to perform professional work. In particular, they referred to processes related to accountability as “necessary work” in the contemporary audit environment, whereas judgement was an incremental part in how auditing was performed. Professional work could not be only judgement or accountability but needed to consist of both.

*Auditing, in terms of making judgement and expressing opinions, is of course always number one – the priority…But then of course there is always all these other things that…that at times are more important.* (I24, senior manager)

For this auditor, professional work is about using professional expertise and making professional judgements based on knowledge and experience. Although professional knowledge is the foundation of all audit
work, this logic does not stand alone. There are other criteria and skills that are needed, and perhaps more important, in the everyday life of an auditor.

This development has also led to changes in the ways auditing is practiced. One senior auditor (audit partner) described the development as a de-professionalization of the audit practice because they spent less time making audit judgments and more time filling in templates.

When I started 30 years ago, auditing was much more about meeting the client, do professional judgements... Today, I would say that auditing is much more of a box-checking practice, I can spend days just filling in forms before I can even start doing professional judgments... Knowing how it has developed, I’m not sure that I would recommend myself to be an auditor if I could go back and give myself an advice. The risk is too big for me as a person. (I11, partner)

Although auditors always have been subject for review and criticism (either internally or by the public), the recent development toward compliance has come to undermine auditors’ professional work. That is, rather than spending their time on making judgments, auditors (audit partners) now need to spend much more time documenting the process. This has led to the practice of auditing being more about compliance and less about judgment, at least in how auditors formally need to approach the practice of auditing.

When I started working as an auditor the focus was much more on the client, providing assurance and so on […] today, because of our systems but also because of the regulations, this is much harder. (I8, partner)

The importance to learn and act according to the imposed structures was further emphasized because they “provide guidance in what to check for and how to do [auditing]” (I3, junior professional), which by many junior auditors was a way to reach a level of comfort by means of accountability practices (tick-boxing and documentation). This use of structures in the audit process was also discussed by audit partners but in
a far more skeptical way. Although they recognized these structures’ usefulness and previous existence, the audit partners perceived the development as auditing having become “over-structured” (I7, partner) following a consolidation of a compliance culture within the field of auditing. This development has not only increased the [personal and professional] risk for auditors, but also has led to concerns for the development of practice as increasing structures in the audit process risks “younger auditors to never really learn professional judgment” because auditing very much is [also] about “to reach a certain feeling [and not just to tick the boxes]” (I7, partner). Therefore, with expanding bureaucratic and administrative practices in auditing practice, auditors’ learning and skill acquisition is affected. In this sense, control and performance structures influence how knowledge is acquired and how professionals become autonomous. Furthermore, with changing expectations, auditors recognize the need to adopt formal accountability systems, yet they recognize the need to find informal ways to manage the restraining effects of these systems (see Chapter 8 for more).

7.2. When your performance is “just enough”

This observation moves to a discussion on the role of structures and how the created boundaries can be both enabling and hindering for the practitioner. Whereas auditing was described in line with Power (1997) as a structured process dependent on (external) control, surveillance, and documentation, professional judgment (ethics) was described in relation to knowledge and experience. Structures, then, can be assumed to have dual implications, referring to either the “structured process of doing auditing” (I7, partner) or to the guidance auditors have in their professional and organizational work.

In performing high-quality audit work, auditors depend on their ability to make professional judgment and on their ability to perform
according to other logics. Internally, then, structures are important in guiding the actors, the ones performing auditing, because the structures constitute not only a control over others (Power 1997), but also function as a guidance structure for the professionals.

As the example of Arthur Andersen and Enron illustrates, professional judgment needs to be grounded in procedures of accountability if the profession is to maintain its position as a legitimate actor. Although holding strong ethical values and professional commitments, it is impossible to motivate judgments when under review unless there is an underlying compliance procedure (documentation). This, however, comes with the effect that auditors are subject to increased risk and sanctions if they do not adhere to the “compliance culture” where documentation and templates are important tools for the auditor in times of review and criticism. Therefore, the current trend toward increased bureaucratism and accountability for auditors is driven by exogenous factors, in particular where auditors need to demonstrate their ability to represent and act in a manner responsive to the represented (the public). When the interests of the public moves toward increased transparency and higher expectations, auditors (the representative) need to respond to remain legitimate. This transformation comes with effects on the way the professional logic is understood.

The trust held toward one another is also based on the internal reviews of their work; here, constant quality controls and quality reviews are conducted by other team members and auditors from other firms. Although being audited, the auditors did not express any anxiety for getting a remark. Rather, this was perceived as a way to maintain their professional work, make sure that everyone performs high-quality work, and, if necessary, make adjustments in the process. In general, there was a high level of trust in the system (audit system) and that the entire audit team would perform accordingly. For the signing partner, this was
important because their review (before signing) was based on the performance of others and their judgment. Therefore, it is of extra importance for the signing partner “to know who is on your team and who you can trust to make good (audit) work” (I26, partner).

The trust among the auditors relied on previous relationships and on their ability to pass internal reviews. If an auditor (and, in particular, a partner) would be registered by the Supervisory Board of Public Accountants, his or her career within the firm would “with certainty be over, there would be no way up from there.” (I27, senior manager). Therefore, trust and control according to the professional logic refer to how auditors are able to communicate, socialize, and develop a strong team internally. The trust in the system is incremental for how auditors perform according to the professional logic. However, as the development advances toward a bureaucratic logic (Fogarty 2014; Gill 2009), the trust is expressed in forms and formal documents, rather than in the trust toward one another.

Up until now, the focus has been the participants’ understanding of their role as professionals and how they balance expectations from the professional community with expectations from the organization. Much research on the socialization of professionals has emphasized the role of formal structures and informal structures (Grey 1998; Kornberger et al. 2011) in the quest for the “successful auditor” (Grey 1998). However, in becoming a successful auditor, one needs to learn about professional judgment and navigate in an “ever increasing bureaucratic practice” (I25, manager) to be considered partner material (I27, senior manager). The role of structures will here be emphasized as an integral element because structures guide participants’ understanding of what, where, and when to do something. Structures are thus important in that they define expectations (external and internal) and provide a template that auditors can consult to achieve their goals. In relation to this, structures hold a key
role in promoting development and learning for the individual, in terms of professional, technical, and managerial knowledge.

Professional accountability is associated with the code of ethics that emerges through the expertise and standards used within the professional organization (Perrin et al. 2011). However, professionals are not only evaluated based on their technical expertise, but also on a pragmatic level where the allocated accountability becomes a way to direct and make visible the performance in terms of professional behavior. Seeing pragmatism as part of the performance will affect the notion of accountability, where a focus is on the avoidance of misstatement rather than learning, which in turn will focus the professional conduct on technocraticism rather than pragmatism (Gill 2009). The implementation of standard procedures, audit templates and standardized performances (defined in performance evaluation templates and inspired by the mentor) further goes against the framework by Dreyfus and Dreyfus (see Chapter 2) where learning and expertise comes from context independent processes (e.g., audit check lists and clear defined roles in the audit team).

By recognizing performance, the control systems will direct accountability to individuals who, due to the “measurement of everything” (Power 2004a) thesis, will be held accountable for every action they take. However, the controls have become part of the everyday life of the auditor to the extent that measurements now are subordinate to other controls (e.g., relationships, interactive controls). The managing of professionals was discussed by one partner: “you are never compared on an objective basis — always explanations/adjustments” (I16, partner). Numbers are present in the evaluation and control of professionals; however, because the numbers are adjusted, the performance becomes subjective, bringing forth the management of other qualities than merely those that can be measured. In extension, because the numbers are narrated, the professionals recognized are the ones who have learned to understand and enact the right controls.
Researcher: How do the evaluation targets change over time?

Auditor: It is a step-model, especially in the beginning. Every step has its own target but in the end what they aim at is that you will become partner. Every step builds on the idea that you should accumulate and add building blocks so that you fulfil all the criteria to go for the partnership. First you have to learn to crawl, then walk and then run and then run faster and faster than the others in the firm, and then you should be able to run faster than those in the city [the competitors]. That’s how it is. And then you are constantly compared. It’s very defined in terms of what you’re expected to do. (I10, partner)

Structures are thus recognized as important and a necessary part of the audit process (I10, partner), but when they come to dominate the work process, the compliance culture seems to obstruct learning rather than foster expertise and professional judgment. In relation to the discussion above, when structures come to dominate the work, it is perceived as an issue that leads to the “de-professionalization of auditing” (Fogarty 2014) following an increased presence of bureaucracy over judgement. However, structures are also important in defining professional work and functions as a guidance not only for junior auditors, but in all processes of audit work.

I think it’s very clear from the beginning of what you are supposed to do and the expectations held upon you… When I started I got this ‘education package’ where all my courses and workshops were outlined for the first three years… in that sense it’s very clear and you are [guided]. […] My coach has helped me a lot as well in setting goals and make a (time) plan for when I should do the authorization test and in which team to work to get relevant experience. (I3, junior professional)

The quote above shows how structures are present in guiding auditors through the initial three years and how these structures provide the necessary knowledge. Furthermore, the quote shows that the standards and structures go beyond performance management and are present in
various sets of professional life, from which courses and workshops to participate in to the expectations necessary to achieve partnership.

The standardization of professional knowledge and other skills of performances has led many auditors to develop a skepticism toward auditing as a professional skill that is based on expertise and discretionary knowledge. However, as they advanced in the organization and receive increased responsibility in each assignment, their acquired knowledge becomes of greater use. Yet knowledge or technical expertise only manifested in a small part of what was evaluated and controlled for by the organization.

*I have chosen to specialize in asset management, so I don’t have that much time with the clients. Rather, I write comments on how to adopt rules, develop internal frameworks and is, in general, someone that others can turn to if they have questions. But that also means, in the evaluations, that I have to stress [emphasize] other types of performances [in contrast to those corresponding to the commercial logic]. And that’s not always the easiest thing to do.*

(I28, senior manager)

Consequently, because performance is defined through set standards and general performance management templates where everyone is expected to contribute to the professional and commercial capital of the firm (Spence and Carter 2014), auditors who have taken a different route to partnership note that they need to navigate the performance structures differently. This is done by identifying the necessary performance objectives and performing in a constant dialogue with the mentor and potential future partners. Therefore, because performance differs from different auditors, the incompleteness of performance measures opens up other kinds of performance structures where mentoring, communication, and expertise need to be made visible and valued by those higher up in the hierarchy (Grey 1998; Kornberger et al. 2011).
The “standardized performance” that auditors were subject to came with consequences for how auditors set out to perform. This became particularly apparent in interviews with junior professionals who relied on rules and standards to account for their performances. Because they had not yet learned professional judgement and were not fully immersed in their jobs (Dreyfus and Dreyfus 2005), they evaluated their performance based on the fulfilment of evaluation criteria. Because they did not identify as being responsible (for any assignment), they also experienced a lack of commitment to their tasks where it “is hard to outperform others” because everyone is doing the same work. For professionals at this stage, performance was therefore just about making what was enough and making oneself visible in other ways. The performance structures were therefore not very helpful in mediating expectations.

I just came from an inventory of a client’s stock. It was my first time and I was assigned to go there myself [...] Even if it’s not that hard I realized that I had no idea what I was doing, I just made the sample [checks] required. [...] In the same time this is a great way to learn, next time I know these small extra things to check for and I don’t have to rely [that much] on others or on previous years [documentation]. (G3: 1, junior professional)

The audit work done by one junior professional is here guided by the standards and the audit program (what size of the sample, what to check for in the inventory, etc.), and the performance objective of the professional is therefore to perform “just enough [...] there is no one that would complement me if I would take initiative [during an inventory] to count all the nails [at a carpentry firm]” (G3: 3, junior professional). Because the standards define what is required, any additional performance would lead to no significant improvement in the audit and a need to explain the time (and cost) taken to conduct a simple task (often perceived to be a tick-boxing practice). Therefore, the bureaucratic rationale leads
performance to be pre-defined and in practice leads the auditors to perform
to a level that they experience is “just enough.”

7.3. **Bureaucratic practices to crystallize performance**

Following the accountability turn in society, many professional practices
have changed. This can be seen in how auditors approach their work and
the ways in which they are to perform. For the junior professionals, the
increased reliance on standards and templates in auditing (I1) has become
a comfort in how they learn auditing, but also a struggle because they
cannot stand out from others. Furthermore, partners perceive this
development as dangerous for the future of the profession, not only
because junior professionals and managers are not exposed to situations
where they need to make professional judgment (they perform by fulfilling
the documentation criteria), but also because of the exposure partners (or
signing auditors) have after the increase in reliance on accountability
practices. Bureaucratic practices can hence be described as the emergence
of new practices into the auditing profession, where the focus is on guiding
auditors and (dis)charge accountability by directing attention to the visible
performances. Performance (be that professional judgement or the
accumulation of economic capital) is increasingly determined in the ways
one accounts for performance and, consequently, is defined through
structures rather than through judgment. In short, bureaucratic practices
function as a driver for how the professional and commercial logic are
expressed in the daily practices of professional life.
habitus presents itself as something that can be substantively enabling for social agents, provided that they are capable of embodying the logic that is more highly valued by the surrounding field."

(Spence and Carter 2014: 15)

8. SOCIAL PRACTICES

Although having discussed the effects of and the entailing struggles a structured approach brings to auditing and the ways in which auditing is learned, the participants also recognized that this opened up new ways of performing. In particular, because not everything could be accounted for and because learning occurs in specific situations that cannot be regulated and controlled, performance emerged in social spaces where one learned how to play the game. Junior professionals found the recurring courses during their first years as important occasions in which they could learn

"For Giddens, social practice is a central concept because it constitutes the modalities of a structural system by which structures are translated into actions." The production and reproduction of social practices are thus of interest for our understanding of the context in which we act because social practices occur at the inseparable intersection of structures and agents. However, for the purpose of this dissertation, the term social practice refers to the active involvement of individuals to mobilize their performances within the professional community (Goretzki et al. 2016). By focusing in particular on the agent, the interactions and routines undertaken by knowledgeable reflexive agents (Giddens 1984: 26) suggest that performance is mobilized in the communication and relations of auditors. Social practices, as referred to here, are thus the social actions undertaken by auditors to reason, create meaning, and mobilize their performances.
not foremost technical work, but rather as a time where they could reflect on their experiences and share struggles and knowledges with others.

For me, the first years but in particular the first weeks, were very well structured. Right after the introduction course I met with clients and I knew which assignments I was working on, what was expected from me and so on […] The second day at office I was responsible for a meeting [with a client] where we were supposed to go through the ethical guidelines. The others in the team were there as well but in the beginning, you act in darkness where you have no idea what to say or how to document. (G4: 3, junior professional)

Whereas courses offered a space to share experiences, gain knowledge, and establish a network, they also gave way for how auditing could be approached differently, thus suggesting that courses constitute important spaces for socialization.

Auditing is always number one, that’s how it is of course… but then there are a lot of things around it that—-that can be more important. I wouldn’t have a chance to get as far without my mentor for example. It is really important to get in the right group and with the right people. (II, manager)

Many of the interviewees brought up the role of the mentor or coach and how this person was used to adjust the targets, guide the individual to the “right” path, and act as a “brother or sister in a quite new and confusing environment.” This directs attention to not only how structures are imposed upon individuals, but also how individuals manage the structures and perform through a different set of practices (Ahrens and Chapman 2002, 2007).

8.1. The informal side of performance

At this stage, they are not only reliant on their performance, but also on how they “fit in the firm” (I27, senior manager). As the auditors progress, they are expected to perform independently, being good leaders and achieving results in various domains. Performance indicators, such as
financial ratios, were constantly perceived as important, but what emerged was the need to perform for others. That is, there was a need to show “hard facts, numbers, and profitability” (I15, senior manager), but these did not matter unless you could perform to the right person in the right community.

Performance was rendered comparable by means of a ranking system that took into consideration both the measurable output (level of education, number of clients, billable hours, quality of output, scores on tests, etc.) and more subjective evaluations from peers, the performance manager, and clients. However, one auditor acknowledged that these evaluations did not matter much: “People want to be nice. We never get an honest evaluation” (I30, senior manager). The grades, or rankings, became important for the auditors, especially in their early career because this was a basis for comparison to others. Only a few were able to achieve a higher grade, and these auditors were often put on a “fast track” through the hierarchy because they embodied the right material with the “skills to sell and provide trust to the client” (I23, senior manager). As the auditors progressed, however, performance became destabilized. Other factors acquired more weight, and because it was hard to stand out and earn a good ranking based on core professional merits (i.e., technical audit work), it became important to perform “at the margins of auditing.” As the professionals learned to “play the game” (Gill 2009), they learned how to attract attention and make visible their performance. The importance of being visible in spaces other than those defined in the formal evaluation program emerged, especially in interviews with managers and partners. In what they referred to as the “evaluation room,” performance could be altered, and rankings were contextually bounded (i.e., performance deviations that could be explained). This room was a space where auditors at various stages of their careers were discussed, graded, ranked, and compared to one another by their superiors. As a result, the concept of performance suddenly became something other than a quantified outcome;
instead, it was an explained outcome, where social connections to those in the room were implicit in the credentials received.

One partner discussed the influence of these “evaluation rooms” as a place of comparison and dialogue between seniors who had worked with the evaluated auditor. Because the documentation “already was there,” a certain level of objectivity was considered to exist. However, it was also acknowledged that the discussions dealt with issues beyond the formal evaluation reviews:

At the end of the year, we always sit together [the performance managers] to discuss the performance of the others. I guess that performances are subjective in that way; you need to accomplish your target goals but also fit in, have assignments that develop you and know people that will provide you with the right support [...] You need to have someone to take your fight into that room, that is, if you haven’t performed well enough. (I8, partner)

The evaluation room, then, constitutes a space where individual performances are calibrated and adjusted to fit rationalized practices that are mediated by formal programmatic statements. Quantified performances are compared, adjusted, and explained by other subjective elements that instrumentalize the forces by which actions are governed (Rose 2004). On that basis, the auditor needs to perform not just according to the formal evaluation program, but also within the community, to earn the trust of the “right” superior. A partner elaborated further on the “explained outcome”:

You need to put up the numbers, but the numbers can change—if you can explain why you aren’t profitable, or why you don’t have many client hours, then it’s not a problem, and you can still get a good ranking [in the end-of-year review] [...] If you do a good job and fit in with the group, then [the numbers] won’t matter that much. (I26, partner)

This quote illustrates the importance of getting to know the community and anticipating the right performance. Although performance
is rendered visible using numbers, it is subject to change because there may
be reasons for failure to reach the target. As a result, performance could
not be achieved individually but may instead emerge in the “web of
relations” — that is, the individual depends on relations with others and on
doing the right things to be seen to perform. Although progression is still
based on formal criteria, those criteria are now influenced by the
community, providing scope for individual interpretation and negotiation.

Evaluation systems are designed to capture certain performances;
in so doing, they also guide auditors to certain spaces in which to act. This
accords with, for example, Townley et al. (2003), who argue that
performance measures imply rationales for action. Through measurement,
audit professionals reason and rationalize their actions, but measurements
also serve to rationalize the means — that is, the commercial logic in
pursuit of profitability. A partner previously involved in the development
of performance measurement systems also recognized that these systems
represent a certain logic that transforms as one progresses through the
organizational hierarchy (Kornberger et al. 2011). This transformation was
perceived as a problem and was discussed at the highest level of the
organization:

all the way up to equity partner, there has been a discussion
on what the reward system looks like for the big firms, right. And
that... it is not in sync... it doesn’t hold water, that’s the problem, it
sort of doesn’t work, from young to more senior employees and
partners. It should hold water and work all the way. But it doesn’t.
(I7, partner)

8.1.1. The professional community

The importance to belong to a professional community and to have
someone who “knows the rules of the game” and how to make one’s
performance visible in performance evaluations (formal) was emphasized by all auditors.

My coach is very important to me. He’s always supported my decisions [in particular in the decision to take the expert-partner track] and I can discuss everything with him. I guess it works like a sounding board (bollplank)... it’s very free discussions but he can also give me hints in what is important given these or those ambitions… It’s good to have someone with more experience that knows the rules of the game so to say. (I26, senior manager)

The role of the mentor has been mentioned earlier but was here illustrated as “a best friend” in the firm, someone who you could trust and shared your ambitions to progress. The mentor was important in guiding the auditor, for example, in terms of setting short- and long-term targets, and to make the performance visible to partners by showing them the right projects.

The professional community was, however, not only constituted by “formal relationships” such as an assigned mentor. The professional community was also important to maintain in terms of relations to others and in keeping in touch with the others in the group.

Two weeks ago, we also went out to have dinner with our groups (we are divided into three groups). Our group went to an Italian restaurant named Bellora and had a “family dinner”. It was very cozy, and we really felt like a big family. […] Since we are a good group, almost like a school class…

(Blog post, EY, 2016-09-03)

Since many of us work at different project, and often is at the client, out of office, we make sure to catch up and socialize whenever there is an opportunity.

(Blog post, PwC, 2016-03-20)

The perceived importance of being visible “in the right way and to the right people” (I6, manager) contrasts with the view that quantification of performances and contributes to an “increasing dominance of a means-
end instrumental rationality” (Townley et al. 2003). This implies that how professionals rationalize their actions and performances cannot be explained solely based on formal evaluation programs. A manager elaborated further on how he or she had come to understand the rationale of the audit community:

There are lots of things you need to think about and consider. There is, from the first day, a quite general consensus about time tracking and that you need to be efficient. And of course, this is what matters; it’s maybe the most important tool you have for the advancement of your career. But then you’ll also need to know and work with the right people. (I6, manager)

The complexity of performing was also described as relating directly to the role of perception management (I7, partner), which was recognized as a desirable skill by both junior and senior professionals. Being able to understand, formulate, and make visible the “right” performance was therefore considered important in fitting in with the organization’s objectives. In a sense, “playing the game” and being perceived as a trustworthy person was what mattered in giving accounts. In a context where games of visibility, observation, and secrecy abound, great emphasis was placed on the importance of being perceived in the right way. By constructing and promoting his or her reputation, the auditor can actively determine what others will see in his or her performance (Brivot and Gendron 2011). Although the auditor’s time management and efficiency were considered important for advancing within the firm, other elements such as networking and who one knew eventually took precedence (Audit manager 19). Simply put, an auditor’s success was seen to be based on a combination of calculative practices and an ability to demonstrate both social and commercial skills. The evaluation was, therefore, perceived to occur in relation to others.

To identify the right performances and establish a strategy for how
and where to perform, the auditor would collaborate with his or her performance manager (or coach). The role of the performance manager was to guide the auditor toward the right performance and evaluation schemes. In other words, the auditor was guided toward a certain space in which to act — a community where performances were made visible to others. The importance of being part of the community was emphasized in the interviewees at all firms.

In the beginning, I would say that it was quite clear to you [how to perform/expectations]. You had the courses, your coach [performance manager] that you discussed with a lot and so on… it was more or less common knowledge. Now, it’s not that clear [next career step was becoming partner]. You really need to be open to the small hints and indications given to you. It’s not a formalized path anymore […] The coach is there to guide me towards the next step in my career. (I29, manager)

Because the formal performance program matters more at the beginning of one’s career, the performance manager becomes more important as the auditor advances. This is also the area where social governance becomes material — the auditor needs to establish close relations within different spaces (e.g., clients, performance managers, audit teams, etc.). The role of social governance is to direct attention to the circumstances and techniques in which actors put themselves under the control and guidance of others (Rose 2004) and where their collective performances (i.e., their worth) are made visible to others. In particular, the importance of others seems to emerge when the community begins to have expectations of the individual in terms of contributing to the firm and developing the right skills.

For sure, the first two years, you are basically just an economic burden to the firm. It’s more about getting in, getting to know the clients and the audit methodology. After your second year, however, there are expectations on you to contribute to the firm and even to be profitable on each assignment. […] In the beginning, it’s
more about learning, but after a while you need to be a good member
[ of the firm] as well, so to speak. (合伙, partner)

To pursue a career and advance to the top of the firm (the partner community), there is a need to adhere to expectations, embody the identity of a “rounded business person,” and target the requirements for a manager, director, or partner. However, career development relies on the auditor’s position in the community and his or her ability to anticipate the performance needed. As the role of the community increases for the individual auditor, so does his or her freedom in terms of what and how to perform. But that increased freedom comes with boundaries in the form of expectations and a need to fit in with others. The role of the community in directing the individual and in making the individual subject to self-governance is an important part of how one “becomes a successful professional” (Carter and Spence 2014). Technologies that make the auditor visible to the judgment of others are therefore emphasized, acknowledging the importance of being aware of expectations and the “logic that is more highly valued by the surrounding field” (Spence and Carter 2014).

As the auditor advances through the hierarchy, he or she will need to learn the “right work” to gain recognition among the partners, with increasing expectations around his or her contribution to the firm and getting closer to the client. This shift in logic also implies that the auditor should move from a structured way of performing (i.e., according to the formal evaluation system) toward performing more in line with community expectations.

In this context, the career project centers on socialization as auditors learn to work (i.e., audit and be efficient) to manage clients and audit teams and contribute to the (economic) interests of the firm. Here, the logic that informs the auditor’s performance is regulated or governed by the community. Relations with others and strong social capital (Carter
8.2. Expertise in the network

In the beginning of one’s career, auditing is about “getting in and getting on” (Grey 1998) and getting to know “the organization, your coach and everyone that started in the same time as you […] It feels like it is important to really make yourself noticed in the beginning” (G1: 3, junior professional). This was the reflection by one junior professional during his or her first two weeks of employment. Although the discussion later concerned technical knowledge and how you learned “to do auditing,” the first few months are perceived as important for one’s future career. This was discussed as an important aspect of professionalism because many auditors recognized the importance to have (had) a good team, a strong network in the organization, and a team partner who saw your potential. Furthermore, the need to have a strong network internally was discussed as an important part of the daily work.

Now, after two years in the firm I’m still learning of course. I feel like I have a better understanding of the processes and how it all works but in terms of technical knowledge I still have quite the way to go. But I have also realized that you will never be independent [alone] in your work. It is super important to have contacts in the firm [in other departments]. For example, I met this guy at the tax department [during a kick-off event] and now I can just pick up the phone and call him if I need to ask something. (G2: 3, junior professional)

As you work with different clients in different industries, the auditor needs to hold a wide range of expertise and knowledge. For senior auditors, this is a particularly difficult task because they deal with complex issues and [tax] arrangements. Therefore, it becomes critical to early on establish a strong network with diverse competencies.
For junior professionals, the role of others’ was recognized as important in performing auditing. When conducting an audit, the auditor needed to ask the right questions but also know how to approach certain steps in the audit. To have close relations to others on the team allowed for opportunities to learn.

"I had met the group during the spring [before the employment] to get to know them a little. But then you have your mentor as well that you can ask all the stupid questions that you don’t want to ask your team leader (laughter). So when I started working I felt right at home in the team." (G4: 1, junior professional)

In this, the role of the mentor was stressed as important, to have someone to turn to and discuss issues or just ask the “stupid questions that you don’t really want to ask the partner” (G4: 3, junior professional). As such, the mentor was an important guide for the professionals, not only in terms of adapting the firm culture (Dirsmith and Covaleski 1985), but also in terms of learning about auditing.

For some, generally those working in smaller audit offices, these occasions also offered insights into the audit process with bigger clients (and thus bigger audit teams), where the life of an auditor “seemed to be much more about getting to know the audit team rather than with the client” (I28). During the interview, we returned to this difference several times because it seemed to be of importance for how she or he perceived audit work and developed an understanding for the audit process.

"In one way we follow the same steps [in the audit program], take the same courses, have the same knowledge as everyone else so in that way auditing is the same I would say. But, I don’t know, I perceive it at least, as if auditing here [in the smaller audit office] is rather different, we approach it differently […]." (I44, junior professional)

When talking with the same junior professional two years later (now a manager), the courses were perceived as important not for gaining
technical knowledge, but for getting insights into the different struggles and approaches taken with clients.

In my first year I was very focused on getting everything right, not making any [technical] mistake. Now, I realize that the audit process is very different, and the courses have helped me to realize that. […] The courses were good for me because they gave me an opportunity to meet others and talk about auditing and I quickly realized that everyone is doing it differently. This made me think about auditing differently, to use my knowledge more and talk with my team in a different way. (I44, junior professional)

8.2.1. “Your network is your net-worth”

Doing a good [audit] job is implicit in performing, but what matters now is the relationships, being able to lead others and to contribute to the firm. (I22, partner)

It’s very important [appearance and internal relationships]! You could say that my network is my net worth. In the end, that is what matters. I need to do my job […] but I need to create a network! (G3: 2, junior professional)

In the interviews, the auditors emphasized the role of others — getting to know the right people and finding the right assignments. Although previous research on the Big Four has tended to follow “the client is king” reasoning (Dellaportas and Davenport 2008; Spence and Carter 2014), the participants here instead emphasized the role of internal networking, finding peers, making a name for yourself internally, and performing in the sense of building a reputation. In other words, the internal network seemed to be an important element in “playing the game” (Gill 2009). During one of the group discussions, one junior professional elaborated on the ways he or she became aware of what performance is and to whom it is important to be visible.

Well, for sure you need to establish a good relationship with the client. You’ll spend a lot of time together, and in the end, they will
come to matter. But for now, more importantly, you need to make yourself famous internally. Network and get to know the right managers or partners. Basically, you’ll need to get on the right projects in order to have a future career. (I6, manager)

The other participants recognized this description in their own firms and were all aware of which projects to look for and with whom they needed a strong relationship within the firm. Another interviewee elaborated on the importance of having a community and establishing contacts. In particular, they recognized the strong cohesion within the class, identifying themselves as cohorts (e.g., “class of 2012”). In this community, discussions about who would make it to manager or partner — and, conversely, who would not make it to the next level — were a common feature. The emphasis here was on the need to be involved “backstage” and to network, anticipating the performances needed and making sense of the community.

You can see that there is a difference between certain people in my class; I try to stay with the ones that have the same ambitions and that want to pursue a career […] Quite often we discuss who we should work with, or who we have heard that we should work with, in order to get the right numbers and be trusted to take on more responsibility. Being aware about these things is of course important. (I6, manager)

Although this contradicts some of the auditing literature that emphasizes the number of clients, profitability, and billable hours as determinants of success (Dirsmith and Covaleski 1985; Gill 2009; Townley 1995), it aligns with what Anderson-Gough et al. (1998) and Carter and Spence (2014) described in terms of “back-office” activities, where dress code, identity, and networking matter. Being in the right community and with the right people is important, and the auditors sought to identify with the elite or “up-and-coming” professionals. Although the first few years are described as a “self-playing piano,” there is a turning
point where “the importance of other things” gains a more pronounced emphasis (I7, partner), notably the role of the community and the network.

The higher you are [in the hierarchy], the harder it becomes to advance. You have to know the right people. Of course, you need to have the skills to contribute to the firm as well, but you need to be in the right group of people, so to speak. (I11, partner)

…right…this networking thing…Now a days, it’s more and more guided by norms. Before, when you were networking you met [for example] a lawyer and bought him a coffee to sit down and talk…now we have “the 80s”-network, then 500 persons born in the 80s’ will show up to discuss and mingle. It has become formalized in some way. Everything is getting more and more formalized. […] (I10, partner)

The logic of how to perform and how to make oneself visible has developed here from the criteria of the formal evaluation system and commercial logic to performing in the right community. By seeking communities, and the right communities at that, the participants felt they could promote themselves internally. A distinction was drawn between performing auditing (“doing a good job”) and performing internally because it was expected that auditors would take on an internal interest (Audit director 12). In this context, all interviewees stressed the importance of networking, building trust and relationships among themselves, and finding the right people to help them advance.

The role of networking is crucial, it really makes a difference if you are on the right projects, with the right manager…It becomes clear to you, quite fast, who [what manager] generates the good numbers—and then, of course, you try to establish a relationship with him. The role of networking becomes important as we, within my group of colleagues, talk quite a lot…(I6, manager)

There’s a lot of informal talk among ourselves. […] Without my closest colleagues, I will not make it far. (G3: 1, junior professional)
Awareness of and preparation for performance evaluations were important for the participants in seeking access to the established hierarchical system by coming across as “good auditors” and gaining the support of partners in the annual review meeting. However, both the community and the need to be a networked professional (Anderson-Gough et al. 2006) constitutes a social governance mechanism (Rose 2004), given the importance of social values and being perceived as an elite auditor in pursuing a career within Big Four firms. The need to promote oneself and one’s worth is part of the everyday interaction for auditors, prompting them to perform in ways dictated by accepted community discourse.

8.3. Mobilizing performances in the community

Through social and relational practices, professionals are enabled and supported in diverse ways. That is, whereas structures often are perceived to hold constraining effects on individuals, social practices enable agents, provided that they are capable of embodying the more highly valued logic in a particular situation. As this chapter has set out to illustrate, social practices are used by professionals to not only come to an understanding of the various and, at times, contradictory logics that follow performance management, templates, and standards, but also to perform in different ways. This became especially apparent in discussions with partners, where internal networks were perceived as opportunities to promote oneself internally and external networks as potential [commercial] values for the firm. Therefore, social practices offer ways to learn how to play the game and make a performance visible in other ways than the formal structures allow; thereby, the performance that is not accounted for becomes valuable in other forms. Agency comes from the active (aware) process of performing auditing and controlling actions. In this, the role of the community is central and mediates in the performing of professional and commercial work. In a way, the community offers ways in mediating
which logic is dominant, guiding the auditor to the performance that matters in a particular situation.

8.4. Summary of the empirical discussion

To summarize the empirical findings, the current dissertation found four main combinations of how performance was constituted in auditors' everyday work. In particular, by drawing on different performance practices, the auditors were able to reconcile conflicting logics by directing their attention to the dominant performance (i.e., to the performance that met both external and internal expectations) in a particular situation. The distinction between performance according to [a certain logic] and performance through [certain performance practices] thereby became important because this suggested a distinction in how dichotomous logics and versatile performance practices are managed by auditors at the micro-level of professional work. Therefore, the separation of professional work into two departments is not enough. Rather, it is suggested that we need to further recognize professional performance as context-dependent practices that are constructed and mobilized as situated achievements through which the auditor becomes legitimate (Ahrens and Chapman 2002; Goretzki et al. 2016). To further illustrate how logics and practices of performance are interlinked, the following table illustrates how performance practices constitute and facilitate conflicting logics can coexist:

<table>
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<tr>
<th>Professional logic – Bureaucratic practices</th>
<th>Commercial logic – Bureaucratic practices</th>
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<tr>
<td>Professional logic – Social practices</td>
<td>Commercial logic – Social practices</td>
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PART III

In this final part of the dissertation, the empirical findings will be further discussed, with particular emphasis on practices of performance and why the performance concept needs further attention in emerging studies on contemporary professions, conflicting institutional logics, and hybridization (see, e.g., Evetts et al. 2016; Malsch and Gendron 2013). In this, structuration theory (Giddens 1984) is argued to be central for discussions on how conflicting logics are reconciled in everyday practices. This becomes especially salient in the professional context of auditing, where the increasing role of structures in the form of rules, accountability systems and control have been suggested for de-professionalization (Fogarty 2014; Freidson 2001). The results in the current dissertation indicate, however, that the performance concept is central for how the auditor circumvent existing structures by directing attention to and reinforcing other practices of performance (i.e. the inclusion of agency in professional contexts), thereby maintaining professionalism in everyday work. Consequently, the epistemological dualism between the professional and commercial logic is suggested to be practically non-existent in the auditors’ understanding of professional work because the logics are located within a situated performance logic. In particular, by drawing on bureaucratic practices and social relations, performances are used to achieve partnership and legitimacy — both externally and internally within the professional community.
“These three Ps – performing, playing and politicking – added up to the final ‘P’ of partnership.”

(Kornberger et al. 2011: 16)

9. DISCUSSION AND ANALYSIS
Auditing is a practice that has been theorized to have profound consequences in society (e.g., Mennicken and Power 2013; Power 1997). It is also a profession that builds on the autonomy and legitimacy of those practicing. Over the years, auditing research has merged with research on professions and organizations, directing attention to the organizational context of auditing (Cooper and Robson 2006; Suddaby et al. 2009) and how auditing is organized (Noordegraaf 2015). Furthermore, the practices of socialization, mentoring, and the shaping of professional identities have gained much attention in the last few decades, along with discussions on an emerging (dominant) commercial logic that infuses the auditing profession with a business rationale (Carter and Spence 2014; Dirsmith and Covalski 1985; Fogarty 2014; Hanlon 1994; Kornberger et al. 2011).

This has directed much attention to the role of structures and how the politicized role of structures establishes control and redistributes power among the interested groups within the organization (Oliver 1991; Powell et al. 1985). The use of institutional resources in the form of existing structures to support one own’s interests, and hence transform the existing social system, has thereby led to an emphasis on the agent, the practitioner
through which the structural and social may become interconnected. However, less has been said about the role of the agent and how the agent actively manages the conflicting logics and increasing demands of accountability while adhering to his or her own interests. The following chapters will provide a discussion on how we can study the interplay between structures and agents and discuss the importance to attend the micro-level perspective and individuals’ reasoning in studying (conflicting) institutional logics (cf. Alvehus 2017; Yang 2012).

Whereas much can be said about previous studies, they have all provided insights into the life of auditors in response to Hopwood’s and Power’s calls for in situ studies on auditing. This has been an inspiration for the current dissertation, where the everyday work practices and performance have been studied from the perspective of the agent. The following chapter thereby sets out to discuss how auditors approach their role as professionals (i.e., professional logic) while adhering to the interest of the firm (i.e., commercial logic). This address calls for micro-level studies in professional service firms (i.e., Big Four), where low levels of managerial authority and bureaucracy are assumed to be central for the maintenance of professional autonomy. Yet increasing levels of bureaucratization have been documented in these firms (Fogarty 2014), along with formal control systems to govern professionals and professional practice (Hanlon 2004). This has directed attention to how conflicting logics (i.e., the dichotomous professional and commercial logic) are reconciled on an organizational level, where there is less research that has acknowledged the role of everyday practices and how actors can both acknowledge and circumvent institutional demands because they have considerable degrees of agency and freedom. The discussion will concentrate on how institutional logics and everyday practices are reconciled and, in particular, how professionals actively seek to direct attention to and combine various performances.
9.1. Accountability, agency, and performance

Following increased interest in professional organizations, institutionalization, and the self-interest of organizational groups, Gleeson and Knights (2006: 277) discuss the important separations of structures and agency in professional settings and how wider separations of agency and structure lead to tensions and conflicts between “professions and various stakeholders, the private and the public, and markets and civic society”. Importantly, the main argument of their work turns attention to the conflicts confronting professionalism in the contexts of an audit society (where accountability, managerialism, inspection, testing, and performance management create conflicts and struggles rather than consensus and trust) and the mediating role professionals play in this. Adopting a similar approach, the proposed dichotomy between professional and commercial logics has been explored from the perspective of the auditor and how she or he performs to find authority and legitimacy in professional-organizational contexts. During the empirical study, an important distinction was made in how auditors gained legitimacy through their performances (either according to a professional or commercial logic). Because the various performances were evaluated in standardized control systems (i.e., bureaucratic practices) and in (in)formal communities (i.e., social practices), the auditors were able to gain legitimacy (in different parts of the organization) by separating bureaucratic and social practices in their everyday work, subsequently mobilizing their performances to different portions of the organization.

Accordingly, because professionals need to attend to vested interests, the performances to which they are accountable become conferred. To gain legitimacy, professionals need to decide to whom they are to perform and how their performance should be rendered accountable (through formal systems of accountability and control or through belief
systems and social systems). This further suggests a need to discuss the role of structure and agency in how performance becomes institutionalized in professional-organizational contexts, which will be the focus of the remainder of this chapter. Performance needs to be separated and related to the particular settings in which only certain sets of practices are rendered legitimate (Ahrens and Chapman 2007; Kornberger et al. 2011).

This was particularly acknowledged in interviews with senior auditors, who perceived current accountability structures in everyday work and an “increased bureaucratism” as a response to exogenous accountability pressures. This is in line with Power (2004b), who shows that changes in the regulatory environment and a change toward a “liability environment” have turned the focus on secondary risk management at the level of the practitioner. For the auditor, this implies an increasing focus on his or her own risks, where he or she would seek to avoid responsibility and find support and legitimacy in existing accountability structures. With similar reasoning, several partners discussed their use of structures and bureaucratic practices as an essential and necessary part of their everyday work. Although not being consistent with their view of “professional work” (as their main objective), they acknowledged the need to exculpate their own performance and thereby avoid accountability externally. Although stemming from exogenous accountability pressures, this development and use of structures by the practitioners further suggests a need to emphasize the interconnection between structures and agency and how actors’ use of structures suggests (also) an endogenous perspective on accountability and individual risk management.

The development toward accountability and bureaucratic practices leads to a weakened knowledge base and decreased autonomy of the profession (Fogarty 2014; Freidson 2001). Formal control practices, formalized accountability, and increased bureaucratism in audit firms has turned attention to the organizational context in which auditing is practiced.
Thereby, in times where calls are made to strengthen professional autonomy and promote the autonomous and rational individual and institutional accountability through neo-liberal forms of the market, the audit and performance cultures have led to an emphasis on rules over norms (Knights and Willmott 1989). According to Gleeson and Knights (2006: 279), this implies:

“The recent growth of interest in the professional as a knowledge worker, a team player and facilitator of effective social and organizational relations, rather than as an administrator or guardian of public values, mirrors a paradigm shift from professionalism [structure] to professionality [agency].”

Accordingly, whereas much has been written about professionalism and the changing conditions under which professions operate, less attention has been given to the role of the agent in maintaining professional autonomy (i.e., agency). The agent does not simply adhere to existing structures but also holds an active role in redirecting structures to serve his or her own interest (Oliver 1991). Therefore, the performance of the auditor is not a mere reflection of practices that are accountable to the market or the audit (i.e., a guardian of public values), but also reflects an accountability where the interest of the agent is central. The active role of the agent has been shown in the empirics, where structures are learned and, at times, played to serve the interest of the auditor. That is, whereas accountability structures exist, the auditor needs to perform accordingly. However, the performance is diminished to tick-boxing practices in the cases where one just needs to avoid responsibility.

The persistence of the accountability perspective in both previous research and in the interviews focused on the role of structures (e.g., signification, domination, and legitimation) and how auditors interpreted and managed them within the boundaries of the professionalization
project. In particular, during the empirical phase of the dissertation, many auditors (especially senior auditors) expressed concerns about the current development. Not only did they see an increasing bureaucratism for managing claims of accountability, but also the negative effects of it, namely an increasing risk in being the signing auditor (because claims would be directed directly toward the firm or to the individual auditor). From this perspective, auditing has become a practice that provides legitimacy and that requires legitimacy in everyday practices. In particular, legitimacy is no longer (solely) dependent on autonomy and expertise: it rests on the practices of bureaucratism and self-regulation. In discussions with senior auditors, this development was also apparent in how they practiced and how they were expected to perform. Auditors experienced a change in how their work was structured and in how they could approach auditing and their clients. This development follows the findings of Fogarty (2014) and Gleeson and Knights (2006: 290) in that many of “the key issues confronting professionalism today (managerialism, audit, inspection, testing, and performance management) involve conflict and struggle rather than consensus and trust”. Thereby, the key traits of professionalism, such as autonomy, become part of a formalized control system through bureaucratic practices (Alvehus 2017). However, it should be noted that although several auditors recognized certain constraints put on them following increased regulation and managerialism (structures), the shift toward professionality (agency) also incorporated a certain enabling effect where the structures of accountability provided guidance for, in particular, junior professionals.

Accountability was regarded as both a significant and legitimate aspect of organizational and professional control by all auditors. However, the ways in which accountability was managed in the various roles (junior professional, manager, and partner) suggested different ways of approaching accountability and by which their performance became
accountable. This is an interesting notion, especially in light of Yang’s (2012) call for further attention on accountability as being endogenously shaped. Although following the same formal control structures, the different emphases on performance and accountability between junior, manager, and partner suggest that accountability is shaped in the relations and agency of the practitioners. Therefore, the present dissertation has focused on the ways in which performance is structured in audit firms and how auditors set out to perform.

In approaching various notions of performance, several performance controls were identified (focusing on, e.g., financial, development, skills, knowledge, quality, and social traits). Although these controls are present at all levels of the organization, they are given different weights in the performance evaluation. As demonstrated above, performance was subject to interpretation (and re-interpretation in interactions with others) by the individual auditor. The performance took different characteristics that can be related to both the professional and commercial logic. For the auditors, performance according to the rules and norms (the professional logic) was described as a pre-requisite by which it was hard to excel. Because auditors were expected to perform according to this logic and homogenously, they needed to find other ways to become visible. This meant that in the evaluations, auditors with high “financial performance” and with good client relations were bound to be recognized by their seniors. This development of performance is coherent with previous research, which has emphasized an emerging commercialization in auditing and the rise of economic capital (Carter and Spence 2014; Kornberger et al. 2011). However, as indicated by the finding that each performance control is present at all stages (but given a different importance), performance is context dependent and determined in the context and situation in which the auditor operates. Put differently, the ways in which auditors are expected to perform at various stages of their
careers are determined not in the existence of certain performance controls, but rather in the ways auditors interpret and exercise agency in their choices of which performance to address in any given situation. In contrast with previous research on conflicting logics and the de-professionalization of auditing, this then indicates that professionals are only to some extent subject to being less autonomous by structures of control, and rather, as shown in the empirical section, the inclusion of agency allows for conscious choices and certain freedom in how to perform (practice) auditing.

Following this discussion on an accountability turn in the context of auditing, where auditors have adopted accountability structures to avoid responsibility and make their performance coherent with institutional demands, the next section will focus on how performance practices are mobilized to the previously assumed conflicting logics of professionalism and commercialism. This implies discussions on what constitutes legitimate performances (i.e., performances that meet the professional and commercial logic) and to what extent these performances are mobilized by auditors at different levels in the organizational hierarchy (i.e., junior auditor, manager, and partner). Therefore, the next section will discuss performance in professional-organizational contexts and how the auditor actively constructs his or her various performances.

9.2. Performance in professional-organizational contexts

In discussing auditors’ performance and how their performance transforms across the hierarchical order of the firm, their reasoning (at various career stages) provide different approaches to the professional and commercial logic, respectively. In particular, in discussions with junior professionals, the importance of progression and learning professional discretion seemed to be emphasized in the formal control systems and was seen as a key
determinant in their career progression. The detailed structures also suggest that juniors found it difficult to distinguish themselves in terms of performance, putting emphasis on rituals of socialization, building a strong network, and accumulating social capital (Carter and Spence 2014). For partners, although accountable to the same performance structures, the need to respond to particular accountability demands were there if the partner was to perform according to the professional logic. However, this was often perceived as routine tasks, and the performance that was emphasized as important to “be successful” was mobilized in line with the commercial logic.

This is similar to the study by Kornberger et al. (2011), where new sets of practices emerged as important when the junior professional became a manager and new expectations were formed. Although this could be related to the skill acquisition framework by Dreyfus and Dreyfus (2005), where knowledge and skills depend on the auditor’s involvement (i.e., identifying with the norms and values to make judgements), the performance seemed to differ both across time (i.e., career progression) and space (i.e., various situations). This would suggest that a certain logic (professional or commercial) does not dominate the other (as suggested in traditional institutional theory) at the level of the practitioner; rather, it is located in different portions of the organization (Dirsmith et al. 1997). For the auditor, this implies that practices of performance are situated achievements, suggesting that performance is constituted by bureaucratic and social practices that both support the professional and commercial logic but in different ways. This will be further discussed with support
Figure 4. Outline of discussion
As the figure shows, the traditional sociology of professions literature and institutional theory assume the professional logic to dominate the commercial logic (1). If that is not the case, the profession fails (as in the cases of Arthur Andersen and Enron) and loses legitimacy and autonomy. This has also led several researchers to express concerns about de-professionalization and the weakening of professional borders (see, e.g., Evetts 2011; Freidson 2001). However, because the organizational context has been embraced as part of professional practice and an important constituent of professional norms and values (Cooper and Robson 2006), the professional and commercial logic has been assumed to act in relation to one another (2) (Suddaby et al. 2009). From this, new research streams have emerged discussing institutional complexity, hybrid professionalism, and the influence of habitus and various forms of capital (Spence and Carter 2014). With this as a spring board for the empirical study of the current dissertation, daily practices and various forms of performance for auditors have been the center of discussion. In particular, because I set out to categorize performance as professional and/or commercial, various forms of practices have emerged through which auditors could perform according to a professional and commercial logic while remaining legitimate (as professionals and organizational members). Therefore, the empirical study outlined above (3) identifies the professional and commercial logic that is in line with previous research. Furthermore, the yellow lines show how these logics emerge in the daily practices and reasoning of the auditors. In particular, bureaucratic and social practices emerged as key themes in the ways professionals managed conflicting logics and set out to perform.

It can be argued that performance has changed following an accountability turn in society (Power 1997), where performance needs to be accounted for to remain legitimate. This has put increased pressure on not only auditors to account for their performances, but also on the audit
system and performance management system. What could be described as an increasingly structured approach to auditing follows the bureaucratization of professions, and here, emphasis is put on the routinization of practices (Ritzer 2013). What has been described as an audit explosion and as being driven by auditing (Power 1997) has thus become an audit implosion because it affects the organizational context in which auditing is performed. This development has affected the ways in which auditing is practiced and the approach taken by auditors. Whereas junior professionals found a comfort in the formalized audit process (bureaucratism), those who were made accountable (for the audit work), that is, the signing auditor, experienced a lack of professional judgement and thus a lack of autonomy in their work. However, because other aspects of professional life had become subject to the bureaucratic rationale (e.g., through performance measurement practices, knowledge tests, and [informal] evaluations of one’s network value), informal ways of performing emerged in discussions with both junior and senior professionals. In the figure above, this is referred to as social practices because it directs attention to other ways of performing that cannot, or should not, be accounted for. For the auditors, this became a way to manage the complexity (of having to respond to “multiple agencies of practitioners” [Gleeson and Knights 2006] and to multiple logics) and emphasized the importance of holding competencies beyond what can be regulated and accounted for (see, e.g., Ahrens and Chapman 2007; Dreyfus and Dreyfus 2005).

Following this accountability turn in the context of the auditing profession and the emergence of (new) bureaucratic and social practices, performance will now be discussed from the perspective of the auditor, as illustrated by the yellow dashed lines in Figure 4 above. In this, performance according to, for example, the professional logic is assumed to consist of general principles that undergird the systems of signification,
domination, and legitimation to varying proportions (see Figure 1) (Bryant and Jary 2003). The auditor, then, performs according to stocks of practical knowledge (in the form of interpretative schemes, resources, and norms) in his or her everyday work processes. Consequently, the professional logic emerges through both bureaucratic and social practices as performance takes various shapes and emphasis.

9.2.1. Professional logic and bureaucratic practices
As has been discussed, what auditors identified with in this study is the bureaucratization of professional practice. For the auditors, in particular for senior auditors, professionalism and performance according to a professional logic were increasingly associated with tick-boxing practices because of an accountability regime to achieve legitimate performances. However, as outlined in the sociology of professions, professionalism is dictated on the autonomy of professionals and the auditor’s ability to make a professional judgement from specialized knowledge. This was recognized as a main criterion in professional practices, and although auditing to a great extent follows a bureaucratic rationale in the various audit steps and standardized templates, senior auditors emphasized that judgement still trumped the endless bureaucratic endeavors. Accordingly, the professional logic has been influenced by bureaucratic practices following the accountability turn in the auditing profession, here requiring new approaches to obtain legitimate performances. Similarly, bureaucratic practices are structured according to the professional logic and the requirements audit professionals need to meet their various assignments. This emerged in how auditors adopted audit templates, used standards, and took courses that would guide them to the ultimate goal: authorization and partnership. However, bureaucratism did not only emerge in relation to audit work, quality, and accountability, but also in the ways teams were organized and resources distributed. Several auditors reported on the need
to acquire experience from different industries or clients and to take on responsibility (e.g., team leader) for future career progression. Although this is part of the progressive learning approach (Dreyfus and Dreyfus 2005), the career project has, as well, taken on a formalized approach in which certain criteria and knowledge need to be checked off.

Furthermore, to perform according to the professional logic requires interactions within the social system and within space and time (Giddens 1979, 1984). In this, clusters of rules constitute and regulate activities that directs attention to how everyday actions emerge with some sort of predictability. In this, bureaucratic practices hold a key role because they frame not only the situation in which auditors are situated, but also as how auditors make sense of what they are doing. Regulations and professional norms constitute examples of how auditors can navigate certain situations and, via bureaucratic practices, make sense of their role. As we have seen in the empirical study, predictability is an important feature for junior professionals in learning auditing because they perform context independent practices (Dreyfus and Dreyfus 2005). As they learn how to make sense of a situation based on rules and routines, they develop a sense of routinization, and over time, their actions become institutionalized as they consciously reproduce professional practices based on subsequent sanctions.

Institutionalized action therefore follows the rules and standardized templates outlined if the performance is to be deemed legitimate according to the bureaucratic structures (e.g., in terms of documentation of professional reasoning, which was demonstrated in the comments from the Supervisory Board of Public Accountants). Importantly, these practices are not concerned with just rule-following because they stem from the actions of knowledgeable agents. This suggests that auditors are conscious of their actions, even though they follow pre-defined audit steps because they draw on their understanding of the social
order that dominates the auditing profession. Consequently, even though their actions are institutionalized in particular settings, auditors make choices based on their professional commitment. For managers, in particular, this emerged as problematic because they were not yet fully committed (Dreyfus and Dreyfus 2005) but still were expected to have professional judgement. Therefore, too excessive trust in the structures (rules, standards, and templates) would eventually lead to a lack of judgment in auditing, which provides further emphasis for the fear senior auditors hold toward the current development of an accountability regime.

As junior professionals learn how to behave and talk, they adopt social actions that are grounded in structural properties of the auditing profession. Early on, they act based on the guidelines and performance management templates that exist; however, as they advance, their conscious actions find explanation in the broader systems of the profession or society. Several partners emphasized that formal structures are important for finding the “right” manager or the ones acting according to the right discourse, but the structures are likewise important in promoting learning and professional process. Steps taken toward “the new audit” (FAR) where audit processes are shortened and auditing is conducted in the systems (digitalization) challenge the learning curve, where more advanced skills are required at early stages.

This further suggests that performance management as bureaucratic practices (quantifiable performances) needs to find support not only in the bureaucratic structures (performance management structures), but also in the communities of practice and the norms and resources that guide professional work. By directing performance expectations to junior professionals through norms and resources rather than through interpretative schemes (i.e., rules and templates), junior professionals can follow, and are better prepared for, the ongoing development in the auditing profession.
Furthermore, as emphasized by several auditors, and with support of the findings by Alvehus (2017: 10), courses constitute bureaucratic practices that “are rejected as occasions for learning but are revised as networking occasions”. This further suggests an interplay between bureaucratic and social practices in the reconciliation of conflicting institutional logics. Finally, the professional logic is structured in the rules, distribution of resources, and professional norms. However, because the accountability turn has come to emphasize the bureaucratization of professional practice (Gleeson and Knights 2006), the influence of the professional has received increasing interest. Not the least because this development stresses individual autonomy and self-monitoring. In the next sub-section, we will see how the professional logic is maintained in communities of practice and how bureaucratism and professionalism is managed in the everyday processes.

9.2.2. Professional logic and social practices

The importance of performing in informal communities and to “make a name for yourself internally” were themes emphasized in practically all the interviews. The need to hold skills and expertise was stressed, but only in relation to one’s ability to promote the skills and establish a strong (professional) network. In particular, this was emphasized from junior professionals as necessary to “learn the game” and from senior professionals as a way to maintain knowledge in the network. In particular, whereas the bureaucratization of everyday processes has made professionalism accountable (by tick-boxing practices and rules following), social practices have reinforced professionality (agency) because autonomy and expertise are maintained through communication. Because there exists a mutual consensus about the restraining effects of bureaucratism, professionals seek to legitimate their actions and reasoning in the network.
By being active participants in courses, networks, informal after work get-togethers, and mentoring activities, the professionals learn in which situations particular performances are valued the most. Drawing upon their reflexive knowledge, professionals therefore learn what is expected to attain legitimate performance. Thus, social practices are important because they maintain the autonomy and professional knowledge required for specific situations.

Whereas traditional approaches have focused on the maintenance and reproduction of professional logics through structure (e.g., standardization and accountability in professional service firms), less attention has been given to the relations and social practices that exist to counter this movement. This was stressed by several participants as one of the most important ways to “put up performance,” at least in terms of career progression. Consequently, the professional logic is not passive in terms of being structured according to the many rules and responses to accountability claims; rather, it is harbored in the relations between professionals and the way they reward and promote one another internally.

9.2.3. Commercial logic and bureaucratic practices

Turning attention to the commercial logic and how bureaucratic practices inform professionals’ everyday processes from this perspective, it became apparent that the bureaucratic practices were less rigid compared to the professional logic. However, whereas less tick-boxing practices were apparent, the performances were subject to interpretative schemes where measures such as billable hours, number of clients, and contribution to the bottom line were emphasized as key performances. These were given priority over other performances, and both junior and senior professionals recognized the need to show good “commercial performances” in evaluations. In this, performance expectations were also mediated through
courses (course packages including selling courses), mentoring (where the mentor guided the protégée in goal settings), and career trajectories.

However, because performances within the realm of the commercial logic do not need to correspond with external regulations and professional norms (to the same extent), the need to be held accountable through formal, bureaucratic practices was less evident. Rather, as discussed in Chapter 7, these performance controls existed but could easily be legitimated by the professional by drawing upon other resources and explanations in the professional community. Consequently, to some extent, auditors find guidance in the structures of the commercial logic, but because this often refers to the “entrepreneurially minded individual” and organizational identity, performance is rather determined in the belief systems (Simons 1995) and in the communities of practice.

Because performance controls exist at all levels but are given different levels of importance at the various career stages, it is further suggested that performance according to the commercial logic through bureaucratic practices are objectively measured and made comparable but need to be put in context and explained by specific circumstances. In this, the evaluation rooms (where one’s performance is discussed by colleagues and superiors) constitutes important spaces in which performance is reproduced or rejected. The role of bureaucratic practices is here to guide the professional through the available options, which also enables the individual to exercise agency in making conscious choices in terms of which resources to draw upon. In contrast to existing governmentality literature, bureaucratic practices enable, rather than constrain, the individual in terms of offering several “performance paths” that the individual legitimizes by mobilizing his or her actions and performances via sets of social practices.
9.2.4. Commercial logic and social practices

By attending to the social practices inherent in the commercial logic, the auditors found important spaces in which to perform when the (commercial) structures were insufficient. This emerged in the ways auditors (junior and seniors) used their networks and social clubs (e.g., sports, after work get-togethers, “school classes,” etc.) to promote themselves and their contributions to the firm. As previous studies on identity formation have shown (Grey 1998; Kornberger et al. 2011), there is a certain discourse in which one is expected to act and certain financial performances to fulfill. However, when the formal performance structures are not enough to capture this performance, social practices are used to attain the expectations set and become a legitimate actor (Ahrens and Chapman 2002; Carter and Spence 2014). As the auditor engages in certain communities of practice, not only does she or he learn the interpretative schemes (knowledge and reflexivity), but also engages in relations through which several actors can exercise power over the structural principles that constitute the institutional logic. By engaging in social practices and doing so through relations, auditors mobilize their agency as a group or community and can thus reproduce dominant structures.

Furthermore, in this community, auditors do not only learn which performance targets are the most important and thus which to replicate, but they also learn how to revise formal performance controls by “playing the game” or “ticking the box” (Gill 2009) to meet accountability requirements in the professional logic and find efficient ways of showing profitability. In this community, the performance targets outlined in the bureaucratic structures are furthermore subject to rejection if the auditors learn which performance targets are not relevant.

To conclude, the commercial logic is concerned with attaining profitability (measurement) and holding professionals accountable to their performances for the firm. However, as auditors engage in social practices
and establish communities and social relations to one another, they quickly learn which performances are significant and need to be replicated (reproduced) and which performances can be rejected because of not responding to any of the structural properties that will help the auditor in his or her career progression.

9.2.5. Institutional logics and performance practices

To summarize the findings, from a micro-level perspective, the assumption that professional and commercial logics hybridize or conflict is challenged. It is shown that a distinction at the individual level is made, where professional and commercial interests are managed through bureaucratic and social performance practices. That is, auditors are keen to perform according to the dominant logic and thus to accumulate legitimate performances. However, this is done in different “departments” of the organization (and through different structures), where auditors mobilize their performances within the formal control system or via established networks and social relations. Thus, the dichotomy between professional and commercial logic can only be discussed at the level of the organization or society. As the figure below illustrates (Figure 5), both logics exist through bureaucratic and social practices and are thus connected, yet separated, in everyday work as auditors’ engage in situated performances (Goretzki et al. 2016). How structures and agents are interconnected in this will be further discussed in the next section.
9.3. Modalities of performance

According to Giddens, the duality of structure emphasizes the interconnection between structures and agents in how social order is created. Similarly, the duality of structure provides insights into how structures and agents in their interactions create the perceived everyday life of auditors within their particular social order. Structure, Giddens emphasizes, is both a medium and outcome of reproduction of social practices, so it needs to be studied in relation to how agents make sense of a situation and in doing so draw upon existing structural properties.

In the above discussion, the structure and agent have been emphasized as central for the auditors’ everyday lives and, in extension, for the constitution of the auditing practice. In this, however, structures need to be translated into actions, and as the empirical sections have shown, a key modality for creating social order for auditors’ is their performance practices. The performance of the auditor is important because the performance reflects a certain discourse (Ahrens and Chapman 2002) by which the auditor mobilizes legitimate performances. By learning which performances matter and how these performances are constituted
(i.e., through bureaucratic and/or social practices), the auditor becomes an important actor in the reproduction of professional and commercial logics. As auditors create memory traces (i.e., become socialized and learn what performances matter), they also draw upon this knowledge to mobilize “the right performance.” From this perspective, performance is defined by the existing structures where auditors draw upon their interpretative schemes (their existing stock of knowledge). However, as emphasized in almost all the interviews, the auditors are also active in mobilizing their performance according to their own self-interest by communicating their performances differently in the different portions of the organization. The role of the network was emphasized as crucial for career progression. Therefore, in forming social relations and mobilizing his or her performances within their network, the auditor holds a central role in how performance is understood and then communicated to its corresponding portion.

Additionally, it can be argued that accountability holds a central role in the constitution of auditors’ performance. According to Giddens (1984: 30), “the idea of accountability […] gives cogent expression to the intersection between interpretative schemes and norms”. This implies that auditors recognize the need to explicate the reasons for their actions to reach a justification. When auditors perform and set out to make the performance accountable (through bureaucratic or social practices), they do so with a certain knowledge about what is expected and consequently adapt their performance according to existing norms. This was, for example, illustrated in cases where audit partners discussed the need of “being profitable to legitimize your position as a [equity] partner.” The performance of partners was focused on generating profitability because they were evaluated on their efficiency for the firm. Because the general expectation advocated high profitability and a high client retention rate, a below-par performance could, however, be motivated by communicating
other accountability practices, such as compliance, education of employees, and so forth. The auditor, as a knowledgeable agent, thereby holds influence in how his or her performances are mobilized to constitute meaning and, to some extent, how his or her performances are subject to sanctions if he or she performs below expectations. Consequently, it is suggested that accountability structures and their subsequent sanctions are central for how auditors interpret and prioritize existing interpretative schemes and norms.

Because the auditor can reflexively monitor the flow of interactions with one another (Giddens 1984) and thus justify his or her performances accordingly, it is suggested that the performance of the auditor over time influences the legitimacy of the auditing profession because she or he represents “a vehicle for institutionalized values” (Andon and Free 2012). This link provides important insights into the ways institutional logics can coexist and hybridize (Malsch and Gendron 2013) at the organizational level despite holding contradictory values (Alvehus 2017; Bévort and Suddaby 2016). However, at the individual level and in everyday processes, the logics are distinct features that only interconnect through the performance practices (bureaucratic and social practices) that the individual mobilizes to different portions of the organization.

This would provide further evidence on how performance is interpreted differently over time and space (Giddens 1984), showing how the various logics are not dichotomies nor hybrids, but rather constitute imperatives for the professionalization project. This would follow the findings by Ahrens and Chapman (2002), who find that management and control practices did not flow un-problematically from the formal systems of accountability; instead, further attention was needed in exploring the role and influence of agency in a performance management and accountability setting.
It is suggested that by acknowledging the duality of structure, institutional logics can be illustrated as both a medium and outcome of reproduction of practices. The logics enter simultaneously into the constitution of the agent and social practices and exist in the generating moments of this constitution (Giddens 1984: 5). Thereby, structure and agency are essential aspects in the professionalization project, whereas performance constitutes the modalities that link institutions and actions (see Barley and Tolbert 1997). In other words, in performing, auditors find ways to encompass both the professional and commercial logic. However, whereas many studies have suggested that institutional logics co-exist and over time fuse (e.g., Blomgren and Waks 2015; Evetts et al. 2016), the empirics in the current dissertation show that auditors actively perform through bureaucratic and social practices, a distinction that allows conflicting logics (professional vs. commercial) to reconcile in the different structures that performance is recognized through. Thereby, because a central tenet in Giddens' (1984) structuration theory is the duality of structure, where structures and agents exist in a nexus, it is proposed that the reconciliation of conflicting logics occurs via the practices inherent in the modalities of performance. The various performance practices have been illustrated at the micro-level through auditors' learned norms and reflexive monitoring of their own actions. How these performances are justified within their professional communities then becomes central for how structure and agency interconnect.

To conclude, it can be argued that previous research on institutional logics and sociology of professions and, similarly, research on professionalization have to large extent assumed a dominant role of structures, only giving a moderate role to the agent. This implies an assumption that structure dictates everyday work practices, and hence, an expanding accountability regime would leave bureaucratic practices to
dictate professional work, suspending professional autonomy. This can be further related to the structure-judgment debate where Power (2003: 381) finds structure being about legitimacy and control, “which is not necessarily consistent with better or more efficient auditing”. Accordingly, the expanding accountability regime, where bureaucratic and standardized practices dominate much audit work should give way to the “loss of practical reasoning and a corruption of the audit judgment process” (Power 2003: 381). This would, as well, advocate structure (signification, domination, and legitimation) as the only component in determining social practices. However, as the current dissertation has sought to illustrate, through the ability to reflexively monitor social conduct and interact, auditors exercise agency and can maintain professional autonomy, in many cases with the use of existing accountability structures and by mobilizing bureaucratic practices as their key performances to achieve justification and legitimization. In practice, legitimate performances are maintained because agency is incorporated in the creation of a versatile performance concept, in which a return to auditing as a social enterprise (i.e., a return to audit judgment in the back-stage of auditing) is achieved.
“The world is full of hybrids; we no longer have anything in its pure form.”

David Cooper (SUGS 2016)

10. CONCLUDING DISCUSSION AND CONTRIBUTIONS

Following the above discussion, the current dissertation has attended to how performance is structured in audit firms and consequently approached by auditors in their everyday work. Previous research has suggested conflicting logics, de-professionalization, and/or the tending toward hybrid professionalism in response to the increased influence of performance [measurement] (Power 1995, 2004a) and standards of accountability (Flint 1988; Mennicken and Power 2013) in professional organizations (Hanlon 1996). However, as suggested by Smets et al. (2015: 933), we still know “little about how they [institutional logics] coexist, and virtually nothing about how they can positively feed of each other”, and further, as suggested by Mennicken (2006), Power (1995, 2003a), and Broberg (2013), we still know little about auditors’ everyday lives. Consequently, combining these perspectives, the present dissertation has explored how conflicting or contradictory institutional logics are interpreted and reconciled by professionals in their everyday work (Barley 2008; Bévort and Suddaby 2016). Bearing in mind the wider aim of the

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dissertation, to contribute to the understanding of performance and its constitutive effects on structures and agents in the complex institutional environment of Big Four audit firms, it is suggested that conflicting logics are managed by the professional at the micro-level by mobilizing situated performance practices. Therefore, legitimate performances are identified and replicated by the strategic and reflexive auditor, who draws upon bureaucratic and social practices to gain professional and organizational legitimacy within the organization. In this, situated performances are used at the micro-level to limit control and bureaucratization over knowledge and expertise, reinforcing claims of professional autonomy.

Accordingly, and as outlined in the introduction of the dissertation, two main contributions are suggested:

1. The dissertation illustrates how professional and commercial logics exist in relation to one another through the mobilization of bureaucratic and social performance practices and, further, how performance practices are replicated, revised and rejected throughout auditors’ career. Consequently, a move beyond the dichotomy of professionalism versus commercialism, as well as hybrid professionalism, is suggested because performance practices are mobilized to respect and restrain, respectively, the professional and commercial space in everyday work. At the micro-level, as a consequence, institutional logics are interpreted and reconciled by professionals in their everyday work experiences, where individuals have “considerable degree of agency and freedom” (Bévort and Suddaby 2016: 18) in relation to institutional demands. The dichotomous professional and commercial logics, at the level of the

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The research questions guiding this were formulated as follows:
- How are legitimate performances identified, replicated, revised, and rejected by the auditor?
- What performance practices are used by auditors to meet professional and organizational expectations?
auditor, can thus be argued to be managed through a situated performance logic in their everyday work.

2. Through the dialectic of control (Giddens 1984), it is shown that performance is constituted by structural properties and human social relations. Because the structural and the social are interpenetrating one another in a duality of mutual constitution, the role of the agent in institutional contexts is emphasized for the constitution of legitimate performances. This finding adds to the current literature on professionalization, and particularly with literature on de-professionalization, as the findings suggest that professionalism is maintained at a higher level because of the strategic and reflexive auditor. Accordingly, everyday performances and game-playing (cf. Gill 2009) are used at the micro-level to limit the influence of management control and bureaucratism over knowledge, thus reinforcing claims of professional autonomy within the professional community.

Based on the micro-level analysis of auditors’ performance practices, the current dissertation set out to explore how performance is structured and strategically used in complex institutional settings, such as the Big Four, and how the drift toward commercialism (Hanlon 1996) and bureaucracy (Freidson 2001), and consequently de-professionalization (Fogarty 2014), is managed by the auditor in his or her everyday practices. Drawing on the dialectic of control and structuration theory (cf. Giddens 1984), performance is conceptualized as modalities that actors use to reconcile conflicting institutional logics (i.e., professional and commercial logics). By doing so, the present dissertation contributes to the literature on professionalization and to the emerging discourse on conflicting and hybrid institutional logics in professional settings by emphasizing the strategic use and mobilization of performances. Accordingly, it is
suggested that performance is a situated achievement that is mobilized to allow and support alternative priorities, according to a, for the auditor experienced, performance logic. Thereby, performance is conceived of as holding both enabling and restraining effects because structural properties and human social relations exist in a duality of mutual constitution that both respect and restrain professional autonomy. In other words, and as shown in the preceding empirical chapters, it is because of the versatile and flexible nature of performance that professionals are able to maintain legitimacy in situations of conflicting interests.

To better understand performance in professional-organizational contexts (i.e., in the Big Four), we further need to understand how performance relates and interacts with existing dominant logics. In this, how professional actors make claims about performance is central because it directs attention to the interactive process of structuration (Giddens 1984), where performance in a particular situation is mobilized to specific “spaces” to gain legitimacy (Goretzki et al. 2016). In this process, both structures and agents hold influence in directing performance and in legitimating the auditor in accordance with the dominant institutional logic. Thus, performance constitutes an important link between the previously assumed dichotomous professional and commercial logics and is further suggested to hold an important role in the hybridization (Noordegraaf 2015) and reconciliation (Alvehus 2017) of logics. In particular, performance is constituted in the interpretative schemes, resources, and norms (i.e., modalities) that connect institutional structures and interactions, according to Giddens’ theory of duality of structure (see Figure 1). Consequently, performance does not follow either a professional or commercial logic but is rather constituted in a duality of mutual constitution where the structural and the social are interpenetrating one another across time and space. This directs attention not only to the “strategic use of externally legitimated structures” by individuals
(Dirsmith et al. 1997), but also to how performance and legitimate professional work are shaped in the professional community.

The role of the community (Adler et al. 2008; Rose 2004; Schatzki 2005) also emerged as a rather unexpected theme in discussions on how performance was mobilized in professional-organizational contexts. Whereas previous research on professionalization and auditing has emphasized emerging forms of governance (Dirsmith et al. 1997) in the form of structure, standardization, and accountability, the preceding empirical chapters have shown the role of the community as a way to operate around a shared common core. In particular, where Rose (2004) debates the governability of [liberal, democratic, and market-based] societies, parallel observations can be drawn to the ways performance is mobilized in the Big Four.

“It was a space in which one could observe the hybridization of political power and other non-political forms of authority in a variety of attempts to enframe and instrumentalize the forces of individuals and groups in the name of public good.”
(Rose 2004: 171)

The community offers a space in which complex interactions, negotiations, and exchanges between social actors take place. It is detached from the [external] accountability schemes that auditors are subjected to, offering a space in which autonomy can be maintained, even strengthened, in times of standardization and bureaucratization. In other words, the community offers a space in which external accountability structures, governance, and demands of measurement (Power 2004a) are rejected or managed to maintain professional autonomy.

To further illustrate the findings of the dissertation, Figure 6 outlines how bureaucratic and social practices guide auditors in the practices of performing according to the professional and commercial logic. It is suggested that distinctions should be made when auditors
perform *according to* a certain logic and perform *through* a set of practices. Practices of performing are thus distinct forms in which auditors interpret professionalism across time and space, so they do not need to stand in dialectical relationship to one another. Bureaucratization and standardization of professional services (Ritzer 2001) and dominant forms of commercialism or social capital (Carter and Spence 2014; Hanlon 1994) do not necessarily represent de-professionalization (Fogarty 2014). These epitomize how professional practice develops in the interrelationship between structure and agency, where performance mediates important exogenous and endogenous demands, through which auditing remains relevant in society by its interaction with relevant stakeholders. The maintenance of professional values is thus maintained through a constant interaction through which professionalism emerges. In this, the theoretical perspective of structuration (cf. Giddens 1984) from the perspective of the individual offers ways to analyze how practitioners make sense of what they are doing within the particular context in which they act (i.e., the professional firm).

Furthermore, the modalities of a structural system — illustrated in Figure 6 as bureaucratic and social practices — represent the means by which structures are translated into actions and thus how the social system of professionalism is produced and reproduced and through which auditors’ actions make sense and become legitimate means. The versatility of these performance practices emerge because of a need to manage conflicting logics. For the auditor, in his or her everyday work, the modalities of performance become a certain performance logic that is used to label how institutionalized action is foundational in the establishment of social order and the reproduction of social systems. The suggestion to acknowledge performance practices as a performance logic of its own
comes in particular from the definition of institutional logics21 (cf. Thornton and Ocasio 1999), where practices are used to organize time and space and provide meaning [and make sense] of the auditors’ reality. In this, the “material subsistence” that is reproduced constitute the performances that matter and that is aligned with auditors’ professional ethos (as the auditors are able to mobilize performances according to set priorities, agency is central in circumventing existing “commercial” controls).

Figure 6. Conclusions — institutional logics and structuration

Accordingly, it can be argued that structure and agency across time and space define professionalism. Whereas much previous research has been tangled up with the dichotomy of professionalism versus commercialism in professional forms, the structuration theory offers ways to discuss the interplay between structural and social facets and how they are shaped by institutional logics and the sociology of professions (Covaleski and Dirsmith 1988; Dirsmith et al. 1997).

Social practices (i.e., legitimate performances) are central here because

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21 This is further discussed in Chapter 3.1, but as a reminder, the definition of institutional logics is as follows: “…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).
they define the legitimate professional. Furthermore, micro-level dynamics are emphasized for understanding wider social systems (professionalism) through the perspective of the auditor and her or his understanding of who she or he is and the values he or she embodies (Carter and Spence 2014; Dirsmith et al. 1997; Giddens 1984 Power 2004a). Actors understanding their situation and the active mobilization of performances (i.e., agency) are thus central for the constitution of professionalism over time and space, where auditors do not only follow a structured template of how to do things.

![Diagram](image)

Figure 7. Conclusions — reproduction of social system

As the dissertation has illustrated, structures are as well circumvented through social practices in the interaction with others (through communication, relations, and the creation of social capital with colleagues and clients). Consequently, auditing is not only a matter of structure (e.g., rules and norms) or individual autonomy (individuals' ability to make judgment), but it also needs to be explored as being constituted in the social relations through which auditors come to make sense of auditing and professionalism.

To summarize, the current dissertation has set out to explain the versatile nature of performance and how it constitutes an important link in the reconciliation of potential conflicting logics. Based on the analysis of
the micro-level dynamics in relation to institutional demands, structuration theory has been used to illustrate how structure(s) and agency are part of the creation and reproduction of social order (Giddens 1984) and thus how professional, organizational, and individual interests are part of the processes of institutionalization and structuration, (Barley and Tolbert 1997). Figure 7 illustrates how everyday action, influenced by structural properties in the professional-organizational context become, over time, accepted as legitimate. Accordingly, by learning which performances to mobilize (what performances that matter), the auditor constructs legitimate professional practice in everyday work. This will be further demonstrated in the following discussion, along with an elaboration on how the two identified practices (bureaucratic and social) constitute key performance practices for auditors in their quest for legitimacy according to the existing dominant institutional logics. Finally, the chapter will show some limitations of the analysis and suggest directions for future research.

10.1. **The versatile nature of performance**

Performance is versatile and gains legitimacy based on situated achievements. Whereas structures guide performance according to a dominant logic (e.g., whereas measurement of time relates to the commercial logic, authorization and audit quality may refer to the professional logic), bureaucratic and social practices allow for the mobilization of performance in ways that actors deem suitable (dependent on the situation). Practices of accountability and legitimacy hence become the subject for judgment through both formal and informal processes, where the role of the community has proven important in how these performances are mediated.

Furthermore, where performance in previous research has been considered a rather static practice (i.e., either belonging to the professional or the commercial logic), the present dissertation has emphasized
performance’s versatile nature and how performance is a situated accomplishment that is negotiated in and over different time and space (i.e., in formal and informal spaces and over the career project). The changing nature of performance is important for auditors because it transforms expectations and also changes how the auditor learns to approach performance and the political and organizational interests inherent in the performance construct.

Furthermore, the auditors in this dissertation recognized performance as being constituted by bureaucratic practices and social relations. By mobilizing performance in different ways, auditors become legitimate and are able to transcend the vested interests because the performance can “be documented in the formal systems of control” while explained differently in the social relations, for example, in the evaluation room where mentors and partners discuss the performance of others. The versatile nature of performance can thus be argued to have emerged, or to be valued as important, in response to increased exogenous demands for measurement and accountability in professional contexts.

10.1.1. Agency and accountability. The creation of legitimate performances

In previous research and following the assumed dichotomy between professional and commercial logics, it is suggested that further attention should be given to how these logics develop, transform, and eventually reconcile as an effect of the interplay between structure and agency.

In this, the professional firm has taken on the important role of an institutional agent (Cooper and Robson 2006; Scott 2008) that in part explains the development of contemporary professionalism. Accordingly, professional firms hold an important role in the institutional context of auditing (Oliver 1991) because they hold power over the ones who are practicing. Hence, structures and controls in professional firms are
important mediating objects of professional and organizational interests, respectively. However, whereas previous research has emphasized the role of the professional firm in the context of conflicting logics, the current dissertation argues for the need to understand micro-level dynamics in how logics are reconciled in everyday work activities. This is particularly salient in attending to the concept of performance and how performance is structured in accordance with various (conflicting) interests yet is managed and reconciled by the professional.

From this perspective, performance holds important practices that further professional learning and development. In particular, as the current dissertation has argued for performance modalities, performance allows for structure (i.e., structural properties) and agency that constitute linkages to overarching institutional logics (according to Giddens, the reproduction of social systems) that legitimize everyday actions. Because these exist in a duality, the logics are replicated, revised, and rejected through the mobilization of various situated performance practices. To this extent, the need for professions and professionals to remain legitimate (and according to Power (2004b), to avoid responsibility and blame) suggests an increased reliance on bureaucratic practices of performance. This is used to increase the transparency and trust of the actor (Bromley and Powell 2012), but it also has come with the consequence of infusing the paradox of accountability.

At the level of the individual auditor, this implies a decoupling of practices, where the means to increase legitimacy (measurement, checking, and control) become ends in themselves, and the performance “that mattered” is negotiated through social action around the performance measurement system. The results suggest that professional logic is strengthened through inverted appropriation: by professionals acknowledging and simultaneously circumventing performance management and its procedures. The notion of inverted appropriation
shows how an image of hybridity can be maintained, whereas a particular logic, in this case professionalism, remains dominant in the actor's understanding of his or her everyday work. Therefore, and in line with Alvehus (2017) and Carter and Spence (2011), at the individual level, hybrid professionalism is submitted as being superficial to the extent that auditors tend mobilize alternative performances in different situations.

To this extent, Lampedusa’s quote at the beginning of this dissertation suggests that for professional autonomy, legitimacy, and trust to remain the same (i.e., the auditing profession to remain a trusted actor in society), there is a need for change in the ways legitimacy and trust are maintained in practice. Current accountability practices are circumvented by auditors who find other, more appropriate ways of performing within their professional community. This directs attention not only to management control practices, but also to how performance is used to mobilize legitimate performances.

Furthermore, the findings by Power (2004a: 778) show that “dreams of [performance] measurement for control purposes” often lead to defective or adverse unintended consequences. This has also been a main theme in the current dissertation, where the practices of performance have been discussed as contextually situated actions that emerge from the dialectic of control (Giddens 1984). In particular, performance has been described as specific practices that are negotiated and mobilized into various spaces in the auditors’ efforts to accept, reject, or revise the traditional view of legitimate performance (i.e., according to the dominant institutional logic). In this, auditors draw upon the resources available in structures and through agency to mobilize their performances and make them accepted within the community of practice. Consequently, performance constitutes a key concept in approaching the processes of professionalization because it directs attention to how the practices of legitimacy and accountability in the processes of becoming (e.g., Grey
1998) rely on the participation of the agent. Accordingly, and in line with the findings of Ahrens and Chapman (2007), it is suggested that structuration is central for how performance is understood and for how institutional complexity becomes un-complex in local situations. That is, auditors’ learn the structural properties that guide their everyday work, but they also hold agency to revise the practices and mobilize alternative, legitimate, performances within their professional community. Thereby, the assumed complexity with conflicting institutional logics are managed by auditor’s reasoning on which performance practices that best fit with the situated performance logic.

10.2. Endnotes and suggestions for future research
Initially having set out to explore the rituals of socialization and the career project in audit firms, the current dissertation has moved toward an explanation for the performance concept and how it reconciles conflicting logics in complex institutional environments. This particular focus emerged as important following recent examples of and discussions on audit failures. Consequently, calls for accountability and increasing reliance on measurement and control in professional settings have emerged as dominant governance techniques. Furthermore, the development toward standardized processes and homogenous practices has been argued to lead to weakened autonomy, de-professionalization, and, at best, professional development under a hybrid logic. However, although similar observations have been made in this dissertation process, the auditor is argued to hold a significant role in the reconciliation of conflicting logics and thus in maintaining and making sense of professional practice. Structures are still important and constitute key systems of accountability and control (and thus external legitimacy), but — at the micro-level — the auditor and the subsequent community hold agency and draw upon different sources of performance (e.g., performance measurements, documentation, expertise,
social skills, and client management) to “legitimize and make natural” (Power 2004a) their actions according to a dominant institutional logic. To adhere to and circumvent existing legitimate structures, the versatile concept of performance has been used to illustrate how auditors make sense of everyday practices, de-legitimize certain performances, and legitimize other performances as part of a situational achievement. In this, bureaucratic and social practices have been identified as central for the mobilization and reproduction of legitimate performances and the reconciliation of conflicting logics.

Current developments in auditing toward managerial rationalities, myths of control, and accountability constitute important movements toward an audit society where everything is checked. In professional settings, as in any other large, formal organization, this implies the means becoming the ends, and thus professional values becoming organizational objectives. In a similar vein, Strathern (1997) argues that when a measure becomes a target, it ceases to be a good measure. According to Power (2004a), this development has also created new realities for those practicing, where demands for metrics to represent (accountability of knowledge) are overriding the construction of practices. That is, practices are constructed in ways that render them measurable, and thus accountable, rather than allowing for soft, qualitative dimensions of performance. However, as the case of the communities have illustrated, notable efforts are made to de-naturalize performance measurements in spaces where (professional) values trump performance measures. This implies that where there are aims to construct control and legitimacy, measurement and accountability systems tend to generate side effects, where practices are moved into invisible areas, and auditors actively seek comfort in professional communities and further emphasize their legitimate and professional performances in new spaces. Therefore, the paradox of increasing bureaucratic practices and demands for measurements in
professional settings resides in the fact that professional values and reasoning are further emphasized in informal spaces of performance (i.e., through social practices), whereas systems of accountability (i.e., bureaucratic practices) are used (mainly) to generate external legitimacy.

The findings emphasize the role of formal performance management structures in professional contexts. In this, the auditor holds a vital role in interpreting performance structures, holding a central role in the reproduction of the professionalization project. Consequently, performance needs to be discussed as a modality between structure and agency, where performance constitutes a complex process in which professional and commercial logics are reconciled by the separation of bureaucratic and social practices.

Having investigated the versatile concept of performance and its inherent components, several ideas for further research emerged. In research on professionalization and professional development, the role of the professional organization needs to be further emphasized, but also the role of the autonomous individual and how she or he manages increasing [external] pressures for accountability, hence legitimacy, should be examined. Here, the structuration theory (Giddens 1984) has proven helpful because it takes into account the interactions between structure and agency, thus informing how institutional change and professional development emerge from the micro-processes of professionalization. Furthermore, drawing upon portions of institutional theory, the sociology of professions, and the structuration theory, the current dissertation has pointed toward the reconciliation of conflicting logics at the level of the individual. Further research at the level of the organization and profession could be enlightening in discussions on the future audit profession (FAR).

The concept of performance is central because it directs attention to the ways knowledge and expertise are emphasized in particular situations and how performance management constitutes not only
structured governance mechanisms, but also takes into account the relational and negotiated order that occur in professional organizations. Performance, therefore, needs to be further explored as a versatile concept that can enable both structures of governance (e.g., accountability) and agency. As the duality of control suggests, the structural and social exist in a duality of mutual constitution, requiring further attention to the role of the agent and the role of the agent’s relations with others in contexts of contemporary professionalism.

Finally, performance does not exist in a pure form. Although having a constitutive role in social demands for accountability, and professionalism, it draws on a set of versatile performance practices that invite individual interpretation and agency. Accordingly, auditor’s contradictory position as “agent and victim of control” (Spence and Carter 2011) suggest them to mobilize performances in ways that allow alternative [legitimate] performances to emerge. The opening quote of this chapter by Cooper, which suggests the dominance of hybrid practices in contemporary professional work, also entails how performance and hybrid forms of performance can explain the “co-existence of conflicting logics” (Mangen and Brivot 2014; Muzio et al. 2013). That is, performance is not a single practice (nor does it exist in an exclusive control system), but rather, it is mobilized in versatile ways, where we should not neglect the role of the professional community in how professionalism is replicated, and over time, revised. Further, this suggests a strengthened professional space, rather than the common conception of de-professionalization of accountancy and auditing, because of auditors’ ability to strategically accommodate and resist the logics of professionalism and commercialism, respectively. Consequently, the dissertation suggests that practices of accountability and control are balanced with an – for the auditor – increasing importance of the professional and social community in the back-stage of professional firms.
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APPENDIX – Interviews

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* The classification of Junior professional, Manager, Director and Partner was done on the following basis:
  Junior professional < 3 years experience
  Audit manager > 3 years experience and completed CPA accreditation
  Director > 10 years of experience and not promoted to partner
  Partner Holding a partner position in the firm

I = Individual interview
G = Group interview

8 total meetings 4334 minutes
ABSTRACT

For decades, the auditing profession has been under scrutiny, due in part to its close association with a business rationale. This has led to some to call for de-professionalization, where accountability, control, and commerce would threaten auditing’s autonomy. Yet auditing is regarded as a principle of social organization and control, wherein it produces trust and legitimacy to society. By focusing on the individual auditor and the micro-level dynamics in the auditor’s organizational context, this dissertation challenges traditional notions of professionalism and commercialism as dichotomies. Based on documents, observations, and in-depth interviews with auditors holding different levels of experience, performance was targeted as a central concept for auditors’ understanding of auditing as a social and organizational phenomenon. Accordingly, by critically appraising the significance of performance in the professional-organizational context of Big Four firms, this dissertation engages with auditors’ reasoning and everyday work. Here, performance is suggested to hold a central role in how auditors manage and reconcile conflicting institutional logics — as well as accountability demands — in their everyday work. By theorizing on the mediating role of performance, this dissertation explores how performance is enacted in both structure (controls, rituals and norms) and agency (reflexive monitoring and rationalization). Drawing on structuration theory, performance is shown to constitute modalities in actors’ use of structure, a process in which conflicting institutional logics are replicated, revised, and rejected. The findings further pinpoint the active role of auditors in mobilizing and defining legitimate performances within particular local settings. In this, a previously neglected interplay between bureaucratic and social performance practices that is performed by auditors is recognized as essential in exploring auditing as defined in the local professional-organizational settings. This interplay suggests a need to further attend how auditing is performed by practitioners in micro-level, everyday work. To conclude, this dissertation indicates that auditors’ reasoning on and mobilization of performance define the evolving auditing profession, one where rules and accountability regimes dominate. As a consequence, the influence of individual agency, professional communities, and social interaction are emphasized as key components for our understanding of the continuously developing professional field of auditing and the maintenance of a strong professional ethos.
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