Ethnic Diversity at the Big Four

What are the experiences of foreign authorized auditors regarding ethnic diversity and inclusion at the workplace?

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Abstract

Background/Problematisation: The auditing industry has for a long time been, and is still, characterized by homogeneity and long educational requirements which in turn creates barriers for ethnic minorities to enter the auditing industry and to advance.

Purpose: The purpose of this study is to explore how authorized auditors with a different ethnicity than Swedish have experienced their workplace regarding the diversity and inclusiveness that is stated in the sustainability- and annual reports.

Methodology: The study relies on a qualitative research method with an abductive approach. The narrative interviews were conducted with 6 authorized auditors of another ethnicity than Swedish who have at least 10 years of experience. When analyzing the gathered data, a thematic analysis has been used.

Findings: The findings of this study imply that regardless of ethnicity, all employees at the Big Four have the same opportunities and possibilities. This is due to the societal development and the meritocratic system that exist in the auditing industry. The findings also indicate that the sustainability- and annual reports do not cover the concept of ethnicity in depth but only cursory.
Acknowledgment

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1. Introduction

This chapter will firstly present the background of ethnic diversity, inclusion, and the statements of the Big Four firms regarding diversity. Furthermore, the problematization for the topic is presented along with the purpose and research question.

1.1 Background

Over the past 52 years, Sweden has evolved from one of the world’s top ethnically homogeneous countries with 7 percent of the population being born abroad in 1970 to an increase to 20 percent in 2021 (Statistics Sweden, 2022). The underrepresented groups, such as those with another ethnic background, lack representation at various levels of the labor market has become a source of debate in Sweden (Osman, 2019; Vesterberg, 2015). The dispute generally centers on factors affecting the macro-level structure of employment, such as immigrants and their descendants. In organizations, the recruitment process is frequently referred to as critical (Osman, 2019; Vesterberg, 2015). Further, there has long been a concern that expanding ethnic minority populations in a country would exacerbate interethnic tensions (Blalock, 1967). Questioning pre-existing ethnic attitudes and researching one's group's past and present experiences, as well as its relationships with other groups, can help to understand and disengage the tension. With further development in knowledge about different ethnicities as well as embracing one’s ethnicity, society should embrace minorities and show acceptance and understanding of other groups (Phinney, 1996a). By acknowledging other ethnicities than your own it is also noticed that there is not only a difference between individuals with different ethnic backgrounds, but there is also a wide variation in cultural norms and values maintained by the members within a specific ethnic group (Phinney, 1996a). This means that even if you share the same country of birth you have differences depending on how you were raised, what social class you and your family belong to as well as what generation of immigrants your family belongs to (Phinney, 1996a).

Within both society and the workplace, equal opportunity is a subject that plenty of people have an opinion on. When characteristics like gender, color, ethnicity, handicap, sexual orientation,
etc. are taken into account, life and people's interactions with and within it become more difficult (Kamenou & Fearfull, 2006; Kamenou & Fearfull, 2010). Ethnicity-based demographic characteristics not only affect individuals' personal life but have become the primary objective of diversity policies in corporations around the world (Chatman & Flynn, 2001). Ethnic minority groups are what we today recognize as the apparent low-status groups (Terjesen & Sealy, 2016) as their physical and cultural differences are evident, exposing them to stereotypical classification and discrimination (Berry et al., 2006). This has led to minority groups having a higher chance of encountering numerous professional barriers in society and within organizations and it is a long way before we have fair treatment (Kamenou & Fearfull, 2010) even though numerous countries have enacted legislation to improve the status of marginalized groups and to formalize their equal opportunity rights (Reichel et al., 2010). It was found in a study conducted by Workday and Sapio Research, that only 70% of managers in Sweden believe that inclusion and equality are important compared to the European average of 75% (Lenngren, 2021; Teklu, 2021). Further, it was found that 45% of Swedish management believe their workforce is ethnically diverse while the European average was 59%. This showed that when it comes to workplace equality, diversity, and inclusion, Sweden only ranks eleventh out of fifteen countries (Lenngren, 2021; Teklu, 2021).

To show the importance of workplace equality the Discrimination Act was implemented in 2008, a Swedish legislation that prohibits employers from treating employees or job applicants unfairly based on factors such as age, gender, gender expression or identity, ethnicity, disability, religion, or sexual orientation (SFS 2008:567 §§1:1; 2:1). Previously, the Discrimination Act required employers to summarize their efforts to promote inclusivity in an equality plan. However, as a result of a legislative change in 2017, that requirement was repealed and replaced with an obligation for companies to carry out preventive and promotional work to combat discrimination. This means that to combat discrimination based on the seven grounds for it, employers must engage in preventive and promotional activities to avoid any wrongdoings from either the company or colleagues at the workplace. Preventive and promotional work refers to investigating the risks of discrimination, analyzing the risks that have been identified, taking action, and monitoring and evaluating the work (Zetterblom, 2022). Even with the current Discrimination Act, Farzad Golchin (2020) has observed that the auditing industry is characterized by a relatively low level of cultural diversity and is instead dominated by homogenous groups (Golchin, 2020). Golchin (2020) continues to defend recruiters by saying that the process of finding and recruiting employees who later prove unsuitable for the company
is both time-consuming and frustrating and further explains how managers with the same background and characteristics as an applicant find security in recruiting that person over someone who has different characteristics and background. Lastly, Golchin (2020) highlights that diversity and inclusion provide better conditions for creating innovation, business opportunities, and growth which recruiters should take into account before making their final decision. The audit profession is an example of a profession that should be characterized by meritocracy, meaning an individual's talent and effort, rather than ascriptive attributes such as ethnicity, determine their standing in a social hierarchy (Alon & Tienda, 2007).

In the Big Four audit firms (Deloitte, Ernst & Young, KPMG, and PwC) the career progression typically starts with assistant/associate, and moves up to senior assistant/associate, manager, senior management, director, and partner. Furthermore, individuals are introduced to the ethical standards and technical expertise of the auditing profession and gain more responsibility the further they advance. (Westerman et al., 2015; Anderson-Gough et al., 2000). According to Alvehus and Spicer (2012) “up or out” is a system that is used for the distribution of positions, which is usually used in the auditing industry. This system's defining feature is that an employee can only remain at a specific level for a set amount of time until it's “up or out”. A person must compete for survival at the top by expanding the market or outwitting rivals because there are fewer openings at each higher level. As a result, if a person wants to further their career inside the company, they must demonstrate a high level of commitment (Alvehus & Spicer, 2012). However, Wilson (2014) argues that minorities face barriers such as societal barriers and organizational barriers.

Many individuals believe minorities must work twice as hard to get to the same level as those in the majority group [...] It is regrettable to say that society holds certain perceptions, both good and bad, regarding minority groups (Wilson, 2014, p. 87).

There is and has long been an underrepresentation of ethnic minorities in the auditing industry (Griffith et al, 2022; Krishnan et al., 2023; Lowe et al., 2001) and ethnic minorities have frequently been excluded from meaningful involvement, although other minorities, such as one of the women, have made significant progress in public auditing firms, but mostly at entry-level roles (Lowe et al., 2001). However, the ethnic minority has not kept the same pace in career advancement (Lowe et al., 2001). Sven Cristea argues in a chronicle for Tidningen Balans that the gender issue between men and women has long had a clear goal and ambition of equality.
while it has not been the same for ethnic diversity (Cristea, 2019). He continues to talk about agencies and how “Culture, ethnicity, and age are areas that are not highlighted to a sufficient extent today”, but at the same time, he is convinced the problem is structural as the image of an auditor is already predefined by stereotypes (Cristea, 2019). In an additional interview for Tidningen Balans, Resul Hamurcu states that “The low number of authorized auditors does not reflect society, especially considering how many entrepreneurs have immigrated here” and he further expresses how auditors fail to promote their services and employment. Resul Hamurcu, as well as Dalal Haciy, argue that the agencies already know the importance and value of a diverse workplace and suggest that they increase their transparency and openness to attract a broader diversity to the industry (Hadjipetri Glantz, 2022a; Hadjipetri Glantz, 2022b). Due to the underrepresentation of these minorities in the workforce, agencies are implementing diversity-related programs to both recruit and retain diverse ethnicities in the workforce (see Deloitte, 2022a; KPMG, 2022a; Ernst & Young, n.d.; PwC, 2022a). For instance, on their website, KPMG states that in their opinion, you cannot lead a firm if you cannot foster an inclusive atmosphere among a diverse team (KPMG, n.d.). They highlight their priority of diversity and inclusion as a business (KPMG, n.d.) and further mention in their IDE (inclusion, diversity, and equity) report:

Our goal at KPMG is to eliminate the need for IDE groups or programs. Reaching that would mean that the values of inclusion, diversity, and equity are truly integrated into everything we do - in our culture, in the way we act, in our client assignments, and in how we recruit (KPMG, 2022a, p. 5).

Ernst & Young also express the importance of ethnic diversity and argue that the ability to benefit from various viewpoints, perspectives, information, experiences, and cultural references is made possible by employees with diverse backgrounds (Ernst & Young, 2022b). Furthermore, Jan Berntsson, CEO of Deloitte, announced in an interview that they have started to develop their own D&I (Diversity & Inclusion) strategy to be adopted in the Swedish firms which is designed to show everyone how and why Deloitte works in the way they do. He continues to highlight the difficulties in measuring diversity and inclusion but also indicates how important it is to measure it if you want to change (Claesson Jennische, 2022). Moreover, PwC states very briefly on its website that the concept of sustainability is something that is talked about by many, but few take action to improve it (PwC, n.d.-a). They continue to claim that they and society must act now to increase diversity and equality for all (PwC, n.d.-a). PwC,
similarly to Deloitte, works with D&I strategy globally in their member firms and explains how they are at their best when they bring together diverse perspectives and experiences (PwC, n.d.-b). Furthermore, each of the Big Four US firms has developed a DEI initiatives report which includes a whole lot more about ethnic diversity and presents both tables, models, and numbers of their employees (Deloitte 2022a; Ernst & Young, 2022c; KPMG 2021; PwC, 2022a). The US audit firms are very candid about their representation of various groups of people such as gender-, race- and ethnicity- quotas while the Swedish reports (Deloitte, 2022b; Ernst & Young, 2022b; KPMG, 2022b; PwC, 2022b) are very shallow in contrast and primarily discuss gender quotas, not ethnicity or race. While the US regulations allow them to express specific data in their reports, diversity is addressed as a unified subject in agreement with the Swedish regulations and preferences. Thus, this makes it interesting to investigate the underrepresentation of ethnic diversity in Swedish auditing firms.

1.2 Problem discussion

Discrimination is considered a general problem in most labor markets where race is one factor leading to discrimination and unequal treatment (Das, 2013). Previous research made by The Institute for Evaluation of Labour Market and Education Policy (IFAU) has looked at how preference-based discrimination occurs when an employer refuses to hire people who possess a specific characteristic (IFAU, n.d.). With limited information about applicants, the employer makes irrational decisions about groups as a whole and sieves away those that frequently fall short in certain areas. The researchers also discovered how employers are less likely to hire people of non-European origin or those who practice certain religions. Applicants of ethnic minorities are therefore less likely to get a job offer (IFAU, n.d.). Further problems in the labor market were shown by Eriksson and Lagerström (2007) in their research about discrimination in the hiring process. Applicants with names that demonstrated another ethnicity than Swedish who submitted their resumes to a database on the Swedish Public Employment Service had fewer interactions with employers than those applicants with Swedish names. The ethnic discrimination was even greater when the applicant was over the age of 40 and applied for a job that requires a high level of education that is also dominated by Swedish applicants (Eriksson & Lagerström, 2007). Carlsson and Rooth (2007) also show the discrimination of ethnic minorities in their study on fictional applications to Swedish firms. Similar skills were assigned both Swedish and Middle Eastern names, still, those with Swedish names received more responses for interviews. The differential treatment grows even stronger when jobs are
scarce (Carlsson & Rooth, 2007). Further research by Vernby and Dancygier (2018) also supports previous research results. In their study, they obtain comparable results on ethnic discrimination in the labor market. They found there is no significant difference in the frequency with which those born in Sweden and Poland are called for interviews, whereas those born in Iraq and Somalia are called less regularly (Vernby & Dancygier, 2018).

At the workplace, being perceived as inferior in comparison to majority ethnic colleagues is an indication of the experience of racial discrimination (Fearfull & Kamenou, 2006; Kamenou & Fearfull, 2006; Kenny & Briner, 2010). Kenny and Briner (2010) explain how minority ethnic employees report discrimination in a variety of ways, including being subjected to negative stereotyping, feeling invalidated, and having their credibility questioned. One type of discrimination that has been captured by research is institutional racism, which is defined as racism that is embedded in an organization's structure or culture, creating barriers for minority employees to receive fair and equal treatment and advance their careers. Not only does discrimination have an impact on the well-being of those affected, but it may also impair actual performance at work (Kenny & Briner, 2010). According to Roberson and Block (2001), it can lead to communication gaps between minority ethnic employees and their ethnic majority superiors, resulting in less feedback and support. Discriminating employees that pertain to an ethnic minority results in a stereotype threat, leading to associating these employees with negative stereotypes which makes it more difficult for them to advance in their careers (Roberson & Block, 2001; Wilson, 2014). These stereotypes create barriers in organizations by focusing on a group of people rather than the individual (Wilson, 2014). Because of societal stereotypes, many individuals seek out organizations that have people from similar backgrounds as themselves (Kenny & Briner, 2010). According to Leveson et al (2009), organizations in a multicultural nation must utilize the entire labor force and avoid becoming mired in the existing homogenous structure. Since the workforce has become ethnically diverse, leaders must adapt to this development and ensure that no one is excluded. Therefore, diversity should be valued in all of its manifestations in the workplace (Leveson et al., 2009).

A more diverse workplace has recently become a focus for the Big Four corporations to create a more inclusive organizational culture. However, in the corporation’s annual reports, the emphasis is mostly directed to gender diversity (PwC, 2022b; KPMG, 2022b; EY, 2022b; Deloitte, 2022b). It is not mentioned how much emphasis is being placed on other variables in the reports including ethnicity, language, age, handicap, sexual orientation, and religion.
However, Deloitte, EY, and KPMG have all established individual sustainability reports concerning DEI (diversity, equity, and inclusion) (Deloitte, 2022a; EY, 2022a; KPMG, 2022a), while PwC shaped a similar report for Purpose and Inclusion (PwC, 2022a). With the DEI initiative, it is evident that the four firms focus mainly on diversity and inclusiveness as a whole with set goals for the future in how or what they want to be changed. What also seems to be a pattern in the firms' reports is that they have clear and focused goals on how to increase ethnic diversity in the workplace which also clarifies that it is an ongoing issue today in the Big Four firms (Deloitte, 2022a; EY, 2022a; KPMG, 2021; PwC, 2022a). One way to investigate ethnic diversity at the Big Four is to search for an audit firm on the FAR website and go through the name of the employees working at the firm. FAR is an institute for the accountancy profession in Sweden where the members are authorized and approved auditors, payroll consultants, certified tax consultants, and authorized accounting consultants. When searching for authorized auditors in the Big Four in Sweden on the database provided by FAR (2023), it is clear that the majority of the names are traditional Swedish or native-sounding, and a few are somewhere between Swedish and foreign. A name that is most likely not of Swedish origin is scarce and even harder to come across. By reviewing the database, it was discovered that 110 authorized auditors out of 1047 in the Big Four had names that were not Swedish-sounding, which is an indication of an ethnic issue where less than 10.5% of authorized auditors at the Big Four are of foreign background. In an interview for Revisionsvärdén Resul Hamurcu stated that the percentage of auditors with a foreign background in Sweden lags far behind the percentage of entrepreneurs with a foreign background and the auditing industry has a lot to catch up on (Hammarström, 2021). He continues to say “The firms look different today than 20-30 years ago, but at the auditing firms not as much has happened” (Hammarström, 2021). Contrary to the vision expressed in the vision for DEI by the Big Four Firms, the diversity in terms of auditors with foreign backgrounds does not match the vision, which gives us reason to explore the topic of ethnic diversity in the audit industry. According to several researchers, research on ethnic diversity is still lacking and needs to be more examined (Alkebsee et al., 2022; Edgley et al., 2016; Jacobs, 2003).

In addition, Østergaard et al. (2011) also argue that studies on diversity between employees in various workplaces are scarce and need further investigation. Previous research reveals that white men have historically held the majority of positions in the audit profession. Furthermore, a fair amount of attention has been put on women’s advancement and breakthrough rather than other topics such as equality between people of diverse ethnic backgrounds (e.g. Edgley et al.,
2016; Lennartsson, 2017; Realtid, 2021; Wallerstedt & Öhman, 2012), which may help to explain the emphasis on gender diversity (Edgley et., 2016), especially in Swedish auditing firms. We can therefore argue that research about ethnic diversity and ethnic minorities in the audit profession has received less attention in prior studies in contrast to gender. This captivates our interest and motivates us to investigate the underrepresentation of ethnic minorities in the auditing industry.

1.3 Purpose

The purpose of this study is to explore how authorized auditors of a different ethnicity than Swedish have experienced their workplace regarding the diversity and inclusiveness that is stated in the sustainability- and annual reports. To understand this complex phenomenon further, we aim to gather a holistic view by including diverse perspectives from the auditors from the Big Four firms.

This objective has led to the formulation of the following research question:

How do auditors of another ethnicity than Swedish experience diversity and inclusiveness in the audit industry in comparison to firm ambitions to be diverse and inclusive as communicated in the official documentation?
2. Literature review

This chapter aims to present previous research and theories that provide a deeper understanding of the chosen topic. The chapter is initiated by presenting the terms ethnic group and ethnicity. Furthermore, the auditing industry and meritocracy concerning recruitment are presented. Lastly, the chapter ends with defining the tokenism theory and homosocial reproduction related to ethnic minorities in the workforce.

2.1 Use of the terms concerning “ethnicity”

The history of terms such as “ethnicity”, “race”, “nations”, and “ethnic group” is and has been an extremely complicated topic (Vermeulen & Govers, 1994). From the perspective of American researchers, particularly in psychology and sociology, ethnicity is inextricably linked to “race”, with the two definitions strongly overlapping (Phinney & Ong, 2007). However, Benet-Martínez (2008) considers the interchangeability of the terms “ethnicity” and “race” to be a common error, because “ethnicity” usually implies a common identity and cultural heritage, whereas “race” does not (see also Schaefer, 2008). Similar issues arise when “ethnicity” and “culture” are confused, as culture is perceived as a broader concept than ethnicity (Benet-Martínez, 2008; Minkov & Hofstede, 2012). It is a fine line between the terms and concepts which require one to be attentive before using them.

In the 20th century, “ethnic” was used to refer to “others”, meaning anyone that does not belong to “us” (Schaefer, 2008). “Ethnicity” is a term that has been researched in several fields of study including history, statistics, demography, psychology, and political science. Though, there is little agreement on the true definition of it within or between the disciplines as researchers perceive their context and content differently (e.g. Banton, 2007; Barth, 1998; Bhopal & Donaldson, 1998; Gil-White, 2005; Phinney et al., 2001). Hamer et al. (2020) found in their study of the term’s definition that ordinary people connected the term to race, highly culture-dependent, common culture, traditions, etc. Fearon (2003) and Clark (2006) claim that an ethnic group is a social unit with two basic characteristics: first of all, members of the group share a belief in a shared history or ancestry, often affiliated with a homeland, founding migration, or establishment of new territory, and secondly, the group currently tends to form a cultural
community, expressed for example in a common religion, language, and/or shared customs. Members of these groups typically share a sense of belonging because of these characteristics, meaning that everyone belongs to an ethnic group depending on where you feel you fit in (Fearon 2003; Clark 2006).

2.1.1 Ethnic Minorities in the Society and Workplace

Ethnicity and culture can impact people's acceptance and social status in society. According to Darvishpour and Westin (2015), people with a foreign background may struggle to be accepted in a new society because cultural norms differ between groups. This contributes to and creates minority groups and as a result, people of a different ethnicity than Swedish can experience exclusion (Darvishpour and Westin, 2015). Society and the labor market widen the gaps between people and create groups unintentionally, resulting in a mentality that focuses on people as an “us” and “them” which then creates an imbalance toward different groups (Agerström & Rooth, 2009). Trost and Levin (1999) define reference groups as the foundation of an “us” and “them” mindset. This means that members of one group are hesitant to integrate with so-called foreign groups. It could be due to factors such as ethnicity, as well as cultural and linguistic differences (Trost & Levin 1999). Even though it has been recognized that there are economic implications for industries if applicants are judged on group membership rather than merit (Bertrand et al., 2005), discrimination against ethnic minorities is still an occurrence in Sweden (Velin et al., 2022), especially when it is ethnicity-based and connected to their names (Ahmad, 2020). On the other hand, Bjerk (2008) argues that the difficulties could be because there are not enough people of another ethnicity than Swedish who have the right qualifications for a certain job. Some jobs and high positions require huge investments and ethnic minorities do not always have the opportunity or resources to make such investments (Bjerk, 2008).

Indirect discrimination occurs when a person's behavior or decision has a negative impact on someone else (Darvishpour & Westin, 2015). It is irrelevant whether the alleged discriminator meant to discriminate (Zuiderveen Borgesius, 2020). It is the outcome of a practice that is important. As a result, discriminators cannot avoid the prohibition on indirect discrimination by claiming that they did not intend to hurt anyone as their actions prove different. These occurrences are common in job application letters for people with a certain ethnicity
(Zuiderveen Borgesius, 2020). Structures and norms are often predetermined in workplaces and form a type of culture, which includes unwritten rules that characterize the workplace, both consciously and subconsciously (Uprise Health, 2022). Categorization based on ethnic origin fosters negative attitudes toward certain groups in both society and the workplace which can result in indirect discrimination, among other things (Botha et al., 1993; Rafferty, 2020). Indirect discrimination involves imposing different rules and demands on others and these requirements may appear to be neutral at first glance, but they may disadvantage a specific group, such as those with a particular ethnic association (e.g. those of a foreign background have a disadvantage against the natives) (Botha et al., 1993; DO, 2023; Rafferty, 2020).

Individuals with more confidence and resilience are more likely to find alternative ways to succeed and therefore avoid discrimination (Karatepe & Karadas, 2015). When employees are optimistic about their future success, they tend to feel more energized and, as a result, become more engaged in their present employment (Karatepe & Karadas, 2015). Previous studies found that ethnic minorities' psychological qualities (e.g., psychological capital) resulted in positive workplace outcomes such as engagement with work and job efficiency (Combs et al., 2012). Ethnic minorities with higher levels of psychological capital could perform more effectively at work and be more engaged in organizational growth (Luthans et al., 2007; Sweetman et al., 2011).

### 2.2 Auditing industry

According to Månsson et al (2013), the auditing profession is well-known for its clear hierarchical structure, which includes a distinct job ladder. The hierarchy is organized in a pyramidal manner, with the superior supervising and managing the job of the subordinate. The different career paths differ from agency to agency, but in the bigger agencies, the partner is typically followed by three levels, which are authorized auditor, auditor, and audit associate (Elg & Jonnergård, 2011), in the hierarchy. It is organized so that the lower-level employees, which are the primary operating unit of auditing, handle the less complex work for the audit company, which is then approved by higher-level employees (Carrington, 2023; Sweeney & Pierce, 2011). Given the fact that audit activities are divided amongst team members, an essential consideration in determining the effectiveness of the team is the extent to which individual efforts combine to generate an objective audit opinion (Rudolph & Welker, 1998). Team communication is a fundamental activity to keep the team and firm up to date with
information and being successful (Rudolph & Welker, 1998) which leads to one of the most important components for the audit quality, the audit team (Che & Svanström, 2019). The complexity of the work performed in auditing necessitates the usage of several abilities beyond what a single person possesses (Che & Svanström, 2019). People with the right expertise and abilities that are required for a specific position are valuable resource for organizations (Aravamudhan & Krishnaveni, 2015), most certainly in the audit industry.

To become an authorized auditor, it is required to have at least 180 university credits over three years of college as well as three more years of actual training (Revisorsinspektionen, n.d.). Most frequently, during the practical training phase, an audit associate works for an audit company. After three years of practicing, it is allowed to do the authorization examination (Revisorsinspektionen, n.d.). The only factors that should restrict working within the auditing field are knowledge and network (FAR, 2016b).

The firms themselves can supervise their employees by exercising control by choosing employees who have suitable norms, attitudes, and values based on their upbringing in terms of their education, families, background, and early experiences (Hanlon, 1996). Once an individual has joined the organization, control systems such as performance criteria and evaluations of the employee are made (Alvehus & Spicer, 2012). Carrington (2023) argues that the position you hold in the auditing industry reflects where you are in your employment. How long an employee might stay in a position is often based on one of the control methods, namely “up or out”. This is a common characteristic of the auditing sector (Alvehus & Spicer, 2012), especially in larger firms according to findings made by Morris and Pinnington (1998). A core characteristic according to this system disarrays that a worker can only remain at one organizational level for a set amount of time before being required to move up the career ladder or look for employment elsewhere. In an organization that uses the method of “up or out”, a worker must be very committed to their job to have a chance to advance in the organization. As one moves up the career ladder, the openings are fewer and therefore the pressure is harder (Alvehus & Spicer, 2012; Stenger, 2020).
2.2.1 Organizational Culture

A company's or group's organizational culture is a set of shared beliefs, values, and social norms that have an impact on members' attitudes, behaviors, and ways of reasoning (Hosseini et al., 2020). For an organization to operate effectively and maintain a satisfactory organizational culture a company is required to provide and develop employees well-being (Malmi & Brown, 2008; Paais & Pattiruhu, 2020). Therefore control practices must be consistent with and supported by organizational culture for the management of an organization to be effective as the norms established in a firm influence employees’ behavior (Malmi & Brown, 2008). It depends on the consistency of motivation in work, leadership from the management, and an organizational culture that can be effectively adapted to and approved by all employees (Paais & Pattiruhu, 2020). They further discuss that organizational performance is reliant on individual achievement as they in turn affect the outcome of a company. This being said Paais and Pattiruhu (2020) highlight the importance of corporate members’ well-being as they both individually and in groups can and will affect the performance of the firm. From time to time organizations’ employees and performance can be harmed or at risk which pushes a company to go through changes to correct certain issues or establish new developments (Alvesson & Sveningsson, 2015). Changing organizational culture is something imperative for some companies as an alteration implies a reassessment of basic assumptions has been made and taken seriously to foster something superior (Muscalu, 2014). For the DEI initiatives to come true in an auditing firm and operate effectively it therefore has to be supported by shared beliefs, values, and social norms.

In many cases, adjustments in organizations are done because of external transformations such as technological, cultural, demographic, political, or economic (Alvesson & Sveningsson, 2015). Technology influences development in organizations in a variety of ways including how information is presented and expanded communication tools such as a hybrid working model and video calls. The expansion of digital communication tools has facilitated organizations to push globalization further and provide services online that prior were only available physically. Demographic forces influence organizations, especially in the recruitment process. Depending on education, country of birth, and family situation a firm can advance and modify work methods and procedures to fit employees. Additionally, an organization has internal triggers related to new people in positions of power that can influence a firm with new ideas, ambitions, or interests. These people can influence processes and structures that are of great importance in
an organization. Resistance is, however, an aspect of people being against or having mixed feelings about any new phenomena or implementations in a firm. Drastic changes are therefore in the risk zone of being neglected by some employees which put pressure on the management to propose a new arrangement in the organization as something positive and make it into a collective transformation to include individuals and make sense of any uncertainties or confusion tied to the revision (Alvesson & Sveningsson, 2015).

2.3 Meritocracy in the auditing industry

Meritocracy is broadly defined as a social system in which individual merit is rewarded in the form of economic returns or social status. Individuals in an ideal meritocracy have equal opportunities based on their merit, which is defined as a combination of talent, ability, effort, and intelligence (Young, 1961). Those who believe in a meritocratic society presume that there are few systematic obstacles to success other than one's efforts and abilities. People who oppose meritocracy, on the other hand, believe that extraneous factors, including group memberships, can limit one's life opportunities (Major et al., 2007). Meritocracy, as a belief about how society should be organized, promotes a statement of equal opportunity and fairness (Son Hing et al., 2011). Furthermore, as a descriptive statement about how things are, meritocracy implies that people's status can be determined by their abilities, efforts, and merits (Jost & Hunyady, 2003; Major et al., 2002; Levin et al., 1998; Sidanius & Pratto, 2001). Substantial evidence suggests that believing in meritocracy while belonging to a disadvantaged group can empower members of those groups to acknowledge their place in society. They are less inclined to view their group and themselves as victims of prejudice and discrimination, for example (Major et al., 2002; McCoy & Major, 2007), and more probable to hold their group responsible for its situation (Major et al., 2007). Individuals who think their group has a low social status or is disrespected are less inclined to believe in a meritocracy; for example, Black and Latino college students believe that society is less meritocratic than higher-status Whites and Asians (Levin et al., 1998; Major et al., 2002). This difference becomes more pronounced when people perceive a large disparity in status between the groups (Levin, 2004).

The auditing industry should be equated with meritocracy. Entering the auditing industry is based on a person’s merits and qualifications (Jonnergård et al, 2010). A study about the requirements to enter the auditing industry and get the role of audit associate conducted by Skyldeberg and Nordin (2007) found that the most important factors that influence recruitment
are a person's grade, personal traits, and engagement besides studies. The person must meet the requirements to become an authorized auditor, which implies at least 180 university credits (Revisorsinspektionen, n.d.). The recruitment system that exists in the auditing industry indicates that it gives equal opportunities to all applicants and that it is only based on a person’s merits, which in turn makes it easier for minorities to enter the industry (Carrington, 2023).

2.4 Tokenism

To understand why ethnic minorities might be discriminated against in the workplace we will use the tokenism theory. Kanter (1977) first advocated her tokenism theory based on experiences women had breaking into institutions dominated by men, since then the theory has been applied to a variety of contexts such as ethnic minorities (e.g. Stroshine & Brandl, 2011). Tokenism is a type of class system characterized by interclass mobility (Laws, 1975; Kanter, 1977) where tokens are those that make up less than 15% of a group's total (Stroshine & Brandl, 2011). The institution of tokenism is sustained by two career partners, sponsor or dominant and token: the person belonging to the Token is a participant of the deviant class consisting of a minority of members, and the sponsor or dominant is a person of the dominant category with a majority of members (Laws, 1975; Kanter, 1977). Tokens are expected to face a variety of difficulties in the workplace, such as feelings of increased visibility, isolation, discrimination, and restricted chances for advancement (Stroshine & Brandl, 2011). Prior studies on tokenism focus mostly on gender while Stroshine and Brandl (2011) included race with an examination of ethnic subgroups in their study which showed how all minorities studied experienced some level of tokenism where race was stronger compared to gender.

Kanter (1977) argued that as the amount of tokens in an organization grows, employees will lack the feeling of physically standing out from their coworkers, reducing their sense of isolation at the workplace. Increased workplace representation may also change tokens' attitudes towards being judged differently than their peers. Therefore, according to Kanter (1977), minority positions in an institution will enhance if their proportion is significantly increased and their token status is completely removed. Further Kanter (1977) discovered that a minority who made up less than 15% of their work teams reported experience of three processes that were negative. For starters, minorities in token positions had an increased sense of attention and visibility. Due to the scarcity of tokens (i.e. ethnic minorities), they were significantly far more visible than participants of the dominant group. Positive outcomes often
come from increased visibility in organizations, though, tokens experienced a gain in performance stressors and suppressed expression of emotion because of this. Secondly, the distinctions between a token and the dominant have been overstated, resulting in a feeling of social exclusion among those tokens who find it hard to reach out and interact with the dominants in the group, nor can they, out of fear of exclusion, reach out to the scarce members. The difference between the classes is emphasized and leads to token minorities feeling excluded and rejected by dominant colleagues and isolated from the few members that were of the same minority as themselves. Lastly, tokens perceived restricted expectations and societal norms consistent with traditional stereotypes. Tokens perceived themselves to be related to societal pressures and felt the pressure to act by them in the organization (Kanter, 1977).

Despite the fact that Kanter’s theory of tokenism has received great attention from social scientists, some argue that the theory is too vague as it puts a great focus on tokens' numerical values and only examines a limited set of discrimination. Furthermore, the criticism emphasizes the numerical values as it minimizes difficulties related to individual characteristics such as age, sex, and race (eg. Stichman et al., 2010; Stroshine & Brandl, 2011; Yoder, 1991, Zimmer, 1988). Zimmer (1988) however contended that tokens may face discrimination due to social inadequacy, rather than a lack of numerical representation within a group or organization. In contrast to Kanter (1977), Williams (1992) studied a different group of minorities and found that those belonging to the minority group instead advanced quickly in their career as their group was more accepted at work despite being a member of a narrow group. They, therefore, avoided the discrimination that Kanter’s group of subjects experienced (Williams, 1992). When considering the Tokenism theory it is therefore important to be aware of what type of minority group is being examined as well as their surroundings.

2.4.1 Homosocial reproduction

To understand how the tokenism and meritocracy of ethnic minorities function in the workplace we will use the homosocial reproduction theory. In 1977, Kanter also explained the minorities’ experiences at work by introducing the homosocial reproduction theory. According to the homosocial reproduction theory, members of the ruling group look for homogeneity in those they associate with. This idea is especially applicable to people in high-status, prominent, and prestigious positions (Kanter, 1977). Social norms, practices, and common cultures, represented
in homosocial reproduction, tend to generate large gaps in our settings (Hudson et al., 2017). Weaker relationships between people who are not equivalent to each other, such as those of different ethnic backgrounds, increase the potential for the creation of splits within social space (Hudson et al., 2017). Numerous obstacles prevent ethnic minorities from moving up and advancing in their career such as difficulties in gaining social and instrumental support from the organization (Carrim, 2019; Elliott & Smith 2004; Kameny et al., 2014; Van Laer & Janssens, 2017). First, minorities frequently face discrimination when it comes to promotions, pay increases, terminations, and layoffs. Secondly, they usually have less access to mentors, sponsorships, and role models who can offer advice as well as social links that are essential for moving up the promotion ladder (Das, 2013; Tapia & Kvasny, 2004). According to Kanter (1977), homosocial reproduction, which occurs when members of the majority group look for homogeneity in those they associate with, is thought to be the cause of the obstacles and factors that ethnic minorities must contend with. Reduced uncertainty however results in greater potential for heterogeneity and reduced reliance on individual trust, which could contribute to the opening of previously closed circles, but only if the privileged elite are willing to grant access to those belonging to smaller groups (Hudson et al., 2017).

Using a nationally representative sample of American employees and their employing companies, Baldi and McBrier (1997) investigated whether the factors influencing promotion vary by ethnicity. They discovered that as minority presence in firms increased, Black workers as a minority group were penalized in terms of promotion chances, whereas White workers were not. They also discovered that the likelihood of promotion varied considerably between African American and White workers, which is consistent with Kanter’s homosocial reproduction theory. In Sweden, the discrimination against ethnic minorities is still up for discussion as people born outside of Scandinavia are more likely to experience discrimination. Due to the lack of standardized terminology and the irregular collection of ethnicity-related data, these hurdles may be particularly prominent in Sweden (Velin et al., 2022).
3. Methodology

This chapter aims to provide an understanding of the methodological considerations and why they are appropriate for this study. The chapter will discuss the study's research methodology, research approach, selection and information of the respondents, how the data collection and analysis was made. Furthermore the four criteria’s of trustworthiness will be presented in regard to the research followed by the ethical considerations.

3.1 Research Methodology

3.1.1 Interpretivist epistemology

This study has its foundation in epistemology which can be viewed from one viewpoint which is interpretivism. (Bryman & Bell, 2017). According to Bryman and Bell (2017), interpretivism refers to the researchers developing a strategy that allows them to evaluate different actions subjectively. This perspective is referred to as an interpretation-oriented epistemological viewpoint. The interpretive approach considers the researcher's participation as an essential component since it allows them to comprehend relationships, roles, and how they affect the subject being investigated (Bryman & Bell, 2017).

To accomplish the study’s aim, interpretivism was selected as the epistemological foundation. To understand the auditors’ perceptions and experience of inclusiveness in the workplace, interpretivism is most appropriate from the perspective of the problem formulation. It is important to point out that this is based on a subjective evaluation in which the respondent’s reality does not need to coincide with another’s.

3.1.2 Qualitative approach

There are two different research methods, quantitative and qualitative (Strauss & Corbin, 1990). According to Strauss and Corbin (1990), qualitative research is any type of study that generates conclusions that are not reached using statistical methods or other forms of quantification. It can refer to research on organizational functioning, social movements, cultural phenomena, and
cross-national contacts, as well as on people's lives, lived experiences, behaviors, emotions, and feelings (Strauss & Corbin, 1990). A qualitative method is a method where words are valued more highly than numbers (Bryman & Bell, 2017). Typically, the qualitative approach is connected to interpretivism and a broader range of epistemological stances, research methodologies, and interpretive strategies for comprehending human experiences are all included in the interdisciplinary field of qualitative research (Bryman & Bell, 2017; Denscombe, 2016). This method results in a dense and detailed description of participants' thoughts, emotions, and experiences as well as an interpretation of the motivations behind their behavior. It makes it also possible to get a comprehensive understanding of the human experience in a particular context (Bagdonienė & Zemblytė, 2005; Bryman & Bell, 2017; Rahman, 2020). For instance, case studies, documentation, and interviews are connected to a qualitative method. This approach acknowledges that the researcher has a significant impact on how the data is created. The researcher’s identity, principles, upbringing, and perceptions are recognized to play a significant effect in the collection and processing of the data. The researchers are free to approach the respondents to interpret their unique perceptions of reality and get under the skin of their internal reasoning. It serves as a means of capturing the participants' social encounters and emphasizing their significance (Chalhoub-deville & Deville; Irvine, 2006; Rahman, 2020). According to Davidsson and Patel (2003), no evidence suggests that one approach is better than the other. Rather, it depends totally on the purpose of the data that is being collected and what kind of problematization the research has (Davidsson & Patel, 2003).

For this study, a qualitative research approach will be used to make an interpretation and understanding of the experiences of our respondents. When a deeper understanding of a particular phenomenon is requested, like in this study where we examine specific individuals of ethnic minorities and their experiences in Swedish audit firms, a qualitative approach is appropriate (Jacobsen & Sandin, 2002). Additionally, in our study openness is crucial to capturing the respondents’ unique experiences and stories (Jacobsen & Sandin, 2002; Irvine, 2006; Rahman 2020). Through interviews with authorized auditors, we will be able to gain more understanding and discussion about their perspectives on the subject because of their expertise, knowledge, information, and observations. The narrative interview will also help us obtain a deeper grasp of the respondent's experiences and perceptions because emotions, expressions, and subjective aspects may emerge during the interview process. According to
Davidsson and Patel (2003), when examining the significance of a social issue from the perspective of individuals in a natural setting, a qualitative research approach is relevant.

### 3.2 Research Approach

Three types of research approaches can be applied to a study. The two main ones are deductive and inductive and the third, which is a combination of both, is abductive (Newman et al., 1998; Saunders et al., 2009). Arguments grounded in empirical observation or experience are best exemplified inductively, whereas arguments founded on theory, rules, or other commonly accepted principles that are later revised are better expressed deductively (Woiceshyn & Daellenbach, 2018). Existing knowledge, such as theory and knowledge about the empirical phenomenon, is very useful for our study but also somewhat insufficient in a new occurrence, therefore using a synthesis of relevant knowledge and empirical data is convenient to better understand this phenomenon (Alvehus, 2013). This means that in a qualitative study aimed at creating an understanding, a combination of both approaches is appropriate (Alvehus, 2013). Thus, in answering our research question, we adopt an abductive approach given that acknowledging how abduction differs from and complements both induction and deduction. This approach is essential to gain a better understanding of how theories and new concepts are formed (Philipsen, 2018).

The abductive research approach is applied to draw logical conclusions and develop theories based on reality (Bryman & Bell, 2017). The analysis frequently begins with a theoretical foundation, this research approach on the other hand, enables versatility between theory and data in the process of developing new or modifying existing theory (Awuzie & McDermott, 2017; Dubois & Gadde, 2002). Using an abductive approach produces insights about existing phenomena by looking at them from a different angle (Kovács & Spens, 2005) and highlights the importance of looking for theories that can explain an empirical observation (Dubois & Gadde, 2002).

The chosen research approach allows us to discuss the discovered theories and literature to explain patterns in our empirical findings and also allows for the discovery of fresh perspectives that portray experiences of individuals of an ethnic minority and how these influenced their perception of entering and advancing in the audit industry. This approach enables us as authors to first identify a research topic, acquire an understanding of it by analyzing existing theories
and literature, and broaden the exploration in the literature to obtain an in-depth understanding of the empirics (Alvesson & Sköldberg, 2008).

3.3 Selection of Respondents
For the strategy to select participants we used non-probability sampling methods such as purposive-, convenience-, and snowball sampling. The non-probability sample selection used indicates that individuals are chosen based on non-random criteria which excludes a part of the population as not everyone has the opportunity to be included (Acharya et al., 2013). As the purpose is to explore experiences regarding diversity and inclusiveness for people with another ethnicity than Swedish in the audit industry, it was crucial to choose respondents that met the specific criteria. The first criterion requires the respondent to be of another ethnicity than Swedish and out of all the authorized auditors in the Big Four firms we found 110 individuals with names that we would say are somewhat foreign-sounding or completely foreign-sounding which included all names outside of Sweden, as well as neighboring countries with a close connection to Sweden such as Finland. The second criterion to be filled was for the person with authorization and preferably having at least ten years of experience in the audit industry to be able to compare the past to the present.

The first method we decided to utilize was convenience sampling as this is applied when you choose people that are easy to access (Tansey, 2009). While the respondents with foreign-sounding names were few compared to the whole population of auditors, they would therefore be hard to find manually as well as time consuming. However, the process was eased as we used the database FAR where both name, firm, and email address were presented. Furthermore, it was easy to sort the population based on their title and locality which facilitated us in our search for authorized auditors in specific firms. Nevertheless, we still had to select the individuals manually as there is no tool for sorting people based on if their name is foreign or not, which goes without saying, but the sorting functions on FAR were most definitely beneficial for us. The search feature was of great help for our purposive sampling which simply means that the respondents that are most likely to give the study relevant and useful information were carefully selected by us (Kelly, 2010). Therefore when searching for possible participants that would fit our study we used search words such as the firms’ names: Deloitte, Ernst & Young, KPMG, and PWC. Additionally the title “authorized auditor” was ticked in to exclude people with titles like accountant-, and payroll specialist. The results we got from FAR were
extracted to an Excel sheet where we sorted the auditors by firm and manually went through each name to find foreign-sounding names fit for our research. We sorted them according to three categories: “native-sounding names”, “foreign-sounding names” and names somewhere in the middle that we were unsure of. By using this technique, we were able to narrow down the pool of potential participants based on their names as we only looked to interview people with “foreign-sounding names”. To learn more about this group of people, we also looked them up on LinkedIn one by one, such as what role they hold at their company and how long they have worked in the field. After finishing this and further reducing the pool of potential participants, we contacted 36 of them and got a response from four of them.

These techniques of convenience- and purposive sampling are useful for qualitative research as it gives an in-depth understanding of a small population (Tansey, 2009). However, the method required some assistance along the way as not everyone we contacted responded, so we used snowball sampling as a complement to the already applied strategies (Parker et al., 2019). In snowball sampling, you usually start with a small number of participants or contacts, appropriate for the research, that are later asked to recommend other people who they think would fit the research (Parker et al., 2019). The initial respondents use their social network and relations to assist the study with further connections when choosing applicable participants (Noy, 2008). By this method, we could get in touch with further participants with the help of those who had already responded to the interview. Through their contacts, we managed to find two more participants that fit our criteria. From the strategies applied our study was finally made up of six interviews. The respondents chosen were both male and female authorized auditors that work in one of the Big Four in Sweden. Each one of them had been in the audit industry for at least 12 years and a maximum of 35 years.

3.4 Information about the respondents

Respondent 1 (R1):
Respondent 1 was born in Bosnia, came to Sweden at 6 years of age, and then studied Science in Business Administration and Economics. The respondent started working in auditing in 2010 at the same firm that the respondent works in today and got authorized in 2016. The respondent is a partner today and manages the firm's initiative to modernize auditing with the use of artificial intelligence (AI) and other technology.
Respondent 2 (R2):
Respondent 2 was born in Sweden and the parents moved to Sweden in 1962. The respondent studied Science in Business Administration and Economics and a few extra courses in law. The respondent started working in auditing in 1987 in an audit firm that was one of the world’s largest but moved in 1999 to the firm that the respondent still works in today. Furthermore, the respondent got authorized in 1992 and is a partner today, as well as head of the audit department which includes several thousands of people and 45 offices.

Respondent 3 (R3):
Respondent 3 was born in Sweden but had one parent that moved to Sweden just before the respondent was born, the other parent is of Swedish origin. The respondent studied Master of Laws and Masters of Science in Business and Administration and started working with auditing in 2000 for an audit firm that was one of the world’s largest. The respondent moved on in 2002 to start working in the audit firm that the respondent works in today. Furthermore, the respondent became an approved auditor in 2004 and was later authorized in 2006. The respondent is a partner today and is on the board of FAR where the respondent represents the firm, additionally, the respondent is responsible for some of the internal education and market issues in the firm.

Respondent 4 (R4):
Respondent 4 is born in Sweden and has one Greek parent and one Swedish. The respondent studied a Master of Science in Economics and started working with auditing in 2006 at the same firm that the respondent works in today. Furthermore, the respondent got authorized somewhere between 2012-2013 and is a partner today.

Respondent 5 (R5):
Respondent 5 was born in Iran, moved to Sweden at 3 years of age, and studied Master of Science in Business and Administration. The respondent started working with auditing in 2011 at the same firm that the respondents work in today. Furthermore, the respondent got authorized in 2015 and is a senior manager today.

Respondent 6 (R6):
Respondent 6 was born in Ukraine and moved to Sweden as an adult in 2017. The respondent studied for a master’s degree in Financial Management in Ukraine and is a member of the
Association of Chartered Certified Accountants (ACCA). Additionally, the respondent started working in auditing in 2005 at the same firm that the respondent works in today and got their authorization in their home country. The respondent moved to Cyprus in 2015 to work in the same firm for 2 years before moving to Sweden where the authorization was translated from European to Swedish. Furthermore, the respondent is a director in the firm today.

<table>
<thead>
<tr>
<th>TITLE</th>
<th>FIRM</th>
<th>YEARS IN THE INDUSTRY</th>
<th>YEARS AS AUTHORIZED AUDITOR</th>
<th>ETHNICITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1 Partner</td>
<td>F1</td>
<td>14</td>
<td>8</td>
<td>Bosnian</td>
</tr>
<tr>
<td>R2 Partner</td>
<td>F2</td>
<td>35</td>
<td>30</td>
<td>Scottish</td>
</tr>
<tr>
<td>R3 Partner</td>
<td>F3</td>
<td>23</td>
<td>17</td>
<td>Israeli/Swedish</td>
</tr>
<tr>
<td>R4 Partner</td>
<td>F1</td>
<td>17</td>
<td>11</td>
<td>Greek/Swedish</td>
</tr>
<tr>
<td>R5 Senior Manager</td>
<td>F2</td>
<td>12</td>
<td>8</td>
<td>Iranian</td>
</tr>
<tr>
<td>R6 Director</td>
<td>F3</td>
<td>18</td>
<td>7</td>
<td>Ukrainian</td>
</tr>
</tbody>
</table>

*Table 1 - An overview of the respondents*

### 3.5 Data collection

When data is collected it is mainly done in two ways (Hox & Boeije, 2005). The first is primary data that is collected for the first time and comes directly from the respondents. This is often executed and retrieved from interviews or surveys. The second way to collect information is through secondary data, which is information that already exists and has been gathered and interpreted by others before you (Hox & Boeije, 2005). In this study primary data was used and retrieved by personal and narrative interviews through Microsoft Teams as well as sustainability- and annual reports of the Big Four firms that were analyzed and interpreted by the authors in relation to the findings from the interview. Furthermore, relevant literature was
gathered for the research background, problematization, and theoretical framework where the databases Google Scholar and Primo mainly have been used. The data was collected from academic articles, books, annual reports, and other useful information from the Big Four audit firms’ websites, Swedish laws, and magazines for auditing. All of which were carefully selected and chosen based on their fit for the study.

To get a good overview of the annual reports of the four firms, specific search words were used to easier locate information related to what is being researched in this study. These words have also assisted the study to compare the firms against one another. Therefore, as shown below, table 1 demonstrates an overview of how many of each word were a hit in the annual reports of each firm.

<table>
<thead>
<tr>
<th></th>
<th>F1</th>
<th>F2</th>
<th>F3</th>
<th>F4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DISCRIMINATION</strong></td>
<td>2</td>
<td>12</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>DIVERSITY</strong></td>
<td>4</td>
<td>40</td>
<td>11</td>
<td>17</td>
</tr>
<tr>
<td><strong>EDUCATION</strong></td>
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<td>41</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td><strong>ETHNICITY</strong></td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>EQUAILITY</strong></td>
<td>5</td>
<td>34</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>INCLUSION</strong></td>
<td>10</td>
<td>72</td>
<td>17</td>
<td>20</td>
</tr>
</tbody>
</table>

*Table 2 - An overview and demonstration of how many of a specific word were a hit in the annual reports of each firm.*
3.5.1 Interview guide

The interview guide was made based on the purpose of the study which meant the questions needed to fit and give answers to how authorized auditors with an ethnicity other than Swedish have experienced the auditing industry (Appendix 1). It included opening questions where the respondents had the chance to talk freely about their personal life as well as their history of work. Thereafter came questions related to diversity in regards to ethnicity in the workplace and how recruitment of employees looks today as well as how it was perceived by the participants when they entered the industry.

3.5.2 Semi-structured narrative interviews

According to Braun and Clarke (2013), interviews are the most common technique for gathering data in qualitative research, and there are three different structuring options for these interviews: structured interviews, semi-structured interviews, and unstructured interviews. Semi-structured interviews are a mix of both structured and unstructured interviews. The semi-structured method results in simple conversations in which the interviewers have a general and decent idea of the subject that will be covered and have thereby a list of questions to ask. Typically, the different conversations are likely to differ significantly between respondents (Fylan, 2005; Braun & Clarke, 2013).

The aim of this study was to get a personal narrative from the respondents which is often done by a semi-structured interview (Whiting, 2008). Several questions in a semi-structure are predetermined while others are not planned. The questions should be open as that leads to a dialogue between both parties and allows the interviewer to develop and explore further questions, themes, and responses along the way (Whiting, 2008). The semi-structured narrative interviews are a type of in-depth interview with unique traits (Jovchelovitch & Bauer, 2000) where the primary goal is to gain insight into individuals and their experiences (Boréus & Bergström, 2012). The term narrative is commonly defined as a description of an event that has occurred, a story in one's imagination or reality (Boréus & Bergström, 2012). These interviews are considered to be an effective approach for our study to acquire a nuanced view of the respondents’ personal experiences and seize their stories (Jovchelovitch & Bauer, 2000). The advantage of these types of interviews is that people are often willing to open up and talk about their experiences freely which might help reveal stories from having an open atmosphere.
(Overcash, 2003). Narrated experiences provide an accurate representation of reality while also preserving the integrity of the respondents and allowing the narrator to connect disparate events in terms of significance and time (Anderson & Kirkpatrick, 2016). In this manner, the events do not appear separated and unrelated to one another, but rather one gains an understanding of how they are related to one another (Anderson & Kirkpatrick, 2016), which contributes to cohesion and gives a window into the participants’ lives (Bell, 2002). Moreover, rather than objective facts, this method focuses on the respondent’s perspective (Bryman & Nilsson, 2011). The narrated experiences in this study are both audio recorded and transcribed. As Anderson and Kirkpatrick (2016) state it is still critical that the value of the records is not lost during analysis as well as the importance to identify each story throughout the data. It signifies that close attention should be paid to the context of the respondent's story (Anderson & Kirkpatrick, 2016). Therefore, we were keen to transcribe and discuss the interviews directly after the meeting ended to capture the emotions and expressions as they were fresh in our minds.

It is crucial to understand that even with all the advantages there are with a narrative approach, it comes with a certain set of limitations. The respondents may exclude or conceal aspects of the true meaning of their described experiences (Polkinghorne, 2007). The validity of narratives is then determined by how well-understood the actual meaning of the participants' experiences are, which makes it utterly important to interpret them correctly (Polkinghorne, 2007). Furthermore, the time commitment and close collaboration with participants that is required to execute the interviews make it difficult to work with a larger sample (Bell, 2002).

3.5.3 Interview procedure

The interviews were all conducted through video calls, more specifically Microsoft Teams, due to the geographical spread between the authors and the participants. These types of online communication tools have been recognized as a viable source and an acceptable method when collecting qualitative data (Archibald et al., 2019). While difficulties such as struggle with technology can reduce the experience, the benefits of this method often surpass the drawbacks. The advantages that follow are cost effectiveness, data management features, ease of use, and security alternatives (Archibald et al., 2019). Throughout our interviews, technical difficulties were discovered when booking one of the meetings as we encountered a problem with one of the email addresses when sending out the invitations. Luckily it was sorted some days later and
did not affect the interview itself. Other technical difficulties discovered were the sound and quality of the computer microphones of some of the respondents which could have been easily avoided in real-life face-to-face, however, this was not a big issue as we had recordings of the interviews and could go back to review certain words. Although research indicates that remote interviews through video calls are a sufficient tool for interviewing, they may have drawbacks such as coming at the expense of information richness (Johnson et al., 2021). Overall, we felt the participants gave detailed and full answers with richness. Our selected participants are accustomed to using online communication platforms, as several of them describe having meetings or phone calls multiple times per week or day. Additionally, to avoid big arrangements with time-consuming traveling, setups for face-to-face meetings, etc. we chose to perform the interviews remotely which nowadays feels like a natural way of communicating as it is used almost daily for all the respondents.

The initial three interviews were conducted in one week and the others were executed one or two weeks later as we got in contact with those participants through the first three respondents. The interviews lasted between 35 and 52 minutes and were performed in Swedish as both participants and the authors are entirely fluent in Swedish or at least dominate the Swedish language sufficiently enough. Before the interview started an agreement with the participant was made to record the interview. The recordings are useful for both transcription afterwards as well as analyzing body language or any missed reactions. From start to finish we as interviewers and authors asked one question each, varying from each other. Both focused on the participants' responses and behaviors and asked follow-up questions when needed. Where one might have missed an opportunity to ask an important question, the other one did not and therefore we complemented each other throughout the process. Some of the respondents were more willing to talk freely and include lots of anecdotes from their work and personal life which was highly appreciated as it gave much value to the overall narrative. In those cases where participants were not as keen to open up we extended the dialogue with follow-up questions to get deeper answers. To avoid any cut-offs, especially due to the interviews being digitally, as well as gaining lots of experience, the respondents were allowed to talk as they wanted, as long as it was connected to the subject. This method also gave a more relaxed setting where the participants could give examples and stories from their lives without following a completely structured set of questions.
3.6 Data analysis

When the interviews were conducted, a large amount of data was obtained. To ease the process to manage the data the interviews were recorded and transcribed, all in favor of the analysis (Braun & Clarke, 2012). The transcription was done directly by the digital transcription tool in Microsoft Word and promptly after the interview the transcription was revised by us authors as the tool is not flawless. During the process of transcription and analysis, the respondents are addressed as R1, R2, R3, R4, R5, or R6 to make it easier to separate and connect responses from various respondents and additionally maintain anonymity. When evaluating and extracting conclusions from data, one frequently used technique is thematic analysis, which is effective when exploring themes and similarities within data (Saunders et al., 2009). Consequently, a thematic analysis was employed to evaluate the data as it is a useful way to systematically identify, organize and offer patterns of different meanings and themes of the interviews (Braun & Clarke, 2012). By focusing on themes between data sets it is easier to identify any collective or unique thoughts of the respondents. Throughout the analysis it also becomes easier to screen between answers that are relevant to answer the purpose of the study (Braun & Clarke, 2012).

The process started with us reading and going through the transcriptions from top to bottom to select and mark sections that were of importance for this study. These sections, also called codes, consisted of thoroughly chosen sentences that were put into a Microsoft Excel sheet where we could connect the specific code to the rightful respondent. The most analytically significant recurrent codes or codes of utter importance were then converted into focus codes which consisted of one word or a short phrase. On top of that, the focused codes that had similarities to each other were connected to a common extracted theme and we could already see a connection between the answers of the respondents. Finally, to narrow down the data further the extracted themes were turned into higher-level abstractions called aggregated dimensions. By doing this we could capture a thorough comprehension of the data as it now was sorted by both dimensions, themes, focused codes, codes, and respondents. From this thematization, we identified the following dimensions: interaction, diversity, merits, team composition, recruitment, and organizational culture. After some rethinking and revising of our codes, we landed on only two dimensions as some of them overlapped each other from the start. The dimensions finally ended up in ethnic diversity and merits.
As the thematization was done we moved on to comparing the findings to the theoretical framework. From this we could use the following themes: organization culture, inclusiveness, interaction and team composition, educational barriers, experienced prejudice in the recruitment process, language requirements, and development in language proficiency. However, we did not feel that the question “How often do you work at home, with the clients and/or in the office?” gave us any corresponding answers to what we felt would benefit our research and therefore we chose to leave out the answers we got from it. Other than that the findings from both respondents and sustainability- and annual reports were fit for our study and after the analysis and discussion we could draw a conclusion.

3.7 Trustworthiness

According to Connelly (2016), the trustworthiness of a study indicates the study’s level of confidence in its data, analysis, and procedures used to guarantee the quality of the research. There are four criteria that the quality of qualitative research is based on to achieve good trustworthiness: credibility, transferability, dependability, and confirmability (Lincoln & Guba, 1986).

3.7.1 Credibility

Internal validity is one key criterion that is addressed by positivist researchers who aim to guarantee that their study tests or measures what is fully intended (Shenton, 2004). First, credibility arises already when the purpose of the study is chosen and what type of participants are selected for the study as well as how the data is gathered (Graneheim & Lundman, 2004). Credibility determines whether the findings reflect believable information drawn from the raw data of the respondents. Furthermore, credibility increases when there is an accurate interpretation of their experiences. How the data is then processed to answer the research question credibly is highly important, with too broad text it gets hard to manage, and too narrow might miss the true meaning (Graneheim & Lundman, 2004).

The sampling for this study is a variable that enhances credibility. We ensured that the necessary data was gathered through narrative interviews with a clear selection of respondents following the thesis research question. Because this study aims to evaluate the experiences in audit firms of individuals with a foreign background, the apparent sample consists of people
who have had such experiences, which improves the credibility of this research. Another aspect of this study that affects credibility is the interview guide. There is the possibility that the inquiries provided in the interview guide will not capture all of the necessary information. According to Shenton (2004), this risk can be mitigated by developing a broad theoretical foundation before beginning the data collection process. As a result, the scholars are more prepared and aware of the data that will be processed and from this, we could develop an interview guide. In addition, supervisors and other students examined and discussed the thesis during various seminars and supervision occasions with the goal of improvement during the entire thesis procedure. By using these external checks, Lincoln and Guba (1986) claim that the credibility will increase.

### 3.7.2 Transferability

According to Elo et al (2014), transferability is a term used to describe the ability to extrapolate. It bases its argument on the notion that results can be extrapolated or applied to different contexts or populations. As claimed by Lincoln and Guba (1986), it is the investigator's job to offer enough relevant information about the fieldwork sites to allow the reader to perform such a transfer. The transferability of this study is limited because the sample consists of authorized auditors with a foreign background employed by Swedish audit firms. Because the experiences come from Swedish audit firms, they do not represent a global population. This suggests that the results might not be completely applicable in other countries as the industries abroad might vary from the Swedish.

### 3.7.3 Dependability

Lincoln and Guba (1986) link dependability to credibility and confirmability. Dependability can be proven by demonstrating that comparable results would be obtained if the work were repeated, with the same methods, in the same setting, and with the same respondents (Shenton, 2004). As a result, research on similar studies should be used to guide each stage of the investigation (Lincoln & Guba, 1986). Rigorous data collection processes and procedures help ensure the final data set's trustworthiness (Lincoln & Guba, 1986). However, identical outcomes in qualitative research might be difficult to acquire in the repeated investigation since participants' perceptions alter with time (Shenton, 2004). This risk is lessened in this study.
because the respondents' responses are based on the personal experiences they have had in the past. What might give different answers and opinions to the questions is what and if anything has changed in the future.

Further, to increase dependability it is crucial that the authors of a study have not influenced the results by personal comprehension, preconceptions, and perspectives (Shenton, 2004). To guarantee the dependability of this study, the data was reviewed using scientific research from the literature research. Additionally, the papers were discussed to reduce misconceptions about the literature review.

### 3.7.4 Confirmability

When credibility, transferability, and dependability are all fulfilled, confirmability has been established (Lincoln & Guba, 1986). Keeping objectivity throughout the study is one of the investigator’s concerns as the researchers' preferences should not influence the results of experiences of the respondents (Shenton, 2004). When data are double-checked and evaluated throughout the data collection and analysis phase, confirmability of qualitative data is ensured, making sure the findings have the potential to be duplicated by others (Shenton, 2004). To achieve perfect objectivity is difficult in this study as the questions in the interview guide were developed by the thesis writers themselves. However, personal influence has been reduced because the literature evaluation has served as the foundation for the thesis writers' judgments. Furthermore, current literature research supported the study's methodological strategies. This allows third parties to validate the study's confirmability. The study's conclusion is completely dependent on how the empirical data agrees with the literature review. In addition, all individuals were compared on the same terms and under the same conditions.

### 3.8 Ethical considerations

When conducting research, different ethical concerns should be considered. Informing participants about the study's design and the results of their participation is one of these crucial ethical obligations (Eriksson, 2018). When contacted, the respondents were informed about the purpose of our study, why they would fit our research, and their right to accept or decline their participation in it (Appendix 2). Before the start of the interviews, the participants gave their oral consent when asked if it was okay to record them, solely for the purpose of transcription,
as the recording would be deleted right after. To protect the individual's integrity, all material in this study was handled confidentially, thus the research results are published entirely in an anonymous form. Participants were informed about their anonymity and rights before the interviews. The information gathered has been used exclusively for the intended objective of this study and has not been made accessible to unauthorized parties. As some information can be sensitive to participants they can therefore feel safer with sharing their experiences anonymously. Orb et al. (2001) emphasized the importance of showing respect, justice and offering anonymity as it might harm or risk the participant or their workplace when speaking freely. Therefore the name, age, city, and firm is not mentioned to ensure anonymity.
4. Result and empirical findings

This chapter contains findings of the responses by the participants from the interviews. The material is organized into subheadings based on the aggregated dimensions and themes derived from the data analysis. The first aggregate identified is ethnic diversity pursued by the three themes: organizational culture, inclusiveness and interaction, and team composition. These are then followed by the second aggregate merits pursued by the four themes: educational barrier, experienced prejudice in the recruitment process, language requirements, and development in language proficiency.

4.1 Ethnic diversity

4.1.1 Organizational culture

In the sustainability and annual reports of the Big Four firms in Sweden, ethnic diversity is not defined. Instead, the emphasis is on identifying the concept of diversity, which is a broad term as it includes several elements. According to the firms’ reports, diversity is about including people with different backgrounds and prerequisites (Deloitte, 2022b; KPMG, 2022b; Ernst & Young, 2022b; PwC, 2022b). Furthermore, the respondents do not specifically define ethnic diversity, instead, they discuss the phenomenon and how it is perceived in the firm. One respondent narrated:

[... ] Diversity is about not prioritizing Sweden over anyone else or Swedish people before anyone else (R1).

Many of the narratives from the respondents' early professions had comparable anecdotes and experiences from the industry. It was stated by R1, R2, R3, and R5 that they were one among the few people, if not the only one, with an apparent foreign background at the dawn of their careers. It was explained by respondent 3:
When I started, I think I was probably the only dark-haired person in the entire department, kind of. Everyone was blonde, and everyone was called Anders or Anna, or something like that (R3).

It was also mentioned by another responder that:

When I started, it was probably in a group of 50 people, so maybe it was just me and someone else, I don't know, someone like from Finland (R5).

Moreover, a respondent further explains:

[...] it was much, much less limited, so much less crowded than it is now (R1).

The same respondent continued explaining how low the number of foreign ethnicities was seen in the firm in the early stages of the respondent’s career. It was highlighted by the five respondent R1, R2, R3, R4 and R5 how they have seen a change for the better in their firms. Respondent 4 explained that the change in the proportion of employees with a foreign background can be due to:

[...] there is greater acceptance of people [in society] with different backgrounds now than before [...] you see people for who they are [in the firm] rather than what they look like and what kind of background they have (R4).

The respondent is clear in the expression that employers, the industry, and society as a whole have matured and broadened their mindset in regard to people of different cultures. What was expressed by all of the respondents was that their firm’s cultures have changed due to better understanding of other groups of people. The society reflects the firms’ way of thinking and acting, and with a more welcoming culture and a digitalization that provides support for organizations, the more is learnt by time. To assist the statements respondent 3 claimed that:

[...] Today, we are more open to hiring people from different backgrounds than we were 20 years ago (R3).
When discussing the ethnic diversity concept further, several respondents expressed that the auditing industry has evolved. All respondents agreed on and confirmed that their departments are represented with people with different ethnicities today, where ethnic diversity has increased substantially and progressed. Additionally, respondent 2 mentioned that the ethnic diversity in the auditing industry is still low even if it is considerably higher than in the beginning of the respondents’ careers. Respondent 4 endorsed this by saying:

Not many authorized [auditors] and partners have an ethnic background other than Swedish [...] but we have today many employees that have moved to Sweden so today it is very mixed with ethnicities [in the firm] in comparison to before (R4).

In line with that, respondent 6 narrated:

There are a lot of them [people with other ethnicities than Swedish], we have many who came to Sweden as adults, and when I look around me, yes there are many Swedes, but I see that they have come to Sweden and, I'm talking about they may have come to Sweden as children and went to school here and university and there are many different ethnic backgrounds [...] diversity is important for us, we have different backgrounds working here (R6).

Respondent 6 continues to explain how their firm has an estimated 100 employees and four of them are Ukrainian, several are from the Netherlands, Turkey, and plenty more countries. The respondent extends this by saying that there is no exact percentage of ethnic diversity in the firm, however, it is evident that many have a diverse background. In the annual report of F4, it is briefly stated that diversity and inclusiveness is an essential parts of the firm which conforms to the claim of respondent 6.

In accordance with respondent 6, respondent 3 states that the firm’s culture has evolved in ways that are tailored for each new ethnic group that joins. In the firm of respondent 1 a sustainable concept has been evolved to maintain equality in various diversity aspects:

[...] what is important for us is like, the individual is important because it is what is ours… our individuals are like our technology [...] So it's very important to us that we've kind of developed a sustainable concept. It means that you, as an individual, should get
the rightful opportunity to do your job regardless of what… yeah, background, color, ideology, religion, gender rights (R1).

In addition, when talking about colleagues and new people entering the firm, respondent 1 highlights the importance that everyone should get the assistance and encouragement they need to be able to perform at their best. The respondent continues to state that:

[...] there is no such thing as looking at ethnicity at our workplace. It is about making people feel at home and working as a unity under the firm’s name no matter who you are or where you are from (R1).

The different ethnicities can support and develop new perspectives in a firm according to several respondents. Respondent 4 talks about the opportunities a firm possesses when hiring individuals with different backgrounds

[...] There are huge opportunities [when hiring people of various ethnicities] with that as well because you see things from a different perspective and you are more progressive and help to sort of push things forward in a different way than we do not do in Sweden (R4).

The respondent further expressed their hopes for the firm and industry to evolve its multiplicity regarding ethnicity and gender equality which also provides a confirmation by the respondent that even if the firms have evolved the last decades, there are still more to be done. The respondent express it as follows:

[...] I believe and hope that it is like a matter of timing that in 10 years, like when I pull out that list of authorized people [the list published by FAR on authorized auditors], that there are more women but also that there are more people with foreign surnames, like so that not only white men in blue suits like with a little more mix, a more modern auditor perhaps (R4).
4.1.2 Inclusiveness

Inclusiveness of all types of individuals is an important standpoint for all firms. When asked if and how ethnicity is discussed at the work, everyone gave a quick response that implied that it is not discussed at all but rather they work with ethnicity in ways that reflect inclusion. One respondent concludes that:

So if I'm going to be completely honest, it [ethnic diversity] is not discussed. It's not discussed very much more than like how someone who comes to Sweden from another [the firm’s name] country. How does that person get the right conditions to enter [the firm’s name] Sweden. The way we work in [the firm’s name] Sweden, you get someone like a coach who has perhaps made a similar trip or been to another country so that you know what it's like to be from another country. The people who come then [from another country], there is a community for them so they can sort of hang out with each other (R1).

Respondent 4 from the same firm gives a rather similar response:

[...] We are rather very Swedish. It is that nobody is allowed to discriminate and so you do not think directly about ethnicity (R4).

A comparable observation regarding the inclusiveness at their firm was given by respondent 2 who expressed that:

I don't think we talk about it that much, but it's just so obvious that we are an inclusive workplace [...] I think we've kind of taken action to act so that everyone feels involved [...] we [including the respondent] have removed all barriers that existed so that everyone feels included at the firm. For example all meetings have been held in Swedish before and now it is both in Swedish and English so we do not exclude anyone (R2).

Additionally, respondent 3 has a similar reaction to the question and expressed how recently held lectures had taken place to include employees of all origins:
[...] Just two weeks ago we had a lecture series for everyone in the firm [...] there was a new expert each session who talked about different types of "inclusion", "diversion", etc. [...] we speak everything [at the lectures] in English and it's so that everyone can feel that they are involved [...] because there are so many of us who are of different origins, no one really cares anymore [about the language spoken] (R3).

In line with respondent R3, the firm states in its annual report that diversity and inclusion are important standpoints where diversity, equality, and inclusion in terms of gender, age, background, and other aspects result in creating more value. Moreover, the annual report incorporates another report, namely their report on DEI. The purpose of the report is to gain insight into work and initiatives that have been performed or are about to be by the company such as the lectures on “inclusion” and “diversion” mentioned by respondent 3. The initiative aims to develop a more diverse and inclusive workplace. They follow certain focus areas and conclude that previous results on these areas show that they still have work to do to improve and in the same sentence claim that they are moving in the right direction (F3).

Lastly, respondent 6, like many others, reveals that ethnicity is not necessarily discussed in the work between coworkers, but rather dialogues are held to include various individuals in conversations regarding upcoming celebrations and traditions:

[...] so of course there is discussion as there are different cultures here, so for example celebrations and traditions, but not more than that (R6).

In the firm of respondent 6, it is stated in their annual report that they have created an environment that is meant to promote people in expressing their personalities as well as giving them space to have different perspectives and opinions. Through this initiative, they contribute to a work environment that is dynamic and characterized by new ideas and insights from people with different backgrounds and experiences (F4).

Several different answers were given by the respondents when discussing whether or not the firms implement any type of policy regarding ethnicity to either increase it or retain it as it is. Every firm has either an annual report or a sustainability report that outlines the values, objectives, or visions of some form of DEI initiative that they are said to work with. However,
several of the respondents mentioned that they did not recognize what specific initiative or tools they had in their firm. Respondent 5 narrated:

I think that we have it [policy regarding ethnic diversity], like when you hire, that it should be mixed and try to get both male and female but also foreign people, not only foreign-born or second-generation Swedes, but also people from other [the firm's name] countries (R5).

Besides the evidence from respondent 5, the annual report supports respondent 5’s claim by stating that equality and inclusion are important in everything they do where they aim to have an inclusive culture. In addition, the firm measures the gender representation, representative mix in the management team, and cultural background which according to the firm helps drive them towards their yearly goals in DEI developments (F2).

Respondent 1 states that there are no specific policies in their firm regarding diversity issues, but that the firm rather works with treating everyone alike and not choosing one person over someone else because of their background. The respondent said:

[... ] There is of course, there is a policy for everything, but, but I wouldn't say that we follow a policy to work with diversity. It's rather that we don't, uh, we don't prioritize Sweden over someone else or Swedish before anyone else (R1).

The same respondent continues to say that they in the firm consistently use English as a working language all day, every day which according to the respondent reflects how they work with diversity without a specific policy. The respondent narrated:

[… ] There is nothing that indicates that we are not working with diversity and therefore need to think about working with diversity (R1).

While the respondent mentions that they do not have any policy for ethnic diversity, the firm’s annual report states that they do in a section explained as equal opportunities for all. The strategy works towards an equal and diverse workplace where the initiative is presented as to give everyone fair treatment in the firm through impartial career- and recruitment processes regardless of gender, age, disability, gender identity or expression, ethnicity, religion, or
sexuality. Furthermore, they have incorporated a policy against discrimination which supports respondent 1’s quote regarding Swedish people and non-Swedish people receiving the same treatment in the firm (F1).

Respondent 4 presented a very similar answer regarding their policy as respondent 1 has made previously. The respondent exhibited that they did not know of any policy or guidelines that would look into any increase in ethnic diversity but rather:

[...] On the contrary, that no one should be discriminated against (R4).

The respondents claim that what is important is not how many people of a foreign background you hire or have at the firm, but that everyone from the start should be treated equally which in turn includes every individual and puts focus on inclusion and fairness for all. Respondent 1, from the same firm as respondent 4, however, acknowledged how they work with their diversity strategy through a project and mentorship:

[...] We have to give back, back to society in the form of diversity, so for example we are like a main sponsor of a project [...] where there are people who are non-Swedish who have an academic education who come to Sweden and we then try to help them get into working life in Sweden (R1).

The project explained by respondent 1 consists of mentorship for newcomers. In the firm's annual report, the mentorship project is mentioned which is in line with the respondent’s claim. The project encourages both employees and managers to take part in the program in the shape of a mentor to secure internal communication and provide overall inclusive information that is available for all. According to the firm, the main purpose of the mentorship project is to increase the proportion of employees with another ethnicity than Swedish (F1). An example was given by respondent 1 regarding the year prior where the person was a mentor for a man from Pakistan that had worked in finance in Pakistan as well as Dubai. Despite having experience in finance, this man had trouble finding employment in Sweden. Through this mentorship, he received advice on how to strengthen his resume and locate the best forums and was hired just four months later. Relatable to this project, respondent 3 mentioned how they tried to capture auditors from Syria in times when the immigration was big, it was said that:
we had a big wave of immigration from Syria, then if there were any Syrian auditors and so on, we could quickly bring them in [into the firm] (R3).

With this, the respondent wants to highlight how people of foreign backgrounds will increase in the Swedish firms, it is just a matter of time and education. Furthermore, respondent 2 gave an example of how they work with inclusiveness in their firm:

small funds just like this, as on Monday, for example, I held a video presentation for all employees in the audit department in Sweden, approximately 18,000 people. Historically it would have been in Swedish and then we would have excluded that maybe 150 people who don't speak Swedish, so what we did on Monday was that I gave a half-hour presentation first in Swedish, then I had the exact same presentation with the same pictures in English and that's just as well as a small example of us now realizing that we cannot exclude 10% of the population who do not speak Swedish (R2).

Respondent 5, who belongs to the same firm as respondent 2, cannot think of what the DEI initiatives that their company highlights in their annual report are. Despite this, the respondent points out:

but it has paid off anyway. So that's positive. Eh, there are significantly more people with other backgrounds today than many years ago, so obviously it has *hehe* contributed to something good (R5).

4.1.3 Interaction and Team Composition

All respondents mentioned that they work with people of various ethnic backgrounds both in Sweden and across national borders. Their organizational culture involves interacting with individuals across multiple continents, due to the technological digitalization in working mode. Video calls are used daily for several of the respondents and respondent 1 explain the current location of the team members as:

in my team I have a guy from Poland who is placed in Poland and works from there. I have a guy from China [in the same office as the respondent]. I have two from India,
I have one from the USA… two from the USA, I have one from South Africa, I have one from Albania, I have... Yes, it's like in my closest team that I kind of talk to on a daily basis (R1).

When asked about how frequently interaction takes place with other ethnicities, all respondents agreed on having interaction with different ethnicities daily, whether it was at the office, through video calls or at a clients location. One of the respondents said:

It is daily, it is several times a day, so that on all my large teams I have at least one person who does not speak Swedish (R2).

In line with that, another respondent narrated:

[...] But it's also not a problem considering that everyone outside their little bubble in Sweden works with other [the firm’s name] countries, so you've already been involved in working with someone in another country or something like that, so it's not like a problem that ‘oh now we have to rethink here’ but all that, all that is already built into like in the system of being a cross border network. If you compare it with, for example, [name of a clothing company]. Then you sit in [name of a clothing company] Sweden, you sit in your office, you talk perhaps primarily with [name of a clothing company], in your small office, while we sort of exchange people digitally, remotely, we exchange working papers, we have interactions with each other across, like, national borders. We evaluate each other across national borders, we sort of have much, much more to do with each other on a daily basis (R1).

All respondents mention that the collaborations are very natural and occur with no conflicts. Sure enough, there are various cultural differences in the firms, but these differences do not result in any conflicts according to the respondents. One respondent expressed:

[...] it's clear there are a few cultural differences, but there's nothing that somehow limits the ability to work together, I've never experienced that. But it's clear they feel, see certain differences in, like, how it is in Sweden and like versus their own countries, but nothing that seems to become a problem in the work (R4).
According to all respondents, the entirety of assignments requires at least some level of teamwork. Respondent 1 expressed that in the respondent’s team, interaction and collaboration with different people regardless of ethnicity is essential. The respondent continues by elucidating the daily teamwork that occurs with people from Poland, India, the US, China, Albania, and South Africa. In addition, the same respondent states that anyone from anywhere can enter a team when moving across borders since they have a common work system worldwide expressed as

[...] Same system, same methodology, same, i.e. same working papers, same templates, same everything. So when someone comes from Brazil to Sweden, it's not that there's a start-up introduction of one year, you can basically just get into it [the work] right away (R1).

Respondent 2 argues that all big teams have at least one team member that doesn't speak Swedish. Respondent 5 asserts that their firm finds it important to have diverse teams and narrated:

[...] of course we're talking about having diverse teams and like, and, and you can see it, it's a good mix among people who work with us (R5).

In line with that, respondent 3, express the process of putting together a team:

When we put together a team, we simply look at the calendar. It starts with the customer saying that we need our financial statements reviewed at a certain time and they need to be able to sign their annual report at a certain time. Then we start by finding out who is available in the particular week that the customer wants us to appear at their place, for example, then you have excluded lots of people who are already booked in for other assignments. [...] And then you need to have from each different level, that is, an associate, someone who is perhaps a senior associate, perhaps someone who is a manager, someone who is perhaps a partner. So it depends on how large and complex the assignments are (R3).

However, the same respondent explains that there is one aspect that can influence the selection of team members:
[...] ethnicity does not exist at all except for one aspect and that is that sometimes the customers may actually express that they do not want someone who is not Swedish-speaking. And then it may be that we naturally try to make it possible to have Swedish speakers. And if we can't do that, the customer can choose to either continue with us or turn to one of our competitors because we can't offer anything else. But offering someone that is Swedish-speaking does not exclude people with another ethnicity than Swedish but only people who absolutely can not speak Swedish and it is often people that are borrowed from other countries (R3).

Respondent 5 also expresses that the team composition is based on the client’s demands and the complexity of the assignment and continues to explain that having diverse backgrounds represented in the teams occurs naturally:

[...] Of course we focus on the customer's needs and like the best possible staffing that you can do, but as far as possible, we would never be able to have a team with just a certain background, we try to think so that there is a good mix between girls and boys, different levels, different skills and then it becomes natural that there will also be different types of backgrounds as well.

In similarity, Respondent 6 also stated:

I would say that ethnicity is not one of the factors that matter when we choose teams. It's just the way it is, the important thing is knowledge and experience, what you can do and it's not affected by ethnicity

4.2 Merits

According to all respondents, merit is about a person’s experiences, competencies, and qualifications. When hiring people for audit firms, all respondents stated that ethnicity is not a parameter when choosing candidates. For example, respondent 3 narrated:

[...] ethnic backgrounds are not a parameter when we hire people. The only parameters that are relevant are a person’s merits, experience, and knowledge (R3).
The respondents argue that they search for driven and result-oriented people. The person’s experience, knowledge, and ambition level are vital to get the job. In line with all respondents, one respondent narrated:

We really evaluate our candidates, I would like to say completely on how good their grades are if they don't have such outstanding grades, they may usually have done something else on the side in their CV, in other words they have run a company or been very active in the student union, then they are welcome to these first interviews and even if they have been active in sports. We are looking for people who are driven. So that's why we like to have high performers and we're looking for brains to be honest. Anything else is completely irrelevant, however, I can sometimes look more for one gender than another when I was the hiring manager that I was under 6 years, then in that it was incredibly important for me to have about half half so could this mean that in certain periods we had to search for more boys and in certain periods more girls. But the background was completely irrelevant [...]. But no, I can't honestly say that ethnic backgrounds are at all a parameter when we hire, when we retain, I also don't really know why we would be treating people differently (R3).

Another respondent implies that this has changed through time. The same respondent meant that it was harder for people of another ethnicity than Swedish to enter the auditing industry while nowadays an important factor is what the person possesses in terms of knowledge and experience instead of their background. The respondents further say:

I think that there is a greater acceptance of people with different backgrounds now. I don't really have any evidence, like empirical evidence that can say that it is so but I think it was more difficult for a girl with a veil for example to be employed in 2004 than in 2023 [...] it would be my feeling in that case like and there is a bigger like acceptance [...] you see people for who people are rather than what they look like and what their background is like (R4).

Furthermore respondents 1 and 6 phrase the relevance of the merits of an individual rather than the background. They see no point in including ethnicity as a parameter when hiring as the essential determinant is the qualification a person possesses. Respondent 6 justifies it by stating:
 [...] We don't hire a person because of ethnic background, it's just experience and knowledge (R6).

Not only when entering, but also when promoting an employee, the only parameter is merits according to respondent 2. The respondents narrated:

 [...] There was a discussion on whether or not to promote an auditor because he was Australian with no Swedish education or authorization. This was one of the reasons that made us remove these barriers for people of foreign background to advance in their career. “[...] today, it's the skills, it's the experience, it's the ability [...] in the last 5-6 years we've removed all the barriers that have stifled career opportunities” (R2).

4.2.1 Educational barriers

All respondents agreed that it is a long and difficult education, and it is therefore very tough for people of another ethnicity than Swedish to enter the auditing industry and even harder to become an authorized auditor. Respondents 5 and 6 argue that becoming an authorized auditor is hard for people who have another background and another native language than Swedish due to, among other things, the long education. Respondent 4 describes the difficulty in becoming an authorized auditor:

 [...] To become an authorized auditor, you still need a high school education and then a university education and then you must start working at an auditing firm and you must work for at least 5-6 years a little dependent when you write the exam. And if you add it up, it's almost like a 15-20 year investment. Then it must have been anyway, for the first generation I think it is almost impossible to come here and become an authorized auditor even if you worked as an auditor in the country you come from because you have to learn Swedish, Swedish tax law. so it is clear that it is possible but much more difficult (R4).

Auditing as an industry is known to have high requirements when applying to it. Some of the respondents mentioned how the firms used to have several tests and cases that applicants had
to perform in the recruitment process. When talking about why there have been so few foreign-sounding names in the auditing industry, more specifically authorized, respondent 3 contends that:

[...] It's not that all immigrants can't, but, but, if we look at the vast majority, I think it's very difficult for them to actually take this type of job because it requires a long, long education and so on. On the other hand, their children, to the extent that they have gone to Swedish schools and, and made it through, that is the type of employees I have around me now. They're in their thirties, so they're on the go. So there will be more and more foreign names, I'm entirely convinced of that (R3).

Another respondent believes the low number of authorized people with foreign-sounding names and backgrounds in the industry is because of the requirement to work at least four to five years to even get the chance to become authorized and when performing the authorization exam it contains very difficult Swedish language overall which can be hard for some to conquer. These individuals have to either stay put as a regular auditors, move on to another department or quit.

4.2.2 Experienced prejudice in the recruitment process

At the very beginning of the five respondents' careers that started in Sweden (R1, R2, R3, R4, and R5), they all had similar perceptions and experiences of the recruitment process. The five of them did not feel that their name or ethnicity had any impact on their chances of getting the job they wanted, whereas one started their auditing career in another country and could not comment on the Swedish recruitment process. Several of them applied for more than one firm when they started looking for auditing jobs but not everyone got a response back from each firm. Why some firms decided not to respond to the applications of the respondents they do not know and cannot pinpoint exactly why they had been declined. Moreover, one respondent applied for a firm in a year of recession and got declined work. However, the same person put in their application a year later and got accepted to the same specific firm they had applied for the year before. Therefore the respondent themself felt the first decline was not because of their lack of qualification for the job or personal expression, but rather because of the recession as firms overall accepted a restricted amount of candidates. One of the respondents described the chances of getting a job in the auditing industry as:
[...] it doesn’t really matter what your name is. It's like the perception you give in, in your interview, who you are. If you haven't done well enough, then that's why. Not what you look like or what your name is (R1).

Having this past narrative in mind, two respondents have experienced distinct prejudice against them through for instance job interviews and throughout schooling. Because of the respondent’s name people have expected them to not be able to speak Swedish and for one of the respondents people even anticipated the person to look different. One respondent shared an anecdote as follows:

[...] I think I probably had a little uphill battle until I got into the room and opened my mouth. [...] it was probably not the name, although it's funny, but it was that I could speak Swedish. [...] I remembered when I was in a job interview, I don't remember which one it was but it was obviously one of the Big Four, and then someone came out and said “yes [respondent's name]” and so I get up and then I go towards her and she said "no no it's not you" and then they expect me to look, considering the complicated name that it is someone with black hair or a black person (R2).

The prejudice connected to a person’s name becomes very explicit in situations comparable to the respondent’s above. The respondent continued to affirm that as long as the respondent got the chance to get into the room of any held interview, people would see the respondent for who the respondent is and not based on any prejudice they had already made upon the person.

4.2.3 Language requirements

Looking back in time when the respondents started their auditing careers or had been in the industry for a while, it was a requirement to master the Swedish language to be hired by any of the firms according to all respondents. The five respondents R1, R2, R3, R4, and R5 that started their careers in Sweden all mentioned how important the Swedish language was in the audit industry just a couple of years back. Respondent 2 narrated:
If an applicant only knew English, unfortunately he or she would most likely not even get an interview before [...] You never hired someone who didn't know perfect Swedish before (R2).

Through time, technology as well as exchanges of people and knowledge across countries has been of vital importance for the industry’s development, especially in the recruitment process. It was mentioned by the five respondents R1, R2, R3, R4, and R5 that people they borrowed from other countries belonging to the same firm and those working together through video calls have made an imprint on the firms’ way of working. One respondent spoke about their firm and how it has changed over time in regard to the language proficiency:

[...] To the extent that you before only searched for ‘birds of a feather flock together’ [kaka söker maka] so to speak, it is like “gone”. I think that there has been a lot because we have historically borrowed a great deal of people from abroad and then seen that people who don't know Swedish are doing great too. However, there are certain problems for those who cannot… who are not authorized, as there is a ceiling as to how far they can go in our organization (R3).

Furthermore, respondent 3 spoke about how the firm a long period has borrowed auditors coming from the same firm, but from another country, for example, Poland, Albania, and The United Kingdom. Exchanges such as these have facilitated several of the firms in their efforts to break down the language barrier for new entrants in the firm according to the respondents. The organizational change for language barriers has opened up to new opportunities for both employees and employers. In the past you did not get a chance without being fluent in Swedish. Respondent 4 continues to confirm this:

In the past it was a requirement to know Swedish. If you did not know Swedish, you did not get the job (R4).

Moreover, every respondent described how today there are new requirements in their firms regarding proficiency in Swedish. It is stated as there is no need to know Swedish to get employed or move over borders between the firm’s offices, as long as you at least dominate the English language. This applies to both audit associates as well as partners transferring from one country to another. Respondent 1 describes it as:
If a person comes from another country, the person does not need to learn Swedish as long as he or she knows English (R1).

Respondent 6 mentioned the opportunity for foreign authorized auditors that got their authorization in other countries in European Union than Sweden to translate it by stating:

[...] Those who are authorized auditors in other European countries. For them, translating their authorization in Sweden is a simple procedure (R6).

However, what is mentioned by respondent 6 is that the actual authorization examination in Sweden is only available in Swedish in a two-day written exam. This means that even if you have the expertise and credentials necessary to succeed as an auditor, without any authorization, there is no chance of completing the exam if you have no, or very narrow proficiency in Swedish. The respondent explains the chances for individuals who have recently moved to Sweden as:

[...] For everyone else, there's just no option for that, you have to write two days of exams and it's hard for a person with a foreign background. So that… I can speak Swedish with you, that does not mean that I can write so easily (R6).

According to respondents 5 and 6, the language of the authorization examination can be an explanation for the low proportion of authorized auditors of another ethnicity than Swedish. Their reflection on this issue points out that the importance of mastering the language is what sets the barrier for an individual. Respondent 5 narrated:

[...] I experienced it myself that it was very difficult, that is, specifically linguistically, that there may be certain terms that you did not come across before. I remember that when I was studying for the exam there was a question about the competence of the committee that for me was not a competence but a personal trait. For me competence is about education or that you master something. But this was something else then I felt like this but god I'm going to miss the exam because I don't know Swedish well enough [...] it's a difficult language and like it's of course the language can make it a bit difficult (R5).
For people that have moved to Sweden for different reasons, the chances are low to advance in the auditing career without an authorization according to respondents 5 and 6. It was further mentioned by respondent 6 that these people can only conquer a certain level in the audit industry. Respondent 6 further continue to state that hopefully in the future, the exam will be available in English as well:

[...] Yes, I hope it [exam available in English] will in the future. I see, I have many colleagues who are managers, senior managers in auditing who are experienced, but they cannot write the test. They do not have authorization in another country so for them there is no way to do it, only if they learn Swedish and can write the exam (R6).

4.2.4 Development in language proficiency

According to all respondents, internal communication is remarkably different nowadays than it was a few years back. A few decades ago, the thought of implementing English as a daily work language was not on the board, but today each one of the six respondents indicated that they use English extensively when interacting with coworkers and clients in Sweden, as well as with business colleagues abroad. One respondent highlights their company's progress in language development:

So, it's obvious the language, like the more and more people speak English [...] it's apparent it can be a limitation for some, if you feel that it's not even your best language but I probably wouldn't say it's a huge problem. Like, maybe it’s a little harder at the beginning but then it kind of works, it goes well. But I think we've gotten better at it too, so it's obvious when you work for a Swedish company in Sweden, you want to speak Swedish in what's like your natural language, but it's become more and more common with, like, meetings that are held in English and so that people feel included (R5).

Historically the firms have had all the internal communication such as meetings and lectures in Swedish and the adaptation process to change from your native language to English is what can
be of most challenge for employees inside the firm according to respondent 5. Another respondent also acknowledged that:

 [...] If you walk through the workplace you will hear more English than Swedish (R2).

Moreover, one of the respondents described their workplace as very influenced by people who have moved to Sweden to work that started their career in the same firm, but in another country. This has required one of the firms, in particular, to add English as a standard to accommodate everyone:

 [...] So, for example, the people I work with, we have people not from Sweden who come from another country, India, South Africa, USA, Denmark, Holland, Italy, Brazil, so it's like very... China, so it's very like scattered where you come from another [the firm’s name] country, but then of course there are people like me, who are not or have Swedish as their mother tongue [...] we speak English at work and all systems are in English. English is [the firm’s name] language (R1).

Similarly to respondent 1, another respondent have experienced a similar work culture at that person’s firm when it comes to language exchange. The respondent explains it as follows:

 [...] like yes, we speak everything in English and it is so that everyone can feel that they are included. So we do not even have Swedish as a working language, so even if it later turns out that in the department, you often speak Swedish if it is a Swedish speaker, but as I said, we have many who only speak English, but they only speak English naturally (R3).

The quote by respondent 3 is further supported by the firm’s annual report as they state in it how they work closely with two other countries from the same firm. Because of this they recently implemented English as a working language to include everyone for example in meetings, lectures, and when mailing (F3).

Respondent 6 has resembling experiences in the firm and can confirm that the English language dominates in the department they work at. However, Swedish might be used to a larger extent in other departments which the respondent feels is of both advantage and disadvantage. A
newcomer to Sweden who wishes to increase their vocabulary may benefit from learning
Swedish, but due to their limited comprehension, they risk missing out on crucial information.
The respondent describes it as:

[...] in the department I work, we speak English quite a lot in our internal
communication. And other departments, they may choose to speak Swedish and on the
one hand it helps for those who have come to Sweden for them to learn Swedish faster
but on the other hand it is more difficult for them because at the beginning they may not
understand everything that is needed (R6).
5. Discussion and Conclusion

In this chapter, the findings will be analyzed and discussed in relation to the theories and definitions exhibited in the literature review. The chapter starts by introducing a model developed by the authors that provides an overview of the analysis. The discussion and analysis then proceed to debate the themes connected to ethnic diversity, followed by merits. Subsequently, a conclusion will be drawn based on the discussion followed by the contributions of this study as well as limitations.

![Figure 1 - Model for Ethnic Diversity in the Audit Industry Developed by the Authors](image)

5.1 Ethnic Diversity

Ethnic diversity, according to all respondents, has increased and changed for the better. Darvishpour and Westin (2015) argue that due to the cultural standards varying throughout communities, individuals from different backgrounds may find it difficult to fit into a new society. People of a different ethnicity than Swedish may encounter exclusion as a result which results in the creation of minority groups (Darvishpour & Westin, 2015). As previously mentioned in the findings, the majority of the respondents stated that when they started working
in the auditing industry, they were among few people if not the only ones who have another
ethnicity than Swedish. Despite this fact, the respondents implied that the firms promoted ethnic
diversity. The respondents explained that there is a huge difference between how it was then
and how it is now. In accordance with all respondents, we can state that this change is due to
societal development where society has a greater acceptance of people’s differences, which in
turn has influenced the audit industry. Do (2023) and Rafferty (2020) explain the term indirect
discrimination which is about imposing different standards and demands on some groups which
in turn disadvantages ethnic minorities. Indirect discrimination is not occurring at the Big Four
Firms according to all respondents, instead, it was stated that inclusiveness is one of the core
values and a very significant standpoint at the Big Four firms. This was supported in each of
the annual reports as discrimination against any human being leads to drastic consequences.
Furthermore, the previous study conducted by Workday and Sapio Research showed that only
70% of managers in Sweden believed inclusion and equality are important and the respondents
as well as the annual reports showed support to be a part of those 70% (Lenngren, 2021; Teklu,
2021). Discrimination in any form is not allowed and when asked about how the term ethnicity
is discussed at the workplace, we received corresponding answers. Ethnicity is a non-issue and
is not discussed at the workplace except when working on this topic. Not discussing ethnicity
at the workplace seems a given, but at the same time, this implies the eventual existence of a
silent culture at the Big Four. According to Terjesen and Sealy (2016), ethnic minorities are
seen as low-status groups and their differences from natives put them at risk for discrimination
and stereotypical classification (Berry et al., 2006). However, even if the firms have diverse
ethnicities and ethnic minorities in their teams, there is no evident discrimination or low-status
groups today or even before when the respondent first started their careers. The employees are
treated equally no matter the origin or appearance which claims the theory is unsuitable to
connect to the Big Four firms.

In numerous ways, the respondents’ answers as well as firm reports are strikingly similar, not
in looks but rather in the content. The objectives and current status of DEI initiatives are
comprehensively addressed in the reports. In addition, the reports emphasize how crucial the
workforce is to the prosperity of the company, which is why they place an intense focus on
equality and inclusiveness. While some diversity aspects almost feel neglected, gender issues
dominate discussions concerning diversification. When reading about inclusiveness, equality,
and diversity in the firms, ethnic diversity does not appear relevant at all to highlight on its own
but is rather a matter of interpretation when reading between the lines. Besides the respondents
describing the initiatives, one of the firms has incorporated a specific DEI report in their annual report. The purpose of the report is to gain insight into work and initiatives that have been performed or are about to be done by the company. The initiative aims to develop a more diverse and inclusive workplace. They follow certain focus areas and conclude that previous results on these areas show that they still have work to do to improve and in the same sentence claim that they are moving in the right direction. However, information regarding people's ethnic backgrounds or other diversity indicators is almost nowhere to be found. Furthermore, it is not apparent whether the topic relates to ethnic background or background in one's career or life in general. Other than the regular annual reports, the US firms have each established a DEI report. Despite belonging to the same company, the US firms have a different approach than the Swedish annual reports. To start with, three of the US firms bring up ethnicity and ethnic diversity on a whole other level, for example, F1 mentions it 14 times, F2 72 times, F3 only once, and F4 94 times. The reports are also filled with models and tables representing variables such as ethnic diversity, race, gender distribution, people with disabilities, and LGBTQ+. It is well described on how many they have of each type of person and full of different processes and goals they each tend to achieve. It is without doubt a completely different setting in the US DEI reports than what is found in the Swedish reports.

Our findings suggest that inclusiveness is very essential for all concerned firms and they continuously work to maintain and improve this aspect in the workplace. However, the fact that all respondents couldn’t come up with what policies or initiatives they have in the firms regarding improving ethnic diversity made us doubt it. At the same time, these doubts disappeared during the interview hearing how they work to ensure that their workplaces are inclusive, how they include all different backgrounds represented at the firm as well as their reports expressing strategies and goals towards diversity and inclusiveness.

When it comes to organizational culture it has been through a lot of changes according to almost every respondent. At the start of their careers, which was a couple of years ago, there was no thought in mind to hire someone that did not know Swedish and neither did the firms provide lectures in English to include everyone. With digitalization happening in society and especially in firms, people could start to work from wherever they wanted, at home, the office, at a client, or somewhere else. The technological external influences have per Alvesson and Sveningsson (2015) developed the firm’s working culture. They further explain how digital communication tools such as the hybrid model have changed the way firms interact with each other. As some
of the respondents stated, they have several video calls per day with people from all over the world, something that was not possible before technological development. Through this, it has been discovered that it is possible to work with people of other ethnicities quite easily. As more and more foreign people have moved to Sweden to work, a larger set of people who do not comprehend the language has been discovered. What was noticed by all the firms was that the culture was not inclusive enough as some were left out of important information since all Big Four firms have employees who did not speak Swedish. According to the respondent, this made the management of the firms change the internal communication from Swedish to English which resulted in changed work language. This is to increase employee satisfaction in line with the study by Paais and Pattiruhu (2020) and to nurture diversity and inclusiveness. Furthermore one of the respondents disclosed how the person themselves had noticed how excluded some of the employees were due to something so easy to fix as the language. Because of this, the organizational culture was changed quite drastically as new adjustments had to be made in their strategies such as providing lectures in both Swedish and English and keeping the emails in English. It can be argued that this is to give everyone, regardless of ethnicity, the same opportunity and possibilities at the workplace. In turn, employees with another ethnicity than Swedish feel a reduced sense of isolation at the workplace which according to Kanter (1977) will be reduced in line with the increased representation of ethnic minorities at the workplace.

According to Alvesson and Sveningsson (2015) something needed to be done to enhance the firm’s performance and minimize any possible upcoming conflicts and strengthen the trust in leadership and management in line with Paais and Pattiruhu (2020) as the change got approved by employees. When taking ideas and new thinking, such as the respondent made when implementing changes in the firm to include all ethnicities, the position of power that the respondent holds becomes a great deal for the firm (Alvesson & Sveningsson, 2015). Alvesson and Sveningsson (2015) argue that the ambitions and interests these high-ranking people possess can change a firm's organizational culture, which has also been made, looking back in time up till now. Overall, as Hosseini et al. (2020) state, a firm's organizational culture is a set of shared beliefs, meanings, and values. If the Big Four firms had not seen or included people of foreign backgrounds, they would most likely not have shared the same ambitions and beliefs as native Swedes. This is also supported by the research made by Phinney (1996a) which justifies that with increased knowledge in society about ethnicities and ethnic minorities, the more accepting and understanding one gets of other groups. From the narrow acceptance of
other ethnicities than Swedish just decades ago to the changed organizational culture today shows that the firms have embraced a mindset equal to Phinney (1996a).

In audit firms, all assignments require collaboration and interaction. The team composition looks very different depending on the complexity of the assignment. The respondents point out that all assignments require collaboration between different divisions at the company and some collaborations take place internationally. According to the respondents, the interaction between employees is vital and since it appears daily, the employees are very used to collaborating with people with different backgrounds. This indicates that what Kanter (1997) stated about members of the ruling group looking for homogeneity in those they ethnically associate with is not applied to the Big Four. Instead, the employees get assigned the assignments that match their expertise and experience best. From these findings, we believe that the workers at the Big Four associate with each other based on their expertise and the assignments and not ethnicity. Furthermore, Hudson et al. (2017) describe how relationships between people who are not equivalent to one another are often weaker. However, all the respondents mention how this is not an issue in the firm as they are filled with different ethnicities and personalities. It was also mentioned in other studies that ethnic minorities encounter obstacles when advancing because of the lack of social and instrumental support (Carrim, 2019; Elliott & Smith 2004; Kameny et al, 2014; Van Laer & Janssens, 2017). In contrast, three respondents from two different firms mentioned that they offer some type of mentorship or support to assist newcomers to Sweden who possesses an academic education. With the assistance from mentors and social links offered by the firms, newcomers have gotten a broader chance to acquire a job they are qualified for. These claims about mentorship are also confirmed by the firm’s sustainability- and annual reports where they describe the mentorship projects.

5.2 Merits

Per our findings, we can ascertain that meritocracy is applied in the Big Four. As Young (1961) stated, a meritocracy is a system in which people are given equal chances based on their merit, which is a combination of talent, ability, effort, and intelligence. In line with Jonnergård et al (2010), all respondents agreed on the fact that entering the auditing industry nowadays is based on a person’s merits and qualifications. Ethnicity is not a parameter when hiring people at the Big Four, instead, the person’s qualifications are crucial. A meritocratic society, according to
Major et al (2007) implies there are few if not no systematic obstacles to a person's success in life, stating that the ethnicity spectra the respondents say is not a parameter when choosing employees is indeed true. What genuinely matters are the experiences and abilities a person possesses to enter a career of choice or advance in it (Alon & Tienda, 2007). Furthermore, the respondents claim that when hiring people, factors like engagements besides studies, grades, and experience are important since it indicates how ambitious the candidate is. Three of six respondents paid much attention to the importance of finding and recruiting the most driven and motivated people regardless of ethnicity which falls in line with the idea of a meritocratic society (Major et al., 2007). In addition, the respondents don't feel that they have been treated unfairly because of their foreign background which according to Darvishpour and Westin (2015) is unusual as those having a foreign background may struggle to be accepted in a new workplace because of cultural differences. As found by Major et al (2007), those who oppose meritocracy believe that extraneous factors, such as ethnicity and origin limit people’s chances in society and work. These factors might have been a reason why there for so long has been low ethnic diversity in the firms as employers years ago were cautious against people belonging to other groups and ethnicities than oneself which causes splits in organizations as explained by the homosocial reproduction (Hudson et al., 2017). As the uncertainty of other groups has reduced, the heterogeneity has thrived because leaders and managers in the firm as well as the organization as a collective have opened previously closed circles and welcomed those belonging to smaller groups (Hudson et al., 2017). In our opinion, the respondents’ argument is critical as the trustworthiness is doubtful and should be reconsidered because of various inconsistencies. It seems like the respondents are attempting to rationalize the homosocial reproduction approach using a meritocratic rationale.

As previously mentioned in the literature, there is strong evidence that implies that people who belong to underprivileged groups and minorities might be empowered to accept their place in society by believing in a meritocracy. These persons are less likely to see themselves and their group as victims of prejudice and discrimination (Major et al., 2002; McCoy & Major, 2007). This evidence is presented in our findings that implies that the respondents do not consider themselves being victims of prejudice and discrimination. Instead, believing in themselves and in the fact that they had the right qualities and expertise has empowered them. According to Carrington (2023), the meritocracy system facilitates the entry of ethnic minorities into the auditing industry. The respondents did not experience difficulties when entering the auditing industry since they had the required merits according to the. We can observe that these findings
are not in line with the theory of Tokenism. According to Stroshine and Brandl (2011), ethnic minorities encounter a range of challenges at the workplace, including feelings of greater visibility, isolation, prejudice, and constrained opportunities for promotion. Our respondents do not relate to these challenges, instead, they argue that they always have been included. However, two of the five respondents that applied for jobs in Sweden mentioned that they did not receive a response from all firms they applied for. One respondent explained that the respondent sent many job applications and did not receive any responses from them. Carlsson and Rooth (2007) and Vernby and Dancygier (2018) made similar studies on ethnic discrimination connected to an applicant's name. If they had a middle eastern name, they received fewer responses from firms which could have been the case in our respondent's situation, however, there is not strong enough support for why they did not receive any responses and we cannot either acknowledge or deny if any ethnic discrimination has been made. Furthermore, according to Wilson (2014), people tend to create preconceived opinions about unfamiliar ideas. One respondent mentioned that at the beginning of their career, people assumed that the respondent was not fluent in Swedish due to the foreign name. These prejudices and stereotypes are an expression of ignorance that creates barriers in an organization and society (Wilson, 2014).

Moreover, all respondents characterize their firm as multicultural that is continuously working with diversity issues. The Big Four firms state that diversity and inclusion are a matter of course in their DEI initiatives (see Deloitte, 2022a; KPMG, 2022a; Ernst & Young, n.d.; PwC, 2022a) but we were able to observe that the focus is almost on gender diversity and the work for more equal gender distribution in higher positions. As highlighted by Cristea (2019), the gender issue has been a topic up for debate for a long period, while the diversity and equality between ethnicities have not, which is reflected in the annual reports of the Big Four firms. The sustainability- and annual reports are also in line with the statement of Edgely et al (2016), Lennartsson (2017), and Realtid (2021), which all argued that women’s advancement and breakthroughs have received more attention than other issues like ethnic diversity. All respondents explain how different ethnicities are represented at the workplace and the number of foreign employees has increased. It seems as if issues or topics regarding ethnicity are a sensitive subject for Swedes, perhaps the parameter is not crucial enough for the firm to further detail in the reports. Ethnic diversity is neither discussed individually in the sustainability- nor annual reports and considering the scarce studies and modest knowledge on diversity among employees (Østergaard et al., 2011), that might be the reason why organizations avoid bringing
it up in their reports. The reports only mention diversity as a whole and how they promote and work towards an equal and fair workplace for all, which further amplifies the firms’ contribution to a meritocratic organization (Son Hing et al., 2011). Furthermore, some respondents do not want us to mention in this study which firm they work at, which also gives us the perception that the respondents do not want the firm’s name to be linked with anything adverse in case of promoting the wrong picture of the firm. The fact that all respondents have high positions in each firm also makes this statement less trustworthy.

Each of the six respondents argues that an explanation for why there are a few authorized auditors with another ethnicity than Swedish in the Big Four could be due to the educational barriers that exist. Bjerk (2008) also asserts that few foreigners have the right qualification to enter the auditing industry. It is a long theoretical and practical education that is hard to manage, especially for the first generation of foreign people (Bjerk, 2008). According to Revisorsinspektionen (n.d.), a minimum of 180 college credits earned during three years of study and three more years of practical training are needed to become an authorized auditor. An audit associate often works for an audit firm throughout the practical training phase. It is possible to take the authorization examination after three years of practice (Revisorsinspektionen, n.d.). Our findings indicate that the hard and long education requirements are barriers that foreigners have to struggle with to overcome it. What was also found by Eriksson and Lagerström (2007) was that even with a significant education, in firms where the educational barrier was high, Swedish applicants dominated which put even greater pressure on foreigners. However, it was mentioned by almost all of the respondents that the second generation is blooming as of now, soon ready to graduate and then start working, which in the respondents meaning explains that the number of authorized auditors may be low today, but in a few years there will be a boom and the ethnic diversity will thrive in all of the firms.

The audit industry is characterized by the “up or out” system that according to Alvehus and Spicer (2012) is an approach that is based on the idea that a person can only hold a position within a company for a finite amount of time before being expected to advance up the career ladder. As Hanlon (1996) describes, firms supervise their employees by exercising some sort of control over them. It is especially shown when the respondents express how employees are chosen to join the firm as the candidates are selected based on merits, and with the correct qualification, experience, and supervision through the years, these people have a larger chance of becoming an authorized auditor and therefore advancing “up” in one's career. As previously
mentioned, to become an authorized auditor after the practical phase, the associate is required to take the authorization examination. The authorization examination is only available in Swedish (Revisorsinspektionen, n.d.) which excludes those of foreign origin that have no proficiency in Swedish but in reality have the correct qualification, experience, and knowledge to take on the exam. This in turn excludes those who cannot master the Swedish language and instead of advancing in your career like Alvehus and Spicer (2012) contend, you have to stay in the position where you are or change direction and department in the firm. Two respondents explained that the reason why there are few authorized auditors can be due to the language of the authorization examination. The findings imply that not managing the authorization examination can be an explanation as to why Sweden has few authorized auditors of another ethnicity than Swedish. Since the audit industry is based on the “up or out” system and employees are expected to advance in the firm (Alvehus & Spicer, 2012; Stenger, 2020), it gives many opportunities but also disadvantages for those who cannot take the authorization examination due to the language issue which in turn makes it hard for these minorities to advance. This is highlighted by Wilson (2014) who argues that minorities face barriers in the organization, such as their language skills, and often have to work harder than the majority group in a firm. The two respondents argue that the audit industry has to reflect societal development further and the authorization examination should thereby be provided in English as well.

To conclude, this study has examined the experiences of authorized auditors with different ethnicities than Swedish regarding inclusion and ethnic diversity. The data from narrative interviews and the information gathered from the firms’ sustainability- and annual reports resulted in two aggregated dimensions: ethnic diversity and merits. This study indicates that all Big Four firms have ethnically diverse workplaces and everyone at the workplace, regardless of background, has the same opportunities and possibilities at the firm. However, entering the auditing industry is still an aspect with uncertainty since we experience that the respondents tried to rationalize the reality using a meritocratic rationale. What was also noticed was how the Swedish sustainability- and annual reports did not include much ethnicity at all, but simply highlighted gender distribution as the most important and thereafter diversity and inclusiveness as a theme for everything else collectively. To estimate inclusiveness and diversity among various groups of people is therefore almost impossible to do in the Swedish firms compared to the US reports that include people of all different kinds. Considering how candid the respondents were when talking about ethnicity in the workplace, there is so little to be found in
their records. In this study, we could confirm the existence of diverse cultures at the Big Four through the experiences of foreign authorized auditors. However, the experiences are not reflected in the firms’ sustainability- and annual reports which can be connected to the silent culture regarding ethnicity that may exist in the Big Four.

5.3 Contribution

5.3.1 Theoretical contribution

Research on ethnic minorities in the auditing industry in Sweden is very scarce. Instead, the focus has been on gender diversity in the auditing industry (Collin et al, 2007; Jonnergård et al, 2010; Månsson & Jonnergård, 2013). There is a lack of research about the experiences of foreign authorized auditors in Sweden regarding diversity and inclusion and we would therefore argue that there is a need for research that examines inclusiveness and ethnic diversity due to societal development. The number of foreigners in Sweden has increased extremely in the last decades and is still increasing (Statistics Sweden, 2023), which further enhances the interest to examine if the auditing industry is reflecting societal development. The theoretical contribution of this study is therefore offering a comprehension of the respondents’ experience and how inclusive and diverse the Big Four is. Furthermore, this study contributes to an understanding of the merits a person needs to enter the auditing industry as one of the main questions was why there are so few foreign authorized auditors in the audit industry if all that matters is an individual’s qualifications.

Furthermore, the findings in this study indicate that the Big Four are inclusive and diverse and work continuously to include everyone in the workplace. We have been able to present the meritocratic logic connected to the experiences of the auditors which supports the idea that auditing is implementing a meritocratic system (Young, 1961). Therefore, the study’s results provide a deeper understanding of the meritocratic logic related to entrance into the audit industry. The theories of tokenism and homosocial reproduction were applied in this study to examine whether or not the audit industry has an industry dominated by a certain type of homosocial group. Previous studies show how tokenism and homosocial reproduction often characterize larger firms where gaps between people are larger and class systems arise. The theories contributed to the claim that a few decades ago homosocial approach was surrounding the industry, but today heterogeneity encompasses the firms, which contradicts the theories. By
this assertion, we discovered that tokenism and homosocial reproduction is not applicable today in the firms we have examined. Thereby, the study contributes to an understanding of why there still are few authorized auditors with a foreign background as the firms are slowly transitioning to an even more diverse workplace.

5.3.2 Practical contribution

As mentioned in the background, ethnic minorities are and have long been underrepresented in the auditing industry (Griffith et al, 2022; Krishnan et al., 2023; Lowe et al., 2001). The gender diversity issue has been in focus for a long time and there are clear ambitions and goals of equality. The ethnic diversity issue has not received the same attention and has not been researched much (Cristea, 2019; Edgley et al., 2016; Lennartsson, 2017; Realtid, 2021; Wallerstedt & Öhman, 2012). When searching for authorized auditors with foreign-sounding names on the FAR database, it indicates that authorized auditors with foreign backgrounds are still underrepresented in the Big Four. According to Osman (2019) and Vesterberg (2015), the underrepresentation of ethnic minorities in the workplace has become a source of debate in Sweden. This study contributes with further complement to the debate on ethnic minorities in the Big Four. By examining this important topic, we contribute with an increased understanding of the experiences of foreign authorized auditors and the barriers that exist today. Despite the contribution of comprehension, this study provides and creates awareness among the firms' HR managers and employers. The findings in this study will hopefully result in recruiting more foreign candidates educated in Sweden. Furthermore, the language of authorization examination has been revealed to be a barrier for foreign employees to become authorized and advance at the firm. By revealing this barrier, we hope that we create a discussion about this topic and that shortly, FAR will provide the authorization examination in English as well. It is important for employees who have the right merits but who do not master the Swedish language to be given the same opportunities. By providing the authorization examination only in Swedish, these minorities are excluded. Given this information, the study gives proof and inspiration to further firms to implement a more diverse and inclusive organization.
5.3.3 Societal Implications

Many research have examined the underrepresentation of minorities, where the emphasis is on women's underrepresentation and advancement, while the underrepresentation of ethnic minorities has been ignored. This study contributes with increased knowledge of the experiences of foreign authorized auditors regarding ethnic diversity and inclusiveness. The findings from our research contribute also to society as it gives insight and guidance to other firms that strive to be more inclusive in their workplace. The firms all have a welcoming and inclusive workplace today, which was not the reality prior. According to our findings, all Big Four firms have evolved which has resulted in changed organizational culture that promotes inclusiveness, diversity, and possibilities to people with low or no proficiency in Swedish. This change can inspire and influence firms to follow this development and offer the same possibilities to all people regardless of ethnicity. All Big Four firms are evidence for operating a business in Sweden while using English as a work language, having daily interaction with all kinds of ethnicity, and being able to work and move across borders within the firms and still keep the business going. However, it is essential to remember that the firms do not specifically mention any goals or progress with ethnic diversity in the firms and the phenomenon is therefore a sign of a silent culture. Therefore, the contribution of this study will drive firms but also society to be more transparent and discuss ethnicity more thoroughly.

5.3.4 Ethical Implications

While having an ethnically diverse workplace is beneficial according to the respondents, it is crucial to take into account how it can be a sensitive topic at the same time. As the results showed, the Swedish sustainability- and annual reports demonstrate barely any recognition of the term ethnicity which can imply either ignorance of the topic or that the topic is too complicated. As it was stated by the respondents, ethnicity is not measured in numbers but ethnic diversity and inclusiveness are still evident at the firms. Nevertheless, in the annual reports of the Big Four firms in the US, it is meticulously ascertained how many of each ethnicity are employed, which position they hold, etc. The reason why the Swedish Big Four firms do not have the same measurements and information about different ethnicities can have an explanation that relies on the Swedish culture rather on the Swedish firms. As follows, the discussion of ethnic diversity with the respondents was perceived as sensitive and delicate, especially when the respondents were asked about how ethnic diversity is discussed and about
the policies that the firms have when working with ethnic diversity. Discussions about these sensitive and complex topics can create an ethical issue since it is barely talked about or measured which can put the respondents in a situation of balancing between being loyal to their firm and speaking freely about their personal experiences.

5.3.5 Limitations and future research

One limitation of this study is that the study is based mostly on the experiences of 6 authorized auditors, but also on the sustainability- and annual reports. There are 1047 authorized auditors in Sweden, and from what we could see 110 of them had some sort of foreign-sounding name per our interpretation and understanding of what a name like that is. We reached out to those who we were almost certain about having a foreign background based on their names. It has been somewhat difficult to gather respondents in which this study’s selection consisted of respondents that we were able to get in touch with and thereafter some respondents through snowball sampling. Since the chosen topic for this study is complex, a larger selection is desirable from various positions in a firm. A suggestion for future research is to expand to selection to get broader perspectives.

Another limitation is that the focus in this study is on the Big Four firms which excludes every other audit firm in Sweden. The Big Four communicate to the public that they promote inclusion and diversity and further express how diversity is one of the core values. The purpose of choosing respondents from the Big Four was to analyze the real experience of employees working at these firms as they have been around for a long time and consist of a large number of employees. For future research, it would be interesting to select respondents from smaller firms since the organizational structure and working conditions most likely is dissimilar to the Big Four. Moreover, through this study, only managers or partners were part of the interviews which could have been a limitation as they are presumably cautious with what they let out. Interviewing audit associates might have given different answers as well as perspectives on how the organizations handle the recruitment processes today. Besides, newly hired today might experience the audit industry and its diversity and inclusiveness completely differently than our respondents do. Furthermore, it would be fascinating for future research to examine the experiences of those who have recently moved to Sweden with no prior knowledge of the
Swedish language or culture as they probably have a whole other perception of the audit industry in Sweden than those born or raised in Sweden does.

This study has focused on the experiences of authorized auditors of another ethnicity than Swedish working at the Big Four. Throughout this process, the awareness of how sensitive the topic of ethnic diversity has increased. People try to avoid this topic as far as possible as noticed when doing a smaller comparison between the US and Swedish firms. Thereby, it would be highly interesting to examine the experience of authorized auditors with a foreign background who have left the industry which by our judgment might open up even more about the industry and give further details. Additionally, to assist people in opening up, a quantitative study could have been conducted. By this method, respondents would be completely anonymous, even for the authors, which could result in a different reality to the questions asked, in addition to having more participants than one usually does in a qualitative study.

As previously mentioned, one reason why there are not many authorized auditors of another ethnicity than Swedish can be due to the long and demanding education that is difficult for foreigners who have immigrated to Sweden these last decades. However, the second generation who are born and raised in Sweden have the same conditions as people of Swedish ethnicity. Consequently, this study would be very interesting to examine in approximately 10 years to see if there is a change in the number of authorized auditors with a foreign background.
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Appendices

Appendix 1

Opening questions

1. Can you tell us a little about yourself?
   a. Follow-up questions
      i. Age?
      ii. Mother tongue and country of origin?
      iii. Are you or your parents born outside of Sweden?
      iv. What education do you have?
      v. At what age did you start working in the audit industry?
      vi. When did you get authorized?
      vii. What is your role/position at the company?

Diversity

2. What does ethnic diversity look like in your workplace?
   a. F1: In your annual report it is stated that you have developed a diversity and equality strategy.
      i. How do you feel this shows in the workplace?
   b. F2: In your annual report, it is stated that you have developed a tool to measure your work with diversity, equality and inclusion. How do you feel this shows in the workplace?
   c. F3: In your annual report, it is stated that during the year you have continuously worked on diversity issues. How do you feel this shows in the workplace?
   d. F4: In your annual report, it is stated that you are actively involved in social issues such as diversity. How do you feel this shows in the workplace?

3. How many people have an ethnicity other than Swedish at your workplace?

4. When we search for authorized auditors on FAR's website, we do not find many with foreign-sounding names. What do you think this depends on?

5. Can you tell us what guidelines/policies you have to maintain and/or increase ethnic diversity in the workplace?
   a. If there are any, please give an example of these.

6. How do you experience that ethnicity is discussed in your workplace?

7. Do you want to tell us about your experience at this workplace with a focus on inclusion and diversity? How did it look before compared to how it looks now?

8. What does a typical week look like for you?
9. How often do you work at home, at the clients and/or in the office?
   a. How often do you interact with different groups (i.e. groups made up of different ethnicities)?
   b. What do the group compositions look like in the office vs. with a client?
   c. How do you think collaborations between different ethnicities take place?
   d. What opportunities and difficulties exist between different ethnicities?
10. How have you experienced the recruitment process in the past as opposed to today?
11. How did you feel your chances were when you first applied for a job in auditing?
12. Have you ever felt that you were singled out in a hiring process or advancement in your profession because of your name or ethnicity?
   a. Why/why not?
13. Is there anything else you would like to add?
Appendix 2

Hello,

We, Felicia Nordh and Ranya Abbas, are in the last semester of the Master of Science in Business and Economics at JIBS, Jönköping University. We have a great interest in auditing and are writing our master thesis on diversity in the auditing industry. Our purpose is to identify which opportunities and difficulties authorized auditors with an ethnicity other than Swedish within the industry experience.

We are contacting you because we hope you will contribute to our study by participating in a short interview of approximately 45-60 minutes. We are of course flexible with timing and can conduct the interviews via Zoom or Teams depending on what suits you best.

Your responses will be anonymized (unless you express a different wish) and used solely for the purposes of the thesis by the authors. If you consent to the interview being recorded, the recording will be deleted immediately after transcribing.

Hope to hear from you again and have a nice week!

Sincerely,
Felicia Nordh & Ranya Abbas