RMIT UNIVERSITY

To What Extent do Professional Accountants in Small Public Practice Identify with the Accounting Profession

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DECLARATION

I certify that except where due acknowledgment has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and, ethics procedures and guidelines have been followed.

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TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

Currently, professional accounting bodies seldom know the extent to which members in small public practice identify with the profession. Social Identity Theory posits that human beings identify with various aspects of their existence. Professional identity is widely seen as a factor in the search for acceptance in the workplace, with multi-national organisations influencing and strategizing to help mould employees to identify with their profession and organisation combined. Members in small public practice are left to their own devices to identify with the profession; however, the extent to which they do identify with the profession is unknown. When accountants do not work in a large organisation but as professionals detached from the arm of a large organisation, their identification with the profession will undeniably vary. Professional conflict between their organisational and client identification will also invariably be impacted. Using a mixed methods-based approach, this thesis explores the extent to which professional accountants in small public practice identify with their profession, the strategies used to identify with the profession, and the tensions between competing organisational and client identities. The results show significant findings in organisational identification compared to professional and client identification, with further conflict in regard to small-practice accountants' client identification, and these accountants' elevated importance within their practice structure. Discussion therefore arises on what implications these may have for their behavioural choices and decision making.

CHAPTER ONE - INTRODUCTION

1.1 INTRODUCTION – SOCIAL IDENTITY THEORY AND THE HUMAN SELF

One can argue that identity, specifically one's overall identity, is one of the most crucial and all-encompassing aspects of being. According to the Oxford English Dictionary, identity is defined as being "the characteristics determining who or what a person or thing is" (Oxford, n.d). The origin of the word identity stems from the 16th century Latin word "idem" and "identitas", originally describing the "quality of being the same"; whereas in the modern age the word is synonymous with being used to describe individual identity as well as common identity amongst a group in a social setting. An individual in the current, noise-enriched, technological world, with every other human being, can find it difficult to ascertain her/his identity, which group or network s/he wishes to call her/his own, and how her/his own principles, moral standing, and personal values shape her/his own identity, all the while trying to make her/his social identity fit in with the surrounding world which we, as humans, interact with. An individual's identity is paramount to her/his existence, and an important factor in recognising herself/himself as an individual as well as part of inclusive groups within society.

The 'self' has both an individual identity, comprising inner self beliefs and physical characteristics, as well as individual norms and beliefs, and also a social identity, comprising membership of a like-minded group via a social connection, for which socialisation has taken place to enter such social groups. The original works of Tajfel and Turner (1979, 1982, and 1986) led the way in developing Social Identity Theory (SIT) to understand the social group paradigm. The concept of SIT is defined as:

> "that part of an individual's self-concept which derives from his/her knowledge of his/her membership of a social group (or groups) together with the emotional significance attached to that membership" (Tajfel 1974, p. 69).

SIT and the subsequent strength of affiliation an individual feels towards a particular social group have immediate impacts on the social well-being, and progression within society, an individual may have in their quest to 'fit in' and be accepted into certain groups in a social context. The human psyche longs for acceptance. Community spirit, coming together as a species to achieve feats that no one human can achieve on their own, is a prevalent feature in human history and behaviour. This longing for acceptance and attachment to social groups

helps to explain the rationality of the self, and the reasons that individuals work and use strategy to be seen within certain social groups in public.

1.2 BACKGROUND RESEARCH – SOCIAL IDENTITY THEORY

Research pertaining to identity within an individual has mainly been conducted within the Sociology discipline. Tajfel and Turner's (1979) original work was conducted for the purpose of evaluating relationships between the self and the social structure within which an individual's life was studied, and how individuals operate within their world. It was seen that identities were meanings or conceptions of the self, which individuals would attribute to themselves, including an overall understanding of how certain individuals are perceived by themselves and also others in particular roles (Ibarra, 1999). Thus, the identification of an individual is a critical point in the quest to one's understanding of their inner being. It can be used, in part, to answer queries pertaining to the perennial question most human beings ask themselves: Who am I? And what do I stand for? There are many ways in which individuals categorise their identities; and self-categorisations can be as simple as identifying as a parent, teacher, mother, patron of a religious faith, gender and race, to name but a few. These examples, as well as others, are vital, and have an important role in defining an individual's identity and how one sees oneself. This pathway in self-identification can also be seen to be used in a professional sense. Thus, in a professional context, individuals may self-categorise and construct identities to fit in with their professional roles within society, such as occupational status (Accountant, Lawyer, Doctor or Teacher), and positions they harbour within their profession (Associate, Partner or Managing Director) or perhaps the organisation for whom they work (KPMG, BHP Billiton or Telstra) (Suddaby et al. 1997; Gendron and Spira 2010).

In the course of a normal timeframe (whether that be a day, week, month etc.) a person can subconsciously and effortlessly change between various identities depending on the environment they find themselves in. For example, a mother of two children when at home identifies herself as a mother, carer and nurturer. When a mother leaves her family home for her job as a stockbroker, her identity will change to that of a professional stockbroker, and her identity as a mother remains in her subconscious, on hold but not discarded, until she returns home. With this change of identity comes a change of attitude, focus, cognitive understanding and knowledge reproduction to suit the current environment. SIT posits that individuals have many identities, and when in equilibrium and harmony, an individual can effortlessly transition between them to deal with life's obstacles. There can be occasions, however, when conflict can

arise, and an alternative identity can be used in the wrong environmental setting, thus causing conflict, and hindering the effectiveness of the individual and their decision making in the process (Tajfel 1982; Bamber & Iyer 2002). Not only can a mismatched identity take place leading to conflict, but also identity strength can possibly be heightened, or lowered, leaving individuals with the prospect of causing conflict within themselves, and hence hindering the effectiveness of the individuals and their decision-making process (Gendron & Spira 2010). For example, a distressing call to the female stockbroker that her child is involved in an accident creates a conflict and elicits the identity of her mother, carer and nurturer while in the presence of her workplace; or professionals can be disgruntled with their professional body's attitude towards key aspects of their work, thus weakening the strength of these professionals' identity tied with the profession. With efficient decision making being paramount in exercising correct and value-adding knowledge, it is of upmost importance that deeper research into identity continues forward.

1.3 PRIOR RESEARCH – SOCIAL IDENTITY THEORY AND ACCOUNTING

Currently, knowledge and literature within the scope of SIT and on the relevance of social identity to the profession of accounting is sparse. SIT research in accounting may be classified based on three broad categories: organisational identification, professional identification, and client identity. Within these three main categories of prior research, organisational identity and professional identity are dominant research areas, with client identity research being a smaller aspect of the prior literature.

Accounting research, in this specific area of inquiry pertaining to identity, is usually conducted via data collected from the "Big 4" accounting firms (Aranya et al 1981; Aranya & Ferris 1984; Bamber & Iyer 2002 & 2007; Iyer et al 1997). The Big 4 accounting firms are the largest, multinational firms which are represented and spread world-wide. They consist of the accounting firms, KPMG, Deloitte, Price Waterhouse Cooper, and Ernst & Young[1]. According to Goetz et al. (1991), an accounting firm with less than 15 professional employees can be considered a small firm, where as a medium firm would have between 16-30 professional employees, and a large firm would have more than 30 professional employees. The Big 4 accounting firms stated above have many thousands of professional employees, and thus are the largest of large accounting firms. Additionally, the mid-tier firms also generally possess

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[1] Formerly seen as the 'Big 5' including Arthur Anderson, before the collapse of Arthur Anderson in 2002.

large amounts of employees and partners, eclipsing that of the threshold established in Goetz et al. (1991). Thus, regarding the research in this study, accountants in small public practice were identified as being in small public practice via the following criteria:

- The participating firm having less than 15 professionals employed as per Goetz et al. (1991)

- Participating firms falling within the small business/firm criteria established by the Australian Securities and Investment Commission (ASIC), Australian Taxation Office (ATO), Fair Work Australia (FWA), and the Australian Bureau of Statistics (ABS). As seen in section 3.5.2, page 60, of this thesis.

- Not falling into the category of either a mid-tier firm, or Big 4 firm.

Prior literature involving SIT and identity in professional accountants focuses also on employees of large accounting firms, more specifically, data acquired from the Big 4 accounting firms. The research for the present study, however, is centred on professional identity, and its interaction with organisational and client identities, amongst professional accountants within small public practice. External Social Identity (ESI) is also a facet of SIT and has been researched within the context of professional identities (Haynes, 2006). ESI is not relevant to the research contained in the present study, as professional identity that relates to professionals and the strength of their identity with their relevant professional body is the focal point, coinciding with tensions raised via organisational and client identities. This ultimately will lead to comparisons and discussion between accounting professionals' identity within big firms compared to small firms. Concurrently, the interactions and comparison of professional identity, organisational identity and client identity for professional accountants in small public practice will also be examined, and the mechanisms and tensions which this paradigm may represent to the small-practice accountant.

1.4 ORGANISATIONAL IDENTITY IN ACCOUNTING

Other studies have been conducted looking at various aspects of Social Identity Theory, and the type of factors which influence identity. As stated above (on external social identity, organisational identity and professional identity), these include studies on Organisational Identity (Ashforth and Mael 1989; Bamber and Iyer 2002; Coffey 1994; Covaleski et al. 1998; Iyer et al. 1997; Wallace 1995) which show the influences and practices used by predominantly

large firms in moulding young professionals in forming an identity that is closely related to the organisation's culture and strategic direction. These factors used include examples such as income satisfaction, turnover intentions, management by objectives, socialisation and mentorship, firm prestige, position and hierarchy, symbolism and depicting the organisation as being professional. External Social Identity has also been seen to have influences regarding a person's professional conduct, with influencing factors including socialisation (Coffey 1994; Haynes 2006) and dramatic life events (Haynes 2008). Prior literature shows that a large firm's goal is ensuring that their employees' identity strongly aligns with their organisation, also coinciding with their professional identity. Thus, strategies used help both their organisational and professional identities; and prior studies show that, in general, professional-organisational identities rise and fall together in unison, with little to no organisational-professional conflict (OPC) (Aranya et al. 1981; Aranya et al. 1984; Bamber & Iyer 2002).

1.5 PROFESSIONAL IDENTITY IN ACCOUNTING

Finally, research has shown that there are numerous factors that can be used to influence professional identity. Large professional organisations and firms use various strategies (either solely or in combination) to make an individual identify with their profession. These include professional self-image (Bamber and Iyer 2002), Organisational Socialisation on "how to act" as a professional (Grey 1998), professional organisation (Aranya et al. 1984), professional socialisation (Haynes 2006), job autonomy (Bamber and Iyer 2002), and as mentioned above, Organisational-Professional conflict (OPC) (Aranya et al. 1981; Aranya & Ferris 1984). Mutual, influential strategies are seen to be used by both the profession and large-firm organisations in moulding an employee's identity strength; therefore, these influences are found to be common in prior literature. As stated above, this, in turn, will ultimately help both the profession and the large firm to facilitate identity strength in both areas; thus, a convergence in strategy is seen.

1.6 LINKING ORGANISATIONAL AND PROFESSIONAL IDENTITY

In relation to these concepts, there has been research on the commitment of individuals at an organisational level and professional level. Aranya et al. (1981) examined the professional commitment of public accountants within the large-firm environment. Their findings indicate that organisational commitment is compatible with their professional commitment (both identities being aligned). Their evidence showed a strong positive relationship between them;

thus, there was a positive and significant relationship seen with regard to accountants' perceived organisational commitment and professional commitment. Other aspects shown in Aranya et al. (1981) show that increasing the level of income, or the level of satisfaction with an accountants' income, would also contribute positively to professional commitment, and that partners are shown to be more committed to their profession then lower-level professionals.

Aranya and Ferris (1984) extended this research by examining the Organisational-Professional Conflict (OPC) paradigm, and were particularly interested in finding evidence of any OPC phenomena and what the OPC relationship entailed. Their conclusions indicate that accountants' organisational and professional commitments are not necessarily conflicting, and that their interaction may be responsible for only a small portion of observed OPC. Their research shows therefore that organisational commitment and professional commitment were positively related, and normally increased and decreased together. This research primarily stemmed from testing accountants in big firms, incorporating extensive large-firm culture settings, as well as testing the difference between said accountants and accountants in other non-professional industries/organisations that were of a large scale, the latter which showed a lower level of professional commitment in comparison to accountants in larger, professional accounting firms (Aranya & Ferris 1984).

1.7 CLIENT IDENTITY IN ACCOUNTING

Research pertaining to client identity and SIT has been conducted predominately by Bamber and Iyer (2007) and Svanberg and Öhman (2015). Bamber and Iyer (2007) explored auditors' relationships with their clients, and whether there was a tendency to acquiesce to clients' needs. The extent of client acquiescence was tested in regard to the relationship with client identity strength; with the resulting conclusion showing that, the higher the client identity for the auditing professionals, the higher the tendency that professionals would acquiesce to their client. Svanberg and Öhman (2015) also conducted research on auditors and their client identity paradigm. While client identity is seen as desirable from the auditors' perspective, mainly in helping to establish robust professional connection and rapport, too high an identity with the client could threaten auditor objectivity. The significance of their research for the present thesis is that it was conducted on non-Big 4 audit firms (in Sweden), thus having closer relevance to the present study. Conclusions produced show that the participants did indeed identify with their clients, and that auditors who identify more so with their client were more inclined to

acquiesce to their client and produce a reduced audit quality service (Svanberg & Öhman 2015).

1.8 RATIONALE

Research thus far has been directed at predominantly large accounting firms, examining organisational, professional and, to a lesser extent, client identity. This type of research gives insight on only one aspect of the professional identity paradigm, albeit one that is important, leaving room for further research on the professional identity of non-Big 4 accountants. Large, often multinational firms have vast resources, both monetary and otherwise, to strategically implement these initiatives to increase identification with the organisation and profession, hence making it easier to mould their employees into the model which they prefer.

Therefore, the area in which the present research is positioned will be in new and further developments on current literature pertaining to professional identity in professional accountants in small public practice, and therefore predominantly focusing on accountants who run their own small accounting business or are part of a very small, local firm servicing the local community as well as local corporations and businesses. This direction is of importance as the large majority of qualified, professional accountants who practice in Australia (in which this study is situated) are positioned within the Small-Medium Enterprise (SME) sector; as verbally stipulated by the general manager of member services of a major accounting professional body in Australia, interviewed for the present research, who acknowledged this:

> *"Up to 85% of our members are registered and applying their professional services in the small practice environment."*

Thus, it is of the benefit of the profession, and society as a whole, to develop further research on this vitally important sector of professional accountants, which deals with the majority of the Australian public in conducting accounting services.

1.9 RESEARCH OBJECTIVES

The overarching objective of the present research study centres on analysing social identity paradigms in professional accountants in small public practice. The identities in question constitute professional, organisational and client identities. These three salient identities were

chosen as the focal point of the study due to the link to prior literature findings, and to focus the current study on what has been concluded from prior literature, as the most important and fundamental social identities that are faced by the modern professional accountant. Prior literature pertaining to Social Identity Theory, and its application predominantly in the accounting profession, is centred on professional accountants in a large, multi-national firm environment. The current literature on SIT and accounting also predominantly focuses on the first two of the three identities stated above, and specifically indicates the influences used by the large firms in guiding and aligning identity in said professionals to that of the organisation and profession; thus, researching these identities in accountants in small public practice will add to the literature base for an important and significant cohort of professional accountants. An aim of the present research is to use previous methods from prior literature in the attempt to understand and test whether the influences on identities from previous studies, and the strength of said identities, are prevalent not only within professional accountants working in large firms but also for such professional accountants in small business and practice.

Concurrently, an aim of this study will be to discover differences in identity formation, and influences on professional accountants in small public practice, and any differences (if any) from their counterparts in a large-firm environment. In addition, data on the strength of professional, organisational and client identities will be collected and analysed for professional accountants in small public practice; and this will be investigated to see whether tensions arise within these identities, and what mechanics and influences were involved in the development of these identities throughout their career. This is vitally important to help answer pertinent questions regarding the strength of professional identity towards the accounting profession and the possible affect this may have on behaviour and decision making. Furthermore, an aim of this research is to ascertain, statistically, the degrees of strength between the three identities within accountants' in small public practice, and the influence of this strength on administering their professional services.

With the above objectives and aims in place, the main research question to be answered is articulated as follows:

> **RQ1: To what extent do professional accountants in small public practice identify with their profession, organisation and clients?**

It is important to investigate the above research question, as mapping out the identity foundation of this cohort of professional accountants provides a snapshot of the level of identity strength in all three identities in the small public practice environment; which is an avenue to compare to previous literature regarding identity on accountants in large firms, any differences that may be apparent, and whether the order of identity affiliation is different. This leads to further research sub-questions on how they may impact the services delivered, decisions made, and behavioural choices chosen by professional accountants in small public practice. Additional factors which could affect professional identity in accountants in small public practice are their identity strength towards their small organisation, and toward their clients. The tension between competing identities within their workplace could see conflict arise within their social identity; and thus, this aspect could jeopardize their professional identity as well as their ability to practice their profession according to professional norms. This leads us to the following three research subsidiary questions to investigate.

SRQ1: Do commitments to professional, organisational and client identities create a conflict in the practice of accounting?

Accountants in small public practice have more end-to-end involvement and decision-making responsibilities with clients. Their identity towards their own practice/organisation plays a pivotal role in their overall identity paradigm, and the difference (or not) from their professional identity may play a vital role regarding their approach to delivering their services to clients.

SRQ2: Does their client identity differ significantly from their professional identity?

Clients represent a critically important aspect of a small public practice; and the nature of the clientele that are generally acquired by small public practices means that the accounting professionals are involved in all aspects of their clients business, and can thus possibly harbour closer ties and identity towards their clients; which prior literature states as a negative impact in regard to upholding professional norms and conducting the profession for the public, not private, interest. Thus, ascertaining the level of client identity is paramount to the present research, and to once again analyse any difference (if any) from their professional identity, to see whether it plays a role in their approach towards their clients and delivering their services.

SRQ3: What are the mechanisms/influences in identity formation for accountants in small public practice?

Prior literature has investigated various mechanisms and/or influences that are strategically used by both large firms and the accounting professional bodies, in some instances simultaneously, in aligning and altering social identity in their professional accountant employees. These mechanisms/influences are predominately aimed at strengthening organisational identity, as well as aligning and strengthening professional identity concurrently. This strategy is used to deliver an outcome in convergence of identity to form a strong bond between employee and organisation/profession. With professional accountants in small public practice, they are not exposed to these mechanisms/influences in their workplace; thus, investigating the mechanisms/influences which have motivated and altered their own identity paradigm is important to ascertain and compare any differences (if any) to their counterparts in the large-firm environment. The potential conflicts (if any) that are present in this cohort of professional accountants are important to explore, as this will shed light on how these conflicts may affect overall performance, decision making and behavioural choices when implementing the services of professional accountants in small public practice.

1.10 RESEARCH METHOD

The methodology adopted in this thesis utilises a mixed methods approach, entailing a combination of surveys and interviews. Accountants in small public practice were invited to participate in an online survey to determine the extent of their identification with the profession, their small organisation/practice, and also their clients. The survey instrument is adapted from an identity survey instrument (Mael & Ashforth 1992) used in prior literature as well as reported findings in existing literature. A comparison from previous studies then takes place to determine any differences within the different groups of professionals. This entails comparing identity strength in accountants in large firms with those practicing in small firms (RQ1). The survey also collected data pertaining to participants' identity strength towards their small organisation and their clients, thus enabling statistical testing of any significant differences between all three identities within small-practice accountants (RQ1 and SRQ2).

Subsequently, participants were invited to be interviewed by the researcher. The interview process and its purpose are to add further context to the results obtained via the survey instrument, namely in deciphering the mechanisms/influences that have led the participants to their current identity paradigm involving the three identities being researched. This will be achieved via a content analysis on the interview data.

The overall results of the survey were used to help inform and design interview protocols, for application to professional accountants working in small public practice. This aims to provide a rich form of data which are then analysed thoroughly using a content analysis method to form conclusions on various mechanisms/influences that may arise. The data collected via interviews help to uncover the mechanisms of identity formation within small-practice accountants, as well as the tensions that may be present in administering their professional services in light of their identity allegiance; which is aimed ultimately at giving a clearer picture of which identity is more strongly formed for these small-practice accountants, and why (SRQ1 and SRQ3).

This will ultimately lead to discussion on the impacts and implications identity may have on decision making and behavioural choices.

1.11 CONTRIBUTION

The rationale and motivation of this study stems from the lack of comprehensive research on professional accountants in small public practice. With the preponderance of research in this area conducted on "Big N[2]" firms and its employees, little attention is given to professional accounting members, practicing their profession in this specific small firm marketplace, and the fact is that a large proportion of average citizens contract their accounting services to small, local accounting professionals. Many accounting practices are conducted via a single entity (e.g. an accountant practising as a sole practitioner or accountants practising in partnership). At 30 June 2006, there were 9,860 practices in the accounting services industry in Australia, and in terms of total employment, which consists of approximately 81,000 plus professional accountants, most (over 90%) practices were small, employing fewer than 20 persons (source: www.abs.gov.au). The services that are engaged by a client vary, from taxation, to small business accounting (eg..: quarterly business tax statements, overall business tax lodgements), personal tax lodgements, financial advice, personal account directives plus many more services. As can be seen, the cumulative size of the professional landscape of small-practice accountants is significant, and further research into the level and quality of services that they provide is vital in retaining a high level of integrity within the profession. Hence, it is important

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[2] Prior literature conducted on either the Big 4,5 or 6, depending on timeline of research.

to ascertain the identity and strength of identity small-practice accountants may have with their profession as opposed to other commitments within their business.

This type of research is particularly significant for the profession of accounting because of the fact stated above of the large proportion of accountants practising in the form of a small business. These accountants service a very large proportion of the population in Australia; and in looking at the ethical and moral aspect of accounting, no matter the size of the firm or the number of accountants representing a business/firm, integrity and the public's interest must be upheld (Pearce 2013). Thus, research into this section of the profession is vital to understand the direction and future of the accounting profession.

Purely focusing on research aimed at the Big 4 firms will not be sufficient to realise the depth of knowledge required in making long-term decisions for the accounting profession. As mentioned earlier, prior studies in the field of SIT and identity amongst professional accountants in their work environment were conducted primarily on employees of Big 4 firms (Aranya et al. 1981; Aranya & Ferris 1984; Bamber & Iyer 2002; Bamber & Iyer 2007; Brierley 1998; Coffey 1994; Covaleski et al. 1998; Empson 2004; Grey 1998; Haynes 2008; Iyer et al. 1997), with leading insights by Bamber and Iyer (2002 & 2007) on the focus of auditors specifically. This research area was extended by Svanberg and Öhman (2015) with auditors not in a large-firm environment, leading to results comparable and similar to those in Bamber and Iyer (2002 & 2007). Svanberg and Öhman (2015) once again focused on a narrow niche of professional accountants (that being auditors). Thus, an extension on this prior research on accountants in small public practice, which is a significant population of overall accountants, is not only a logical progression and extension of prior research but necessary to form a more robust and substantial view on identity, formation of identity, and the implications of identity for the profession as a whole.

By undertaking the research for this thesis, insights can be gained into the inner workings of the average small accountant and how they position and identify themselves, within the whole spectrum of the profession. This is of importance as it can help signal to professional accounting bodies what strategies they may want to implement in increasing their presence within this part of the industry, and ways to better engage this significant cohort of professional accountants. This research aims to determine whether identity strength is paramount in its links to behavioural choices and decision making. Making the correct decisions and behavioural choices are arguably the most important aspects of administering professional accounting

services, as they may be the difference between good decisions and poor decisions which can impact many people and the public interest as a whole.

The main contribution from this research is to provide an enhanced and broadened research scope on identity amongst accounting professionals. As mentioned previously, at the moment, previous literature has only looked at issues pertaining to identity within big multi-national firms (Big 4 firms); whereas the present research uses techniques already applied in previous literature but tailored and executed towards small-practice accountants to ascertain whether their professional identity (as well as competing identities such as organisational and client) shows any difference to that of their colleagues in large firms, or whether in fact there are similarities between the two groups, as well as their own identity priorities between their profession, small organisation and clients. Other contributions that may be expected or may eventuate are a solid grounding of knowledge that can be used for further studies or used by professional bodies in strategizing and/or implementing ground-breaking initiatives to help align the expectations, identity strength, and moral and ethical behaviour for all accountants (from both large and small firms), in a direction which has the potential to galvanise the profession as a whole and unite the interest of all interested parties and stakeholders, thus producing the most efficient, trustworthy and accurate work for the public's interest.

1.12 STRUCTURE

In summary, the research proposed in this thesis focuses on accountants in small public practice, SIT, and the predominant identities that are prevalent in the professional accounting environment: how these identities compete with each other and their strength; and how these may be different to that found in prior literature on accountants situated in a large-firm environment. The research is important as this cohort of accountant is rarely researched yet makes up the large majority of practicing accountants not only in Australia but world-wide. The mixed methods approach adopted from prior studies (with in-depth interviews) adds further context to identity formation and mechanisms/influences that have moulded the identity of the participants in the research.

The remainder of this research thesis is organised as follows. Following this introduction (Chapter One), the literature review is presented (Chapter Two) which will examine prior studies, their findings, and how these findings can be extended in the present research with the objective of adding to the literature base with research on accountants in small public practice.

Next, the methodology (Chapter Three) will be focused on, detailing the methods used in the present research as adopted from prior studies. The next chapter, Results and Findings of Survey (Chapter Four), presents statistical analysis of the survey instrument being applied to ascertain any significant differences between the three major competing identities of the participants. Results and Findings of Interviews (Chapter Five) adds further context and depth of knowledge not only on the degree of identity strength but also the actual mechanisms and influences which were common for the participants in forming these identities. Discussion (Chapter Six) will then help to analyse all the results from the previous two chapters and present conclusions from these results, and how these findings may impact decision making and behavioural choices for accountants in small public practice. The final chapter (Chapter Seven) concludes the thesis.

CHAPTER TWO: SOCIAL IDENTITY THEORY – CONCEPTUALISATION OF THE SELF.

2.1 INTRODUCTION

The view of 'the self' is seen as an incremental ascendency of information about an individual's traits, personal moral compass and opinions, and personal beliefs, both mental and physical (Tajfel & Turner 1986; Ibarra 1999). Notions of the self, and how the self is formed, largely rely upon the combination of how individuals see themselves, and how they are seen externally by others in society. The information individuals possess, stored within their psyche, is used and relied upon to help guide their behaviour and interactions within society. The present research study revolves around social identity, which is the representation of 'the self' within a social context and is born from an individual's relationship with and interactions within society and the social groups of which s/he is a part. Individuals often are part of a number of social groups. These social groups vary in their social norms. An individual can seamlessly morph and change between social identities and member groups, depending on the circumstances of their external environment from which they obtain information. Obtaining information about the intricacies of social identity can lead to a better understanding of how humans interact, and add to the incremental ascendency of information within 'the self'. These interactions within the workforce, specifically in a profession such as accounting, may affect individual dynamics, decision making, and behavioural choices made, when administering a technical and social practice such as accounting.

This chapter has three sections. The first section will further introduce the concept of self and social identity, including an explanation and review of Social Identity Theory (SIT). The second section will introduce in-depth explanations of the self, individualism, and how the human psyche performs its tasks in deciphering individual traits and aligning them with social group characteristics. Finally, section three will introduce Social Identity Theory (SIT) and its current application in accounting research. The research conducted in the present thesis aims to help strengthen and expand the current knowledge in the area of SIT and the accounting profession.

This chapter sets the foundations for the thesis, and will develop and test various identity paradigms that accountants face regularly in their professional environment (namely,

professional, organisational and client identity), to help garner a better understanding of the potential conflicts that are present for the professional accountant in small public practice. Having a more robust understanding of the identity paradigm of professional accountants in small public practice will help in the development of policy and strategies that can be implemented to improve the understanding and direction of identity within the profession, with the aim of more efficient behavioural choices and decision making as challenges are faced. As will be discussed in this chapter, current identity research in the accounting profession is solely focused on accountants in large multi-national firms. When, on average, 80% (or more) of registered, practicing accountants are situated in the small/micro practice space, this shows a definite opportunity to add value to the current literature, in mapping out further identity research in this area.

2.2 DEFINITION OF SOCIAL IDENTITY

Social Identity represents "who we are" in regard to social contexts, and is attributable to personal traits, habits, feelings and moral hazard standards (Brouard et al. 2017). Thus, individual attributes combine to form one's social identity and relationship with society. Social identity facilitates individuals to understand the interactions we have with others in society, and forms behaviour in these interactions. Individuals' social identity arises from the groups to which they claim to belong. Individuals belong to a range of different social groups that have relevance to their salient identity at any one time, which identity changes depending on changing relationships with others and the environment in which individuals find themselves (Schmidts & Shepard 2013).

The question of "who am I?" is always a prominent and a vocal concern for most individuals; and in a social context, aspiring to answer this question is shown in the way we accumulate information on the world around us, and the groups which we call our own. All of this is contributing to the formation of one's self both personally and socially. The accumulated information is stored and drawn upon from our memory to guide behavioural decisions in the social context, leading to the realisation that the idea of the self is a combination of how we see ourselves and concurrently how we are seen by others. This phenomenon is generally a seamless transition depending on the social environment we find ourselves in. Instances can and do arise when differing social identities conflict with each other, which often occurs when a differing identity paradigm is thrust upon the self in an environment which is not appropriate.

This can affect behaviour in a negative way (on the presumption that the disruption/conflict is negative in nature).

Therefore, an understanding of the self is an important factor in identification with professional groups, which many individuals aspire to be a part of. Understanding the relationship between the self and professional identity is important in comprehending how this identification affects behaviours and decision making in the professional group social context.

2.3 SOCIAL IDENTITY THEORY AND THE SELF

This chapter builds on the concept of identity and how group identity is thought of and formed. Thus the remainder of this chapter is structured as follows:

- What is Social Identity Theory?

- Origin of Social Identity Theory.

- Principles of Social Identity Theory.

- Psychological Processes.

- Managing Identity.

- Social and Structural Characteristics.

Furthermore, discussion will then focus on in-depth explanations of the self, individualism, and how the human psyche performs its tasks in deciphering individual traits, and how these traits are aligned with social group characteristics, with the structure as follows:

- Individualism and the Self.

- Self Esteem and the Self.

Finally, discussion will centre on Social Identity Theory (SIT), and its current application in the accounting profession, pertaining to current literature and findings, and how this current research study will help strengthen and expand the current knowledge in the area, with the following structure:

- Application of Social Identity Theory in Accounting.

- My Research and Contributions.

The overarching aim of this chapter is to introduce and explain SIT, its structure, and the parameters that dictate the relevance of the theory and its aspects to social group formation and maintenance, and the dynamic strategies involved. Also explained will be SIT's formation within the sociology literature, as well as its application in professional settings within the accounting profession, and how this may affect people's behaviour within the accounting profession. The final aim of the chapter is to relate the social identity of professional accountants in small practice, the strength of the salient identities that the typical professional accountant may encounter, potential conflict between the salient identities, and the implications this may have for them as individuals and the profession as a whole.

2.4 WHAT IS SOCIAL IDENTITY THEORY?

Research conducted pertaining to identity has mainly been within the Sociology and Psychology disciplines. The original works by Tajfel and Turner (1979, 1986), and Tajfel (1982) led the way in this area of research, in which they developed SIT. Tajfel and Turner's (1979) original work was conducted for the purpose of evaluating relationships between the self and the social structure within which individuals live, and how individuals operate within their world. It was seen that identities were meanings or conceptions of the self, which individuals would attribute to their self, and their work included an overall understanding of how certain individuals are perceived by themselves and by others in particular roles (Ibarra 1999). Thus, the self-identification by individuals is a critical point in their quest to understand their inner being.

2.5 ORIGIN OF SOCIAL IDENTITY THEORY

SIT was inspired by Henri Tajfel's personal experiences of discrimination and intergroup conflict. Early writings by Tajfel explain how he was motivated to understand how people who had been living together as neighbours, colleagues, and friends could come to see each other as enemies even when there were no rational or objective reasons to do so. However, rather than take a field-study approach (e.g. Sherif 1967), Tajfel sought to understand these issues he personally experienced by using scientific rigour to study groups in the laboratory, and by doing this, explore basic social cognitive processes which had been shown to be important in some of his earlier studies on object categorisation and prejudice (Tajfel 1969). The results of these studies culminated in a series of experiments that later became known as the "minimal group studies" (Tajfel et al. 1971). Participants of these studies were informed that they had

been assigned to one or two groups on the basis of irrelevant criteria, or by chance. They didn't know who else was present, they could not see or interact with others, and it was clearly instructed that the choices made could not affect their own outcomes in any way. Their task was then to allocate points to one member of their own group (not themselves), and one member of the other group. These "minimal" conditions were originally intended to form baseline, controlled conditions for further studies; and due to the nature of the study and the reasons for being allocated a group, it was expected that participants would divide their points equally between them.

The historic significance of these studies lay in the observation that even these very minimal conditions proved sufficient to induce in-group favouritism; which culminated in the tendency to systematically allocate more points to a member of one's own group than to a member of another group. This was later named the "mere categorisation" effect, which theorised that the mere act of categorising people into certain groups would instil an "us" versus "them" mentality. This was sufficient in inducing people to behave differently towards in-group and out-group members.

The significance of these findings was at odds with the more conventional theory at the time, Realistic Conflict Theory (RCT). RCT suggested that conflicts between members of different groups arise from competition over scarce resources (Sherif 1967); but, as noted, these were absent from the minimal group paradigm. The surprising results from the minimal group studies thus inspired a large body of research that attempted to examine alternative explanations for the mere categorisation effect (Diehl 1990; Rabbie et al. 1989). After a series of publications in which Tajfel introduced the initial concept of Social Identity, and explained how the minimal group studies pointed to the fact that people sometimes behave as group members rather than as individuals (Tajfel et al. 1971; Tajfel 1974; Tajfel 1982), he formulated SIT, together with John Turner, maintaining that it was a theory of intergroup conflict (Tajfel & Turner 1979; Tajfel 1982).

2.6 PRINCIPLES OF SOCIAL IDENTITY THEORY

The concept of social identity is defined as "that part of an individual's self-concept which derives from his/her knowledge of his/her membership of a social group (or groups) together with the emotional significance attached to that membership" (Tajfel 1978, p. 63). The overarching aim of SIT is to understand and explain how people can adapt and behave in certain

environmental settings, in adopting such social identities (rather than personal identity) which they relate to at a conscious or sub-conscious level. This aim gives rise to certain questions: When, in the human psyche, does a human start to think of him or herself in relation to "We", in a social context, instead of "I"? Why is there an importance bestowed on the notion that others can be seen as representing "us" or "them"? How are feelings impacted in this situation, as well as thoughts and behaviours? SIT strives to answer these questions, pointing out the implications of identity in a social context, and the perceptions and behaviours of individuals, and examining how these impacts on social relationships between individuals and the social group context.

The underlying principles of SIT address three issues: firstly, describing the 'psychological processes' that help to explain how people's social identities are different from their personal identities; secondly, "managing identity", which is involved with distinguishing between different 'strategies' individuals may use to derive and construct their positive social identity; and thirdly, specifying the key 'characteristics of the social structure' that determine which of these strategies is most likely to be used in any given case.

2.7 PSYCHOLOGICAL PROCESSES

'Social Categorisation' is the process in which separate individuals are assembled into social groups. Social categorisation can be seen as a common, functional psychological process that provides a way of responding to complex situations an individual may find themselves in, socially. Rationalising individuals in society as being attached to a limited number of social categories helps to alleviate complex situations of organising socially relevant information and helps in the process of both understanding and predicting certain behaviours (Tajfel et al. 1971; Alvesson et al. 2008). When individuals are categorised into the same group, they are seen as sharing similar, group-defining features, which helps to distinguish their group from other competing groups who do not possess these similar features (Tajfel 1978). As an example, innate objects in a room, such as a refrigerator or a washing machine, can be seen as 'whitegoods' in a room: that would be their classification. Thus, people in certain social settings, such as in a work office, can also be classified, for example as administration staff and accounting partners. Each such group is seen as having its own set of features which the group members see within themselves and in the members of their group (e.g. administration staff); as well as another social group having their own feature set (e.g. accounting partners). Similarities between individuals within the same category are seen as being interchangeable

elements that share some representative common characteristics (e.g. specific profession, religion or culture). Concurrently, we, as humans, accentuate differences between individuals, and classify them into different, wide-ranging categories, with examples such as occupation (accountant, as opposed to builder), gender (male, female or other), or religion (Christian as opposed to Islam), to name a few. This is done as a way to clarify the meaning of such characteristics and other such phenomena we face in a social context (Tajfel 1978). Therefore, when people are categorised into groups, they are seen in terms of characteristic group features that, overall, define their social identities, while neglecting individual traits which define their personal uniqueness and individuality. This is where the 'collective' group becomes the prominent identity over individual identity.

'Social Comparison' is the process through which group characteristics or features are interpreted and valued. Because there is no objective standard that enables us to assess the worth or standing of particular social groups, we tend to determine whether a group is either 'good', or 'bad' by comparing characteristics (e.g. traits, attitudes and behaviours) attributed to other groups (Tajfel 1978). Therefore, as well as interpersonal comparisons that may help to determine individual worth (Tajfel 1978), groups and their characteristics can also be evaluated by comparing them with other groups and their defining qualities (Tajfel 1978). As an example, sociologists may perceive themselves as relatively more scientific than historians, but less scientific than physicists. This collection of different group characteristics, and how they compare to the characteristics of other groups in particular contexts, can determine the social status or the perception of the groups' 'prestige'. Where social categorisation determines how individuals are classified into groups, social comparisons define the ways in which each group is distinguished from relevant other groups (Tajfel 1978).

'Social identification' voices one key reason why groups of people are different from object categories. The reason for this is that 'the self' can also be seen as belonging to a social group (Tajfel 1974, 1978). To explain further, just as furniture can be classified into groups such as tables, chairs and other ornaments, so can individuals be classified in a social context, into an array of different categories, with a multitude of characteristics. This shows the fundamental difference between object categorisation and the process of social identification, the latter which is the realisation that the self is included in some social categories and excluded from others. Using the example of men and women as a social categorisation, it is impossible to categorise and compare men and women without realising that one of these categories includes

the self. Therefore, when specific features are associated with a certain social group, or when these features are valued in a certain way, the process of social identification determines how this reflects upon the self. This has implications for the connection the self has to certain groups; whereby there may be a strong affinity to the characteristics of the group which align with the self, thus gravitating one towards this certain social group for acceptance; or the opposite, whereby the social groups' characteristics do not align favourably to the self, hence the self feels a distance to certain social groups. Social identification refers to the 'cognitive awareness' that one can be included in particular social groups. It also refers to and incorporates the 'emotional significance' of that group membership for the self (Tajfel 1974, 1978).

In summary, social identification and its processes show that people will ultimately care for the group that they distinctly call their own. They will help to protect the group, uphold its prestige, and enhance its standing and value in society, not only for the self but for the entire salient social group as a whole. On occasion, this strong, almost tribal-like protection and promotion of their social group can come at the expense of other social groups within society (i.e. out-groups) (Tajfel 1978).

2.8 MANAGING IDENTITY

Social categorisation, social comparison and social identification form the processing backbone of SIT; and these phenomena are the ways in which people actively define their own social reality, as well as their position in relation to others in that reality (Tajfel 1975). SIT, in particular, looks at the dynamic nature of social situations and the social malaise (Tajfel 1975). Because of the notion of 'the self', and how the self is intertwined with the social group context, people will be motivated to emphasise and secure ways in which their group is seen in a positive light compared to other groups, also known as 'out-groups' (Tajfel 1978). There are those that are seen to be a part of more privileged groups, such as lawyers or doctors. These individuals within these groups are normally motivated to enhance and also retain their positive social standing, which is attached to their professional prestige which has been incumbent and built upon over a long period of time. On the other hand, there are numerous groups within society that are devalued compared to these more prestigious social identity groups, for example, the unemployed and marginalised migrants, to name but two. Thus, it is important to theoretically evaluate how these devalued groups in society set about defining themselves in a positive manner, or to consequently rationalise within themselves as to why they may be associated

with a particular lower social group depending on environmental upbringing and perceived external factors influencing their position in society.

A core feature of SIT is that it specifies different strategies that members of low-status or devalued groups adopt in order to address their situation, and how they use these strategies to try to help improve the value of their social group standing. These strategies may involve rationalisation of current circumstances, environmental factors which include particular upbringing characteristics (e.g. effective parenting, household dynamics, opportunities or a lack thereof), and a psychological reasoning that their social group is still one that, for them and other members, is seen as acceptable under the circumstances of less opportunity (predominantly by comparing to even lower, more devalued social groups). This also has implications for the way members from highly valued and prestigious social groups try to protect, maintain and secure their own current social group's standing in society (Tajfel 1978; Turner et al. 1979).

'Individual mobility' is a strategy used at an individual level, whereby people may use means to escape, avoid, or deny that they belong to a certain social group that is deemed undesirable to the wider public. Concurrently, they will also try to be included in, or attempt to pass themselves off as, a member of a group of higher social standing (Tajfel 1975). For example, a person in a devalued social group, such as an ethnic minority, who only recently emigrated, may wish to try to avoid being associated with their social identity group, by making the effort to get an education and striving to complete a degree in law so as to pursue a career as a lawyer, thus making a strategic move to be associated with a more prestigious social group (in the public's eye) such as lawyers. This same individual may also try to assimilate at a faster pace into their new society's norms and culture, thus hiding or discarding their prior religion or traditional practices to learn and adopt a new culture in the name of 'fitting in' with society (Tajfel 1975). Individual mobility involves the emphasis on how the individual self is different from other groups or group members. Even if this strategic shift helps certain individual members within a certain social group, and helps them lift their perceived social identity, individual mobility does not benefit or address the standing of their in-group as a whole.

'Social Creativity' is a process whereby members of social groups seek to redefine the intergroup comparison by making a concerted effort in portraying their in-group in a more favourable, positive light rather than looking at any negative characteristics (Jackson et al. 1996). There are three ways in which this can be achieved:

1) Focusing on other dimensions of intergroup comparison;

2) Including other groups in the comparison;

3) Changing the meaning of low status group membership.

The first strategy used can be explained, for example, as comparing groups in terms of friendliness instead of any material wealth associated with the group. The second strategy used, for example, can be seen as when migrants compare their economic successes to those of people from their country of origin, rather than to those that are in their new, current society. Thirdly, this strategy can be explained, for example, by purposely changing a negative connotation of a social group into a positive one, e.g. "Beauty is held within, not in the size of your body".

These types of strategies may help individuals to cope with their perceived devalued status in society by being a part of a low status social group and help them psychologically; but they still don't address or change the status quo of their in-group or improve their in-group's objective outcomes (Tajfel 1978).

'Social competition' is a strategy whereby individuals within a certain social group will engage in forms of conflict which are designed to promote change within the social group (this done in a way in which individual creativity and social creativity cannot be replicated) (Cikara et al. 2011). Examples of this strategy may include workplace unions fighting for better work conditions within an industry, political pressure put on governments for fundamental change in laws such as taxes on alcohol, harsher penalties for certain criminal activities, or gay rights. Social change can be contrasted with individual mobility in the sense that the former explicitly looks at situations of the group as a whole, where, by contrast, individual mobility seeks only to improve the social standing of particular individuals. Social change also differs from social creativity as the former focuses on achieving changes to objective or material outcomes, whereas social creativity primarily has a focus on cognitive reinterpretation of the status quo. An important factor is also that social competition involves a collected approach that is used to effect change to a social group as a whole. Groups will therefore compete with each other for superiority, with the said groups on a similar value plane on which to compete with a mutual social standing.

2.9 SOCIAL AND STRUCTURAL CHARACTERISTICS

The concluding issue that SIT aims to address concerns the conditions under which people are predicted to pursue the different strategies explained, for either the maintenance or improvement of their social identity. SIT posits, in this situation, that depending on the prevailing social structure, those individuals will respond to their groups' circumstances in varying ways. Laws and/or cultural background/traditions may pose constraints on the level of improvement that can be achieved in an individual's social group standing. In spite of this, the social and structural characteristics to which SIT refers are explicitly defined as 'subjective belief structures' which are the opportunities and motives for individual as well as group status improvement (Tajfel, 1975).

'Permeability' of group boundaries relates to the notion that it is possible that individuals can act independently of the group, for example, as agents, within a given social context (Tajfel & Turner 1986). The ultimate explanation for permeability in a contextual sense is whether people or individuals feel that they have the ability to move from one social group to the other, with their former social group not having any type of restrictive nature in the individual's desire to attain the desired characteristics of a new social group. It should be noted that this shift is not one looking at shedding central or defining group characteristics such as gender or ethnicity, but more to the fact that individuals may feel that, 'irrespective' of these defining characteristics, either their access to other social groups is restricted or they are unsure whether they can achieve a position in another desirable social group and therefore a more desirable position in society that reflects their individual success and merit, regardless of their existing group membership (Tajfel & Turner 1986).

If individuals see that their current social group has more permeable boundaries, they will be more inclined to seek out individual acclaim and strategically manoeuver themselves in ways that help them as individuals, to ultimately seek more desirable social group acceptance within the SIT paradigm. On the other hand, if boundaries to existing social groups are seen to be less permeable and more rigid in their characteristics and membership, then the individual will feel more bound to their current social group and more pressure from their social group to conform to the norms of the group in question (Tajfel & Turner 1986). This can lead to other strategies used to lift social standing: in this case, attempts to lift the status of the individual will be done at a group level, instead of at an individual level (Tajfel & Turner 1986; Ibarra 1999; Bamber & Iyer 2002; Haynes 2006).

'Stability' of group status refers to the characteristics of social groups in regard to their ability to change or not (Tajfel & Turner 1986; Ashforth & Mael 1989). Some social groups can be seen as fluid and able to change characteristics more easily; whereas others are seen as more enduring and stringent in their characteristics, which means that they are more stable over time. The extent of the stability or lack thereof of differing social groups shows differing aspects of concrete properties or abilities that are needed to achieve different outcomes; ultimately showing differences between fluid and stable groups as to whether they are seen as inherent and/or unlikely to change (Tajfel & Turner 1986).

In certain situations, people feel that differential outcomes of social groups reflect historical developments or may be the result of the occurrence of chance rather than some inherent or distinguishable difference. To the extent that status differences are thought to be stable, individuals with a devalued social identity are less likely to pursue strategies of social change and will instead be inclined to seek out a strategy of individual mobility (Tajfel 1975; Tajfel & Turner 1986). However, if this action is not possible due to being in a social group with impermeable boundaries, then they will most likely prefer to pursue social creativity strategies.

'Legitimacy' of current social status refers to moral convictions, and looks at the motivation of groups or individuals for change, where permeability and stability show a perception that there is an opportunity for change (Tajfel & Turner 1986). There can be various social situations in which legitimacy can be used. For example, individuals being accepted into a certain social group based on incorrect assumptions of group-defining characteristics could be seen as an illegitimate manoeuvre (Tajfel & Turner 1986; Haynes 2006). A situation such as this may arise, for example, if a person's gender rather than their professional aptitude and credentials were used to infer their professional identity (Haynes, 2008). Status relations between social groups can also be seen as illegitimate if status-defining features are selectively ascribed to some groups rather than others under conditions in which there is no objective indication that they are valid. As a final note, the ascription of higher value to certain group characteristics can be seen as illegitimate. Each of these forms of illegitimacy may have the impact of motivating individuals to look at ways to fix or rectify their current social state of affairs. Moreover, this isn't only the case for those who are personally found to have been treated unjustly; group members who benefit from unearned advantages may also be motivated to correct past injustices and support certain causes of those that may suffer from a social system seen to be unfair (Tajfel & Turner 1986).

2.10 INDIVIDUALISM AND THE SELF

According to psychology literature, the definition of 'the self' can be described as:

> "The totality of all characteristic attributes, conscious and unconscious, mental and physical, of a person" (Corsini 1999, p. 875).

Individuals, by nature, are driven by an innate desire to feel good about themselves and will consistently look for ways to improve their self-esteem and protect themselves against circumstances that may occur that could harm their self-image (Tajfel 1975; Tajfel & Turner 1986; Covaleski et al. 1998; Iyer et al. 1997; Wallace 1995). When in a social group setting, there is a constant demand of the self to improve self-esteem, thus creating a desire and need to maintain one's social group in a positive manner. This desire can lead to the capacity to understand the self and how this is affected by the groups in society to which an individual does, or does not, belong. The first part of the discussion in this section will cover how notions of the self can develop, how they are represented in the mind of individuals, and how this relates to self-esteem and the notion of the self. The idea of the self is linked to social identity and thus leads to the formation and conception of SIT as a way to theoretically describe the social construct of humans' social environment. The following three parts of this literature section will cover three key implications of SIT, which are: intergroup behaviour and social change; how social identities manifest themselves; and finally, intergroup conflict, which will be discussed in more detail in the final part dissecting the inner workings of SIT and its importance and relevance to the present research.

2.11 SELF ESTEEM AND THE SELF

The way individuals think of themselves has an influence on how we behave. This in turn influences how other people perceive and respond to us as individuals (Harris 1995; Kihlstrom & Klein 1994). By obtaining accurate self-knowledge, and by learning about and making assessments of the self, we can aspire to become better individuals, improve our understanding of our surroundings, and make informed decisions about our interaction with other people (Oyserman 2001; Maddux 1991).

In the early years in life (infant stage of being), ideas of the self are seen to emerge within individuals. It is in interactions with parents, guardians, relatives and friends, which can all be encompassed under the term "carers", where the influences lie. The initial notions of the self

as a direct and distinct 'being' come from the infant gaining an understanding that they occupy a different physical space from their main parent/guardian or carer (Lewis 1990). Social interactions in early life are an important stage of development, where initial assessments of self-image, self-esteem and self-efficacy, are formed (Oyserman 2001). As an infant increases in age and moves into childhood, memory and self-consciousness develop, and ideas of the self thus move from the physical to the psychological (Damon & Hart 1988). This process of psychological development can continue into adolescence. From here, the self is no longer just about who I am, or who I used to be, but rather, an individual starts to form and develop aspirations in regard to a future self, and what that may entail. Holistic self-discovery and contemplation manifests itself in regard to 'who I can be', or 'who I want to be', in the future (Oyserman 2001). Development of the self continues to move through the life cycle; and its interactions with others, how we behave towards people, how we react to them, and how they react to us, will continue to shape who we are and how we behave moving forward within society.

One's memory is a powerful tool in which we can store pockets of information about the self. These come from us adding information, knowledge and experience in an accumulative way. This gives individuals an understanding of themselves and their own self-perception, as well as how they feel they are perceived by others in a social context (Kreiner et al. 2006). Memories are drawn upon when assessing other people and events, and in tandem these memories help to mould responses to other individuals (Markus & Wurf 1987). Memories that are more vivid and important to the individual are more easily accessible to the individual, and thus are the most salient, which will have a greater impact on how we amend our behaviour to suit different social situations (Markus & Wurf 1987). Positive self-image and the maintenance of our self-image is of paramount importance. The memories that we use to affect our behaviour pertaining to positive self-image is a main influencing factor. We feel good about ourselves when we have a positive self-image and we are motivated to behave in ways which increase our self-esteem. A rise in self-esteem is actuated with acceptance by peers and falls when we are devalued by others (Egan & Perry, 1998; Graham & Juvonen, 1998); resulting in us seeking out interactions where having a positive self-assessment is most desirable. This strategy is commonly used in managing one's in-group, and trying to elevate its prestige in a social context against competing out-groups.

Our self-image can change over time as new knowledge and experiences are acquired, and the new, changed notion of self informs our future interactions, thus maintaining the premise that one's self is a fluid consciousness, with environmental factors and accumulation of knowledge and experience critical factors in the continual formation of the self and its social context (Stryker & Serpe 1994). In this earlier stage of our life cycle, the self can change and be moulded from our personal experiences which are accumulated. As we get older, and our experiences and knowledge become more autonomous, change to self-image slows down and our self-definitions become relatively fixed; new experiences that conform to, and reinforce, our self-definitions have more power than information which challenges long held views of who we think we are. The creation of personal social norms that support the personal view of the self help to create a base which we can use to assess society, which revolves around our self, our place in society, and our ability to have some control over our future decisions and actions (Swann 1997).

It is clear that the self is not a notion that is created in isolation: it is not a personal, private self. Instead, it is a social self, created by our complex relationship and interactions with society and all intricacies pertaining to the certain society we find ourselves in, the environmental sphere being a critical aspect in developing our social self (Oyserman 2001; Lewis 1990; Markus & Wurf 1987). The notion of self includes both self-perceptions and what we believe others think of us. A distinction can be made between "I" and "Me". The collective empirical information about oneself can be considered to be the "Me" which is distinct from the "I" that is perceived by others (Lewis 1990). "Me" can be utilised when one looks within oneself, seeing one person with one holistic individual nature; but in society we therefore have many "I"s, as the perception of people in a societal context remains a powerful influence on the human psyche. We therefore have a variety of selves which are to some extent determined by the number of social groups to which we belong (Bamber & Iyer 2002). There is no single idea of the self; it is developed and continues to change with the acquisition of knowledge and experience throughout our lives. What identity is, how it manifests itself, and the effect that it has on how we interact, are complex concepts that cannot be simplified. Therefore, ideas of identity are simplifications, which can give some clues as to why people behave as they do but cannot paint the whole picture. It is with these limitations and the consequential restrictions in mind that the discussion about identity must proceed.

Intergroup conflict is a salient aspect of SIT. This aspect of SIT is the pivot point for the research conducted for this thesis, and helps to explain reasons as to why conflict may occur and how it affects the self, in a social context, regarding decision making and behavioural choices. Intergroup conflict occurs when there is competition for scarce resources and goods (Tajfel 1982). These scarce resources predominately have little to no value outside of the context within which the social groups compete (Tajfel 1975). Conflict between social groups arises via competition between the groups, with the goal of achieving a higher rank, or more prestige (Tajfel 1982). Group cohesion may be disrupted when there is intergroup conflict. Historically, research pertained to the notion that conflict within a group may lead to more cohesion, such as a higher level of comradery (Dollard 1937). Stein (1976) also concluded that increased cohesion was achieved through conflict, in a review of research in numerous social science disciplines, stating:

> "There is a clear convergence in the literature in both the specific studies and in the various disciplines that suggests' that external conflict does increase internal cohesion under certain conditions. The external conflict needs to invoke some threat, affect the entire group and all its members equally and indiscriminately, and involve a solution. The group must be able to deal with the external conflict, and to provide emotional comfort and support to its members" (p. 165).

The statement above, while positive, also puts caveats and limitations on the conclusions it prescribes. These caveats include conditions such as:

- All members of the group must be equally and indiscriminately affected;

- The conflict must involve the entire group;

- The group must deal with the with the external conflict in unison;

- The group must provide emotional support to all of its members.

In the situation where these conditions are absent and the conflict that arises is fractured in nature, and where not all group members are affected, then intergroup cohesion is seen to be impacted in a detrimental fashion, with a loss of cohesion presenting itself, manifesting in subjective enhancement of in-group qualities which are derived from the motivation of individual members (Tajfel 1982). A decrease in intergroup cohesion due to intergroup conflict can destabilise a social group, to then potentially create sub-groups within the one social group,

with the intergroup conflict having a detrimental effect on the self in regard to the social group's rank, prestige and standing in an external social context. A discussion on intergroup conflict and its relevance to the present research study will be made later in this chapter.

The next section delves into an explanation, via the literature, on the notion of the social self in the accounting profession, by looking at a combination of social identity, SIT and the identity influences prevalent in prior literature; ultimately seeking to explain how notions of identity can be used, in certain circumstances, to explain interactions between individual accounting professionals and their large organisational strategies on social identity influence.

2.12 SOCIAL IDENTITY THEORY IN THE ACCOUNTING PROFESSION

Currently, knowledge and literature within the scope of research in the area of professional identity in accounting is sparse. Research in regard to identity and accounting may be classified based on three broad categories: professional identification, organisational identification; and to a lesser extent, client identification; and within this literature, prior research has been aimed at collecting data from large, multi-national accounting firms. Due to this trend in currently available research from prior literature, and the research aim in this thesis, ultimately this leads to comparisons between professional identity of accountants from big multi-national firms and those in small-firm public practice. Professional accountants in small public practice do not have an influencing factor (in the form of a large multi-national firm and its resources) in forming an identity within a large organisation. Whether this distinction in the structure and social identity formation of their professional, organisational and client outlook will affect their identity paradigm is thus a focus of the present research.

2.13 ORGANISATIONAL IDENTITY IN ACCOUNTING

Many studies regarding organisational behaviour have examined individuals' attachment to their prescribed organisation, with differing forms of attachment being tested, such as commitment, loyalty, internalisation and identification (Kornberger et al. 2011; O'Reilly & Chatman 1986; Wallace 1995; Wan-Huggins et al. 1998). With the proliferation of research using commitment in regard to organisational and professional behaviour (Hall et al. 2005), this avenue of commitment consists of multiple dimensions; which led organisational researchers such as Meyer and Allen (1991), to question its holistic use for studying employee attachment (Bamber & Iyer 2002). O'Reilly and Chatman (1986) wrote:

"the nature of one's attachment may vary, and these variations can be differently associated with important organisational attitudes and behaviours" (p. 498).

This implication on commitment and its variations led to a more concerted effort in research on identification as a more robust look into the strength of attachment a professional may have to their organisation. Organisational identification is an important form of employee attachment to their respective organisations (Bamber & Iyer 2002). The definition of organisational identification, as presented in Mael and Ashforth (1992), states it as:

"The extent to which an individual defines him or herself in terms of an organisation" (p. 106).

Thus, the premise of organisational identity reflects the extent to which an individual, as an employee, feels that she/he can identify (connected and committed) with their employing organisation (as a member of their firm).

In the scope of previous literature, organisational identity has been a focal point in SIT research on accounting and the relationship between the identity of professional accountants (as well as other professionals) and their organisation. This has been seen as a salient aspect for previous researchers in identifying the motivations of large organisations in strengthening individual identification to align with organisational identification, and the influences or strategies used within the organisation to strengthen identification of its professional workforce (Bamber & Iyer 2002). The research pertaining to organisational identity and its influence on the self and salient social in-groups and out-groups, in a professional environment, has predominately been aimed at professional accountants in large, multi-national firms, and in that particular organisational setting.

Many influencing factors and intentional strategic implementations have been used at an organisational level to strengthen identification amongst professionals. These can be further categorised into strategies/decisions implemented at an individual level, and also at organisational level. These influencing factors are listed and subsequently discussed below:

- Satisfaction with Income (Aranya et al. 1981)

- Turnover Intentions (Bamber & Iyer 2002)

- Management by Objectives (Covaleski et al. 1998)

- Socialisation and Mentor Relationship (Covaleski et al. 1998; Iyer et al. 1997; Coffey 1994)

- Firm Prestige (Iyer et al. 1997; Ashforth & Mael 1989)

- Position and Hierarchy (Aranya & Ferris 1984)

- Symbolism (Ashforth & Mael 1989)

- Mutual Identity Crossover (Bamber & Iyer 2002)

- Professional Organisation (Aranya & Ferris 1984), and;

- Organisational–Professional Conflict (OPC), (Aranya et al. 1981; Aranya et al. 1984; Bamber & Iyer 2002).

2.13.1 INCOME SATISFACTION

The ability to provide professional services depends largely on technical knowledge and skills (Aranya et al. 1981). Larson (1977) posits that there is an "ideal of service", which translates at the individual level into a work ethic which places intrinsic value on work. Hence, satisfaction of income or rewards is seen as a significant influence in organisational identity. Aranya et al. (1981) see both intrinsic and extrinsic rewards as a measure contributing to organisational identity. Satisfaction with level of rewards, which include such items as monetary rewards, security, social rewards, self-esteem, autonomy and self-actualisation, was found to be strongly correlated with accountants' organisational commitment (Aranya et al. 1981). With income, salaries, and benefits generally negotiated (at base levels) during wide ranging discussions within Enterprise Bargaining Agreements (EBAs), this influence can be attributed as an organisation-level strategy.

2.13.2 TURNOVER INTENTIONS

Moving towards the influence of turnover intentions, Bamber and Iyer (2002) studied the organisational and professional identification of auditors' who were employed by (at the time[3]) in a "Big 5" accounting firm. Their two hypotheses pertaining to this factor included tests on

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[3] At time of data collection, Arthur Anderson was part of the global Big 5 accounting firms; which, after the company's collapse in 2002, became the Big 4 accounting firms.

whether the auditors' organisational–professional conflict (OPC) is positively associated with their turnover intention, and whether the auditors' organisational identification was negatively associated with their turnover intention. These measures were chosen because they represent important effects on an employee and their intentions to leave their firm. After testing of a sample of American Institute of CPA (AICPA) members from the Big 5, the results support the hypotheses and found a positive and significant association between having a high OPC and turnover intentions, as well as a negative and significant association between organisational identity and turnover intentions. Hence, the more the employee identified with their organisations, and the less conflict they had between organisation and profession, the lower their intention to leave their firm (Bamber & Iyer 2002). Intention to leave by a professional accountant due to OPC is an individual-level decision due to factors pertaining to their identity toward their organisation. Thus, turnover intentions can be seen as an individual-level decision by the professional.

2.13.3 MANAGEMENT BY OBJECTIVES – MBO

Management by Objectives (MBO) became a widely adopted managerial technique during the 1970s for planning future strategies, allocating resources for planning, and assigning responsibility to and evaluating organisational members (Covaleski et al. 1998). The premise and integral aspect of MBO and its use was the imperative that individuals conduct themselves with reference to organisational goals and to align their identity with their organisation so that the optimum outcome can be reached for both the individual and the organisation combined. At the time, the "Big 6[4]" firms implemented MBO, and this implementation occurred from partner level to lower subordinate level (Covaleski et al. 1998). Through the extensive ethnographic interviews used, it was seen that the large multi-national firms held a significant belief that the implementation of MBO was a driving factor in the quest to help new employees to identify strongly with their organisation, in helping to align the goals of the individual to the goals of the organisation, which would favour both parties, in their eyes (Covaleski et al. 1998). MBO, by design, is tailored for individual employees, depending on their role, seniority, and place in the organisation. Therefore, it is an organisation-level strategy.

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[4] At the time of the research, there were 6 global accounting firms, regarded as the Big 6.

2.13.4 SOCIALISATION AND MENTOR RELATIONSHIPS

Socialisation and mentorship are widely used influences in large professional organisations in the quest for higher degree of organisational identification. Covaleski et al. (1998) describe mentorship as a predominantly social process and exercise to help new employees to better understand and survive the political milieu of their organisations. These relationships through mentoring were seen often as being long term, and the mentor used as a symbol of what the organisation stands for. This was a powerful tool in establishing strong identity links within the large multi-national firms. An example quotation from a partner from one of these large firms follows:

> "Being a good mentor means making myself visible to my protégé in order for him to more fully understand what it means to behave, look like and be a partner in this organisation" (Covaleski et al. 1998, p314)

Iyer et al. (1997), when looking at the organisational identification of alumni (individuals' identification with their former workplace) of their former accounting firm workplace, saw mentorship as having a similar effect as MBOs. Mentorship has a positive and significant association between mentor relationships and organisational identification, as well as having an inclination to benefit both the individual and the former firm. The result was the same in regard to the socialisation process, which confirmed a significant positive association with organisational identification (Iyer et al. 1997).

Coffey (1994) suggests that socialisation and mentorship can also take on the role of symbolism, much the same as Covaleski et al. (1998) discovered. Graduates from a large multi-national firm were given 'filofax' personal assistant diaries. In the context of the study, a filofax was an all-encompassing diary, organiser and appointment book. These filofax diaries were the same dairies that the senior professionals used; and the graduates were trained thoroughly in the use of these devices, purporting the importance and significance of their use, which were seen as a symbol of the organisation and how to work within the organisation (Coffey 1994). Through the symbolic or ritual representation of such an item, the firm as an organisation attempted to generate a common mode of interpretation (Coffey, 1994). Hence, this strategy is predominately an individual-level strategy.

2.13.5 FIRM PRESTIGE

Firm (or organisational) prestige is also a factor of influence on organisational identity that has been identified through prior research. It has been seen as a positive and significant factor in the relationship with organisational identity; ultimately showing that, the higher the perceived organisational prestige to the employees, the higher their organisational identification (Iyer et al. 1997). Looking further into firm prestige, Ashforth and Mael (1989) proposed that, through intergroup comparisons, social identification affects self-esteem. This shows that perceived organisational prestige is related to organisational identification, as individuals often identify themselves with a winner (Ashforth & Mael 1989). Therefore, firm prestige is a strategy that is implemented at an organisational level.

2.13.6 POSITION AND HIERARCHY

The position/hierarchy (level of seniority) of an employee has been seen as an influencing factor in regard to organisational identity; which has led to mixed results in regard to the level of identification within the organisation and the position of an employee (Aranya & Ferris 1984). The hypothesis states that, the higher up the hierarchy an employee climbed, the higher their organisational identification (Aranya & Ferris 1984). This hypothesis on higher employee position equalling a higher organisational identity was shown to be accurate when moving from initial lower tier employee up to manager status, but then declined at partner level. The importance of the Aranya and Ferris (1984) study is that it compared identification of accountants working in non-professional organisations (non-accounting firms) with that of accountants in professional accounting firms. This is an intriguing finding, as it has similarities to the present study of this research, which is to test identification with accountants not in an "accounting-specific", large firm professional environment. The link can be seen as it is argued that the large multi-national accounting firms have their specific strategic measures in moulding identity strength, whereas non-professional accounting organisations may not as their vision projection and mission statement do not revolve around the accounting profession. Similar initial conclusions can be made for small public accountants. Hence, the results of the Aranya and Ferris (1984) study show, overall, that the organisational identification between the two different sets of accountants was significantly different, with the weaker identification coming from the professional accountants working in non-professional organisations. Position and hierarchy, in the firm, can be categorised as an individual-level strategy/influence.

2.13.7 SYMBOLISM

Symbolism is yet another strong attribute used in identification. Ashforth and Mael (1989) proposed that the use of symbolism in the working environment, in the guise of mentors, storytelling and artefacts, was paramount and used extensively to symbolise what the organisations stood for, and an indicator of a multifaceted approach in linking an employee's identification with the organisation they worked for. Symbolism and its implementation is, therefore, done at an individual level.

2.13.8 MUTUAL IDENTITY CROSSOVER

Another influence is mutual identity crossover (Bamber & Iyer 2002). Bamber and Iyer (2002) successfully determined that, due to the cooperation and general amicable relationship between the multi-national accounting firms and the accounting professional bodies, there were obvious similarities in their identification paradigms, thus there was a significant association with organisation and professional identity; and that aspects were mutual in nature between the two (Bamber & Iyer 2002). This observation leads to the notion that the profession and the large organisations have a two-way influence on one another in procuring a quasi "model", in a sense, which benefits both parties and helps both bodies in the quest to strengthen identification of their members and employees. This dynamic is not apparent in small public accountancies. Mutual identity crossover, and its premise, can therefore be categorised as an organisational-level strategy/influence.

2.13.9 PROFESSIONAL ORGANISATION

A professional organisation is defined as being an organisation in which individuals with a professional qualification practice their profession (Aranya & Ferris 1984); as opposed to a non-professional organisation in which professionals practice their trade but the organisation also practices other vocations. Professional organisation is an obvious influence and is related to mutual identity crossover, in that both the professional bodies and the large accounting organisations have similar goals and future outcomes; hence, their identities, in a sense, align with one another, making this a more streamlined and effective approach for identity strength amongst their members and employees (Aranya et al. 1984). Thus, because of its similarities to the above (mutual identity crossover), the professional organisation influence is an organisational strategy.

Across all the influences and strategies used in organisational identity formation shown in prior literature, Table 2.1 depicts each influence and its category as either an organisational level influence or specifically targeting identity at an individual level.

Table 2.1: Level of Influence

INDIVIDUAL LEVEL	ORGANISATIONAL LEVEL
Symbolism	Professional Organisation
Position and Hierarchy	Mutual Identity Crossover
Socialisation and Mentor Relationships	Firm Prestige
Turnover Intentions	Management by Objectives
	Satisfaction with Income

Table 2.1 shows that the main influences on the professional accountant pertaining to their organisational identity are approximately split evenly between strategies that are implemented at an organisational level and those that are targeted at the individual level. This mix of strategic influences is used by the large multi-national firms in aligning the personal social identity of their employees with that of the organisations' goals and identity.

In summary, organisational identification can be seen to be an important factor in regard to its links with professional identity. By working together and using vast resources, large organisations are able to partner with accounting bodies in implementing strategies to help strengthen the identity of professional accountants. This helps both the organisation and the professional bodies in aligning their members' and employees' social identification to that of the organisations and profession, which is a key strategy used. An example would be an employee staunchly claiming that they are an "accountant" (Professional Identity), as well as a "KPMG Man/Women", which is their organisational identity, hence strongly asserting that they belong to a group of which they are proud to be a part. It remains to be seen whether any of these strategic influences used by large multi-national accounting firms are prevalent in the

small public practice space. Without the helping hand and resources from the large multi-national firms, are the similar influences apparent on accountants in small public practice to help strengthen their professional identity? Or are other factors involved that set accountants in small public practice apart from their colleagues in large firms? This issue is a major focus in the present research study.

2.14 PROFESSIONAL IDENTITY IN ACCOUNTING

An examination of the relevant literature shows that professional identity has had less attention focused upon it compared to organisational identification. Although there are studies which look at both organisational and professional identity, the focus tends to be organisational identity (Bamber & Iyer 2002; Aranya et al. 1981; Aranya & Ferris 1984). Below is the list of factors that influence the strength of professional identity:

- Professional Self Image (Bamber & Iyer 2002)

- Professional/Organisational Socialisation – How to act (Grey 1998)

- Professional Organisation (Aranya & Ferris 1984)

- Socialisation (Haynes 2006)

- Job Autonomy (Bamber & Iyer 2002; Aranya & Ferris 1984; Norris & Niebuhr 1984).

As seen above, there are some influences which cross reference with influences used by organisations in the identification process.

2.14.1 PROFESSIONAL SELF IMAGE

Professional self-image, consistent with SIT, proposes that what members believe outsiders (from out-groups) think about their profession or organisation influences the cognitive connection that members create with their profession or organisation (Bamber & Iyer 2002). In essence, it is important to people what others think of the profession that they're a part of. In a longitudinal test on identification, Wan-Huggins et al. (1998) found that construed external image (i.e. extent to which employees believed that outsider people perceived their company or profession as good or bad) is an important determinant of employees' own identification with their profession or organisation. Hence, the findings from Bamber and Iyer (2002) in regard to professional self-image and its effects on professional identity were significant and

positive, resulting in their hypothesis being supported, that the higher the professional self-image of employees, the higher their identification with their profession.

2.14.2 PROFESSIONAL/ORGANISATIONAL SOCIALISATION – HOW TO ACT

Professional/organisational socialisation (How to act) is an influence which provides evidence on the importance (or lack thereof) of technical ability in forming a professional identity. Discussed in Grey (1998), this aspect of identification influence is concerned with instructing employees how to act and behave like a professional, and has little to do with technical skills and acumen (Grey 1998). Grey (1998) found that it was an important aspect of organisations and professions to quickly mentor new employees, to guide and teach them the facets of life as a professional. This strategy was implemented at organisational level (much like most strategies in identification) within (at the time) a "Big 6" accounting firm; and the themes to come out of this research include, "How to speak", "How to greet clients", and "How to dress" (Grey 1998). The pattern that emerges from this literature is how professional accounting organisations influence their workforce to strengthen employees' identification; and in doing so (because of alignment), how they project influences and strategies which make their employees identify with their profession; as the professional accounting bodies and large multi-national accounting firms share common interests (Ashforth & Saks 1996).

2.14.3 PROFESSIONAL ORGANISATION & SOCIALISATION

Professional organisation and socialisation is another influence that follows similar themes on how to act like a professional in the professional environment as is portrayed by organisations. The overall theme of influences facing professional accountants, when employed at large multi-national organisations, stems predominantly from the mantra of "how to act" and "how to present yourself" as a professional. Very little in the way of technical ability is mentioned or used as a strategy in identification, with reasons discussed in prior literature pertaining to the fact that educational background and intelligence is something which is inherent and also taught along the experience and career pathway (Haynes 2006). Thus, when forging a bond with employees, and encouraging a type of "tribalism" within the organisation, identification is about presentation and acting like a professional. This is where the majority of prior literature has focused in terms of professional identity.

2.14.4 JOB AUTONOMY

Job autonomy has been long recognised as an important organisational variable and a critical aspect of professionalism (Bamber & Iyer 2002; Haynes 2006). Autonomy is especially important for accountants because of the need to adhere to professional standards and provide opinions to clients and to serve the public interest. Norris and Niebuhr (1984) found a positive correlation between job autonomy and professionalism in their study of one accounting firm. Other studies such as Russo (1998) also came to the same conclusion, finding that job autonomy is significantly and positively correlated with professional identification. Lastly, Fogarty and Kalbers (2000) conclude that job autonomy is the single most important step a firm can take to enhance professionalism. Studies also concluded that job autonomy can also contribute to organisational identification (Wan-Huggins et al. 1998; Russo 1998; Norris & Niebuhr 1984; Fogarty & Kalbers 2000).

2.15 LINKING ORGANISATIONAL AND PROFESSIONAL IDENTITY

The above summary of influences on identity from prior literature reveal a strong indication that organisational and professional identities, as well as strategic implementation of influences, form somewhat mutual overlays with each other, with some influences being shared. Thus, these influences in themselves help both bodies to strengthen identity amongst members and employees alike. Influences uncovered via the literature that have been seen as being beneficial to both professional and organisational identities include the following:

- Mutual Identity Crossover (Bamber & Iyer 2002)

- Professional Organisation (Aranya et al 1984)

- Organisational-Professional Conflict (Aranya et al 1981, 1984; Bamber & Iyer 2002)

- Job Autonomy (Bamber & Iyer 2002)

- Job Satisfaction / Turnover Intentions (Aranya et al 1984; Bamber & Iyer 2002)

- Tenure (Bamber & Iyer 2002).

The above influences were derived from three significant studies regarding professional and organisational identity of professional accountants, in a large firm environment. Aranya et al

(1981, 1984) and Bamber and Iyer (2002) concluded that there was an alignment in mutual influences that helped to increase and align both professional and organisational identity.

Figure 2.1 depicts, conceptually, the relationship.

Figure 2.1: Mutual Identity Influences
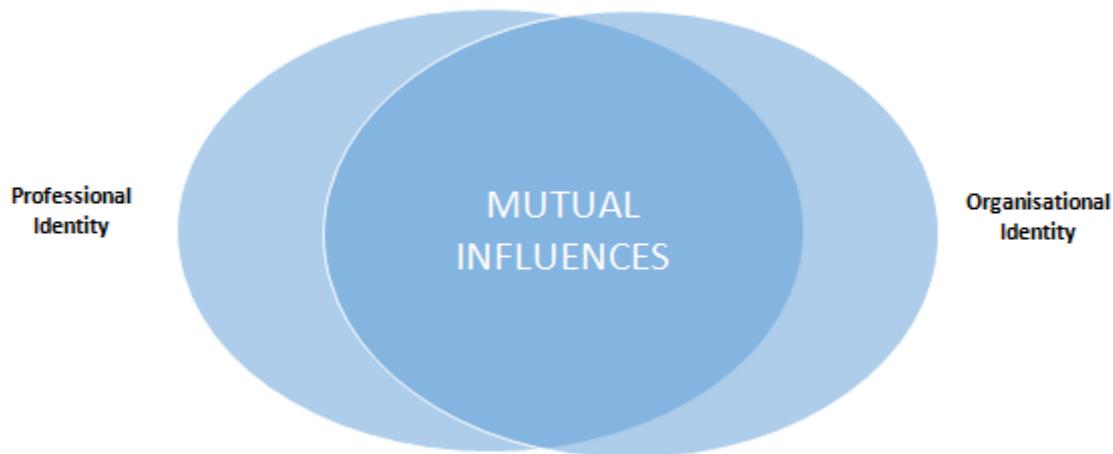
Figure 2.2 below shows all influences found in prior literature, including the mutual influences discussed above.

The studies stated above also investigated both organisational and professional identity and their links. Aranya et al. (1981) examined the professional identity of public accountants, with their findings showing that the organisational identity of accountants is compatible with their professional identity as evident from the positive relationship between them. Thus, there was a positive and significant relationship seen with accountants' perceived organisational identity and professional identity. Other aspects in Aranya et al. (1981) show that increasing the level of income, or the level of satisfaction with an accountants' income, would also contribute positively to professional identity, and that partners identify more with their profession then lower level professionals. These findings encapsulate the overarching theme that emerges from prior literature, that large multi-national accounting organisations and the profession, in general, align their objectives; and the findings identify strategies to help formulate a high level of professional and organisational identification for professional accountants, and that identity alignment/crossover shows little conflict or difference.

Figure 2.2: Strategic influences – Multi-National Accounting Firms.
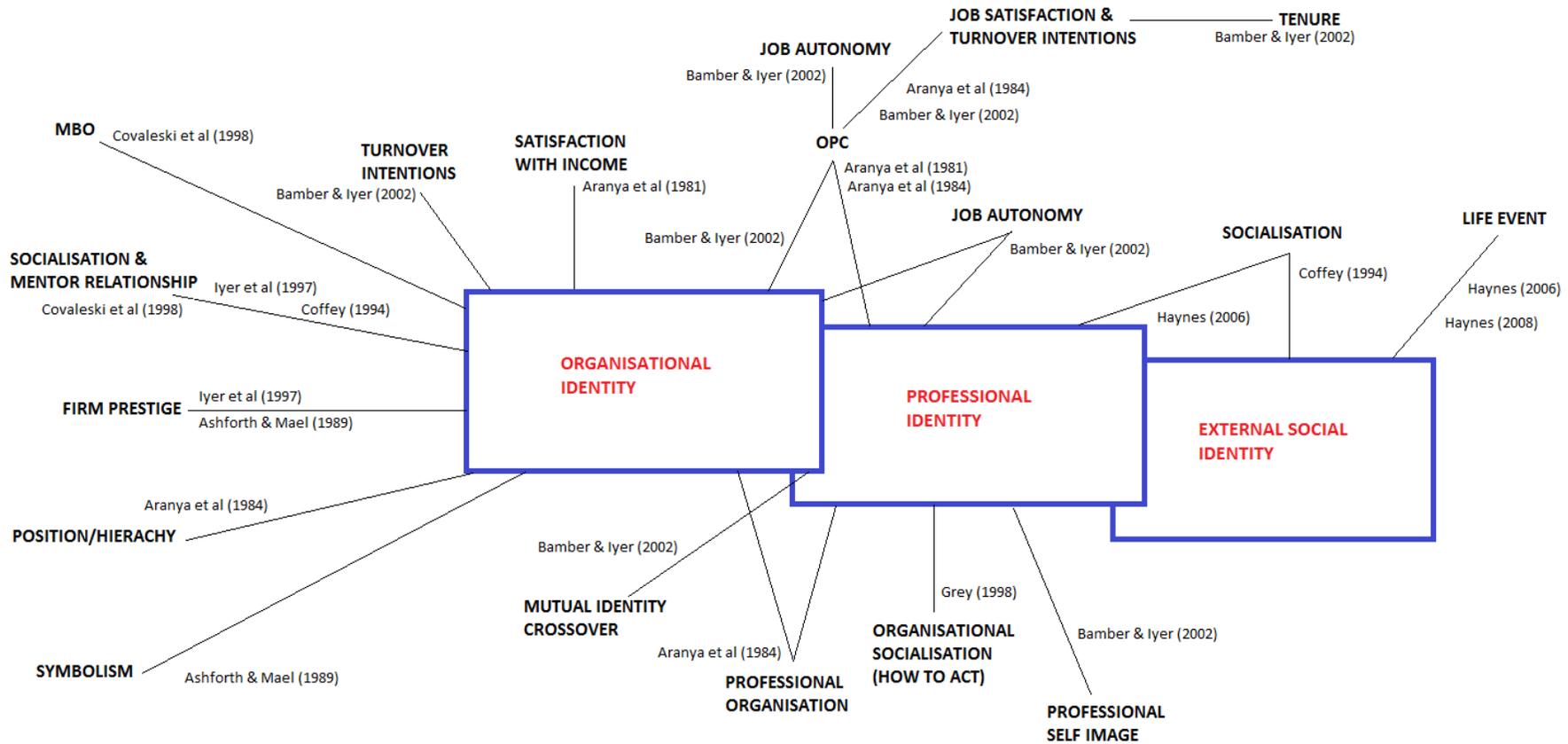
Aranya and Ferris (1984) extended their research by examining the Organisational-Professional Conflict paradigm (OPC). They were particularly interested in finding evidence of any OPC phenomenon and what an OPC paradigm entailed. Their conclusions indicated that accountants' organisational and professional identities are not necessarily conflicting and that their interaction may be responsible for only a small portion of observed OPC. In addition, the correlation coefficient between OPC and the interaction of organisational and professional identity was significant, and negative. This research, therefore, showed that organisational and professional identity were positively related, and normally increased and decreased in tandem. Their research primarily stemmed from testing accountants in large firms, incorporating extensive large-firm culture settings, as well as testing the difference between those accountants and accountants in other non-professional industries/organisations that were of a large scale.

Recently, further studies have been conducted in relation to identity and the accounting profession. Svanberg and Öhman (2015) conducted a study in relation to auditors and their identification with their clients, and the effects of this identification on professional identity. The study examined the extent to which non-Big 4 auditors identified with their clients, the effect of auditor-client identification on auditors' propensity to acquiesce to client demands if preferred-client treatment was present regarding their identity skew, and whether the harmful effects of auditor-client identification can be extended to a broader set of reduced audit quality acts (Svanberg and Öhman 2015).

Their study has importance in its connection to the present research, as it is particularly targeting professional auditors that are not employed in a multi-national, Big 4 accounting firm, thus testing a similar paradigm to that in this thesis in deciphering any different identity skews for a particular cohort of accounting professionals.

Svanberg and Öhman (2015) state that organisational cultures of non-Big 4 firms are suggested to be relatively less competitive, which in turn can potentially provide stronger relationships with clients than in the setting of Big 4 firms, the latter which have higher turnover of employees (Svanberg and Öhman 2015). Thus, if the employee turnover is lower in non-Big 4 firms, auditors have more opportunities to develop close client relationships, and this may impair auditor objectivity (Svanberg and Öhman 2015).

The findings show that auditors tend to identify with their clients, and that an auditor who identifies relatively more with a client is more likely to acquiesce to client-preferred treatment and to commit reduced audit quality acts (Svanberg and Öhman 2015).

Therefore, their study reinforces the importance of the present thesis, that more research is needed in this space, as professional accountants who are not consumed by the culture of a large multi-national Big 4 firm have a different identity mindset, which may affect decisions made and behavioural choices delivered. This conflict of identity in the professional work environment is a main contributor in identity management, as well as the focus of the accounting profession. The research in this thesis, however, differs to the study by Svanberg and Öhman (2015), as it is focused on the traditional, 'all service' professional accountant, working in a small or micro practice setting, as opposed to auditors specifically.

Brouard et al. (2017) endeavoured to construct a theoretical framework for professional accountants' identity formation, specifically the cognitive way in which professional accountants may acquire their identity. As a conceptual paper, Brouard et al. (2017) explored professional accountants' identity formation and how society can play a particular role in their identity formation, as well as professional accounting bodies/associations, and how accounting firms play a critical role in identity formation.

With professional identity developing in a social context, Brouard et al. (2017) indicate that these external influences, of society, accounting bodies and firms, shape the way in which accountants form their identity. Figure 2.3 depicts the theoretical framework proposed.

Figure 2.3 represents influences in identity formation. Society is constructed of media, governments, potential recruits, other professions, clients and the general public. These influences are projected via stereotypical images, which form a distinctive identity formation. Within the accounting profession, influences include individuals, other accountants, accounting firms, employers and professional accounting associations. All influencers play a role in ultimately forming a certain identity for a professional accountant. According to this framework, the present research is primarily focused on local, or small practice, accountants, highlighted in red in Figure 2.3.

Figure 2.3: Accountants' Identity Formation: Theoretical Framework
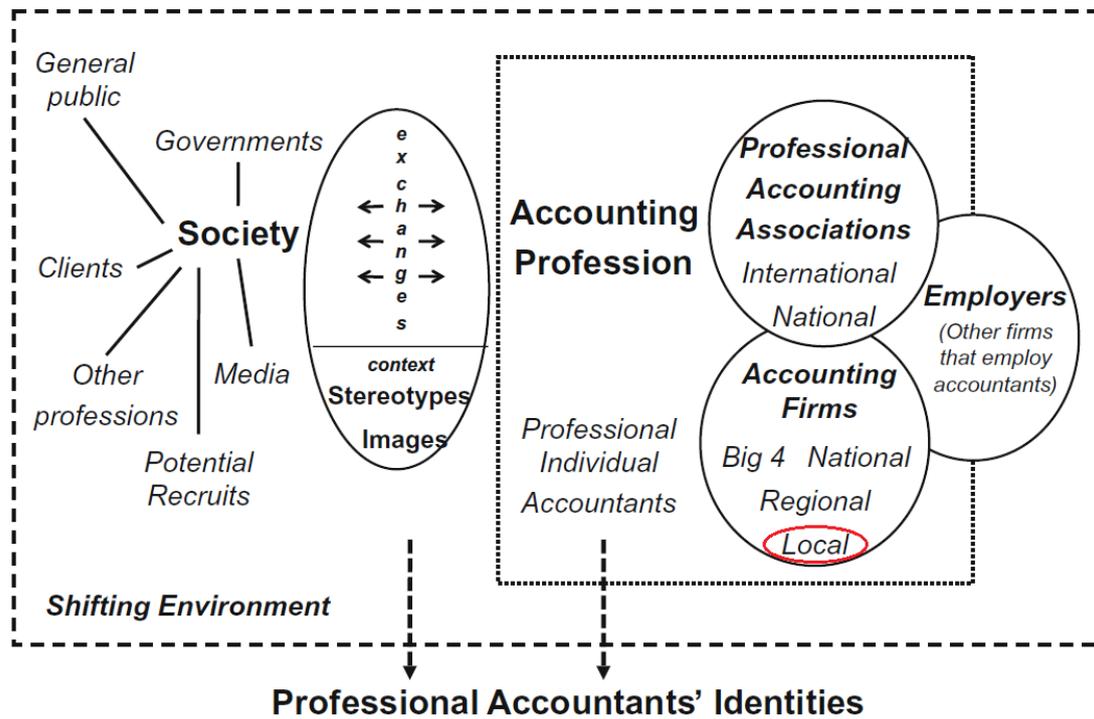
(Source: Brouard et al. 2017)

As stated in Brouard et al. (2017), future research is required in deciphering whether there are differences in certain populations of professional accountants, specifically indicating the importance of identity formation and strength for accountants in small public practice, which this research aims to investigate.

2.16 PRESENT STUDY'S CONTRIBUTION TO LITERATURE

Looking at all the prior literature on SIT pertaining to professional accountants, it can be seen that the overwhelming focus has been on a professional and organisational identity paradigm with regard to large multi-national organisations and the links between mutual strategies and influences. Hence, professional identity is formed and subsequently strengthened via multiple avenues. Firstly, professional bodies influence professional identity strength via barriers to entry, thus employing certain criteria and testing measures to assure membership; which strategy elevates the 'exclusivity' of joining the social group of a professional accountant. This includes extra learning and study after the completion of an accounting degree at university

level, with examinations used to assess the apparent skill of the participants in becoming a member of said professional body. The overwhelming majority of factors relating to strategic influence on professional identity come from large multi-national firms. These large firms adopt multiple strategies to train their employees in professionalism, thus aligning their identity not only to their organisation but also to their profession. Thus, common influences are used by both the profession and large organisations to strengthen identity, and to mitigate organisational-professional conflict (OPC). Lastly, the influences from clientele have a smaller effect on overall identity formation (Bamber & Iyer 2007), but nevertheless are a factor. Prior studies have shown that auditors in large firms did allow their clientele to affect their overall identity (Bamber & Iyer 2007). Figure 2.4 below depicts a conceptual framework for the overall relationships that the current literature portrays.

Figure 2.4: Framework for Identity Influences
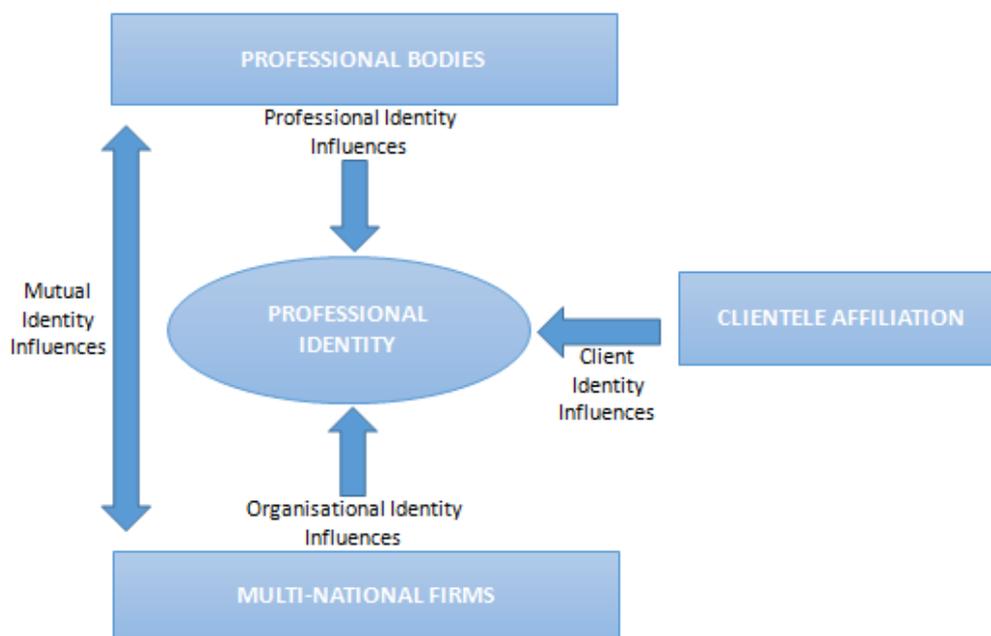
The present study centres on professional accountants in small public practice. It can be seen that all literature in this area of research has centred on the relationship between the profession, large multi-national accounting firms (as well as other large-firm professions), and the professional accountants who work within these large firms. The study endeavours to unlock the relationships and intricacies involved in the possible differences or similarities of professional identity between small public practice accountants and those in large firms, as this will eliminate the whole dimension of organisational identification, culture and hierarchy

involved in large firms as a variable. Therefore, this research will build upon and expand the current literature by adding a vital aspect of identity research with the focus on small practice accountants. This will lead to a better and wider, overall picture on identity in the accounting profession. Figure 2.5 presents a conceptual overview of the relationships between professional and small practice public accountants.

Figure 2.5: Relationships of Small Practice Accountants and Professional Accountants
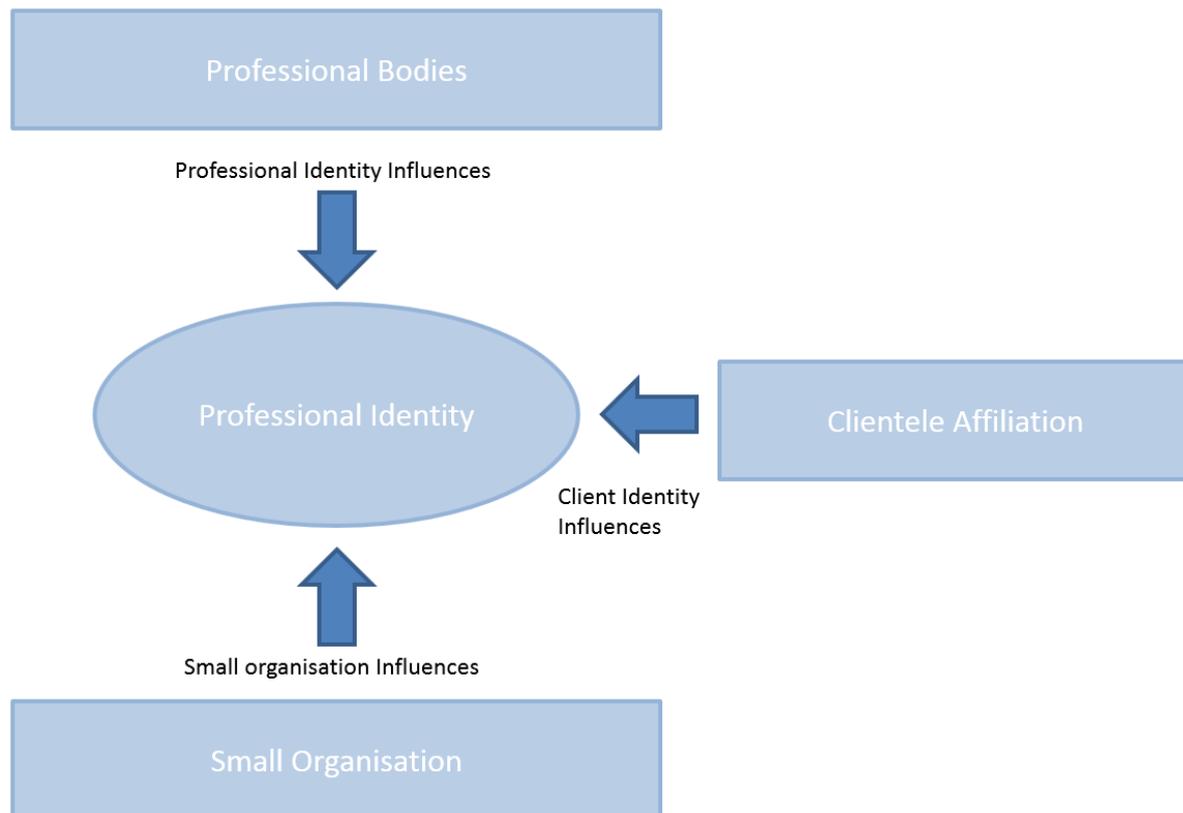
Figure 2.5 depicts the relationship that an accountant in small public practice may have with other aspects of the profession. Being in small public practice, there is no relationship with a large multi-national firm. Prior literature depicts that these large firms play a pivotal role in identity formation, not only with their organisational identity but also their professional identity, and that both sets of identity are commonly aligned. With this major aspect absent for accountants in small public practice, what mechanics are present in forming their professional identity? And does their professional identity strength differ from that of an accountant employed at a large multi-national firm? This leads us to the first research question to be investigated:

RQ1: To what extent do professional accountants in small public practice identify with their profession, organisation and clients?

It is important to investigate the above research question, as the mechanics of identity formation differ to those in large firms, thus the reasoning and significance behind their identity towards their profession is unknown. It is also pertinent to investigate whether there is any significant difference in the strength of identity between the salient identities that are present for professional accountants, being identity towards the profession, organisation and clients. If significantly different, does this impact behavioural choices and/or decision making for accountants in small public practice compared to their large firm counterparts?

Factors which could affect professional identity for accountants in small public practice, as stated above, are their identity strength towards their small organisation, and their clients. The tension between competing identities within their work place could see conflict arise within their social identity; and thus this aspect could jeopardize their professional identity, as well as their ability to practice their profession according to professional norms. This leads us to three subsidiary research questions to investigate:

SRQ1: Do commitments to professional, organisational and client identities create a conflict in the practice of accounting?

SRQ2: Does their client identity differ significantly from their professional identity?

SRQ3: What are the mechanisms/influences in identity formation for accountants in small public practice?

2.17 CHAPTER SUMMARY

This chapter has provided a comprehensive literature review on previous research studies pertaining to the origin and mechanics of SIT, and its application in accounting research. The three pertinent social identities in the accounting profession (professional, organisational and client identities) are manifestations of social identity which represent 'the self' in a group context. SIT, in its main function, operates according to a stable group status; which suggests that, where group membership is salient, social identity has an impact on the behaviour within groups. Group members' behaviour is affected by the need for positive affirmation and distinctive attributes within the in-group. This is favoured at the expense of the out-group to

achieve enhancements to self-esteem collectively (Tajfel 1982). Where self-esteem and group prestige are seen as being under threat, managing individual identity becomes a strategy to rationalise and propel an individual's in-group back into a positive light. Strategies used include individual mobility and social creativity. Prior literature has had a focus on identity within professional accountants that practice their profession in large multi-national firms. With large multi-national firms having a dominant presence in identity formation, it can be seen that, in conjunction with the profession as a whole, the mechanisms used to train or 'groom' an employee are strategically clinical in attempting to garner a very strong organisational and professional identity. With this aspect absent in the environment of an accountant in small public practice, it is important to research what factors lead the small accountant to identify with the accounting profession and to what extent their strength of identity is to their profession. Other factors include: their identification to their small organisation, for which prior studies indicate that employee turnover is less prevalent in small practice (Svanberg & Öhman 2015; Brouard et al 2017); and competition within small firms being less intense, thus allowing other identities to prevail regarding their strength for the professional accountants (Brouard et al, 2017), and therefore also their affiliations and identification towards their clients (Svanberg & Öhman 2015). Higher identity strength towards either their small organisation and/or their clientele could pose implications in regard to their behavioural choices and decision making. Therefore, the researcher, and hence the present study, is structured to collect data and analyse these data pertaining to the identification of accountants in small public practice, and to lead a discussion on the differences between two very different sets of colleagues, and on what possible implications can be drawn from the results.

CHAPTER THREE - RESEARCH METHODOLOGY AND DESIGN

3.1 INTRODUCTION

The theoretical framework, prior literature research and the development of the research questions in ascertaining the prevailing identity for accountants in small practice, were presented in Chapter Two. The present chapter will detail the research methodology employed, including an in-depth discussion and rationale for the choice of method used to address the research questions. The method used will help gather evidence to test the validity of the research questions outlined in Chapter Two. This chapter will then set out the research design in terms of the construction of the methods used and the measurements used.

There are six sections in this chapter. The second section identifies existing alternative research paradigms and the paradigm used for the present research study. The third section discusses the research methodology and the approach employed. Section four details the survey method used, including the definitions and variables used to construct the survey instrument and their relevance to prior literature. Section five details the use of interviews including the rationale for the interviews, and the construction of the interviews as pertaining to prior literature. Finally, section six will detail the use of a mixed methods approach, and the rationale behind the effectiveness of this approach in addressing the research questions for the study.

3.2 RESEARCH PARADIGM

A paradigm is seen as a shared framework of assumptions that are held within a discipline (Veal, 2005). It reflects a set of basic philosophical beliefs about the types of solutions which can arise from research. Therefore, it provides guidelines and principles concerning the way research is conducted. In social science, complementary and rival paradigms often co-exist, and these are reflected in differing approaches to research. These dichotomies include positivist and critical/interpretive approaches, quantitative and qualitative methods of research, induction and deduction, and finally, experimental and non-experimental approaches.

Also known as 'worldview', a paradigm means *"a basic set of beliefs that guide action"* (Creswell, 2015, p. 6). There are two main paradigms according to Veal (2005) – positivism and interpretivism; which are also seen as research philosophies or epistemological approaches in the discipline of social science research (Saunders et al. 2009). Positivism originated in the

natural sciences, adopting a view that the world that is external and objective to the researcher (Veal 2005). Researchers are seen as independent of the research they are conducting, and the approach that is used has a main focus on 'objective description and explanation'. The behaviour viewed, of individuals, groups, organisations and any entity a researcher is interested in, is explained on the basis of the facts and observations. This tends to be quantitative in nature, gathered by the researcher, using models and theories developed in advanced of the empirical part of the study (Veal 2005). Therefore, in order to explain or predict a phenomenon in regard to positivism, theories are used by researchers, while applying logical reasoning to make emphasis on the objectivity and rigour of the study, rather than relying on subjectivity and/or intuitive interpretation. A positivism paradigm in this regard can also be referred to as a post-positivist world view (Creswell 2015). Problems that arise in post-positivism reflect the need to identify and assess causes that can influence outcomes, for example, in experiments. Careful observation and measurement in an objective reality is the basis of the outlook of positivism (Creswell 2015). Hence, the development of numerical measures for observation and study of the behaviour of individuals becomes crucial for a post-positivist (Creswell 2015).

Interpretivism, the second major paradigm, emerged as a response to the incumbent research method of traditional positivism (Saunders et al. 2009). The major premise that underpins interpretivism is the belief that social reality is not objective, but subjective, and that this subjectivity is fuelled by the perceptions of individuals and humans in general (Collins and Hussey 2009). Creswell (2015) refers to Interpretivism as a 'social constructivist worldview', claiming that social constructivists assume that individuals aim to seek understanding of the world, not looking from the outside, but within the world in which they live and work (Creswell 2015). The notion that a researcher cannot be seen as an outsider to the world is opposed by Interpretivists. Theoretically, people are intertwined and 'relevant', as well as contributing and effecting everyone around them. The goal of this type of research is to rely upon the views of the participants, and on the situation that is being studied. The researcher is there to make sense of and interpret meanings and their surroundings, and to see others' meanings of the world, rather than starting from the standpoint of a theory as seen in positivism (Creswell 2015).

Table 3.1: Assumptions of Paradigms – Positivism and Interpretivism

Philosophical Assumption	Question	Positivism	Interpretivism
Ontological assumption	What is the nature of reality?	Reality is objective and singular, separate from the researcher.	Reality is subjective and multiple, as seen by the participants.
Epistemological assumption	What constitutes valid knowledge?	Researcher is independent of that being researched.	Researcher interacts with that being researched.
Axiological assumption	What is the role of values?	Researcher is value-free and unbiased.	Researcher acknowledges that researcher is value laden and biases are present.
Rhetorical assumption	What is the language of research?	Researcher writes in a formal style and uses the passive voice, accepted quantitative words, and set definitions.	Researcher writes in an informal style and uses the personal voice, accepted qualitative terms, and limited definitions.
Methodological assumption	What is the process of research?	Process is deductive. Study of cause and effect with a static design (categories are isolated beforehand). Research is context free. Generalisations lead to prediction, explanation and understanding. Results are accurate and reliable through validity and reliability.	Process is inductive. Study of mutual simultaneous shaping of factors with an emerging design (categories are identified during the process). Research is context bound. Patterns and/or theories are developed for understanding. Findings are accurate and reliable through verification.

(Source: Creswell 2007)

These two research paradigms and philosophies (epistemological approaches) contain important assumptions about how a researcher views the world or the nature of the reality (also known as ontology). Depending on this view, a researcher will be influenced and swayed

towards a particular strategy or methodology; hence, the methods chosen will differ. Table 3.1 is a reflection of the assumptions that underpin these paradigms.

The present research mainly embraces the positivist philosophy in developing knowledge, although the researcher believes that there are small elements of interpretivism in this research due to the nature of the two-stage methodology used in collecting the relevant data to answer the research questions. The researcher also believes there is no universal right or wrong answer to which a paradigm should be used when conducting research. A natural flow of the values needed to fulfil the requirements of the research study is paramount, and this will dictate the approach that is best suited. The next element to be considered in the framework of the research methodology and study design is the research strategy (Creswell 2015).

3.3 RESEARCH METHODOLOGY & STRATEGIES OF INQUIRY

Once the research paradigm has been investigated thoroughly, and proper thought used to ascertain the correct paradigm to adopt, the researcher should then turn his/her attention to the strategy which is chosen to be implemented in the research (Collis & Hussey 2009). In short, the researcher has decided on the research paradigm, thus a methodology of the research project needs to be selected that will reflect the philosophical assumptions of the paradigm chosen. Irrespective of terms that are used, strategies of inquiry (Creswell 2015), research strategies (Saunders et al. 2009) or research methodologies (Collis & Hussey 2009) are types of quantitative and/or qualitative models which provide specific direction or approach for procedures in a research design.

Methodologies that are traditionally associated with a positivism paradigm generally support a deductive approach in research (Veal 2005). The sequence of events in a methodology strategy using deductive measures includes, firstly, to provide an explanatory theory to understand a social reality, or to test a theory (or multiple theories) (Veal 2005; Saunders et al. 2009). This is also seen to be a strategy of streamlining, in that the intent is to reduce ideas to a small, discrete set of ideas which can be tested, such as variables that are incorporated into research questions (Creswell 2015). Since the positivism paradigm assumes that social reality is external, objective and can be measured, positivism is associated more broadly with quantitative methods of analysis (Collis & Hussey 2009).

Alternatively, methodologies that are traditionally associated with an interpretivist paradigm generally support an inductive approach in research (Veal 2005). The sequence of events in a methodology strategy using inductive measures includes a process with a view to provide interpretive understanding of a social reality within a particular framework or to develop theories (Collis & Hussey 2009; Saunders et al. 2009). With a focus on exploring the complexity of social reality as a constantly shifting mindset of an individual's view, interpretivists adopt a range of qualitative methods in their search for answers to their research questions (Collis & Hussey 2009; Veal 2005).

Figure 3.1 depicts a fluid interpretation of the research process. If the research process begins with *Observation – Description – Data Collection* and moves towards *Analysis* and, finally, *Explanation – Hypothesis – Theory*, the process is Inductive. The explanation is induced from the data, meaning that the data have come first and the explanation of the data comes afterwards (Veal, 2005). Conversely, if the research process begins with *Explanation – Hypothesis – Theory* and moves towards *Observation – Description – Data Collection* and finally *Analysis*, the process is Deductive. Hence the latter process is based on prior reasoning. A possible explanation comes first and the data are collected afterwards to confirm the hypothesis or not (Veal, 2005).

Figure 3.1: Circular Model of the Research Process
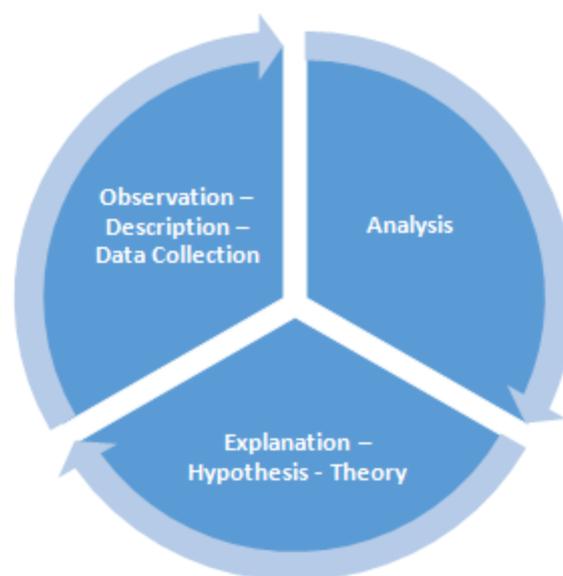
(Source: Veal 2005)

Table 3.2 highlights the association between the paradigm that is chosen and the respective research methodologies and/or strategies that can be adopted for a research study. It is important that the research method used will be adaptable and suitable for answering the research questions asked, and for the overall objectives of the study (Veal 2005; Creswell 2015). Importantly, these methodologies are not mutually exclusive. The present study uses a mixed methods approach, embracing a positivist skew for the first stage of data collection, as it uses an existing theory (Social Identity Theory) to develop the research questions, uses empirical data to test the research questions, and uses quantitative methods of analysis with quantitative data. Stage two of data collection, being in the form of semi-structured interviews, embraces an interpretivist skew, and uses non-empirical, qualitative data to test the research questions asked. Therefore, the present study uses a deductive approach as data are collected, in stage one, via a survey instrument; then, in stage two, the study uses an inductive approach, via a semi-structured interview strategy.

Table 3.2: Methodologies Associated with the Main Paradigms

Positivism (Deductive Approach)	Interpretivism (Inductive Approach)
Experimental Studies	Hermeneutics
Surveys (Using primary or secondary data)	Ethnography
- Cross-sectional studies	Participative enquiry
- Longitudinal Studies	Action research
	Case Studies
	Grounded theory
	Feminist, gender and ethnicity studies

Therefore, as stated above, this study uses an existing theory (Social Identity Theory) to guide and help develop the research questions. These research questions are statistically tested and confirmed in whole or in part, or refuted; which enables a further refinement in theory which can be tested by conducting further research in the future. The data for stage one of this study were collected via an online survey. The online survey was emailed to the potential participants, with an invitation to participate in the study, via an Australian Professional Accounting Body. This Professional Accounting Body was approached by the researcher to facilitate the distribution of the survey for research purposes, which request they accepted. Once these data were collected and analysed, stage two of data collection involved semi-structured interviews of participants from the survey. The survey data, once analysed, helped to inform the content of the interviews, to extract further in-depth content regarding the

mechanisms of identity within professional accountants in small public practice. The concepts uncovered by the researcher were subsequently interpreted in order to ascertain the identity paradigm of the participants more reliably. These include the perceptions of the subjects under study, since positivism is underpinned by the ontological assumption that social reality can be measured objectively. Therefore, consistent with the methodology approach used by the researcher, with the main methodologies linked to either positivism (deductive approach) or interpretivism (inductive approach) as shown in Table 3.2, a positivism approach is adopted in the present thesis. The next section will consider and detail the research methodology used, starting with phase one of the data collection using a survey research methodology.

3.4 SURVEY RESEARCH METHODOLOGY – PHASE ONE

Using a survey instrument for the purposes of obtaining data for research purposes is a common and popular methodology in business, management and accounting research, and is the most frequently used to answer 'who, what, where, how much and how many' type questions (Creswell 2015). A survey refers to an investigation where:

- Systematic measurements are made over a series of cases, yielding a matrix of data;

- The variables in the matrix are analysed to see whether they show any patterns;

- The subject matter is social in nature.

With respect to using a survey instrument, the overall design generally follows a standard format (Creswell 2015). With that in mind, the main components/sections of the survey are as follows:

1) Survey Design

2) The population and sample

3) Survey instrumentation

4) Primary Data

5) Variables in the study

6) Analysis of data.

The sections to follow describes the components of the survey method and how they are being employed in the present study.

3.4.1 SURVEY DESIGN

This section introduces the basic purpose, nature and rationale of the survey, followed by the data collection method to be utilised.

As noted above, a survey methodology approach is associated with a positivist paradigm, as well as with a deductive approach. The definition of a survey is "a systematic method of gathering information from a sample of entities for the purposes of constructing quantitative descriptors of the attributes of the larger population of which the entities are members" (Groves et al. 2004, p. 2). The quantitative descriptors are referred to as statistics by Groves et al. (2004); with them further stating:

> "statistics are quantitative summaries of observations on a set of elements; some are 'descriptive statistics', describing the size and the distributions of various attributes in a population while others are 'analytic statistics' measuring how two or more variables are related" (p. 42).

Groves et al. (2004) claim that the research goal sets surveys apart from other strategies to describe people or events.

Concurrently, Collis and Hussey (2009) state that a survey method "is designed to collect primary or secondary data from a sample, with a view to analysing statistically and generalising the results of a population" (p. 76). Hence, with regard to the purpose of a survey, it can be divided into two categories, as 'descriptive' or 'analytical' in nature (Collis & Hussey 2009). Descriptive surveys are used when researchers need to represent phenomena for a particular instance or for various instances. Analytical surveys are predominately carried out to investigate any relationships between chosen variables (Collis & Hussey 2009). Therefore, the present study uses both a descriptive and an analytical survey instrument, as one of the purposes of the study is to ascertain the degree of identity strength amongst accountants in small public practice, and to statistically compare the results to prior survey results of the same nature, on professional accountants practicing in large, multi-national firms.

In addition, the survey method is preferred in this part of the study, since it has been used in prior literature to extract the data required (for this type of study), and is most effective in research on larger populations. It is a common approach used in social sciences to gather empirical data, and hence is used to study the characteristics and relationships of the variables being investigated (Creswell 2015).

3.4.2 TIMING OF ADMINISTRATION OF THE SURVEY

When designing a survey and the subsequent delivery of the survey instrument, it is important to consider the timeline over which the researcher wishes to test and evaluate (Creswell 2015). The two options available when considering the time horizon of one's survey study instrument can either be a cross-sectional study or a longitudinal study. A cross-sectional study, which can also be referred to as a 'snapshot' study (Creswell 2015), is designed to acquire variables and data in differing contexts, over the same time period (Creswell 2015; Collis & Hussey 2009). A longitudinal study, on the other hand, is used to acquire variables and data in differing contexts, over a long(er) period of time (Creswell 2015; Collis & Hussey 2009). The most common time horizon method used when administering a survey to collect data for research purposes is a cross-sectional design, due to the efficiencies in acquiring data at a set point in time, as opposed to the difficulty involved in longitudinal studies (Creswell 2015).

The present study will use a cross-sectional design, due to the following reasons. A cross-sectional designed study can be carried out simultaneously with regard to distribution to many participants at any one time, and hence is able to succinctly collect data. It is also more time efficient in that the data collection time period is much shorter, which coincides with the type of data needed for the present research study, where longitudinal data are not necessary. The survey aspect of the present study was carried out on a population set of professional accountants in small practice and members of an Australian Professional Accounting Body. The invitation to participate in the survey was distributed via email, direct from the Australian Accounting Professional Body. The population was specifically targeted to coincide with the rationale of the study, thus the mass email was sent to 2,200 accountants in small public practice. The potential participants spanned the whole country, with the email distribution sent to small practice accountants in all states and territories in Australia, according to the information provided by the Australian Accounting Body. In the chapters following, it will be evident that a robust spread of participants around the major states of Australia was obtained. An additional reason for the cross-sectional study is to increase participation rates amongst the

professionals that were targeted. As with most professions, including for accounting professionals, most have demanding workloads and busy schedules; thus, making the research study efficient enough so as to entice participants was important. The average time it took to complete the survey instrument according to the recorded data was five to seven minutes.

3.4.3 FORM OF DATA COLLECTION

There are many ways and alternative methods of survey design and data collection (Groves et al. 2004). Irrespective of this, questionnaires/surveys remain the most widely used method to obtain and collect data (Creswell 2015) in social science research. Other methods used in survey data collection also include observations, interviews and focus groups. Interviews were also used in the second phase of data collection for this present research study. Surveys are widely used, and very practical when data collection is required from a sample of participants who are geographically spread over large distances (Kloot & Martin 2001). In addition, by administering a survey via email, through the Accounting Professional Body channels, anonymity and confidentiality were assured through the privacy policies held via the professional body; whereas face-to-face and telephone methods face further apprehension from participants if sensitive information is divulged. A criticism of surveys (whether via mail or email distribution) is that, historically, they have achieved low response rates (Creswell 2015; Collis & Hussey 2009), a lower quality of response, and in regard to mail surveys, high cost of implementation (Creswell 2015). With the present study, due to the involvement and eager participation of an Australian Accounting Professional Body, and the cooperation of this Body in regard to the distribution of the survey (as well as the use of the survey software platform) to the key and relevant potential participants, as well as the use of the same survey instrument in previous literature, this survey methodology was seen as the correct strategy for phase one of the research. Email distribution has also proven to be an easy and efficient way of contacting and interacting with participants in this current, technological age (Creswell 2015).

3.5 THE POPULATION AND SAMPLE SELECTION

3.5.1 POPULATION AND UNIT OF ANALYSIS

A sample's effectiveness in representing a population is determined via sampling frame, sample size, and the specific design and selection procedures (Creswell 2015). Not all parameters of effective sample size need to be accounted for to have an effective sample. The

sampling frame for the present study and survey instrument is the population of an Australian Professional Accounting Body. This particular Accounting Body focuses and specialises in acquiring members that are professional accountants in small public practice. According to the general manager of this particular professional accounting body, 85% of their member base are small practicing accountants. A sampling frame is seen as a record of the population that a sample can be drawn from (Collis & Hussey 2009).

A unit of analysis, or a data point, is a unit of information that a researcher obtains (Creswell 2015). In the present study, the accountants from a particular professional accounting body that caters more closely to accountants in small practice are the units of analysis. A database of 2,200 accountants in small public practice were specifically targeted by the professional body to send the email instructing them of the research study. By targeting a particular section of the member base that relates to the holistic aims and rationale of the research study, the researcher was able to obtain data that are pertinent to the issues that accountants in small public practice may encounter in delivering their professional services.

3.5.2 SMALL PRACTICE ORGANISATION – DEFINITION

For the purposes of the present research study, small public practice has been defined in alignment with the official definition of a small business shared by the Australian Securities and Investment Commission (ASIC), Australian Taxation Office (ATO), Fair Work Australia (FWA), and the Australian Bureau of Statistics (ABS). According to ASIC, this means a business or practice which has:

- Annual revenue of less than $25 million;

- Fewer than 50 employees;

- Consolidated gross assets of less than $12.5 million.

The target participants in this study fall below these thresholds, and also fit into the definitions from the Australian Taxation Office (ATO), Fair Work Australia (FWA) and the Australian Bureau of Statistics (ABS). According to the ATO, FWA and ABS, a small business or practice has:

- Annual revenue turnover of less than $2 million (ATO)

- Less than 20 employees (FWA and ABS).

(Source: www.asic.gov.au)

The definition and stipulations in regard to the qualification of a participant to be classified as a professional accountant in small public practice was discussed at length with the Australian professional body which engaged with the researcher to obtain the data via the survey instrument. Thus, the professional accounting body, using their internal member database information (keeping privacy intact), constructed the mail-out list, which comprised 2,200 members, to receive the survey for completion. All participants in this study were targeted via their professional body database to be within these thresholds, as the professional accounting body advised the researcher that their definition of a small accounting practice aligned with the definitions used by the above government bodies.

3.5.3 SAMPLE SIZE

The distribution of the survey was conducted using the internal email services of the professional Australian accounting body. The email was distributed with the approval of the researcher as well as the Australian accounting body, and the online survey was kept open for members to participate for 2 weeks. In this 2-week window, 170 surveys were completed. All of the 170 participants who completed the survey completed it well within the 2-week window. A request to the professional accounting body to re-send a follow-up email to the target audience was denied, so as to minimise an overbearing abundance and frequency of email communication to their members. The professional accounting body also stated that they could not identify whether all 2,200 members to which they sent the survey would receive the email, as updating email addresses and contact details is the responsibility of the members. With 2,200 members targeted, and 170 completed participants, the response rate was 7.7%. The description of the sample and its characteristics will be detailed in full in the next chapter.

This number of respondents is acceptable to conduct statistical testing, as shown in Table 3.3, where testing on the same survey in other studies, with similar overall responses, was conducted. In particular, the research study by Svanberg and Öhman (2015), which closely relates to the present research, had an overall response of 141 participants, which is lower than the overall response in the present study. Creswell (2015) states that a criticism of using a survey instrument for data collection is low response rates, and this was seen in the present research, which rate was further impacted by the reluctance of the Australian Accounting Body to deliver a second invitation to participate in the research.

Table 3.3 lists prior studies in accounting and business-related professions adopting the identity scale survey used in the present study, their populations, and overall response rates.

Table 3.3: Prior Studies' response rates.

Research Paper	Testing	Sample	Population Sample	Response	Rate (%)
Mael & Ashforth (1992)	Organisational Identity	College Alumni	2000	297	14.85%
Iyer et al. (1997)	Organisational Identity	Accounting Alumni	757	207	27.3%
Bamber & Iyer (2002)	Professional & Organisational Identity	Accounting (Auditors)	1250	257	20.56%
Bamber & Iyer (2007)	Client Identification	Accounting (Auditors)	1250	257	20.56%
Svanberg & Öhman (2015)	Client Identification	Accounting (Auditors)	600	141	23.5%

Response rates of most of these previous studies are higher than in the present study. This is attributable to a more focused targeting of participants, whereas the present study relied upon a mass email distribution which cannot guarantee that all potential participants were able to be contacted. Furthermore, with the accounting body denying a follow-up, second-round email to the target audience, this restricted the opportunity to gather more participants. As a percentage, although the response rate is lower than in earlier studies, in regard to actual participants, the present study manages a similar number of participants as previous studies, as shown in Table 3.3. Lastly, the above prior studies in Table 3.3 relied wholly upon their survey data in their analysis, results and discussions of the implications of their conclusions relating to the data obtained. In the present study, the survey data are complemented with robust, in-depth interviews which will delve into more detail than a survey can represent (Veal 2005; Creswell 2015). With the addition of interview data, the present study acquires the required depth of data to be able to infer results and conclusions for a wider population of accountants in small public practice. A more in-depth analysis of limitations will be discussed in the conclusion chapter of the thesis.

3.6 SURVEY INSTRUMENT

3.6.1 DEVELOPMENT OF THE SURVEY INSTRUMENT

Prior to undertaking the design of the survey instrument, an in-depth literature review was carried out to understand the constructs, methods and theoretical aspects pertaining to professional identity in the accounting profession. A construct is a set of concepts or general notions and ideas that someone may have about a certain topic or theory (Collis & Hussey 2009). Hence, a construct can be seen as a mental image or an abstract idea, which is thus difficult to observe and measure. Therefore, positivist researchers develop categorical scales and/or generalised numerical scales to measure perceptions and opinions held by respondents (Collis & Hussey 2009). These constructs have subsequently been developed into questions and identity scales in previous studies, and adapted to cater for the identity which is to be tested. This data collection scale is known as the 'Identity Scale', which is constructed of six questions, formatted in a Likert scale format, and is used to test the strength of identity of participants. The questions are then adapted depending on the type of identity the researcher wishes to test (e.g. Professional Identity, Organisational Identity or Client Identity). Table 3.3 shows the previous studies that used this identity scale, and which identity they were specifically testing.

3.7 SCALE, STRUCTURE AND CONTENT OF SURVEY INSTRUMENT

3.7.1 THE SCALE

A five-point Likert scale is used in the present study to measure the strength of identity in professional accountants in small public practice. The Likert scale is named after the psychologist, Renis Likert, who developed methods for its use and analysis (Veal 2005). In this technique, respondents are asked to indicate their agreement or disagreement with a proposition or the importance they attach to a factor, using a standard set of responses. The responses are typically seen as attitude statements. Attitude statements are a means of exploring respondents' attitudes towards a wide range of possibly complex issues, including questions of a philosophical or political nature. Respondents are shown a series of statements or questions and asked to indicate, using the scale, the extent to which they agree or disagree with them.

In the present study, a five-point Likert scale is used. Thus, each question has five points from which the participant can only choose one. The scale is as follows:

1) Strongly Disagree

2) Disagree

3) Somewhat Agree

4) Agree

5) Strongly Agree.

3.7.2 THE STRUCTURE AND CONTENT OF SURVEY

The development of the survey instrument needs to reflect both prior theoretical thinking and prior literature studies, and also the scope of the present study and what the research questions are aiming to answer. In the present study, the researcher is testing the strength, and extent, of identity in three main categories seen in prior literature as being pivotal in the formation of a professional accountant (Iyer et al. 1997; Bamber & Iyer 2002; Bamber & Iyer 2007; Svanberg & Öhman 2015). These three identity categories are, professional identity, organisational identity and client identity. The structure of the survey is adapted from prior studies. The questions used relate to these prior studies and are adapted to be able to test each different identity. A total of six questions are asked for each identity. The identity scale used for this research originates from identity research conducted by Mael and Ashforth (1992). The six questions used are as follows:

1) When someone criticises my profession/organisation/client, it feels like a personal insult.

2) I am very interested in what others think about the accounting profession/my organisation/my clients.

3) When I talk about the accounting profession/my organisation/my clients, I usually say 'we' rather than 'they'.

4) My profession's/organisation's/clients' successes are my successes.

5) When someone praises the accounting profession/my organisation/my clients, it feels like a personal compliment.

6) When a story in the media criticises the accounting profession/my organisation/my clients, I feel embarrassed.

The above questions were adapted with the substitution of either 'profession', 'organisation' or 'client' in each section to test the three identity characteristics. The content of each section of the survey is briefly explained as follows.

3.7.2.1 SECTION ONE – BACKGROUND AND DEMOGRAPHIC DATA

There are a total of eleven questions in section one of the survey instrument. Three of these questions are related to basic demographic details, with the remaining eight questions related to the professional background of the participant. In the initial part of section one, the participants were asked to indicate their gender, age and country of origin. Then, the participants were required to indicate their highest academic qualification and the discipline in which they studied for this qualification, with the intention of categorising them according to their academic qualifications. These were followed by questions on their tenure as a professional accountant, then on their tenure as a small practice public accountant. In addition, the next questions required the participants to indicate whether they had any big-firm experience, and if so, for how long in years was this experience. Finally, the participants were asked what their current role is within the small organisation (Manager, Principle, Partner, Graduate etc.) and what their membership status is within the professional body.

3.7.2.2 SECTION TWO – PROFESSIONAL IDENTITY

This section seeks to assess the strength of identity within the participants towards their profession. As discussed above, the participants were asked six questions adapted from prior literature, seeking answers to a five-point Likert scale ranging from (1) Strongly Disagree to (5) Strongly Agree. The participants were instructed that the purpose of section two is to elicit an opinion on the extent to which the participant, as an accountant, feels that she/he can identify (connected and committed) with the profession (as a member of a like-minded group of professionals connected via membership with a professional association and/or accrediting authority such as their professional body).

3.7.2.3 SECTION THREE – ORGANISATIONAL IDENTITY

This section seeks to assess the strength of identity within the participants towards their organisation. Their organisation in this instance refers to the small practice where participants are currently employed; while the definition and parameters used in identifying a small practice are discussed above. As discussed above, the participants were asked six questions adapted from prior literature seeking answers to a five-point Likert scale ranging from (1) Strongly Disagree to (5) Strongly Agree. The participants were instructed that the purpose of section three of the survey is to elicit their opinion on the extent to which they, as an employee, feel that they can identify (feel connected and committed) with their employing organisation (as a member of their small practicing firm).

3.7.2.4 SECTION FOUR – CLIENT IDENTITY

This section seeks to assess the strength of identity within the participants towards their clients. As discussed above, the participants were asked six questions adapted from prior literature seeking answers to a five-point Likert scale ranging from (1) Strongly Disagree to (5) Strongly Agree. The participants were instructed that the purpose of section four is to elicit their opinion on the extent to which they, as an accountant, feel that they can identify (feel connected and committed) with the clients which they serve (as a service provider advancing the interests of those who seek their professional advice).

3.7.2.5 SECTION FIVE – CLIENT ACQUIESCENCE SCENARIO

This section seeks to assess the likelihood that the participant would be influenced by their client to perform tasks which may contradict their understanding of professional norms and policy. A brief scenario was presented to the participant, and they were asked to rate on a scale of (0) Very Low Likelihood to (10) Very High Likelihood that they would appease the wishes of their client. To elicit a response appropriate to the research study, the participants were alerted to the fact that, normally, more information would be required to make a decision, and thus to answer the questions with the limited information that is provided. The researcher also asked the participants to keep in mind important/large clients when answering the questions, as prior literature states that keeping large clients in mind will enhance the authenticity of the response (Aranya et al 1981; Bamber & Iyer 2007). The client acquiescence test used in the

present study was adapted from Bamber & Iyer (2007), used in the context of accountants in small public practice.

3.7.2.6 SECTION SIX – FURTHER PARTICIPATION

Section six of the survey instrument seeks to ascertain from the participants whether they wish to contribute and participate further in the research study. The participants were given the chance to volunteer their participation in a semi-structured interview related to the survey that they had just completed. Out of the 170 participants that completed the survey, 68 (40%) indicated their desire and interest in participating in an interview conducted by the researcher.

3.8 SURVEY VALIDATION AND ADMINISTRATION OF SURVEY

3.8.1 EXPERT COMMENTS

The draft survey instrument was initially distributed amongst both full-time academics and full-time professional accountants. Six full-time accounting academics reviewed the survey instrument, as did six full-time professional accountants in industry (both in public practice and private enterprise). The academics who reviewed the survey instrument all have experience in survey distribution for research purposes, and also many journal publications between them. The professional accountants who reviewed the survey instrument worked in small- and medium-sized accounting firms, and averaged 7 years' experience between them. Each of these experts provided feedback and comments in regard to the constructs, appropriateness of items within the survey, and the format and readability of the survey instrument. This feedback was carefully considered and evaluated by the researcher and supervisors. Consequently, minor amendments and revisions were made to the survey instrument, namely around wording of questions in a bid to make the questions easier to read and understand for the participants.

3.8.2 PILOT TEST

In addition to the review by experts, a pilot test of the survey instrument was conducted. The participants of the pilot test included twelve academics, as well as twelve accountants in small public practice in the outer suburbs of Melbourne, Victoria, in Australia. The purpose of the pilot test was to assess any incomplete responses for relevance and clarity of the wording of items in the survey, and to evaluate the efficiency of the survey in regard to how long it would

take to be completed by a 'real world' participant. The survey used in the pilot test was the amended survey that was reviewed by the experts as stated in the above section. This survey was subsequently amended following the suggestions from the expert comments given. A covering letter/statement and invitation to participate in research project statement was handed to the pilot testers, to mimic the conditions accurately that would be faced by future real participants in the research study. The returned pilot surveys posed no concerns, with all pilot surveys being completed accurately, and the time taken to complete the survey being aligned with the estimates given by the researcher who constructed the survey instrument.

3.9 THE MAIN ADMINISTRATION AND DISTRIBUTION OF SURVEY

The main survey was administered via an email distribution from the Australian Professional Accounting Body, teaming with the researcher. The survey was an online survey, using the accounting body's own survey software, to which the researcher was approved access to construct the survey. The professional accounting body confirmed to the researcher that the email with the survey link attached was sent to 2,200 members within Australia who are in small public practice. The survey included an initial cover letter/statement briefly explaining the purpose of the study, and an invitation to participate in the research project statement, which explicitly stated that completion of the survey was deemed permission to participate in the online survey. The covering letter/statement also advised the participants that the survey, along with the whole research project, had been approved by RMIT University's Business College Human Ethics Committee. At the end of the survey, participants were asked whether they were willing to further contribute to the research study by filling in contact details for an interview on the same subject as the survey. All participants were alerted to their right to obtain the results, in summary form, of the research study if they chose to. The participants were also alerted to the fact that the research results would be used not only for a Ph.D. research thesis but also for subsequent research papers that may appear in peer-reviewed journals. Participants remained anonymous throughout the survey process, as distribution was handled by the professional accounting body that helped to facilitate the study.

3.10 ANALYSIS OF DATA

The final component of the data collection methodology is the processing and analysis of the data. Data analysis of the survey component was undertaken using SPSS software, in two stages. Firstly, the data pertaining to the three identity constructs (professional, organisational

and client identity) were analysed in conjunction with the responses given to the identity scale in the survey. This elicits an overall score on the strength and extent of identity that the participants have for each response. With the use of t-tests and ANOVA tests (amongst other statistical tests performed and discussed in Chapter 4), the researcher was able to successfully conclude, with a significance of 95%, which identities (or multiple identities) are significantly weaker or stronger than the other(s). This aspect of the analysis gives the researcher insight into the overall perceptions and tendencies of accountants in small public practice regarding their initial identity paradigm.

The second stage of data analysis using SPSS and the survey data is the combination of the identity data as well as the demographic data collected. This gives insight into the intricacies within the data. Using a variety of statistical tests (discussed in further detail in Chapter 4), the researcher is able to determine whether there is any significant difference in responses to identity depending on demographic data (e.g. do females have a stronger professional/organisational/client identity than males). This further helps in the construction of and strategy used for the final phase of the data collection and analysis.

The survey's predominate aim is to facilitate answering the following research questions:

RQ1: To what extent do professional accountants in small public practice identify with the profession, organisation and clients?

SRQ1: Do commitments to professional, organisational and client identities create conflict in the practice of accounting?

SRQ2: Does their client identity differ significantly to their professional identity?

SRQ3: What are the mechanisms/influences in identity formation within accountants in small public practice?

3.10.1 PRIMARY VERSUS SECONDARY DATA

When planning a research project, it is important to decide whether to collect new information or whether existing data is available and suitable to answer the research questions that the researcher poses (Veal 2005). New information collected as a part of a research study is commonly referred to as 'primary' data (Veal 2005). Existing data that have been previously collected by a researcher prior to the current study for another purpose are commonly referred

to as 'secondary' data (Veal 2005). In general, large amounts of data can already be available to researchers who want to secure secondary data for further analysis. Databases of information (secondary data) are available from organisations world-wide, and in the current day and age of technology are more readily available to researchers than ever before. With this in mind, it is popular for researchers to tailor their research and research questions to cater for the acquisition of secondary data, as it is commonly easier to access, acquire and analyse secondary data (Veal 2005).

3.10.2 SELF-REPORTED AND OBSERVED DATA

In some cases where the research questions permit, the only source of information about people's behaviour and attitudes is from their own reports about themselves (Veal 2005). Business and accounting research has a high rate of self-reported and observed data, which involves asking people about their past, recent and possibly future behaviour, and also current attitudes and aspirations. This information provided is 'self-reported' data and is usually gathered by means of interviews or surveys (Creswell 2015; Veal 2005).

The alternative to self-reported data is for the researcher to 'observe' their behaviour. By observing participants, the researcher then may be able to better understand the data which are collected via the observation.

In summary, for the present research study, primary data were collected. These data are new data, which have not been collected before; thus, the researcher cannot obtain the data from secondary sources and must obtain the new data direct from willing participants. Furthermore, in conjunction with this, the primary data are self-reported data, as the data are collected using both a survey instrument and semi-structured interviews. Thus, the participants self-reported their experiences and ideas to the researcher via these data collection instruments.

3.11 MIXED METHODS

In order to fully address the stated research questions as well as to achieve the stated research objectives, this research adopts a *mixed methods research* approach (Creswell 2015; Tashakkori & Teddlie 2010). A mixed methods approach represents the procedure for collecting and analyzing data, integrating the findings, and drawing inferences, using both

qualitative and quantitative approaches. This combination of methods is used in a single study or program of inquiry (Creswell 2015).

The rationale for using mixed methods as a type of data collection in a single research study is that neither quantitative nor qualitative methods are sufficient by themselves to capture both the explicit trends and relationships as well as the implicit reasons and mechanisms involved in the formation of identity in accountants in small public practice, including complex issues such as deciphering and understanding the latent rationales and underlying motivations for why an accountant in small public practice may potentially lean towards a stronger identity away from their profession, such as identity towards their organization or their clients. When used in combination, both quantitative and qualitative methods complement each other such that their "complementary strengths and non-overlapping weaknesses" (Johnson and Turner 2003, p. 299) are able to provide richer insights by producing a more complete and detailed picture of the research problem (Johnson and Turner 2003).

For the present study, a mixed methods approach in collecting and analysing data is the ideal methodology required for successfully answering the research questions presented in Chapter Two.

3.11.1 DEFINITION – MIXED METHODS

Mixed methods research has emerged as a powerful alternative to the dichotomy that exists between quantitative and qualitative research traditions (Teddlie & Tashakkori 2009). In fact, its emergence has been recognized and termed as the 'third path' (Gorard & Taylor 2004), the 'third research paradigm' (Onwuegbuzie 2004), the 'third methodological movement' (Teddlie & Tashakkori 2003) and the 'third research community' (Teddlie & Tashakkori 2009) by leading methodologists in the field.

In their widely cited article published in the *Journal of Mixed Methods Research*, Johnson, Onwuegbuzie and Turner (2007) sought to establish a consensus on the definition of mixed methods research amongst leading researchers in the field. Based on a composite understanding of 19 different definitions provided by 21 leading mixed methods researchers, they offered a composite definition of mixed methods research as follows:

> "Mixed methods research is the type of research in which a researcher or team of researchers combines elements of qualitative and quantitative research approaches (e.g.

use of qualitative and quantitative viewpoints, data collection, analysis, inference techniques) for the broad purposes of breadth and depth of understanding and corroboration" (p. 123).

Mixed methods data collection is also defined by Creswell (2015) as follows:

"An approach to research in the social, behavioural, and health sciences in which the investigator gathers both quantitative (close-ended) and qualitative (open-ended) data, integrates the two, and then draws interpretations based on the combined strengths of both sets of data to understand research problems" (p. 2).

It must be stated that there are aspects of research that are not considered part of a mixed methods approach, which include:

- A mixed methods approach is not simply the gathering of both quantitative and qualitative data sets: integration is needed in the adoption of a mixed methods methodology.

- A mixed methods approach should not be confused with a mixed model approach to quantitative research.

- A mixed methods approach is not simply an evaluation technique.

- A mixed methods approach is not simply the addition of qualitative data to a quantitatively designed methodology.

- Lastly, a mixed methods approach is not simply the collection of multiple forms of qualitative data (e.g. interviews and observations), nor the collection of multiple types of quantitative data (e.g. survey data, experimental data): i involves the collection, analysis and integration of both sets of data (Creswell 2015).

3.11.2 PHILOSOPHICAL ORIENTATION AND ASSUMPTIONS

Pragmatism is regarded as the philosophical partner of mixed methods research. Pragmatism is defined as "a deconstructive paradigm that debunks concepts such as 'truth' and 'reality' and focuses instead on 'what works' as the truth regarding the research questions under

investigation" (Tashakkori & Teddlie 2003, p. 713). Conceptually, pragmatism forms the philosophical underpinnings of the mixed methodologist's belief that, by fitting together the insights provided by qualitative and quantitative research into a workable solution, mixed methods research often "provides a more workable solution and produces a superior product" (Johnson & Onwuegbuzie 2004, p. 17) than can be achieved by quantitative or qualitative research alone.

One of the central tenets of pragmatism is the so-called 'compatibility thesis' (Howe 1988), which posits that both qualitative and quantitative methods are compatible; thus, in effect, rejecting the archaic notion of choosing either/or type of methodology. The above paradigm is also presented by the incompatibility thesis (Teddlie & Tashakkori 2009), instead steering "a middle course that avoids running aground on either the positivist [quantitative] or interpretivist [qualitative] methodological islands" (Howe 1988, p. 14). Therefore, it follows that, as a research paradigm, pragmatism is not committed to any specific philosophical orientation or worldview. In fact, pragmatists do not perceive the world as an absolute unity, and instead view reality as what works at the time rather than being based on a duality between reality independent of the mind or within the mind (Creswell 2015). In other words, "the pragmatic suggestion regarding research methodology is thus for researchers to forge ahead with what works" (Howe 1988, p. 15), in that, instead of focusing on methods, pragmatists emphasize the research problem and thus use all research approaches available to understand the problem (Creswell 2015).

In Table 3.4 are shown the advantages and disadvantages of both qualitative and quantitative research methods.

Table 3.4: Advantages and Limitations of Qualitative and Quantitative Research

QUALITATIVE RESEARCH	

Advantages	Disadvantages
- Provides detailed perspectives of a few people - Captures the voices of participants - Allows participants' experiences to be understood in context - Is based on the views of participants, not of the researcher	- Has limited generalizability - Provides only soft data (not hard data, such as numbers) - Studies few people - Is highly subjective - Minimises use of researcher's expertise due to reliance on participants

Advantages	Disadvantages
- Appeals to people's enjoyment of stories	

QUANTITATIVE RESEARCH

Advantages	Disadvantages
- Draws conclusions for large numbers of people - Analyses data efficiently - Investigates relationships within data - Examines probable causes and effects - Controls bias - Appeals to people's preference for numbers	- Is impersonal, dry - Does not record the words of participants - Provides limited understanding of the context of participants - Is largely researcher driven

(Source: Creswell 2015)

3.11.3 INTEGRATING DATA

Integrating both qualitative and quantitative data in a mixed methods approach is seen as the most difficult aspect of structuring one's research methodology in using this strategy. The three basic mixed methods designs are:

- A *convergent design*, with the researcher's intent being to collect both types of data sets, analyse both, and then *merge* the results of the two sets of data for analysis with the aim of comparing the results; in other words, also seen as validating one set of results with the other.

- An *explanatory sequential design*, in which the intent of the researcher is to first use quantitative methods and then use qualitative methods to help *explain* the quantitative results in more depth. This is seen as a logical, straightforward design.

- An *exploratory sequential design*, in which the intent of the researcher is to first explore a problem with qualitative methods because the research questions may not be known. After this initial exploration, the researcher uses qualitative findings to *build* a second quantitative phase of the project (Creswell 2015).

In the present research study, the researcher uses a mixed methods approach to conduct the research. This consists of, firstly, collecting primary, self-reported data through a survey instrument that was distributed via an Australian accounting professional body to professional accountants in small public practice. This is the quantitative aspect of the data collection method. Secondly, the researcher conducted semi-structured interviews with the same demographic of accountants in small public practice. These interviews are to further explain the results that were obtained from the quantitative data collected via the survey. This is the qualitative aspect of the data collection method. Thus, the mixed methods design used in this study is an explanatory sequential design.

3.12 IN-DEPTH INTERVIEWS – PHILOSOPHY AND DATA COLLECTION – PHASE TWO

3.12.1 NATURE OF IN-DEPTH INTERVIEWS

The second phase of data analysis pertains to the interview data. An in-depth interview is characterised by its length, depth of data collected, and the structure of the interview. Semi-structured, in-depth interviews tend to be much longer than an interview with a set structure and closed questions, often referred to as questionnaire-based interviews. A typical semi-structured in-depth interview will take in excess of half an hour, and can be as long as several hours (Veal 2005). As the name implies, the purpose of this method of data collection is to allow the subject (or participant) to express their opinions and experiences in an environment in which they are not constrained by prescriptive questions that require certain answers. Guiding questions are used to open up a topic of discussion, which in turn allows the subject to voice their opinion and experience. Hence, unlike just asking one question and recording one answer, the interviewer encourages a participant to talk and elaborate on their experiences, can ask supplementary questions, and also can ask the participant to elaborate further on answers that are given.

The semi-structured, in-depth interview is therefore less structured than a questionnaire-based interview. This interview methodology, by nature, will thus provide slightly different interviews, and an array of experiences, data and opinions, for each participant, as participants are allowed the freedom to diverge, or converge, at any point of time throughout the interview stage. This will lead to a phenomenon whereby each interview, while dealing with the same issues, will be different to another (Veal 2005). In a questionnaire-based interview, there is

little scope for participants to talk at length on certain topics, using their own words to emphasise main issues and concepts. Even if participants were to talk at length, due to the nature of questionnaire-based interviews, the content is not recorded. This is in contrast to in-depth, semi-structured interviews, in which extended comments are encouraged and welcomed and all content is recorded, which is the essence of the method (Veal 2005). This is a focal point in the reasoning to use this method for the present research study, as per the research questions noted in Chapter Two: specifically, subsidiary research question three (SRQ3) requires in-depth analysis and insight into mechanics and tensions in competing social identities within the same environmental setting (thus potentially causing identity conflict). Thus, in-depth, semi-structured interviews to collect the relevant data is needed.

3.12.2 PURPOSE – SEMI STRUCTURED IN-DEPTH INTERVIEWS

In depth interviews are predominantly used within three broad categories to achieve their purpose in a reliable data collection method:

- When the subjects of the research are relatively few in number, so that questionnaire-based interviews and quantitative style data collection methods are inappropriate.

- When the information that is likely to be collected from participants is expected to vary (either slightly or considerably) in complex ways. This method of data collection encourages storytelling of the participants, thus the unique nature and structure of these stories is what is of interest to the researcher.

- When a topic is to be explored as a preliminary stage in planning a larger study, possibly a quantitative study.

These purposes for the use of in-depth interviews are mutually exclusive. Thus, not all categories mentioned above need to be fulfilled for this method to be a valid methodology used. The present study uses in-depth interviews because they satisfy two of the above purposes, being a smaller population to be used for data collection, and in the ability for the participants to tell their story in more depth, thus unlocking the issues, mechanics and tensions in identity formation, and identity conflict, within the workplace of accountants in small public practice.

Conducting interviews requires skills akin to those of a good investigative journalist, as stated below:

> "Many people feel that a newspaper reporter is a far cry from a social scientist. Yet many of the data of social science today are gathered by interviewing and observation techniques that resemble those of a skilled newspaper man at work on the study of, say, a union strike or a political convention. It makes little sense for us to belittle these less rigorous methods as 'unscientific'. We will do better to study them and the techniques they involve so that we can make better use of them in producing scientific information" (Dean, Eichorn & Dean, quoted in McCall & Simmons 1969, p. 1)
>
> (Source: Veal 2005, p. 130)

A skill required when interviewing a subject is to avoid becoming emotionally involved in the conversational style and content of the interview, thus avoiding the interviewee being 'led' by the interviewer (Veal 2005). An interviewer must refrain from agreeing or disagreeing with the subject, as this may lead to interviewer suggesting answers, thus tainting the data that are collected. This goes against normal human interaction, as humans usually use sounds as well as body language to contribute to the discussion; whereas, for the purpose of scientific data collection, no contribution is to be made by the interviewer except for the delivery of the interview questions at hand (Veal 2005). In the atmosphere of a semi-structured, in-depth interview, we are torn between the need to maintain a friendly and inviting environment and also the need not to influence the interviewee responses. A balance and equilibrium needs to be met in regard to delivering a successful interview which extracts the appropriate data for the research study and in not influencing the interviewee in any way.

The interview data will be analysed using the popular method of qualitative coding. The questions asked will be structured to find further in-depth information on the results from the survey instrument as well as on prior findings in the literature; and once finalised, the themes that are prevalent within the interview data will be coded and analysed to obtain a further understanding on and to coincide with added depth in the survey data analysis. With this mixed methods combination, an overall understanding on the extent of identity within accountants in small public practice will be developed, and how this identity may impact behavioural choices and decision making can be discussed.

3.12.3 INFERRED INTERVIEW OBJECTIVES

The interviews will be based on the survey content collected, and on the results which are provided by the survey instrument, which is the quantitative aspect of the mixed methods approach. From the findings of the survey, it is shown that client identity was of equal strength to professional identity. The findings also show that there was a significant, higher strength of identity towards organisational identity (with 'organisation' meaning, their own, small practice in this case) compared to both client and professional identity. Thus, this shows that accountants in small public practice value and place more importance on their practice than they do towards the profession and their clients, according to the results of the survey analysis. This forms the objectives of the interview questions, with the main objectives being focused on, firstly, their professional identity, how it was formed, the initial mechanisms which attracted the participants in categorising themselves and forming a professional accounting identity, and the mechanisms in the formation of their identity towards their clients. This leads to the main focus, which is on their organisational identity: how strongly they identify with their small organisation, its importance to them, and whether their organisation is deemed more important to them than the profession as a whole. With these objectives, the in-depth interviews shed light on an overall picture of identity for accountants in small public practice, and how this may have potential implications in their decision making and behavioural choices. The description of the sample of interviewees and their characteristics is detailed in full in Chapter Five. The questions used in the interview can be viewed in Appendix A.

While interview data assisted in answering all research questions, the predominant aim of the interviews was to facilitate answering the following research questions:

> **SRQ1: Do commitments to professional, organisational and client identities create a conflict in the practice of accounting?**

> **SRQ3: What are the mechanisms/influences in identity formation within accountants in small public practice?**

3.13 STRUCTURE OF INTERVIEW

The structure of the interviews for this research study takes on three distinct categories. These categories reflect the salient aspects of the three identities in question, which are:

- Professional Identity

- Organisational Identity

- Client Identity.

3.13.1 PROFESSIONAL IDENTITY

Professional Identity, and its foundation as a critical aspect of identity with regard to professional accountants discharging their duties according to professional norms and values, is an important aspect of this research, to ascertain its value and strength. Prior literature informs us that professional identity is a critical aspect which can affect the performance of the professional accountant. With the structure of the data collection taking on an explanatory sequential design, the results from the quantitative survey results helped in shaping the direction of the in-depth, semi structured interviews. The interview structure follows a similar structure to the survey instrument, in which there are three distinct categories, with professional identity being one of them.

The important aspect in this section of the interview is to tease out the underlying aspects of the formation of professional identity of the interview candidates. This involves open-ended questions regarding their affinity towards the profession prior to their career, what drew them to wanting to become a professional accountant, and whether their current tenure in their accounting career has seen any changes in their strength in identity, and why and how these changes may have occurred. Thus, the structure of the interview questions used can be seen in Appendix A. It is important to start with professional identity and its formation in the interviewees because prior literature shows that professional identity is formed first, as exposure to any type of organisation or clients is preceded by the subconscious decision to align oneself with their social in-group, in this case being professional accountancy.

3.13.2 ORGANISATIONAL IDENTITY

The next phase of the interview focuses on the interviewee's affinity to their small practice, or organisational identity. It is known that organisational culture in a small accounting firm is vastly different to that of a large, multi-national accounting firm. Thus, the dynamics in the workplace, and the relationships made within the small firm, differ considerably. This dynamic has yet to be explored in prior literature; and the present research aims to unlock the dynamics

which form the identity that professional accountants have in small practice settings, and its strength. Thus, the questions involved in this section of the interview target the importance of the practice to the participants, the reasons for which they wish to practice at this level, and why this setting is preferred over larger firms. Ultimately, participants will be able to give insight as to their position and opinions on the profession, and the importance their organisation plays in their overall identity. The structure of the questions asked in this section of the interview process is also as can be found in Appendix A.

3.13.3 CLIENT IDENTITY

Finally, the interview focuses on the participants' clients, and their opinion on the affinity they have to their client base. Clients play an integral part in the accounting profession, at all levels. This is particularly evident at a small practice level, and the perceived intimacy of service that is potentially given in a small firm setting may in fact influence professional accountants in a different way than for those who deal with clients in larger firms. This research, and the interview process, aims to unlock underlying aspects of this issue, and to ascertain whether clients indeed have an undue influence moreso in the small practice setting. Thus, questions asked in regard to client identity focus on the importance of the clients to the participants, how they discharge their services to their clients, the pressures (or lack thereof) that are applied by clients to acquiesce to their demands, and whether clients have played a role in any decision making and behavioural choices they have made in the past in their career to date. Thus, the structure of the questions asked in this section of the interview process is also as can be found in Appendix A.

3.14 CONTENT ANALYSIS

Proceeding from the collection of the interview data, content analysis will be performed on the data to ascertain the main influences and mechanisms that drive the dominant identity among the three salient identities. Content analysis involves replicable and valid methods when inferring from observed communications to their specific context (Krippendorff 1980).

Content analysis can comprise a combination of studying documents, transcripts or verbal audio interviews (known as communication artefacts). The analysis of said communication artefacts is to examine patterns within the content, that is replicable and systematic in nature.

A key advantage of using content analysis within a social context is its non-invasive nature (Krippendorff 1980).

Therefore, this approach to data analysis is conducive to analysing interview data that is acquired within this research study. The strategy to be used for this study comprises of reading interviewee transcripts and listening to the recorded interview data, observing and analysing the data that the interview participants provided, then to assign labels (also known as codes) as an indication of interesting and meaningful content that is linked to the research questions of this research study. Therefore, the method to be used will be summative content analysis, identifying and quantifying certain words or content for the purpose of understanding the contextual use of the content, without a preconceived notion on the meaning of the content. This method is conducive to exploring themes (labels/codes) naturally as they become apparent. These labels/codes will form the influences/mechanisms that are involved in moulding the social identity paradigm of the participants. Thus, this will determine the participants professional, organisational and client identity strength, and how their identity was formed.

3.15 CHAPTER SUMMARY

This chapter has provided the research design underpinning the present study, the methods used to collect data, and how the data analysis was undertaken to test the research questions developed in Chapter Two. Thus, the present study embraces a positivist philosophy. It employs existing theories to develop research questions; and uses a mixed methods approach in collecting both quantitative and qualitative data for analysis. Accordingly, this study employs a deductive approach, while primary data are collected by using both a survey instrument as well as semi-structured, in-depth interviews. The survey uses mainly closed-question scales, whereas the interviews use open-ended questions. The procedure for sample selection, sample size, survey instrumentation including structure and content of the survey, validation of the instrument, expert opinions, pilot testing, and administration of the survey, were discussed in detail in this chapter.

CHAPTER FOUR - RESULTS AND FINDINGS; SURVEY; STATISTICAL ANALYSIS

4.1 INTRODUCTION

Chapter Four consists of the statistical analysis of the survey instrument which was completed by up to 159 participants. Both descriptive statistics and significance testing are conducted and presented. This aspect of the research will give important insights into how the professional accountants in small practice responded to the questions contained within the research instrument adapted from prior research (Mael & Ashforth 1992; Iyer et al. 1997; Bamber & Iyer 2002, 2007; Svanberg & Öhman 2015). This research instrument is constructed based on six questions using a Likert scale. The Likert model has been used not only in identity research in the accounting literature but across a wide range of research fields. The Likert scale model has also been used in a broader sense in other social identity research, namely in studying professions such as lawyers, medical doctors, and also non-professional industries (Wan-Higgins 1998). By conducting the statistical analysis of the data collected from the survey instrument, the researcher is able to provide conclusions on the four research questions of the present research. Based on a mixed methods approach, in phase two of the data collection (Chapter Five), semi-structured in-depth interviews provide added context and depth to the survey results, to form an overall conclusion on the current status of identity within the community of professional accountants in small practice environments. Numerous statistical tests are performed to gather an overall picture on identity within the cohort of participants in this study, as well as specific statistical tests incorporating the demographic data that were collected, to ascertain whether demographics have an influence on identity or not.

4.2 DESCRIPTIVE ANALYSIS OF DEMOGRAPHIC DATA AND OTHER VARIABLES

Table 4.1 below presents the raw data collected by all participants who completed the survey, before any data cleaning was performed. The demographic data were collected so that statistical analysis could be performed linking demographic data with the actual Likert identity scale data, to ascertain whether demographics had an influence on the strength of participant identity (e.g. do females identify stronger with the profession than do males). Table 4.1 shows that this research was successful in reaching its target audience representing professional

accountants in a small practice environment with minimal or no experience in large accounting firms. Further in-depth discussion on the demographic data follows.

Table 4.1: Demographic data

GENDER	Responses	Percentage	Cumulative Total (%)
Male	63	37.06%	37.06%
Female	107	62.94%	100.00%
AGE	Responses	Percentage	
21-29	1	0.59%	0.59%
30-39	18	10.59%	11.18%
40-49	41	24.12%	35.30%
50-59	59	34.71%	70.01%
60-69	42	24.70%	94.71%
70+	9	5.29%	100.00%
COUNTRY OF ORIGIN	Responses	Percentage	
Australia	104	61.18%	61.18%
United Kingdom	12	7.06%	68.24%
India	6	3.53%	71.77%
Italy	5	2.94%	74.71%
Fiji	5	2.94%	77.65%
Philippines	3	1.76%	79.41%
Others (undisclosed)	35	20.59%	100.00%
ACADEMIC QUALIFICATION	Responses	Percentage	
Diploma	22	12.94%	12.94%
Advanced Diploma	26	15.29%	28.23%
Bachelor	75	44.12%	72.35%
Honours	1	0.59%	72.94%
Masters	44	25.88%	98.82%
PhD	2	1.18%	100.00%
DISCIPLINE	Responses	Percentage	
Accounting	149	87.65%	87.65%
Other	21	12.35%	100.00%
TENURE AS ACCOUNTANT	Responses	Percentage	
1-3 Years	0	0.00%	0.00%

4-6 Years	7	4.12%	4.12%
7-10 Years	23	13.53%	17.65%
11-15 Years	26	15.29%	32.94%
16-20 Years	18	10.59%	43.53%
20+ Years	96	56.47%	100.00%
TENURE IN SMALL FIRM	**Responses**	**Percentage**	
1-3 Years	12	7.06%	7.06%
4-6 Years	11	6.47%	13.53%
7-10 Years	33	19.41%	32.94%
11-15 Years	28	16.47%	49.41%
16-20 Years	19	11.18%	60.59%
20+ Years	67	39.41%	100.00%
EXPERIENCE IN LARGE FIRM	**Responses**	**Percentage**	
Yes	53	31.18%	31.18%
No	117	68.82%	100.00%
If "yes" YEARS' IN LARGE FIRM	**Responses (n = 53)**	**Percentage**	
1-3 Years	28	53.85%	53.85%
4-6 Years	8	15.38%	69.23%
7-10 Years	6	11.54%	80.77%
11-15 Years	5	9.62%	90.39%
16-20 Years	3	5.77%	96.16%
20+ Years	2	3.84%	100.00%
CURRENT LEVEL OF EMPLOYMENT	**Responses**	**Percentage**	
Non-Graduate Employee	0	0.00%	0.00%
Graduate Employee	1	0.59%	0.59%
Manager	9	5.33%	5.92%
Principal	129	76.33%	82.25%
Partner	27	15.98%	98.23%
Other	3	1.77%	100.00%

PROFESSIONAL DESIGNATION	Responses	Percentage	
Associate	12	7.10%	7.10%
Member	58	34.32%	41.42%
Fellow	99	58.58%	100.00%
Public BAS Practitioner	0	0.00%	100.00%

(Note: Table 4.1 has all demographic data, before data cleaning/testing was performed)

4.2.1 DATA CLEANING

The original survey participant responses totalled 170 surveys. After initial analysis, 11 participants were excluded from further analysis due to missing data from the identity scale variables. Thus, the following statistical data presented below are based on a total participant data set of 159 completed surveys.

4.2.2 DESCRIPTIVE ANALYSIS OF DEMOGRAPHIC DATA

The total sample analysed comprises 159 accountants, with 61 females (38%) and 98 males (62%) completing the survey. The age distribution of the participants is shown in Table 4.2 below, with the highest participant percentage group in the 50-59 years old (36.5%), while only 0.6% (1 participant) of participants were in the 20-29 year old range; thus, showing that the survey participants were skewed toward the older range regarding age.

Table 4.2: Age Distribution

Age					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	20 - 29	1	.6	.6	.6
	30-39	16	10.1	10.1	10.7
	40-49	37	23.3	23.3	34.0
	50-59	58	36.5	36.5	70.4
	60-69	38	23.9	23.9	94.3
	70 +	9	5.7	5.7	100.0
	Total	159	100.0	100.0	

The data collected also show that 86.6% of participants have studied accounting in acquiring their highest education qualification, and the majority of participants have a bachelor's degree as their highest qualification in becoming a professional accountant (see Table 4.1).

In regard to the participants' career length as a professional accountant (Variable asked: "How long have you been practicing as an accountant?"), it can be seen in Table 4.3 that approximately 56% of the participants had acquired work experience of more than 20 years as an accountant; with a total of just over 83% of total participants having acquired more than 11 years' experience as a professional accountant. This shows that the large majority of participants have an abundance of experience in the small practice environment, which were the intended target participants of the research.

Table 4.3: Years as a professional accountant

Years as Accountant					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	11-15 years	26	16.4	16.4	16.4
	16-20 years	16	10.1	10.1	26.4
	20 years +	90	56.6	56.6	83.0
	4-6 years	6	3.8	3.8	86.8
	7-10 years	21	13.2	13.2	100.0
	Total	159	100.0	100.0	

4.2.2.1 BIG FIRM EXPERIENCE

Exposure to large multi-national accounting organisations, and their propensity to implement strategies to strengthen organisational identity in various ways (Aranya et al 1981; Aranya & Ferris 1984; Bamber & Iyer 2002; Covaleski et al. 1998; Iyer et al. 1997; Coffey 1994; Ashforth & Mael 1989), are important aspects of the present research. In order to enhance the validity of the data, the participants should have minimal or no experience or exposure to multi-national firm culture. The participants were asked in the demographics section of the survey whether they had prior experience in a large firm, and if so, how many years' experience. As Table 4.4 indicates, the results show that approximately 68% of participants in the survey had no prior large-firm experience, and of the participants that did have some large-firm experience, just over half (52.9%) had only 1-3 years' experience; indicating that, as a whole, there is minimal

to no large-firm experience within the cohort of participants. The data also show that approximately 86% of participants have between 7-20+ years' experience in a small firm environment, with most participants (40%) having experience in a small-firm environment for over twenty years (see Tables 4.4 and 4.5); while approximately 20% of the accountants have work experience in a small-firm environment for 7-10 years. With this data, it can be stated that the target demographic has been reached with confidence.

Table 4.4: Experience in large, multi-national firms

			Any experience in a large accounting firm (Big 4 or mid-tier firm)	
			No	Yes
Years of experience in a large accounting firm		Count	108	51
	1 - 3 years	Count	0	27
		% within Any experience in a large accounting firm (Big 4 or mid-tier firm)	0.0%	52.9%
	11-15 years	Count	0	5
		% within Any experience in a large accounting firm (Big 4 or mid-tier firm)	0.0%	9.8%
	16-20 years	Count	0	3
		% within Any experience in a large accounting firm (Big 4 or mid-tier firm)	0.0%	5.9%
	20 years +	Count	0	2
		% within Any experience in a large accounting firm (Big 4 or mid-tier firm)	0.0%	3.9%
	4-6 years	Count	0	8
		% within Any experience in a large accounting firm (Big 4 or mid-tier firm)	0.0%	15.7%
	7-10 years	Count	0	6
		% within Any experience in a large accounting firm (Big 4 or mid-tier firm)	0.0%	11.8%
Total		Count	108	51
			67.9%	32.1%
		% within Any experience in a large accounting firm (Big 4 or mid-tier firm)	100.0%	100.0%

Table 4.5: Years in a small firm

Years in a small firm

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 3 years	12	7.5	7.5	7.5
	11-15 years	26	16.4	16.4	23.9
	16-20 years	17	10.7	10.7	34.6
	20 years +	63	39.6	39.6	74.2
	4-6 years	10	6.3	6.3	80.5
	7-10 years	31	19.5	19.5	100.0
	Total	159	100.0	100.0	

4.2.2.2 LEVEL OF EMPLOYMENT

A major objective of the present research is to collect data pertaining to identity formation in accountants in small firms, and how this affects their overall view of the profession, their practice and their clients. To achieve this, the researcher predominantly wanted to reach target participants who were principal/owner of their own practice. Hence, considering the current employment level of all participants, approximately 72% classified themselves as principal (sole owners), 15.7% of participants as partner (part owner), and 5% as holding a position of management within their small firm (See Table 4.6 below). Overall, this shows that approximately 92.7% of participants hold a level of employment at a senior level.

Table 4.6: Current Level of Employment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business Owner	1	.6	.6	.6
	Contractor - Managment Assistant	1	.6	.6	1.3
	Director	1	.6	.6	1.9
	Graduate Employee	1	.6	.6	2.5
	I have my own business (principal) but also do tax returns for another tax agent as a contractor	1	.6	.6	3.1
	Manager	8	5.0	5.0	8.2
	Owner	1	.6	.6	8.8
	Partner	25	15.7	15.7	24.5
	Principal	115	72.3	72.3	96.9
	self employed	1	.6	.6	97.5
	Senior accountant	1	.6	.6	98.1
	SENIOR TAX ACCOUNTANT	1	.6	.6	98.7
	Sole Practioner	1	.6	.6	99.4
	sole proprietor	1	.6	.6	100.0
	Total	159	100.0	100.0	

4.3 STATISTICAL ANALYSIS – SECTIONS 2-4: IDENTITY SCALE

The complete survey asked in the present study is available in Appendix B of this thesis. The questions are adapted from prior studies on social identity and are used to elicit a response from respondents regarding their affiliation, identity and overall connectedness to certain identity paradigms which are being focused on; and thus, for this study, regarding overall connectedness to the three salient identities being researched. These questions are shown in Table 4.7.

Table 4.7: Social Identity Questions.

Professional Identity	Organisational Identity	Client Identity
When someone criticises my profession, it feels like a personal insult.	When someone criticizes my organisation, it feels like a personal insult.	When someone praises my clients, it feels like a personal compliment.
I am very interested in what others think about the Accounting profession.	I am very interested in what others think about my organisation.	I am very interested in what others think about my clients' business.
When I talk about the Accounting profession, I usually say "we" rather than "they"	When I talk about my organisation, I usually say "we" rather than "they"	When I talk about my clients, I usually say "we" rather than "they"
My profession's successes are my successes.	My organisations' successes are my successes.	My Clients successes are my successes.
When someone praises the Accounting profession, it feels like a personal compliment.	When someone praises my organisation, it feels like a personal compliment.	When someone criticizes my clients, it feels like a personal insult.
When a story in the media criticises the Accounting profession, I feel embarrassed.	If a story in the media criticized my organisation, I would feel embarrassed.	If a story in the media criticized an important client, I would feel embarrassed.

4.3.1 PRINCIPAL AXIS FACTORING

Also known as 'common factor analysis', principal axis factor analysis attempts to find the least number of factors accounting for the common variance of a set of variables (Veal 2005). By analysing the variables present in the research instrument using Principle Axis Factoring, it is possible to ascertain the number of variables that are causing the differences in the results, whether this is some or all of the variables present. This information can therefore be used to help explain the results and the key areas in which the participants' submitted answers influenced the significance result on their identity skew. Its application for the data presented in this research, in particular to the specific identity scales used, is to show how each question asked in the identity scales contributed, overall, to each of the relevant scales.

Tables 4.8, 4.9 and 4.10 show the results of the Principle Factor Analysis that was performed on the present study data. The results show that, for both the professional identity scale and client identity scale, question five made the most contribution regarding the results of their specific Likert scale survey. Alternatively, the results show that, for the organisational scale, questions four and five made the most contribution regarding the results of its specific Likert scale survey.

Table 4.8: Factor Score Coefficient Matrix – Professional Identity Scale

Factor Score Coefficient Matrix- Professional Identity Scale

	Factor
	1
ProQ1	.124
ProQ2	.167
ProQ3	.129
ProQ4	.150
ProQ5	**.460**
ProQ6	.139

Extraction Method: Principal Axis Factoring.

Table 4.9: Factor Score Coefficient Matrix – Client Identity Scale

Factor Score Coefficient Matrix – Client Identity Scale

	Factor
	1
ClntQ1	.131
ClntQ2	.129
ClntQ3	.074
ClntQ4	.245
ClntQ5	**.411**
ClntQ6	.142

Extraction Method: Principal Axis Factoring.

Table 4.10 Factor Score Coefficient Matrix – Organizational Identity Scale

Factor Score Coefficient Matrix- Organizational Identity Scale	Factor
	1
OrgQ1	.193
OrgQ2	.199
OrgQ3	.144
OrgQ4	**.265**
OrgQ5	**.242**
OrgQ6	.092

Extraction Method: Principal Axis Factoring.

Professional Scale, question five: When someone praises the accounting profession, it feels like a personal compliment.

Organisational Scale, question five: When someone praises my organisation, it feels like a personal compliment.

Client Scale, question five: When someone criticises my clients, it feels like a personal insult.

In addition, for the organisational identity scale, question four had an equally high contributing factor. This question is as follows:

Organisational Scale, question four: My organisational successes are my successes.

This result using factor analysis highlights a key finding on the level of influence the questions had on the identity scale. Question five can be seen to illicit a response regarding third party opinions, in regard to praising or criticising the profession, their organisation, or their client. It can be seen that the participants in this research hold public opinion in high regard when it comes to their professional environment; thus, public opinion (as opposed to internal opinion

or performance) displays the highest influence on their identity strength in all three categories, indicating that question five is an overall influence on the results obtained regarding strength of identity for all three identities researched.

One exception to this is the participants' organisational identity, which had both question four and five as being the most influential in the results. This is also linked in an organisational sense to question five, as question four (see above) targets organisational success, which is usually reflected in how the organisation is seen by the public. As the participants are based in small public practice, it is understandable to see that their organisational successes would be seen as their own successes, as they have a closer tie to their small practice compared to clients and the profession.

4.3.2 FURTHER ANALYSIS: SPEARMEN RHO CORRELATION

Spearman's rho correlations were generated between the composite identity variables, as shown in Table 4.11. The purpose is to ascertain any positive or negative correlations between the identity scales (e.g.: if one identity is strong, does that correlate to another also being strong or the opposite being weak). According to the results, the Professional Identity scale is shown to have a moderately positive correlation with the Organizational Identity scale (0.438, $p<0.01$) and with Client Identity scale (0.384, $p<0.01$). There is a weak positive correlation between Organization Identity scale and the Client Identity Scale (.285, $p<0.01$). These results suggest that all three identity scales have either a moderately positive correlation with each other or, in one exception, a weaker correlation between organisational and client identity scales. This posits that, when the identity strength of one identity increases or is stronger, then the other identities will also strengthen either moderately or weakly. This result also helps to show that no identity weakens as others get stronger (negative correlation). This finding contradicts prior literature regarding the relationship between client and professional identity which has shown that professional accountants (in this case, auditors) who identify with their clients will acquiese to their clients more often (Bamber & Iyer 2007) and that professional accountants with a higher professional identity will be less inclined to acquiese to their clients, indicating that there is a inverse or negative correlation between professional and client identity (Bamber & Iyer 2007).

Conversely, this finding does show consistency with prior literature in regard to the relationship between professional and organisational identities which has revealed little OPC conflict

(Organisational-Professional Conflict) and a positive correlation between both identities (Bamber & Iyer 2002).

Table 4.11: Spearman's rho correlations between identity scales.

			Professional Identity scale	Organizational Identity scale	Client Identity Scale
Correlations					
Spearman's rho	Professional Identity scale	Correlation Coefficient	1.000	.438**	.384**
		Sig. (2-tailed)	.	.000	.000
		N	159	159	159
	Organizational Identity Scale	Correlation Coefficient	**.438****	1.000	.285**
		Sig. (2-tailed)	.000	.	.000
		N	159	159	159
	Client Identity scale	Correlation Coefficient	**.384****	**.285****	1.000
		Sig. (2-tailed)	.000	.000	.
		N	159	159	159
**. Correlation is significant at the 0.01 level (2-tailed).					

4.3.3 STATISTICAL ANALYSIS FOR COMPOSITE SCALE VARIABLES

Looking at the spread of answers given in the 5-point Likert scale for all identity scales, some observations can be made on the distribution of answers given for all questions and statements. Nearly 60% of the professional accountants who are working in the small public practice responded with "Agree" or "Strongly Agree" in their identification with the Professional Identity scale (Table 4.12).

Table 4.12: Professional Identity Median Descriptive Statistics.

		Frequency	Percent	Valid Percent	Cumulative Percent
			ProMedian		
Valid	1.0	6	3.8	3.8	3.8
	2.0	8	5.0	5.0	8.8
	2.5	8	5.0	5.0	13.8
	3.0	40	25.2	25.2	39.0
	3.5	22	13.8	13.8	52.8
	4.0	40	25.2	25.2	78.0
	4.5	10	6.3	6.3	84.3
	5.0	25	15.7	15.7	100.0
	Total	159	100.0	100.0	

More than 80% of professional accountants in the small public practice space indicated either "Agree" or "Strongly Agree" in their identification with the Organisational Identity scale (Table 4.13).

Table 4.13: Organisational Identity Median Descriptive Statistics.

		Frequency	Percent	Valid Percent	Cumulative Percent
			OrgMedian		
Valid	1.0	1	.6	.6	.6
	1.5	1	.6	.6	1.3
	2.0	3	1.9	1.9	3.1
	2.5	4	2.5	2.5	5.7
	3.0	20	12.6	12.6	18.2
	3.5	10	6.3	6.3	24.5
	4.0	34	21.4	21.4	45.9
	4.5	5	3.1	3.1	49.1
	5.0	81	50.9	50.9	100.0
	Total	159	100.0	100.0	

Similar to the results seen with the Professional Identity scale, nearly 60% (57.6%) of the professional accountants in the small public practice space either "Agree" or "Strongly Agree" with the Client Identity scale (Tale 4.14).

Table 4.14: Client Identity Median Descriptive Statistics.

<table>
<thead>
<tr><th colspan="6">ClieMedian</th></tr>
<tr><th></th><th></th><th>Frequency</th><th>Percent</th><th>Valid Percent</th><th>Cumulative Percent</th></tr>
</thead>
<tbody>
<tr><td>Valid</td><td>1.0</td><td>4</td><td>2.5</td><td>2.5</td><td>2.5</td></tr>
<tr><td></td><td>1.5</td><td>2</td><td>1.3</td><td>1.3</td><td>3.8</td></tr>
<tr><td></td><td>2.0</td><td>14</td><td>8.8</td><td>8.9</td><td>12.7</td></tr>
<tr><td></td><td>2.5</td><td>10</td><td>6.3</td><td>6.3</td><td>19.0</td></tr>
<tr><td></td><td>3.0</td><td>37</td><td>23.3</td><td>23.4</td><td>42.4</td></tr>
<tr><td></td><td>3.5</td><td>16</td><td>10.1</td><td>10.1</td><td>52.5</td></tr>
<tr><td></td><td>4.0</td><td>42</td><td>26.4</td><td>26.6</td><td>79.1</td></tr>
<tr><td></td><td>4.5</td><td>7</td><td>4.4</td><td>4.4</td><td>83.5</td></tr>
<tr><td></td><td>5.0</td><td>26</td><td>16.4</td><td>16.5</td><td>100.0</td></tr>
<tr><td></td><td>Total</td><td>158</td><td>99.4</td><td>100.0</td><td></td></tr>
<tr><td>Missing</td><td>System</td><td>1</td><td>.6</td><td></td><td></td></tr>
<tr><td>Total</td><td></td><td>159</td><td>100.0</td><td></td><td></td></tr>
</tbody>
</table>

Hence, looking at the above descriptive statistical analysis, it can be seen that professional accountants in small public practice are likely to identify more with their organisation (which, in this research, pertains to their small accounting practice/business/firm) than with their profession and clients. Following this observation, the study will now present various statistical tests on the data to determine whether the observations stated above are indeed reflected with any significance. Significance testing is imperative in concluding whether there are differences in identity strength, thus facilitating the second phase of data collection and analysis via the semi-structured interview process.

4.4 DISTRIBUTION OF SCALES

Analysis of the distribution of the three identification scales is an important factor in determining the presence of statistical difference in the responses given from the participants. The responses can either fall within a typical bell-shaped distribution curve or they may not. If the distribution is not considered a uniform bell-shaped distribution, it is important to ascertain the skew of the distribution, as this has an impact on the type of statistical tests selected for analysis.

Table 4.15: Distribution Report.

	Professional Identity Scale	Organizational Identity Scale	Client Identity Scale
Mean	**3.579**	**4.258**	**3.522**
Median	**3.500**	**5.000**	**3.500**
Minimum	1.0	1.0	1.0
Maximum	5.0	5.0	5.0
Kurtosis	.211	.461	-.392
Skewness	-.488	-1.054	-.321

Following are the distribution charts which show the distribution curve for all three identification scales.

Figure 4.1: Chart of Professional Identity Distribution curve.

ProMedian

Mean = 3.58
Std. Dev. = .97
N = 159
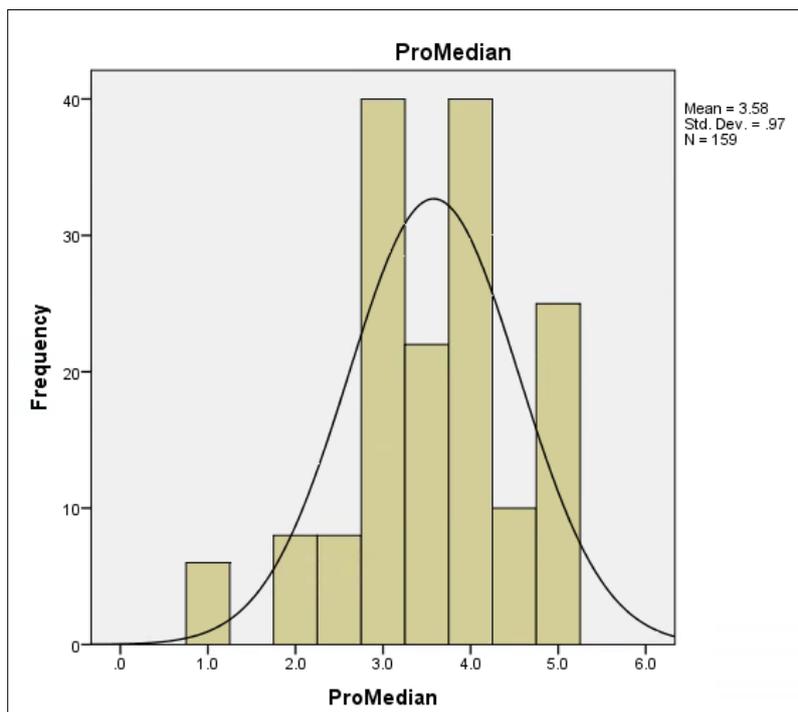
Figure 4.2: Chart of Organisational Identity Distribution curve.
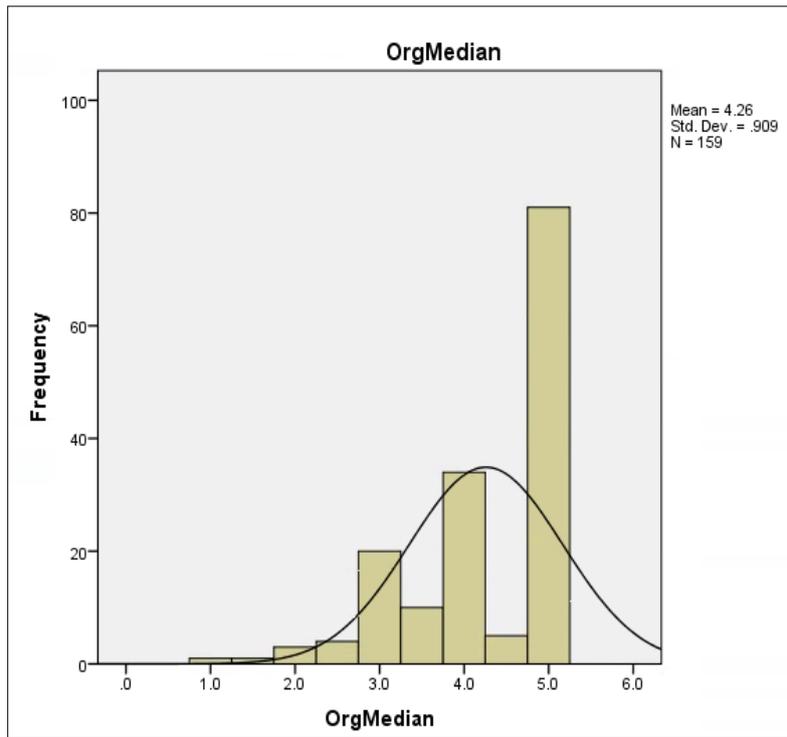
Figure 4.3: Chart of Client Identity Distribution curve.
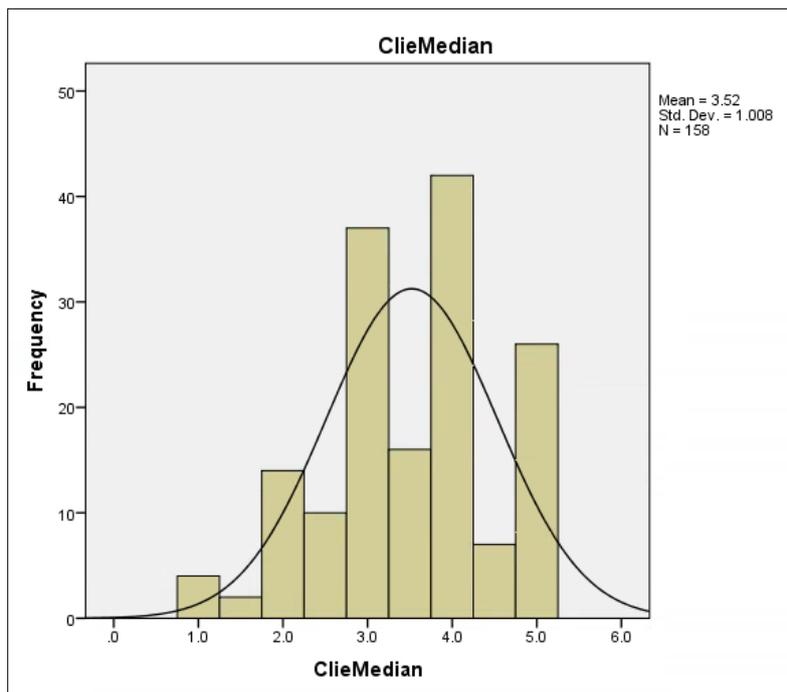
The above charts in Figures 4.1-4.3 show that none of the three identity scales are normally distributed, and all identity scales have a skew towards "Agree" and "Strongly agree". In addition, the data were subject to further testing for normality using both the Kolmogorov-Smirnov and Shapiro-Wilk tests. The test results show that the data did not follow a normal distribution curve, with answers skewed toward "Strongly Agree" for all tests (See Table 4.16).

Table 4.16: Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Mean Professional	.080	162	.012	.974	162	.004
Mean Organisational	.173	162	.000	.858	162	.000
Mean Client	.082	162	.009	.973	162	.003

Hence, with the remaining statistical testing, considering that the data collected are ordinal data which do not rely on numerical data per se but rather a ranking system (Likert Scale), and are not of a normal distribution, therefore non-parametric statistical testing will be used for further analysis, with significance testing to be conducted.

4.5 FURTHER COMPARISON OF IDENTITY SCALES

The box plots (Figure 4.4) of the three identity scales depict the differences regarding the distribution of answers on the Likert scale. As shown in the descriptive statistics, the graphs further suggest that the median of Organisational Identity scale is higher than that of both the Professional and Client identity scales. At the same time, the Client scale has the least agreement level out of the three scales.

Figure 4.4: Box plot of all three identification scales
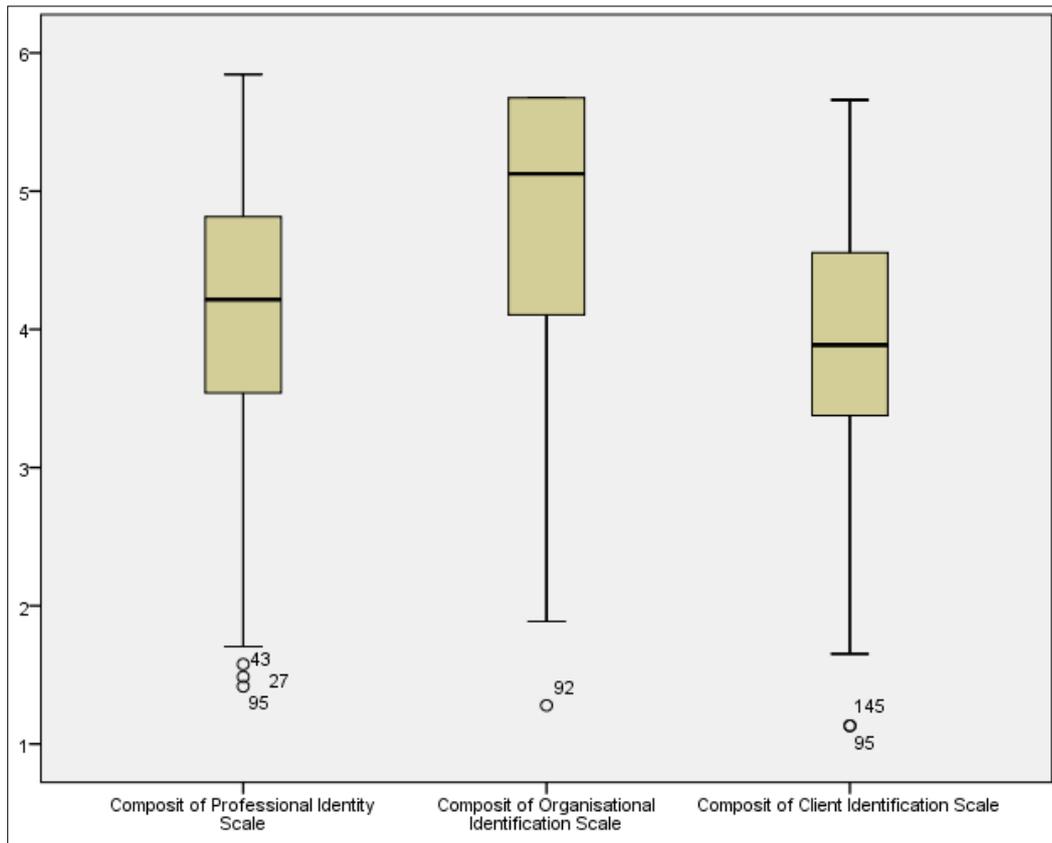
4.6 STATISTICAL TESTS FOR SIGNIFICANT DIFFERENCES IN IDENTITY SCALES

The Friedman test was conducted to test for statistically significant differences in the responses on all three identity scales. The Friedman Test is the non-parametric alternative to the one-way ANOVA, with repeated measures. It is used to test for differences between groups when the dependant variable being measured is ordinal (Veal 2005). Therefore, the Friedman test is used for this aspect of the present research to ascertain any significant differences between the mean identity results for all three identity scales. The descriptive statistics discussed earlier in this chapter indicated that organisational identity may be higher than both professional and client identities: the Friedman test will statistically prove (or disprove) this notion.

Table 4.17 shows the output using the Friedman Test and its significance regarding the hypotheses as follows. These hypotheses are used specifically to help answer the research questions RQ1 and SRQ2 on statistical differences in the results of the three identity scales:

Ho: There is no significant difference between the mean ranks of identification for the scales of professional, organisational and client identities.

H0: There is a significant difference between the mean ranks of identification for the scales of professional, organisational and client identities.

Table 4.17: Friedman Test

Ranks	
	Mean Rank
Professional Identification scale	1.82
Organizational Identification scale	2.45
Client Identification scale	1.73

Test Statistics[a]	
N	158
Chi-Square	66.586
df	2
Asymp. Sig.	.000

a. Friedman Test

According to the Test statistics ($x^2(2)$ = 66.586, p<0.05), the null hypothesis is rejected with 95% confidence that there is a significant difference between at least one of the identity scale pairs with mean ranks. The only identity that shows a significant difference from the remaining identities is organisational identity. In summary, organisational identity is shown to be significantly stronger amongst the research participants, compared to the other two identities tested, professional and client identities, according to the Friedman test.

4.6.1 PAIRED SAMPLE T-TEST

The data were then analysed using a paired sample T-Test to ascertain any significant differences in each identity category with a significance of 95%. Each category of professional, organisational and client identities was tested against the others to reveal whether there was any presence of statistical difference (See Table 4.18).

Table 4.18: Significance between identities

Paired Samples Test

		Paired Differences							
					95% Confidence Interval of the Difference				
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper	T	Df	Sig. (2-tailed)
Pair 1	MeanPro1 - MeanOrg1	-.621	.774	.061	-.741	-.502	-10.250	162	.000
Pair 2	MeanPro1 - MeanCli1	.070	.888	.070	-.068	.207	1.000	162	.319
Pair 3	MeanOrg1 - MeanCli1	.691	.974	.076	.540	.842	9.056	162	.000

The data in Table 4.18 show the relationships between each identity of the participants. They indicate that there is no significant difference between professional identity and client identity. Furthermore, the results show, as stated above, that there is a significant difference between professional/client identity and organisational identity, with organisational identity being significantly higher than the other two competing identities.

Table 4.19: Ranks

		N	Mean Rank	Sum of Ranks
Organizational Identification Scale – Professional Identity Scale	Negative Ranks	18[a]	30.86	555.50
	Positive Ranks	90[b]	59.23	5330.50
	Ties	51[c]		
	Total	159		
Client Identity scale – Professional Identity Scale	Negative Ranks	61[d]	52.48	3201.00
	Positive Ranks	46[e]	56.02	2577.00
	Ties	52[f]		
	Total	159		
Client Identity Scale – Organizational Identification scale	Negative Ranks	92[g]	60.43	5560.00
	Positive Ranks	21[h]	41.95	881.00
	Ties	46[i]		
	Total	159		

Table 4.20: Test Statistics[a] Wilcoxon Signed Ranks Test

	Organizational Identification Scale – Professional Identity Scale	Client Identity scale – Professional Identity Scale	Client Identity Scale – Organizational Identification scale
Z	-7.379[b]	-.980[c]	-6.749[c]
Asymp. Sig. (2-tailed)	.000	.327	.000

Wilcoxon Signed rank test statistics: It is with 95% confidence that the mean rank score of the Organisational Identity scale is significantly higher than that of the Professional Identity scale (-7.379, $p<0.05$) and Client Identity scale ($z=-6.749$, $P<0.05$). However, there is no statistically significant difference between the mean rank scores of Professional Identity scale and Client Identity scale ($z=-0.980$, $p=0.327$).

4.6.2 OVERALL STATISTICAL SIGNIFICANCE OF IDENTITY SCALES

With the above statistical tests performed on the overall data collected, it can be seen that the observations from the descriptive statistics, which showed a stronger organisational identity, are supported with statistical significance. Overall, using the responses of all 159 participants to the survey, their organisational identity is statistically higher than the other two, professional and client identities.

4.7 DIFFERENCE OF IDENTITY BETWEEN DIFFERENT INDEPENDENT GROUPS

Incorporating the demographic data that were collected via the survey into the statistical analysis is an important aspect of the present research. This is to ascertain whether there were any significant differences to responses towards the survey depending on gender, age and position within the small-practice firm. This is pertinent because, if indeed there are significant differences between various demographics, this potentially alters the findings and approaches needed in tackling any identity strategy moving forward in future research.

4.7.1 MEDIAN ANALYSIS FOR EACH IDENTITY SCALE QUESTIONS BY GENDER

The median of a data set denotes or relates to a value or quantity lying at the midpoint of a frequency distribution of observed values or quantities, such that there is an equal probability of falling above or below it (Creswell 2015).

The median response was analysed for each identity scale, and each survey question with the identity scale, in regard to responses for gender. The results show that, for the professional identity scale, questions two, three and four had the same median (4 on the Likert scale) response for both male and female participants. Questions one and five show that males had a higher median response than female participants. Finally, question six had the same median response for both female and male participants (see Figure 4.5).

Figure 4.5: Bar Chart of Professional scale median responses, male and female.
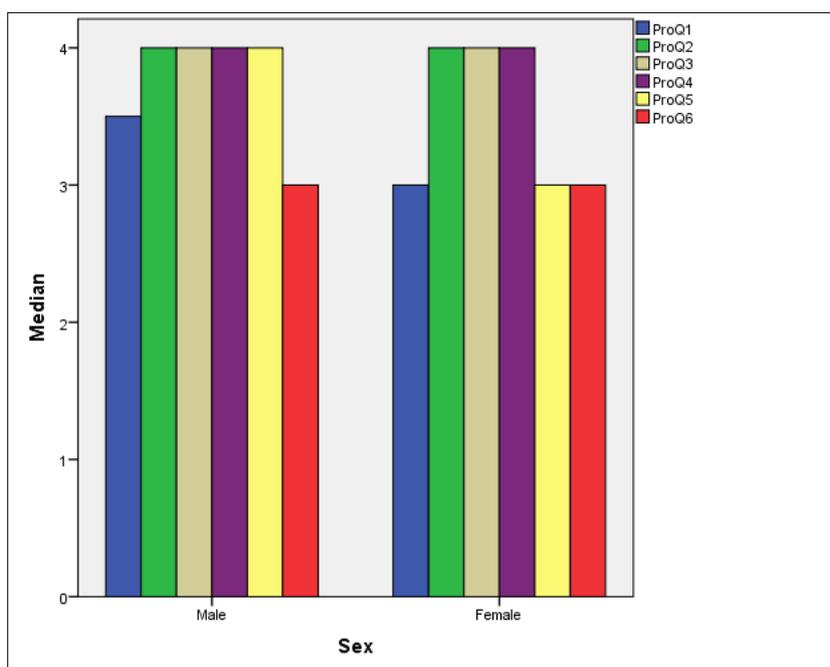
The results also show that, for the Organisational Identity scale (see Figure 4.6); questions three, four, five and six have the same median (5 on the Likert scale) response for both male and female participants. Questions one and two show that the female participants' median response was different and higher to that of the male participants.

Figure 4.6: Bar Chart of Organisational scale median responses, male and female.
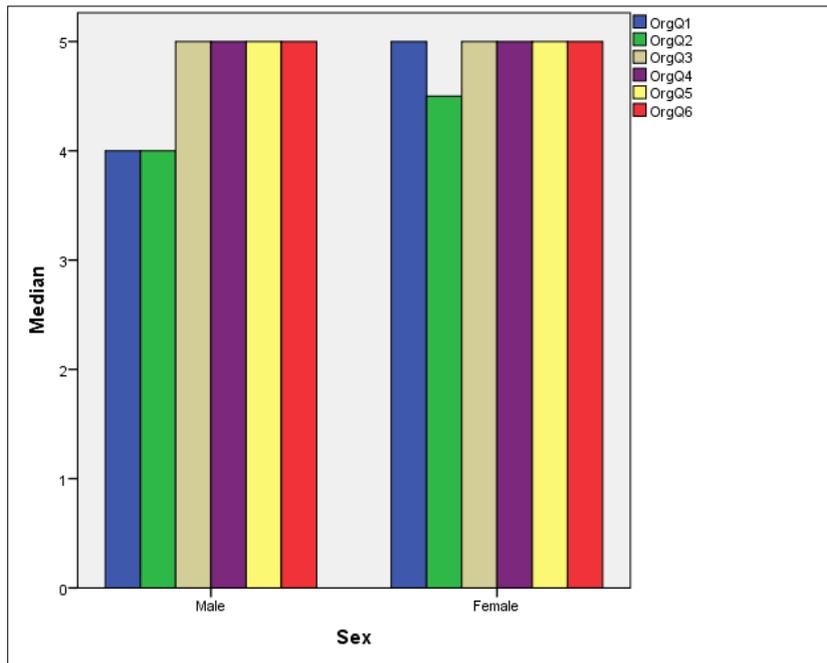
Finally, the results show that, for the Client Identity scale (Figure 4.7), questions one, two and four have the same median (4 on the Likert scale) response for both male and female participants. Question three has a higher median response for males as opposed to females; and questions five and six have the same median (3 on the Likert scale) response for both male and female participants.

Figure 4.7: Bar Chart of Client scale median responses, male and female.
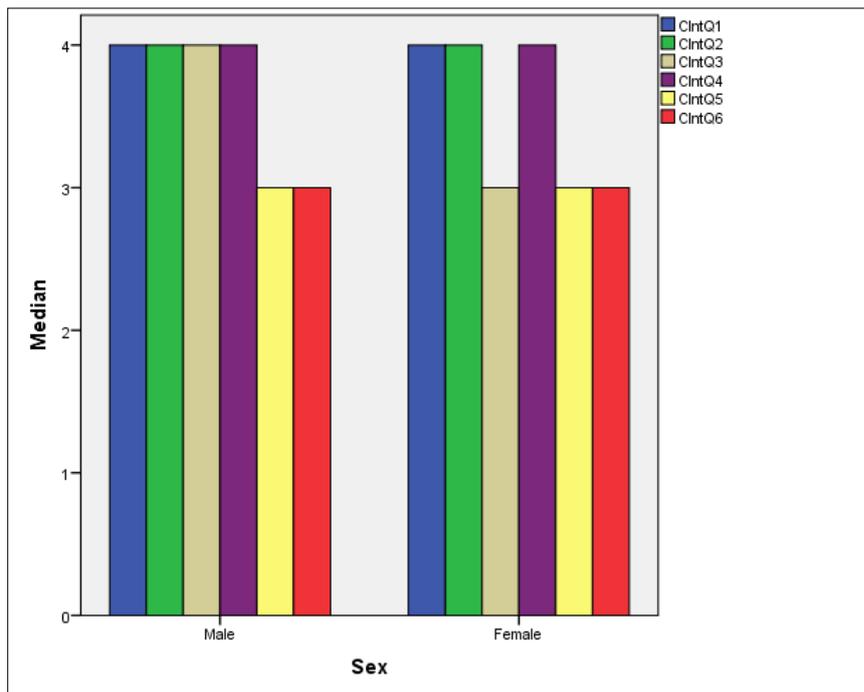
Figure 4.8 represents the responses to the three identity scales in regard to gender.

The graph indicates, observationally, the following:

- Identification towards the Professional Identity scale is likely to be greater for male than female accounting professionals practicing in a small accounting firm.

- Identification towards the Organisational scale is likely to be higher for female than for male accounting professionals practicing in a small accounting firm.

- Identification towards the Client scale is slightly lower for female than for male accounting professionals practicing in a small accounting firm.

Figure 4.8: Chart of Identification Scales by Gender
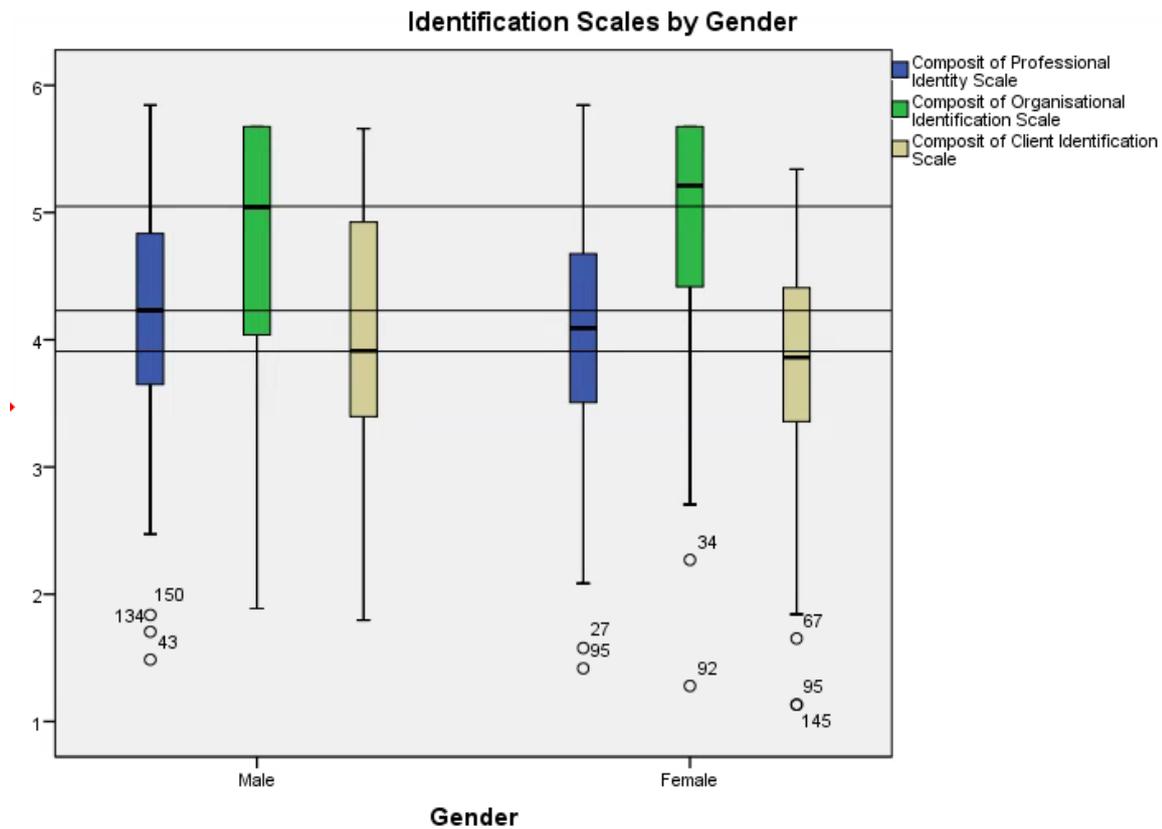
4.7.2 STATISTICAL SIGNIFICANCE - GENDER.

After the above descriptive observations on the data regarding gender and identity, the Mann-Whitney U test is performed. The Mann-Whitney U test is a non-parametric test of the null hypothesis that it is equally likely that a randomly selected value from a sample will be less or more likely selected than a randomly selected value from a second sample (Veal 2005). The key assertion is that this test does not require an assumption of normal distribution. As the data in this research are shown to not have a normal bell-curved distribution, the Mann-Whitney U test is preferred.

The following hypotheses were tested regarding gender responses:

1) **H0:** There is no significant difference in the mean ranks of the Professional Identification scale between female and male accounting professionals working in a small-firm environment.

   H1: Male accounting professionals working in small accounting firms have a higher mean rank for the Professional Identity scale than female accounting professionals.

2) **H0:** There is no significant difference in the mean ranks for the Organizational Identity scale between female and male accounting professionals working in a small-firm environment.

   H1: Female accounting professionals working in small accounting firms have a higher mean rank for the Organizational Identity scale than male accounting professionals.

3) **H0:** There is no significant difference in the mean ranks for the Client Identification scale between female and male accounting professionals working in a small-firm environment.

4) **H1:** Male accounting professionals working in small accounting firms have a higher mean rank for the Professional/Client Identity scales than female accounting professionals.

Table 4.21: Sample Data Mann-Whitney U Test

Ranks	Sex	N	Mean Rank	Sum of Ranks
Professional Identity scale	Male	98	83.04	8137.50
	Female	61	75.12	4582.50
	Total	159		
Organisational Identity scale	Male	98	77.95	7639.00
	Female	61	83.30	5081.00
	Total	159		
Client Identity Scale	Male	98	83.68	8201.00
	Female	61	72.67	4360.00
	Total	159		

Test Statistics[a]	Pro ID Median	Org ID Median	Client ID Median
Mann-Whitney U	2691.500	2788.000	2530.000
Wilcoxon W	4582.500	7639.000	4360.000
Z	-1.075	-.770	-1.498
Asymp. Sig. (2-tailed)	.282	.442	.134

a. Grouping Variable: Gender

According to the Mann-Whitney U test statistics for ordinal scaled data, there is not enough evidence to reject the null hypothesis between gender groups for the Professional Identification scale (p=0.282>0.05), Organisational Identity scale (p=0.442>0.05) and Client Identity scale (p=0.134>0.05) data. Therefore, for the data collected, there is no significant difference found in regard to all three identity scales between respondents who are male or female; thus, the null hypothesis is supported.

4.7.3 STATISTICAL DIFFERENCE – AGE GROUP

Figure 4.9 represents the responses to the three identity scales in regard to Age Group, using a median comparison box plot.

Figure 4.9: Chart of Identity scale responses – Age Group
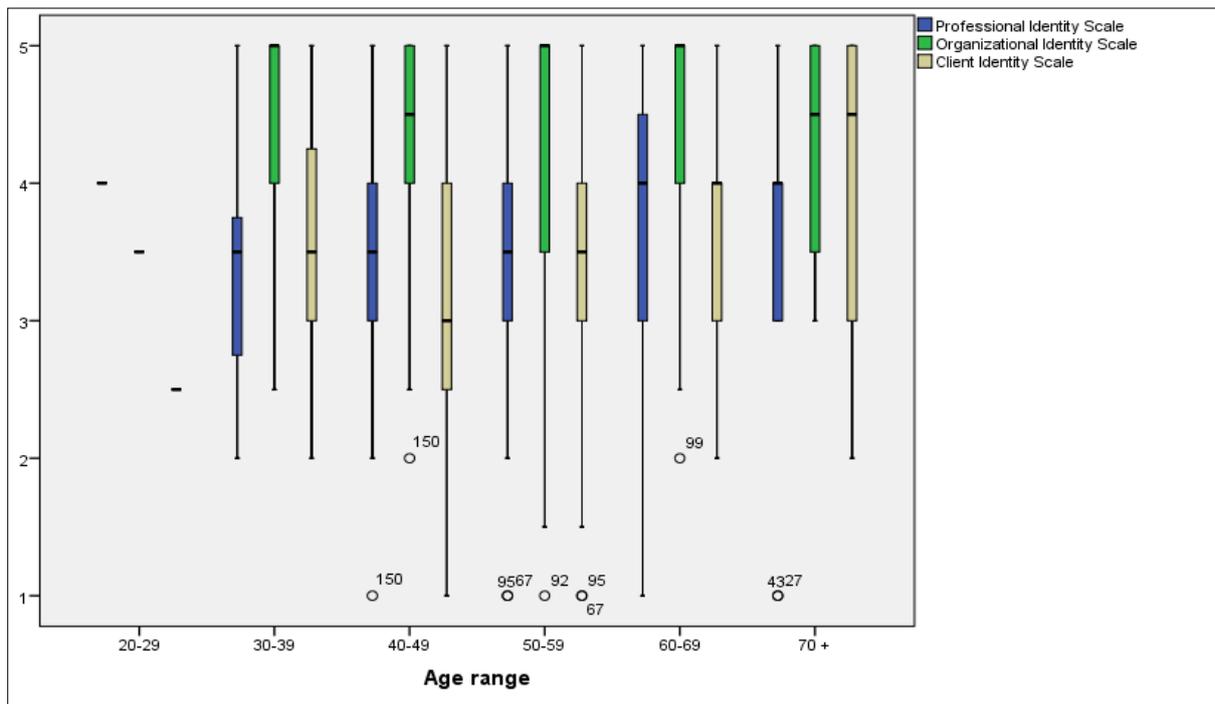
For the statistical testing performed regarding responses and age group, the age group "20-29 years of age" was omitted from the analysis, as there was only one participant.

The highlights of the descriptive results in Figure 4.9 show that the median agreement for the Client Identity scale is higher for professional accountants aged 70+ years (median = 4.5) compared with other age groups; while participants in the 40-49 age group had the least median level of agreement (median =3). Figure 4.9 also shows that the median score for the Professional identity scale is higher for age groups over 60 than for other age groups. The Organisational Identity scale median is approximately the same throughout all the age groups (median = 5); while the age groups 70+ and 40-49 have a little less, at 4.5. Finally, when observing the descriptive aspect of the chart, the participants' identification towards their professional, organisation and client identities appears to marginally increase with age (>60 years) according to the sample data. With these observations in mind, the following statistical tests will ascertain whether these observations are of any significance.

4.7.4 STATISTICAL TESTING - AGE GROUP - APPLICATION OF KRUSKAL WALLIS TEST

The Kruskal Wallis test (also known as the 'one-way ANOVA on ranks') is used for this particular aspect of the research, as it is a rank-based, non-parametric test which can be used to determine whether there are statistically significant differences between two or more groups of independent variables and a continuous or ordinal dependant variable (Veal 2005; Creswell 2015).

Table 4.22: Age Group Mean Rank.

Ranks			
	Age	N	Mean Rank
Professional Identity Scale	30-39	16	65.81
	40-49	37	71.84
	50-59	58	81.43
	60-69	38	91.39
	70 +	9	72.67
	Total	158	
Organisational Identity Scale	30-39	16	84.06
	40-49	37	76.95
	50-59	58	78.59
	60-69	38	82.50
	70 +	9	75.06
	Total	158	
Client Identity Scale	30-39	16	79.70
	40-49	37	66.49
	50-59	58	79.03
	60-69	38	86.75
	70 +	9	96.33
	Total	158	

Table 4.23: Kruskal Wallis Test

Test Statistics[a,b]			
	Professional Identity Scale	Organizational Identity Scale	Client Identity Scale
Chi-Square	5.555	.639	5.429
df	4	4	4
Asymp. Sig.	.235	.959	.246
a. Kruskal Wallis Test			
b. Grouping Variable: AgeCode			

According to the results of the Kruskal Wallis test in Table 4.23: there is no statistically significant difference in the Professional Identification scores between the different age groups, $x^2(4) = 5.555$, p = 0.235>0.05; there is no statistically significant difference in the Organisational Identification scores between the different age groups, $x^2(4) = 0.639$, p = 0.959>0.05; and there is no statistically significant difference in the Client Identification scores between the different age groups, $x^2(4) = 5.429$, p = 0.246>0.05. Therefore, the results show no difference between the strength of identity when linked to different age groups. Statistically, it can be shown that there is no significant difference in the strength of identity across all identity scales, and across all age groups. Thus, the results in regard to varying identity strengths amongst the participants are consistent regardless of age group.

4.7.5 STATISTICAL DIFFERENCE – EXPERIENCE OF YEARS IN A SMALL FIRM. APPLICATION OF KRUSKAL WALLIS TEST.

Table 4.24: Experience in small firm mean rank.

Ranks			
	Years of experience in small firm	N	Mean Rank
Professional Identity Scale	1-3 years	12	93.00
	4-6 years	10	87.70
	7-10 years	31	72.26
	11-15 years	26	90.90
	16-20 years	17	80.44
	20+ years	63	75.49
Organizational Identity Scale	1-3 years	12	96.71
	4-6 years	10	72.70
	7-10 years	31	70.77
	11-15 years	26	83.58
	16-20 years	17	79.21
	20+ years	63	81.25
Client Identity Scale	1-3 years	12	81.25
	4-6 years	10	68.20
	7-10 years	30	76.10
	11-15 years	26	85.06
	16-20 years	17	63.26
	20+ years	63	84.67

Table 4.25: Kruskal Wallis Test

Test Statistics[a,b]			
	Professional Identity Scale	Organizational Identity Scale	Client Identity scale
Chi-Square	4.345	3.839	4.284
df	5	5	5
Asymp. Sig.	.501	.573	.509
a. Kruskal Wallis Test			
b. Grouping Variable: Years of experience in small firm			

According to the results of the Kruskal Wallis tests in Table 4.25: there are no significant differences in the Professional Identification scales (chi-square =4.345, p=0.501>0.05) between groups of years of experience in a small firm; there are no significant differences in the Organisational Identity scales (chi-square =3.839,p=0.573>0.05) between groups of years of experience in a small firm; and there are no significant differences in the Client Identification scales (chi-square =4.284, p=0.509>0.05) between groups of years of experience in a small firm. Therefore, statistically, it can be shown that there is no significant difference in the strength of identity across all identity scales, and across all experience groups. Thus, the results in regard to varying identity strengths amongst the participants are consistent regardless of the amount of experience that the participants have had in a small-firm environment.

4.7.6 STATISTICAL DIFFERENCE - EXPERIENCE IN LARGE ACCOUNTING FIRM

Figure 4.10 shows a box plot of the responses given in regard to identity on all three scales, and whether the participants have any prior large-firm experience.

Figure 4.10: Chart of Box Plot – Identity and Large Firm Experience.
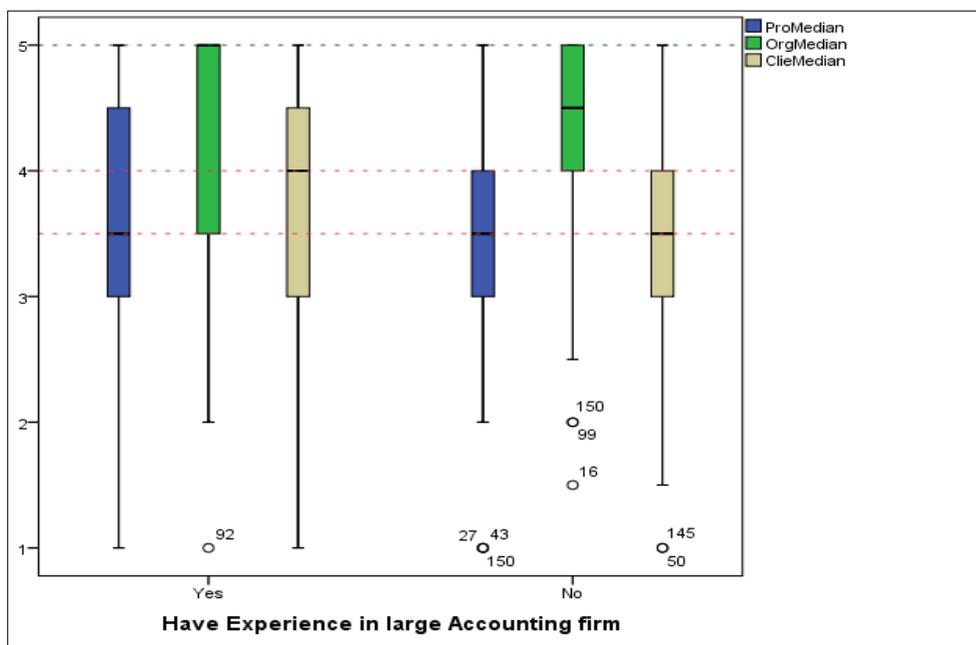
The above descriptive box plot observations show that a difference in median scores between the Organisational and Client Identity scales is evident. However, the medians of the two

groups in the Professional Identification scale show no difference. The Organisational Identity scale median for accountants who have work experience in large firms is higher than that of the accountants who do not have work experience in large-scale firms. Finally, the Client Identity scale median for accountants who have work experience in large firms is higher than that of the accountants who do not have work experience in large-scale firms.

4.7.7 STATISTICAL DIFFERENCE - EXPERIENCE IN LARGE ACCOUNTING FIRM. APPLICATION OF MANN-WHITTNEY U TEST

Table 4.26: Experience in large firm mean rank.

Ranks				
	Have Experience in large Accounting firm	N	Mean Rank	Sum of Ranks
Professional Identity Scale	Yes	51	81.02	4132.00
	No	108	79.52	8588.00
	Total	159		
Organisational Identity Scale	Yes	51	83.33	4250.00
	No	108	78.43	8470.00
	Total	159		
Client Identity Scale	Yes	51	84.59	4229.50
	No	108	77.14	8331.50
	Total	159		

Table 4.27: Mann-Whittney U Test

Test Statistics[a]			
	Professional Identity Scale	Organizational Identity Scale	Client Identity Scale
Mann-Whitney U	2702.000	2584.000	2445.500
Wilcoxon W	8588.000	8470.000	8331.500
Z	-.196	-.678	-.970
Asymp. Sig. (2-tailed)	.845	.498	.332
a. Grouping Variable: Have Experience in large Accounting firm			

From the results of the Mann-Whittney U Test statistical test displayed in Table 4.27, it is established with 95% confidence: for the Professional Identity scale that there is no significant difference in the median agreement level between accountants who have work experience in

large firms and those who haven't had experience in a large firm environment (p=0.845>0.05); there is no significant difference for the Organisational Identity scale in the median agreement level between accountants who have work experience in large firms and those who haven't (p=0.498>0.05); and there is also no significant difference for the Client Identity scale in the median agreement level between accountants who have work experience in large firms and those who haven't (p=0.332>0.05). This specific test on the differences between the participants who had prior large-firm experience and those who did not was important to establish whether a relatively small amount of large-firm experience has had an effect on their current identity paradigm within the triad of identities that are being researched. As prior research has discovered, employment at large firms has a direct effect on the level of identity that professional accountants have with respect to the triad of identities discussed here (Aranya et al 1981; Aranya & Ferris 1984; Bamber & Iyer 2002, 2007; Iyer et al 1997). Thus, it was imperative to ascertain whether the proportion of participants with minimal large-firm experience had an effect on the overall results. With no significant difference found with participants with or without large-firm experience, this allows the researcher to move forward with analysis and discussion in comparing the results from the present research study to those of prior literature (on a large-firm environment). It also allows the researcher to further detail and discuss the results in this research on all three identities and to make conclusions on the overall identity paradigm of an accountant in small public practice, and the mechanisms and influences that mould this paradigm. This finding also shows that, according to the present research study and its participants, the ongoing effect that large firms have on identity fades if identity is not continually promoted and developed within a large firm. It must be noted that participants in the present study had minimal large-firm experience, which is ideal for the purposes and aims of the research.

4.8 SUMMARY OF RESULTS – STATISTICAL DIFFERENCES OF INDEPENDENT GROUPS

Table 4.28 provides a summary of the statistical tests performed on the demographic data, and whether there were any significant differences in any of the three identity scales that were tested, regarding these demographics. As can be seen, there were no significant differences found; therefore, it is concluded, on the basis of the data obtained for this research, that the demographics of the participants were not a factor influencing the identity scale test scores, and that the whole cohort of professional accountants in a small public practice environment

who participated in the research are unified in their identity paradigm, irrespective of their gender, age, or experience in both small and large firms in the past. Therefore, it is 'other factors' which are driving the participants' identity paradigm; namely, the significantly higher organisational identity compared to both professional and client identities. The following analysis and discussion of the in-depth, semi-structured interviews, in Chapters 5 and 6, will expose the mechanisms and influences which form the 'other factors' in the participants' identity formation.

Table 4.28: Overall statistical results on identity and demographics

Demographic tested	Significance on Identity
Gender	No significance on Identity
Age	No significance on Identity
Experience in small firm environment	No significance on Identity
Experience in large firm environment	No significance on Identity

4.8.1 CLIENT ACQUIESCENCE

Within the survey instrument, participants were instructed to review a hypothetical scenario (see Appendix B for full scenario presented to participants) and ascertain how likely they were to acquiesce to their client's demands. This part of the survey seeks to assess the likelihood that the participant would be influenced by their client to perform tasks which may contradict their understanding of professional norms and policy, which may reveal further insight into their client identity. Participants were asked to rate on a scale between (0) Very Low Likelihood to acquiesce, and (10) Very High Likelihood to acquiesce, to indicate whether they would appease the wishes of their client, which could also be converted to a percentage from 0% to 100%. The scenario and question asked was adapted from the client acquiescence scenario/question asked in a prior study, Bamber and Iyer (2007), in which auditors were the main participants. This scenario/question was adapted to have a more generic accounting skew rather than being specific to auditors only (see Appendix B for content of survey). To elicit a response appropriate to the research study, the participants were alerted to the fact that, normally, more information would be required to make a decision and thus to answer the

questions from the scenario with the limited information that is provided. The researcher also asked the participants to keep in mind important/large clients when answering the questions, as prior literature states that keeping large clients in mind will enhance the authenticity of the response (Aranya et al 1981; Bamber & Iyer 2007).

Table 4.29 depicts the descriptive statistical results for the participants who answered the question, as well as the results obtained in the previous study from which the scenario was adapted, Bamber and Iyer (2007).

Table 4.29 Simple Statistical results of Client Acquiescence Scenario compared to Bamber & Iyer (2007).

	Current Research	Bamber & Iyer (2007)
Sample Size	157	247
Average (Mean)/Percentage	4.38/43.8%	3.92/39.2%
Median/Percentage	4/40%	3.5/35%
Standard Deviation	3.47	2.67
Minimum/Percentage	0/0%	0/0%
Maximum/Percentage	10/100%	10/100%

Observing Table 4.29, overall, it appears that the participants in the present research study, being professional accountants in small public practice, seemed to acquiesce to their clients to a similar level compared those in the Bamber and Iyer (2007) study, the latter which were professional accountants in a large, multi-national firm environment (albeit, specifically auditors). Both the mean and median, while slightly higher, are similar to those of Bamber and Iyer (2007); while in the present study there is a wider range of responses compared to the earlier study, as depicted by the larger standard deviation. Due to not having access to the raw data from the Bamber and Iyer (2007) study, statistical testing on the significance of the above data comparison in Table 4.29 could not be performed; thus, only observational analysis could be performed by the researcher. Nevertheless, it is the conclusion of the researcher that the

differences seen in the above data are not of a significant nature: with the nature of the test being a score from 0 to 100, as a percentage, with an average (Mean) comparison of 43.8% as opposed to 39.2%, and with the median comparison showing 35% as opposed to 40%, these results show a similar level of client acquiescence between the two data sets.

4.8.2 SURVEY STATISTICAL ANALYSIS - DISCUSSION

Prior literature states that both professional and organisational identities lead the way in the identity paradigm of professional accountants practicing in large, multi-national accounting firms (Aranya et al. 1981; Aranya & Ferris 1984; Bamber & Iyer 2002; Bamber & Iyer 2007; Covaleski et al. 1998; Iyer et al. 1997; Coffey 1994). Strategic influences are implemented by large accounting organisations to both increase and align organisational and professional identities, to garner a sense of belonging for their employees and to help achieve their overall organisational goals. The expectation for accountants in a small public practice environment was that their overall identity paradigm would differ to that of their counterparts in large-firm environments. This assumption and proposition was determined due to the fact that accountants in small public practice are not exposed to large accounting firms and the deliberate, strategic influencing factors which they implement for their professional employees. Without this intervention, it was proposed that their identity would form differently, not only in strength but also in the specific order in which each identity was formed. The proposition in the present research was that professional identity would be lower, and that client and organisational identities (namely, with their small practice) would be significantly higher and of more importance to the accountants in a small-firm environment. This proposition thus opens up discussion on how the potential identity paradigm of accountants in small public practice may affect decision making and behavioural choices, as professional norms stipulate that the profession must come first, as well as the public interest, not organisations or clients.

The statistical analysis of the survey data in this chapter gives important insights into the identity structure of the participants who practice accounting in a small-firm environment, and into whether the propositions of the researcher prior to the analysis hold true. The average demographic data that were acquired show that the participants were largely older and more experienced, and also had minimal to no large-firm exposure, with the large majority being a principal owner or part of a small partnership structure of ownership. The three identities that were tested, professional, organisational and client identities, procured the following results:

- Professional identity was seen as having no statistical difference to that of client identity.

- Organisational identity was seen as having a significantly higher difference in identity strength when compared to both professional and client identities.

- Professional and client identities had the same level of strength, as shown in the lack of significance in difference.

- All identities were skewed towards a higher score on the Likert scales.

- Demographics were shown to provide no significant differences for the identity scale results; thus, overall identity strength for all identities was not affected by the demographics of the participants.

Therefore, the results show that organisational identity has a significantly stronger identity for the participants, as opposed to professional and client identities. Analysing these results as a comparison to prior literature shows that there is a difference between the participants in this research and those of other research, and a difference to what was expected by the researcher prior to analysis.

Svanberg and Öhman (2015) researched auditor-client identity in non-Big 4 auditors. Being one of the only research papers not involving the large, multi-national (Big 4) firms, their study has a salient link to the present research in this thesis. Their findings show that, indeed, auditors tend to identify with their clients, and that an auditor who relatively identifies with their client more is more likely to acquiesce to client-preferred treatment and commit reduced quality auditing acts (Svanberg & Öhman 2015). This, along with other prior studies (Bamber & Iyer 2002, 2007, Iyer et al. 1997), show that, the higher client identity is, the more chance of deviations from acceptable accounting practices, which are in the form of altered decision making and behavioural choices. It must be noted that the predominate research into client identity is largely based on data collected on auditors, as the audit-specific profession within accounting holds a specific relationship with clients, and thus has been seen as the logical choice for this type of client research. Therefore, the Svanberg and Öhman (2015) research is the closest to the present study regarding ascertaining an understanding of client identity. Similarly, accountants in small public practice, due to the nature of their work and nature of

their small practice environment, also harbour a close relationship with clients, thus making general comparisons to prior literature pertaining to auditors feasible.

Thus, in the present research, having client and professional identities at the same relative strength and no difference in favour of a significantly higher professional identity, these results infer that conflict between professional and client identities may be prevalent for small-practice accountants. This assumption is offered because SIT posits that, for competing identities which are of similar strength, it can be inferred that choosing between the two identities will require more thought and will ultimately be a harder decision (Tajfel & Turner 1986). For an identity to be preferred, it must be the significant and dominate identity within the specified paradigm, thus making the decision to stick to that identity an easier proposition (Tajfel & Turner 1986).

Prior literature pertaining to professional and organisational identities and commitment has shown that professional and organisational identities were strong advocates of each other, and complementary to each other: that is, organisational and professional identities are strong and in alignment, with both showing high degrees of strength and moving positively with each other, thus causing minimal conflict (Organisational-Professional conflict, or OPC). Aranya et al. (1981) and Aranya and Ferris (1984) examined the relationship between the two identities and the OPC paradigm, with regard to accounting professionals in large multi-national firms, and showed a high correlation between the two. The present research, however, shows that this is not the case for the accountants in a small-practice environment. The participants in this research differ in their identity strength between their organisation (being a small-practice environment) and profession, having a significantly higher organisational identity as compared to their professional identity. The implications of this finding will be discussed at length in the following, discussion chapter (Chapter 6). This discrepancy may be attributable to the fact that small-practice accountants are not exposed to the mutual, strategic mechanisms and influences which other accountants in large firms are exposed to. Prior literature states the importance that the large firms put on shifting employee identification to align with the organisation and the profession, such as through large-firm symbolism, senior mentorship, management by objectives, visual impressions, and how to act as an employee of a large firm (Covaleski et al 1998; Grey 1998; Haynes 2008). Ritualism regarding camaraderie and acceptance into the in-group, shown in peer pressure in attending social activities with only work employees (e.g. after-work social events), are all mechanisms which small-practice accountants are not subjected to (Covaleski 1998; Coffey 1994; Iyer et al. 1997). Thus, the latter group's

professional identification is shown to be much lower, as these influencing strategies in large firms are targeted at aligning and increasing both organisational and professional identity.

The survey results, after extensive significance testing, also show that, while having a diverse array of participants, ranging in age, gender, location, country of birth, experience and qualifications as well as many more individual attributes, these demographic differences have no effect on the overall results. The demographic data pertaining to the country of origin was not statistically tested as there was insufficient responses for valid statistical testing, in addition to a skew of participants from a single country, deemed not to be conducive to the tests performed. Thus, there are no significant differences when identities were tested against specific demographic data, showing a united front regarding identity. While initially surprising to the researcher, this result shows that the overall mentality and identity paradigm in the small-practice environment is one somewhat of uniformity. Thus, the results can be used to give a moderately assured conclusion that, overall in the general populace of small-practice accountants, they will most likely have the same identity paradigm as the participants in this research.

Regarding the research questions asked, the survey data directly contribute to answering RQ1 and SRQ2; thus, the following can be concluded.

RQ1: To what extent do professional accountants in small public practice identify with their profession, organisation and clients?

It can be said that professional accountants in small public practice have a significantly higher identification with their organisation, as opposed to both their professional and client identities. Results also show that professional and client identities are of similar strength with no significant differences. This does differ to results for accountants employed in large, multi-national firms, where prior literature states both professional and organisational identities to both be higher than these results, and of similar strength to each other, with both also being higher than client identity. Prior literature also shows that there is minimal conflict between professional and organisation identities. The importance of the interview phase of the research is thus evident, as that phase of the research will add context and more in-depth content for why there are such differences and how identity formation is formed in a small-practice environment, and whether any conflicts are present between the three identities being researched.

SRQ2: Does their client identity differ significantly to their professional identity?

It can be said that professional accountants in small public practice identify with their clients at a moderate level, and that this identification is of similar strength to that of their professional identification. The statistical tests done for both professional and client identities to ascertain whether there were any significant differences concluded that there was no significant difference between the two competing identities. This outcome differs from those in prior literature.

The survey results show the differences between the relationships of professional, client and organisational identities, but they do not show why these differences are apparent, or why there is a difference to prior literature. The following chapter (Chapter Five), involving the analysis of data collected via semi-structured, in-depth interviews, will help to answer the why question, and add further in-depth content and context to the survey results.

4.9 SUMMARY OF CHAPTER

This chapter has provided the statistical results from analysis of the survey data that were collected by the researcher using the methods discussed in Chapter Three, and provided a brief discussion on these results and their implications for the study, and differences from prior literature discussed in Chapter Two. Results show a significant difference, with organisational identity being the strongest identity tested, followed by professional and client identities. This finding differs from prior literature, which is concluded to be due to the lack of multi-national influencing factors. Chapter Five will deliver the reasons for this difference and how identification for the participants was formed, what mechanisms influenced their identity, and what their motivations are regarding the profession, their small-practice organisation, and also their clients.

CHAPTER FIVE - RESULTS AND FINDINGS; INTERVIEWS; QUALITATIVE ANALYSIS

5.1 INTRODUCTION

The interview phase of the present research is a natural extension of the data collection process and analysis of the survey data presented in Chapter Four. The results from the identity survey were important not only in ascertaining the identity paradigm of the participants but also in eliciting the relevant issues and structure for the interview phase of research. This mixed method process will enhance the overall findings to give a robust blueprint of the identity structure of a professional accountant in a small-practice environment. The findings in Chapter Four reveal that organisational identity (with the participants' small practice) is significantly stronger than the professional or client identities. These results were uniform throughout the population of participants, as demographic tests yielded no significant difference in the overall results. These results contribute to the themes of the interviews, and in doing so, focus attention on the need to explain the survey results and why they aligned to a certain identity paradigm, and on why organisational identity is significant to them.

Following from the previous chapter, an important aspect of the research is to extract data in relation to the various aspects, nuances, mechanisms and challenges that professional accountants face in the small-practice environment. This will be achieved via content analysis on the interview data (see section 3.14). Prior literature shows that professional accountants employed in large, multi-national firms are subject to a wide range and large number of strategic implementations to alter and mould their professional and organisational identities in unity, and thus adapting their social identity to one that is in alignment with the culture and values of not only the profession but also the organisation in which they are employed (Grey 1998; Bamber & Iyer 2002 & 2007).

With a lack of exposure to these large, multi-national firms, how an identity is formed for accountants in small practice is a key consideration. How professional identity is developed throughout their career is also a key consideration to be explored, and whether this differs to that of their professional counterparts in large firms; and if different, what underlying influences were present in their identity formation. Finally, their organisational and client identities and the mechanisms that form these identities must be analysed to come to

conclusions on their overall identity structure, its difference to that of their counterparts in large firms, and whether this poses potential differences in their decision making and behavioural choices.

These underlying components, linked to the research questions, form the primary aim in the Interview stage of this research; where 16 professional accountants, practicing in small accounting firms, answered questions in relation to their three identities towards the profession, their organisation and their clients. They discussed how their identities were formed, their strength, and which identity they align with. The previous chapter analysed and discussed the results of the survey phase of the research, concluding that organisational identity was significantly higher than the other two identities tested, and that the results were uniform and united throughout all participants, with no significant difference in regard to participants' demographics. This chapter uses the results from the prior chapter to inform the interview questions asked to add context to the survey results obtained. This chapter will also discuss the results of the interviews that were conducted, starting with demographic descriptive statistics on the interview participants and descriptive statistics on the interviews themselves. Then, a qualitative analysis of the content, themes and outcomes found in the interview data will follow, and how these equate to overall identity preferences, to explain the results obtained in the prior, survey chapter.

5.2 DESCRIPTIVE STATISTICS – INTERVIEWS

The second phase of data collection for this research involved interviews conducted with participants who offered their time voluntarily in the first stage of the research, and then assisted to add further data to the research project. Table 5.1 shows an overview of simple descriptive statistics on the interviews in a structural sense.

Table 5.1: Interview Structural Statistics

Total Participants	Total Time	Average Time
16	665 minutes, 26 Seconds. (11 Hrs. 5 Min, 26 Sec)	41 minutes, 35 seconds

5.2.1 INTERVIEW PARTICIPANT CODING

Sixteen participants volunteered for the interview phase of the research. Each interviewee was assigned a code so as to keep their responses and geographical locations anonymous, while providing the researcher with relevant data that may reflect differing themes from different locations. The coding is presented below:

- **1st Indicator - Capital Letter:** Indicating the State in which the participant was located in.

- **2nd Indicator – Capital/Lower case Letter:** Indicating whether the participant was in the designated CBD/outer metro area (Capital) or in a rural area (Lower Case)

- **3rd Indicator – Number:** Indicating the specific participant within the cohort of participants from that state.

For example, a participant with code AA3 would indicate that the participant is from Victoria (A), located in the official metro area stipulated by state government (A), and was the third participant from that state (3). Another example would be with a code such as Bb2, which would indicate that the participant is from NSW (B), located in a regional area outside the metro area stipulated by the state government (b), and the second participant from that state (2). These hypothetical examples are an indication of how the participant coding was constructed to maintain anonymity, which is important in the researcher upholding the trust of the participants . The demographic data are outlined in Table 5.2.

Table 5.2: Demographic data of Interviewees.

GENDER	Responses	Percent	Percent - Survey	Cumulative percent- Interview
Male	9	56.25%	62.94%	56.25%
Female	7	43.75%	37.06%	100.00%
AGE	**Responses**	**Percent**	**Percent - Survey**	**Cumulative percent- Interview**
21-29	0	0%	0.59%	0%
30-39	0	0%	10.59%	0%
40-49	3	18.75%	24.12%	18.75%
50-59	10	62.50%	34.71%	81.25%
60-69	3	18.75%	24.71%	100.00%
70+	0	0%	5.29%	100.00%
COUNTRY OF ORIGIN	**Responses**	**Percent**	**Percent - Survey**	**Cumulative percent- Interview**
Australia	11	68.75%	61.18%	68.75%
United Kingdom	2	12.50%	7.06%	81.25%
India	0	0%	3.53%	81.25%
Italy	0	0%	2.94%	81.25%
Fiji	0	0%	2.94%	81.25%
Philippines	0	0%	1.76%	81.25%
Others (undisclosed)	3	18.75%	20.59%	100.00%

ACADEMIC QUALIFICATION	Responses	Percent	Percent - Survey	Cumulative percent- Interview
Diploma	1	6.25%	12.94%	6.25%
Advanced Diploma	2	12.50%	15.29%	18.75%
Bachelor	6	37.50%	44.12%	56.25%
Honours	1	6.25%	0.59%	62.50%
Masters	6	37.50%	25.88%	100.00%
PhD	0	0%	1.18%	100.00%
DISCIPLINE	Responses	Percent	Percent - Survey	Cumulative percent- Interview
Accounting	14	87.50%	87.65%	87.50%
Other	2	12.50%	12.35%	100.00%
TENURE AS ACCOUNTANT	Responses	Percent	Percent - Survey	Cumulative percent- Interview
1-3 Years	0	0%	0.00%	0%
4-6 Years	2	12.50%	4.12%	12.50%
7-10 Years	1	6.25%	13.53%	18.75%
11-15 Years	1	6.25%	15.29%	25.00%
16-20 Years	3	18.75%	10.59%	43.75%
20+ Years	9	56.25%	56.47%	100.00%
TENURE IN SMALL FIRM	Responses	Percent	Percent - Survey	Cumulative percent- Interview
1-3 Years	0	0%	7.06%	0%
4-6 Years	3	18.75%	6.47%	18.75%
7-10 Years	1	6.25%	19.41%	25.00%
11-15 Years	3	18.75%	16.47%	43.75%
16-20 Years	2	12.50%	11.18%	56.25%
20+ Years	7	43.75%	39.41%	100.00%
EXPERIENCE IN LARGE FIRM	Responses	Percent	Percent - Survey	Cumulative percent- Interview
Yes	1	6.25%	31.18%	6.25%
No	15	93.75%	68.82%	100.00%
If "yes" YEARS' IN LARGE FIRM	Responses	Percent	Percent - Survey	Cumulative percent- Interview
1-3 Years	0	0%	53.85%	0%
4-6 Years	0	0%	15.38%	0%
7-10 Years	1	100.00%	11.54%	100.00%
11-15 Years	0	0%	9.62%	100.00%
16-20 Years	0	0%	5.77%	100.00%
20+ Years	0	0%	3.85%	100.00%
CURRENT LEVEL OF EMPLOYMENT	Responses	Percent	Percent - Survey	Cumulative percent- Interview
Non-Graduate Employee	0	0%	0.00%	0%
Graduate Employee	1	6.25%	0.59%	6.25%
Manager	0	0%	5.33%	6.25%
Principal	13	81.25%	76.33%	87.25%
Partner	1	6.25%	15.98%	93.75%
Other	1	6.25%	1.77%	100.00%
PROFESSIONAL DESIGNATION	Responses	Percent	Percent - Survey	Cumulative percent- Interview
Associate	0	0%	7.10%	0%
Member	7	43.75%	34.32%	43.75%
Fellow	9	56.25%	58.58%	100.00%
Public BAS Practitioner	0	0%	0.00%	100.00%

Table 5.2 shows both the percentage allocation from the interview participants and the percentage split of the survey participants. The demographic data show similar participation rates as a function of gender, country of origin, academic qualification, academic discipline, tenure as an accountant, tenure at a small firm, level of employment, and professional designation. Areas in which have obvious discrepancies in the mix of participants are age (with the 50-59 year olds over-represented in the interview participants) and experience in a large firm (where there is an under-representation of participants with large-firm experience). The latter is considered of benefit to the researcher, as it suggests that the cohort of participants better represents the views of professional accountants in a small-firm environment, with little

exposure to large-firm culture. Hence, after analysing the demographics of the participants of both the survey instrument and the interview participants, the conclusion is that the cohort of interviewees is representative of the sample population from the survey respondents. This reinforces the view of the researcher that the interview data that were collected and analysed reflect the views not only of the interviewees but also the survey population they were drawn from.

5.3 IDENTITY ANALYSIS – PROFESSIONAL IDENTITY

Professional identity is a salient aspect of a professional accountant's identity paradigm and seen as critically important by the profession in general as well as by important stakeholders and regulators. Professional bodies also see professional identity as critical, as they are charged with the responsibilities of managing their professional accounting members. Prior literature reveals the importance of a strong professional identity and the mutual influences and strategies implemented at an organisational level in a large-firm environment to strengthen professional identity in alignment with the culture of these large firms. Professional identity amongst the participants in the present research study, however, after analysis of both survey and interview data, is low. The interview participants strongly intimated that professional identity was not a priority when discharging their services to their clientele. While the data shows that professional identity did moderately increase throughout their career on average, it was still considered by interviewees to be in the background and not something that had an impact on their day-to-day activities. This is in stark contrast to professionals in large firms, where professional identity and culture is of upmost importance. Below are the results of the interview data relating to questions asked about the interviewees' professional identity, linking to the overall results of a low professional identity and the mechanisms involved in their professional identity strength, or lack thereof.

5.3.1 TIMELINE OF IDENTITY FORMATION

Professional identity is defined as the extent to which a professional feels that they can identify (feel connected and committed) with their respective profession, as a member of a like-minded group of professionals connected via membership with a professional association and/or accrediting authority (Grey 1998).

Prior literature shows many facets to professionalism and the identification of professionals to their profession. Figure 2.2 shows the many influences that contribute to the identification paradigm shown in professional accountants towards their profession, which include job autonomy, professional self-image, organisational socialisation (how to act) and professional organisation (Bamber & Iyer 2002, 2007; Grey 1998; Aranya et al 1984). Aranya et al. (1981) argue that the affiliation to a profession is both separate from and initially precedes the development of an affiliation to a particular organisation; which therefore posits that the accounting firm/organisation is the conduit for an individual's professionalism and values in identification.

Similarly, Dutton et al. (1994) and Bamber and Iyer (2002), using the theoretical framework of social identity theory, state that formation of identity in professional membership also precedes organisational identification, based on the fact that accounting professionals choose to align their identity to the profession first, thus acquiring the relevant qualifications needed to enter the profession through an organisation/firm. This flow of identity formation, from the perspective of prior literature and professions in general, seems logical, with budding professionals aspiring to and pursuing a career in a profession before deliberating on with which organisation they wish to join in a pursuit to advance their professional career. This also reinforces findings in previous literature in regard to professional identity being strong, as it has had more time to be nurtured and fostered within the individual; to which identity, when securing a position in a large firm, further reinforcement is established with the alignment of their professional and organisational identities, as discussed in Chapter Two. The diagram in Figure 5.1 visually highlights the order of identity formation in professional accountants in larger firms.

Figure 5.1: Visual representation of large firm professionals' identity formation – Time.
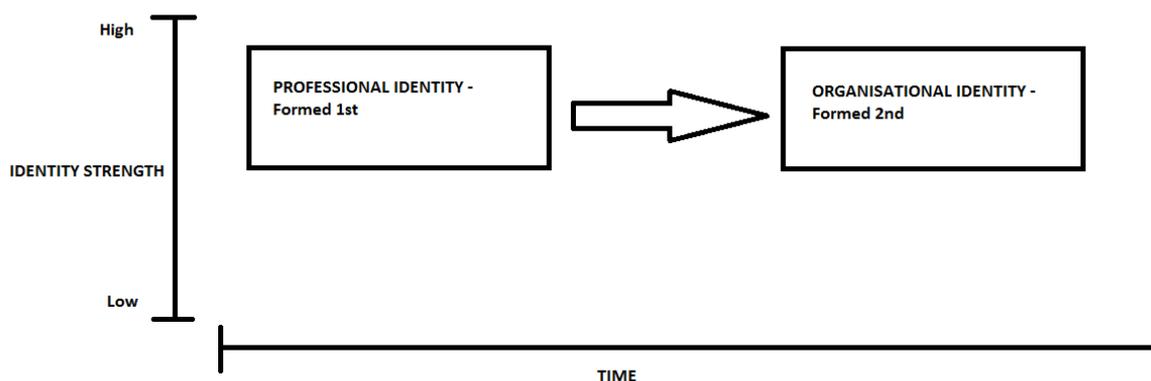
Hence, the premise of the questions asked in the interviews regarding the timeline of their identity formation was to ascertain the relevance of the profession in the participants' decision to join the accounting profession, and to identify whether the participants in the present study followed the established order of identity formation seen in prior literature.

The results in this study show that the order and strength in which identity was formed in the participants is in contrast to that shown in the diagram in Figure 5.1 above. Overall, out of all 16 participants, 13 (81.25%) had other motivating factors (not the profession) which influenced their decision to enter the accounting profession, with a strong theme amongst the participants being their desire to own and run their own business, and also having a small business background via family members. This revelation shows that the desire to establish a business / organisation / practice was the first priority for the participants. This was irrespective of whether it was to be an accounting practice or otherwise, signalling that the profession was secondary to their decision process.

This also indicates a very low to non-existent identity towards the profession from this early stage of their careers; and that, unlike their counterparts in large, multi-national firms, there was no desire to enter the profession and form an initial identity attachment to the profession. Their identity at this stage reflects an opposing sequence to prior literature findings: to first be motivated by owning their own practice / business / small organisation; and then, to achieve this, the profession as an avenue to form their desired organisational structure. Hence, the diagram in Figure 5.2 represents a visual of the timeline identity formation of the interviewees, as opposite to that in the diagram in Figure 5.1.

Figure 5.2: Visual representation of small firm professionals' identity formation – Time.
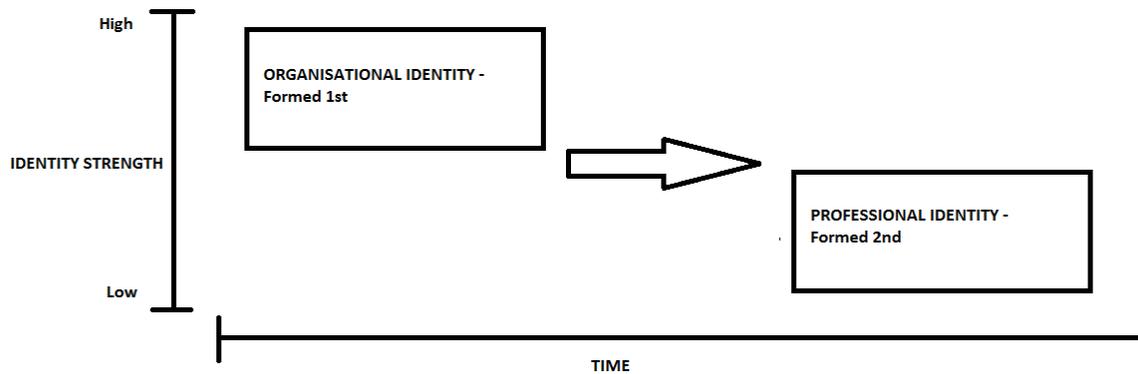
As stated above, 81.25% of participants in this study indicated that the strength of identity towards the profession at the start of their careers was low or non-existent, with external factors providing the motivation to entering the profession. The profession in itself was thus not a major contributing factor in getting into the accounting profession; which finding is in stark contrast to those in prior literature.

Participants were asked multiple questions to attain responses in regard to their current identity to the profession as well as their affinity to the profession at the beginning of their careers, and also on what influences were the major driving forces for them to pursue their current accounting career.

When asked, "What motivated you to become a Professional Accountant?", the representative responses were as follows:

> *"All those years ago? It's very simple, I have a small business background, my parents ran a small business, and their parents before them. My childhood, I suppose, was spent with mum and dad over the kitchen table, reconciling invoices and statements. Late in high school, I had a boyfriend who was a carpenter, his parents had a small business, always with the focus he would go into business on his own, I, um, we eventually married, and that was what I knew I would be doing, supporting that business" (BB1)*

> *"Part of it was just pure dumb luck really! It is not my first career I started in. I started out academically as a physicist and then I worked in the I.T. industry to the end of the year 2000, migrated to Australia, and um, between 1999 and 2000. And then lived out on a farm, then met somebody in Sydney and I was studying book keeping out in the country at that point, and I thought as I have done physics, so the maths isn't going to challenge me, and I was lucky enough to have friends that were in the profession (Accounting), so I was, sort of, pushed into it (laughs) by chance more than design really!" (BB2)*

> *"(Interviewer: Was there any particular motivations?) NO. I would go through school never wanted to do anything with numbers or figures or accounting or economics. I wanted to be a vet. That is all I wanted to do." (DD1)*

> *"(Interviewer: Was it the profession?) No, no. I always wanted to be a school teacher actually. And then I went to do that and I could not stand it. Then my dad got me a job at his accounting office, his accountants." (CC4)*

> *"Probably because my father used to be a small business many years ago and I grew up listening to him…….I think it was just sort of something I fell into really." (CC1)*

> *"Actually it was not accounting that attracted me. I used to work in I.T. for twenty years…..my last job (in I.T.) was at Swinburne and I nearly burnt out there. And I decided there and then (to change career). I started doing a computer science diploma and I did not really enjoy it. The only aspect of it that I really liked was the law. So I quit that and I went and did a diploma of Associate Diploma of Business…..I left there and got a job at KPMG in their tax division. That is when I became really interested" (AA3)*

> *"Nothing really. When I went to school if someone would have told me I was going to be doing this I would have laughed at them." (Ee1)*

5.3.2 PROFESSIONAL IDENTIFICATION - CHANGE OVER TIME

In gauging whether the profession had made an impact on their professional identity over their career, the participants were asked the following question: "From the start of your career until now, would you say your feeling of identity towards the profession is the same, higher or lower? Or has it changed over time?" The premise of this question was to link any changes in professional identity throughout their accounting career to the present time, to determine whether, although the participants started their careers with a very low to non-existent professional identity towards the accounting profession, the profession had had a subsequent

impact on their identity, thus helping these practitioners to feel a stronger affiliation with the profession.

The responses and results to this question were varied in regard to how professional identity has progressed during their careers, though overall there was a theme of a moderately improving identity towards the profession, with 11 participants (68.75%) indicating that their professional identity had strengthened from the start of their careers until the present day. The participants were instructed that, while discussing their identity towards the profession, it was the profession that was in focus not their membership to a professional body. The data show that the majority of participants formed a moderately high identification with the profession in which they practice. Whether this increase has any negative or altering effects bearing on their identity towards their organisation/practice and clients will be discussed further in the analysis of all identities in this chapter. The underlying theme that was discussed by participants in regard to an increasing professional identity (even though from a very low base level) was their affiliation with their professional member association, and their willingness to portray a sense of belonging. This phenomenon to come out of the data represents a further insight into how the participants portrayed the profession, and what professional identity means to them. While instructed in the definition of the profession, the participants associated professional identity with their member association. The majority of prospective accountants enter tertiary education directly after high school studies. Younger adults are known to have a less mature cognitive state, thus making it easier for them to later change perception and social identity (Tajfel & Turner 1979). They subsequently learn more about the profession as a whole through their tertiary education, as well as learn about large firms, which may be a future target for employment. By contrast, the participants in the present study mainly used unorthodox methods to gain entry into the profession, namely attempting professional body studies directly, thus associating the professional body as the profession. This mentality changed moderately as their careers progressed in the small-practice environment: although not being subjected to cross-institutional influences from tertiary institutions and large firms, their reliance on their own social identity and its place within their career was used more actively. Also of note, as is a common occurrence, accountants in small public practice usually finish their education and enter the accounting profession at an older age, and thus have more life experience and mature cognitive understanding. This poses more difficulty in aligning social identities regarding the profession.

In summary, these factors contribute to a low professional identity and one that is harder to alter, unlike for younger graduates straight out of university. The professional identity of the participants in the present study is also largely tied to their member association, thus inadvertently placing added pressure on professional bodies in managing the connection these professionals have with the profession as a whole.

Representative responses linking to the above conclusions are as follows:

"It has not had bearing in what I do. I don't think anyone has ever asked me what I'm a member of." (AA5)
"It has probably changed over time. It is probably lower than it was at the start" (Ee1)
"It is definitely higher. Identity in the profession today is part of the process, that even though in the country (regional), it is not as pronounced as it may be in the city or my perception in the city." (Aa2)
"Higher. Definitely higher. I feel much more (attached). It is probably more so in the last ten years than going right back to the beginning." (DD1)

5.3.3 PROFESSIONAL IDENTITY RESILIENCE

Professional identity resilience is a salient aspect not only of identity formation but also of the robustness of maintaining a high (or low) level of strength of identity over time. After a period of time entrenched in a particular career, the availability and relevant acceptance/eagerness of a professional to turn to another career path signifies the level of identity one possesses with their respective profession. Hence, interviewee participants were asked two questions:

1) "Would you do something different today? If given the chance to change profession?"

2) "If an opportunity to change your practice's direction and services was presented to you, away from traditional accounting services, would you consider the change? Bearing in mind that monetary compensation would remain the same."

The above questions were strategically used to illicit a response from participants on their level of professional identity at their current stage of their career, and either their willingness (or not) to change professions or whether they had thoughts on a career different to their current one;

hence, giving an indicator of their current level of professional identity. This approach was utilised to add more context and data to the above professional identity questions, to help to further map the participants' professional identity and its evolution throughout their career. The expectation is that, if the interviewees are willing to leave the profession to follow other career options outside of accounting, then their professional identity is low. This is backed by prior SIT literature which indicates that a low identity for an individual's in-group will inevitably mean that the individual will want to leave their social in-group to explore more prestigious social groups to enter. The opposite will occur if their professional identity is high, enticing the individual to stay with their social in-group.

The content analysis of participants' professional identity resilience shows that holding onto a strong identity with the profession in the small-practice environment is difficult; which is opposed to prior literature which states that professional identity is maintained throughout one's career (Bamber & Iyer 2002, 2007). While 50% of participants desired another career choice if they could change today, 40% of participants were interested in changing or are changing their practice's direction. The approach to changing their practice's direction was mainly through acquiring further education and certification in other professional services, then transitioning their practice to a new profession while retaining the clientele for these new services and discontinuing traditional accounting services. Common responses on changes were to change to purely financial advisor services, as well as to business law services. Overall, it can be seen that their professional identity resilience is moderate to low, with a large proportion of participants being happy to look at or definitely change their direction if need be.

Representative responses linking to the above conclusions are as follows:

1) *"If I had my time over again, I would be a lawyer. I still think I should have done that (become a lawyer)."* (BB1)
1) *"Yes. Yep. If we could sell the practice for the money that it is worth, I would go home, write books and be an artist again! Because that is what I started out being, and that is what I have a passion to do."* (BB3)
1) *"There was something else I wished I could have got into. Suppose it would have been I.T. side of things like computers and stuff like that. I always had an interest in it but I have never really gone any further than that."* (Ee1)
1) *"I love what I do, but it's kind of like my second choice. (Interviewer: What was your first choice?) Training horses, but that didn't pan out."* (Ee2)

1) *"I probably should have become a lawyer. I should have done it. When I finished my accounting degree I should have then done a law degree so I could have had both strings. That is what I probably regret not doing now."* (Aa2)
2) *"Yes, yes. I know exactly what you are saying (participant gets up and presents a business sign recently made) and we are in the middle of it, I just haven't put this up yet, so we are currently, just need to finish off replacing current signage et cetera, we are in the process of changing the direction of the practice."* (BB1)
2) *"I consider most things. I definitely would have a look at it. But if I had a look at it, it would be in consultation with my staff too. And also to add to that, I would not do it if it was detrimental to my major clients."* (DD1)

5.4 PROFESSIONAL IDENTITY OVERVIEW

The results pertaining to professional identity, while varied, did show a common theme throughout the data, and that is that their professional identity is low to moderate and not competing with their respective identity strengths towards the small practice (organisation) or their clients (which will be discussed further in this chapter). This result from interview data reinforces the result obtained from the survey phase of the research, which found professional identity to be significantly lower than organisational identity. Professional identity is secondary in their holistic identity paradigm in their professional lives, and one which started at the low spectrum and either did not develop at all or only developed to a moderate level. This contradicts prior literature regarding the formation and strength of professional identity in professional accountants associated with and employed in the large, multi-national firms (Aranya et al 1981; Aranya & Ferris 1984; Bamber & Iyer 2007, 2007). In large-firm environments, professional identity is high, along with organisational identity. Conflict between these two salient identities is minimal. Professional identity is traditionally established prior to any affiliation to an organisation or firm. The results in the present study, however, show that the participants established a desire to form their own organisational identity first, in the way of wanting to own and conduct their own small business/practice. This phenomenon of reversing the sequence of forming their social identity groups placed downward pressure on their professional identity. Results show a moderate increase in professional identity as the participants' career progressed in some participants, though this did not eventuate to high identity strength but rather only a moderate increase from a very low base level (this is further

discussed at the conclusion of this chapter). Therefore, the desire to stay in the profession is low, and the profession is seen as a means to an end, a means to help serve their clients and provide services to clients. This attitude to and perception of the profession could potentially indicate an issue in regard to the profession as a whole and adhering to accounting professional norms. This is in stark contrast to the professional identity paradigm of accountants in large-firm environments. Professional accountants in large, multi-national firms show a high professional identity which is also linked to a correspondingly high organisational identity towards their employing firm, with evidence showing a united, strategic focus of both the professional bodies and the large firms in moulding identity to align between both identities.

5.5 IDENTITY ANALYSIS – ORGANISATIONAL IDENTITY

Organisational identity, as defined for the purposes of the present research and prior literature, is the extent to which, as accountants, they feel that they can identify (feel connected and committed) with their organisation (in this research, small practice/business) and its culture and environment.

Chapter Four procured results regarding the salient social identities discussed and researched within this thesis. Regarding organisational identity, the results show that there was a statistically significant difference between, on the one hand, organisational identity, and on the other hand both professional and client identities. Organisational identity was significantly higher than the other two salient identities. The interview process was designed to facilitate these findings and ascertain the nuances and mechanisms which influenced the participants in having this identity paradigm. With organisational culture, there are various ways in which an individual may be attracted to or feel connected to an organisation. This thesis is focused on identity and not on other ways of connection.

Many studies have been conducted on the behaviour of employees and their connection and affiliation with their organisation (O'Reilly and Chatman 1986; Wallace 1995; Wan-Huggins et al. 1998). While the manifestation of attachment to an organisation may be formed in differing ways, such as in commitment, identification and loyalty, the majority of these studies use commitment as a cornerstone to their research in analysing the relationships that employees have with their organisations. However, there are multiple dimensions to commitment, which has led researchers to question its use for studying attachment of employees towards their organisation (Bamber & Iyer 2002; Meyer & Allen 1991).

The nature (type) and level of commitment may vary considerably; and these variations can be differentially associated depending on organisational cultures, attitudes and overall behaviours (O'Reilly & Chatman 1986). In support of this view, Ketchand and Strawser (2001) conclude that there indeed are multiple dimensions to organisational commitment among accounting professionals, and examine the effects these had on overall turnover.

Organisational identity is seen as one of the more critical and important forms of attachment an employee may experience. Mael and Ashforth (1992) posit that organisational identity is a specific form of social identity, where individuals define themselves in terms of their social membership toward a particular organisation.

Identity, in respect to this research, namely, the extent of identity towards a small-firm environment, adds further dimensions to the social structure of social identity. Large-firm organisational culture is not present in the small-firm environment. Thus, this research aims to discover whether this affects the strength of identity for a professional accountant towards their small firm, whether it is stronger or weaker, and whether a professional employee has the same identity strength as a partner in his/her own small firm. The aim is to compare influences on organisational identity, in large firms from prior literature and in a small-firm environment, and to ascertain the differences if any. The research also aims to ascertain whether organisational identity is aligned with professional identity, as seen in prior literature results, or whether it plays a different role in its influence on professional identity.

5.5.1 ORGANISATIONAL-PROFESSIONAL CONFLICT (OPC)

Another area which prior literature has focused on is any relevant or perceived organisational-professional conflict (OPC). OPC is seen as the differing identity strength between both professional and organisational identities, and whether any conflict is present. The higher the discrepancy between the two identities, the higher the potential conflict that can arise (Aranya et al 1981; Aranya & Ferris 1984). Low OPC, therefore low conflict, has been found to be apparent in accounting professionals in a large accounting firm environment (Aranya et al 1981; Aranya & Ferris 1984).

Of the participants in the present research study, the results show that 12 interviewees (75%) indicated that their practice was of more importance than the profession in which they practice; with the responses and language used by the participants indicating a strong feeling that the

difference in importance between the two identities was large, and an overriding preference in prioritising their organisational identity over any professional identity they may have. As seen in the previous section of this chapter, professional identity within the cohort of participants in this study is very low. This aligns with the insight found in the data analysis within this chapter that a large proportion of the participants are willing to change the direction of their practice away from an accounting practice, and into other professional services, if the opportunity arose, with some even being in the midst of transitioning their practice while being interviewed. This finding has implications for their overall identity paradigm. This revelation adds more weight and context to the notion presented by the researcher, from analysing the data, that professional identity is low and that this has the effect of additional downward pressure on professional identity. Therefore, instead of working together in galvanising both identities to become stronger (as seen in a large-firm environments), the two identities compete against each other, which ultimately increases conflict within the SIT framework of competing social groups. By having a willingness to change profession, this gives a clear signal of the importance of the organisation, and also of clients, as opposed to that of professional identity. Coinciding with the findings presented earlier in the chapter, regarding inverse identity formation of organisational identify proceeding professional identity (as opposed to prior literature showing professional identity to be formed first), as well as the statistical significance found in Chapter Four regarding a significantly higher organisational identity from survey data, it can be concluded that there is a significant difference between professional and organisational identities, which coincides with a large OPC.

Prior literature shows the alignment of both organisational and professional identities (Aranya et al 1981, Aranya & Ferris 1984; Iyer et al 1997; Bamber & Iyer 2002, 2007). Unlike the results in the present research study, there is little conflict between the competing identities, and a common goal being achieved via the professional bodies and large, multi-national accounting firms, in both identities working together and increasing in strength in a harmonious manner.

The diagram in Figure 5.3 depicts the prior literature holistically in regard to the level of OPC in professional accountants in a large-firm environment. Figure 5.3 therefore shows that the level of OPC found in professional accountants in a large-firm environment is minimal, with both salient identities being strong in conjunction with each other.

A key aspect of the interview data analysis was to ascertain the level of importance of the participants' small firm, in direct comparison to their professional identity. This comparison between their professional and organisational identities would allow the researcher to come to a conclusion on the level of difference seen between the two identities, and whether a difference to prior literature may pertain to a larger possibility of OPC.

Figure 5.3: Pictorial Representation of OPC – Prior literature.
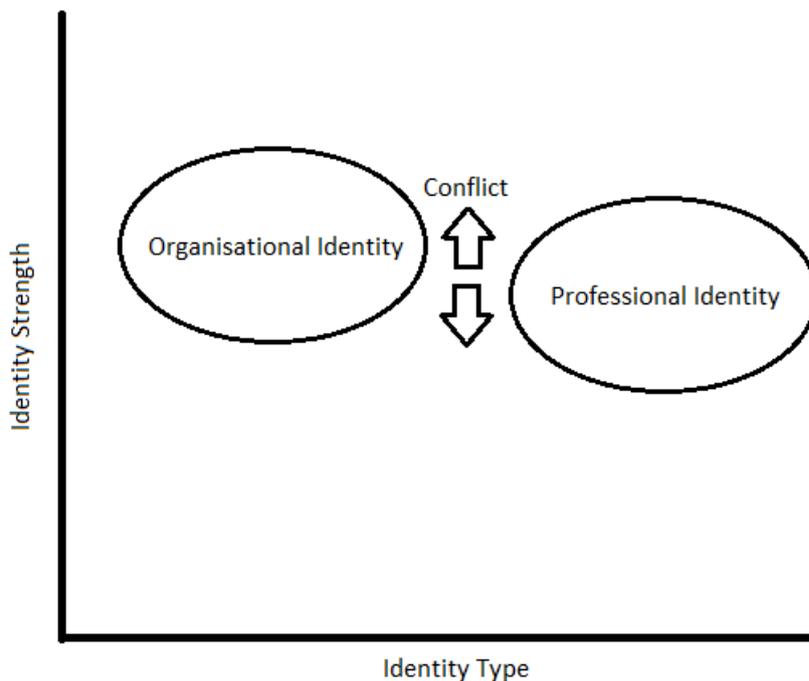
The participants were asked, "Would you consider your organisation/small practice as having more importance than the profession and/or professional body in which you practice?"

Representative responses linking to the above question and conclusions are as follows:

"Absolutely yes. Because the profession does not have clients, other than accountants.......Whereas the professional bodies have many members but they don't deal with the practice and the profession doesn't pay me. The clients do. And the reality is that money comes from the clients not the profession." (AA4)
"Yes I think so. Yes definitely. Yes." (DD1)

"Yes. Because my practice is me. I am, what you see here is what I am out there (in public)." (CC4)
"Yes I would actually. Yes, relationships with workers, with clients I suppose as well. Definitely would identify a lot more with the practice." (Ee3)
"Yes. I think the service I provide is more important than the profession that I'm in. I think the service you provide your clients is probably the most important thing. It takes priority over what you actually do, no matter what you are doing. It is the service you can provide your client that is the real end of it." (CC3)
"I think it is a bit of a partnership. I don't think I could have one be successful without the guidance of the other. I think it is a partnership." (BB1)
"Yes. I don't think of the profession. The profession is the profession." (AA5)

With the above conclusions in mind regarding OPC within the cohort of participants in this research study, the diagram in Figure 5.4 shows, holistically, the relationship between both organisational and professional identities, the level of strength of this relationship, and the level of conflict (OPC). When comparing between Figures 5.3 and 5.4, we can visually see the conclusions made regarding OPC, the level of identity strength in both identities, and reinforcement of the conclusions made in Chapter Four, showing a statistical significance between both identities discussed here.

Figure 5.4: Pictorial Representation of OPC – Small Practice Accountants.
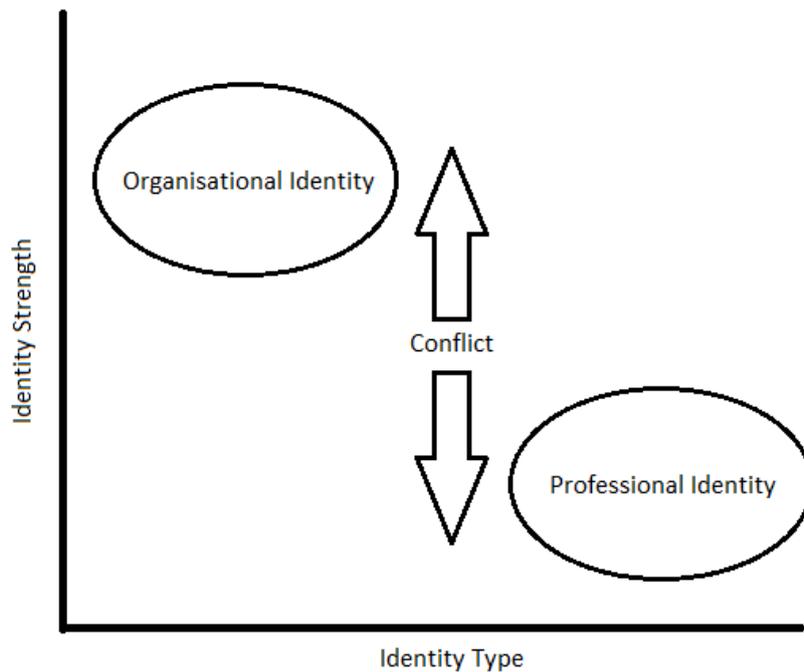
5.5.2 ORGANISATIONAL PERSONAL ALIGNMENT

An apparent theme from the interview participants, which is not seen in prior literature regarding organisational identity, is the relevant tie between their organisation (small practice) and their personal social identity, with 10 participants (62.5%) directly relating to their practice as an extension of their personal social identities. This may be seen as predictable, but a stark contrast can be seen in accountants in a small-firm environment. There is an apparent amalgamation/alignment of the participants' organisational identity and their personal social identity. The consensus seen from the interview data reflects that the participants see their organisational identity as being the same as (or similar to) their personal social identity. The intimacy of the bond between a partner/owner of an accounting practices' personal social identity and their organisational identity shows that the two identities are intertwined, and this bond may offer alignments between the two in an organisational sense. This alignment, therefore, catapults organisational identity into being significantly stronger than the other identities found in their professional accounting environment, as there are the aspects not only of being fully responsible for their practice but also of the reflection their practice has on

themselves from external out-groups such as clients, the public and the community in which their practice is situated.

This can be seen from representative responses below:

"Well I am (emotionally attached to the practice) because the practice is me. Um, so, I don't know how important it is within the phrasing of the question, but as a reflection, it's just a reality, because my public identity is almost indistinguishable from it (practice)." (BB2)
"They are pretty merged (personal and practice identity). They are yes." (DD1)
"Yes. Because my practice is me. I am, what you see here is what I am out there (in public)." (CC4)

Personal, emotional feelings towards the practice were also seen as a very important factor in continuing to excel at the practice level. The majority of participants claimed that emotional connections with the practice are seen as an important part of the functioning of the practice, for the owners/partners as well as the employees. This is in contrast to prior literature, which shows that strategic implementations of identity formation at large firms squarely fall on the separation of personal emotion and the alignment of employee attachment to the corporate culture of the large firm (Aranya et al. 1982; Bamber & Iyer 2002, 2007; Grey 1998; Ashforth & Mael 1989; Mael & Ashforth 1992).

The above phenomena may pose possible risks in the application of services in the professional working environment: as explained in social identity theory, personal identity and external social identity are separate, and the effectiveness of a robust social identity involves distinguishing between the cognitive aspects of both your personal and social identities (Tajfel & Turner 1979). In the present study, to conclude the effects on behavioural choices and decision making, all salient identities need to be fully discussed and analysed, and then the whole identity paradigm can be assessed. This will be the focus of Chapter Six. At this point of the identity paradigm, essentially, there is an over-reliance on emotional attachment towards their small practice as well as a distinct convergence of both personal social identity and organisational/practice identity.

Overall, there is a distinct favourability towards their organisational identity, as opposed to their professional identity. This observation has been concluded due to both the statistical significance in the survey data presented in Chapter Four as well as the qualitative data presented in this chapter. All participants except one agreed that their strength of identity and commitment to their small practice was well and above their current feeling of identity strength towards the profession. Thus, this position creates a higher margin of conflict than is seen in prior literature, regarding OPC. The responses from the interview participants also reflect the statistical analysis in Chapter Four, regarding the survey data collected, where there was a significant difference between professional and organisational identity strength, where organisational identity was significantly stronger.

5.6 IDENTITY ANALYSIS – CLIENT IDENTITY

Client identity, or their affinity towards their clientele base, is a controversial topic. A salient aspect of fundamental accounting principles is that a professional accountant must uphold the public interest. An accountant should serve the public interest first and foremost, before the interests of their client, in the event that any accounting principles are at stake.

A prominent study looking into client identification using SIT was Bamber and Iyer (2007), which looked at client identification for auditors in a large, multi-national-firm environment, with the Independent Standards Board's flagging client identification as one of five major threats to independence (Bamber & Iyer, 2007). Bamber and Iyer (2007) found that auditors do identify with their clients, and that auditors who identify with clients more so tend to acquiesce to the client-preferred position. However, more experienced auditors, and auditors who exhibited higher levels of professional identity, are less likely to acquiesce to the client's position (Bamber & Iyer, 2007).

In the frame of identity research in accounting, theirs is a landmark research paper, as it is one of the very few directly targeting social identity and client identity, and the possible repercussions of these identities for behavioural choices and decision making in a professional accounting environment.

Thus, client identity can be seen as critical in the development of ethical practice and a moral compass in delivering accounting services in general (not only in the auditing discipline).

Therefore, a low client identity would be ideal, according to previous literature, while conversely having a high (or higher) professional identity, leading to a lower chance of an accountant acquiescing to their client.

5.6.1 PUBLIC INTEREST VERSUS CLIENT INTEREST

As stated, the public interest is paramount in applying accounting services. In the context of the present research, I examine whether the small practicing accountant understands this need. I also examine these accountants' definition of what a professional accountant is, or what constitutes an accountant's role in administering their profession and services to the public, which are their clients. Thus, the interview participants were asked what their definition of a professional accountant is; with a common theme in their responses, as follows:

"The public perceive me as someone who is an expert in the area of accounting" (BB1)
"Someone who can do most things in the accounting field to keep their clients on the right track and out of trouble." (Ee1)
"Someone out in the public eye that is out there in contact with your clients." (Ee2)
"Someone who has done the study and achieved experience in the accounting field to be able to call themselves a professional accountant. Has the study and the qualifications and the experience." (DD1)
"As a professional accountant, you meet clients, advise clients in tax matters, so they come to you and get more advice." (AA1)

Two common themes emerged from responses: Education/Technical Skills; and Clients. The understanding from the participants shows that not one considered the public interest as a noteworthy addition to what a professional accountant is, or whether it is something which is to be adhered to as an accountant. This signifies that, if the small practice accountant, first and foremost, has the notion that the backbone of being an accountant is to serve clients with high technical skill, then the underpinning of the public interest paradigm may be under threat regarding decision making and behavioural choices.

5.6.2 CLIENT IDENTITY – MONEY EXCHANGE RITUALISM

Participants were asked how important their clients are to them, and the ways in which they serve their clients. Predictably, clients are of the upmost importance to the participants: somewhat opposing the belief of upholding public interest and keeping a high level of professional identity strength, clientele seem to be the main priority to the small-practice accountant. A familiar theme that prevailed within the data was the act, or ritual, of money exchange (for services rendered). Representative responses are presented below:

"Well, of course, they are my livelihood." (BB1) – On the importance of clients
"Your clients are central to it (practice). I exist by their grace, in coming to see me, so." (BB2)
"They are our source of fees, so they are very important!" (BB3)
"They are very important. As I say to my staff. If we did not have the clients we would not be here." (CC4)
"Well they are very important. I mean partly because their money feeds us." (Ee1)
"My clients are very important to me, without them I don't have a business. I don't have an income." (CC1)

A salient theme to emerge from the data shows that accountants in a small-practice environment place a heavy reliance on their relationship with their clients, and as a result, form a strong identity tie with them, as they are the revenue base for their livelihood. This may seem obvious; but when comparing to prior literature for accountants in large, multi-national firms, there is a noticeable difference in identity formation in this area of client-accountant relationships according to the data shown here in the interview stage of the research.

Accountants employed in a large-firm environment are compensated via the firm for doing a designated job that is assigned to them. Thus, the average employed accountant, while dealing with clients, and knowing their worth, is paid a salary via the firm, thus her/his objective is to satisfy the firm's objectives, workload and strategic policies. Even at partnership level in a large firm, where there is responsibility to acquire clients and add revenue, with the large amount of partnerships awarded (e.g. 3,000 U.S partners for Ernst & Young, source: www.ey.com), there is the umbrella of a global organisation and the security of potentially thousands of partners to apportion the revenue-adding load.

This is in stark contrast to an accountant in small practice, where a large majority reside in suburban areas, predominately with one principal, or up to 2-3 partners only. These small (also

referred to as micro) practices rely much more heavily on their clientele base, and in doing so, construct more robust bonds. The ritual of billing clients and being paid by the clients (as opposed to being paid by the firm) sees this bond grow stronger, and the conscious ritual of a direct link between client and money earned sees identity strength grow stronger towards their clientele base (especially regarding their most important and largest clients), as seen in the interview data. This increased affinity with clients can potentially pose other issues for the small-practice accountant and links to organisational survival, as will be discussed further in the next section and in the discussion chapter (Chapter Six).

5.6.3 CLIENT PRESSURES

Client pressure is a common theme amongst the participants in this research. The vast majority of participants, while wanting to uphold ethical standards, also admit to transgressions and client pressure to push through certain questionable practices to help further their (their clients') position; namely, in the guise of avoiding business and personal tax, and increasing the use of deductions where possible. With the burden of keeping clients to support their business as well as pressures from clients, the appetite is strong to make sure that the clients are happy, and to form relationships with their clients, which may be seen to be above and beyond what is recommended. This clientele pressure is a salient aspect of client identity. Pressure from clients to perform for their interests indicates a signal to these accountants that their relationship towards their clients has an inherent importance. This importance can sometimes override the importance of the profession as well as their practice and its fundamental principles. All the themes that were present in the participants' interviews culminated in a high client identity. This included public interest versus client interest, money exchange ritualism, and client importance (see Section 5.6.4).

In concluding on the level of client pressure that is felt by the interviewees of the research, the participants were asked whether they were put in situations, at times, where they had to please clients over and above their professional values. Some representative responses are presented below:

> *"Yes. In fact, we've had to moderate what we do a little bit, and not be so principled, if you know what I mean, sometimes we have to encourage the client along, by taking a line that we may not have ordinarily done, if you know what I mean." (BB1)*

"That happens sometimes, usually when people are unhappy with something, um, which, quite often is not about us doing anything differently that we normally ordinarily do, it's about what the client's expectations were." (BB2)
"Yes. Yes. Some I suppose I have gone along with. I didn't think at the time." (CC4)
"Certainly had a lot of pressure in the past to do that. Yes we have been put (in that situation), have done it probably once or twice." (Ee1)

Overall, all of the participants stated that they had been put in situations where they were asked to provide a solution over and above their professional values, with 43.75% of the participants acknowledging that, at one time or another, they followed through with the demand. As stated in Bamber and Iyer (2007), accountants with a lower professional identity tend to acquiesce to the client more readily; and in the data provided in the present research, this is shown to be a valid conclusion, with evidence of incorrect decision making being made by a larger than anticipated proportion of the participants, within their personal reflections in the interview stage of the research. Thus, this is attributable to their low professional identity; which means that, according to the statistical data provided in Chapter Four, client identity has an equal footing in identity strength with professional identity, thus competing at a similar level, as opposed to client identity being lower in accountants in large-firm environments.

5.6.4 CLIENT IMPORTANCE

As stated in the above identity analysis on clients, the importance of clients is a prominent priority for the participant in a small-practice environment. All participants (100%) unequivocally stated that clients were very important, and that this importance facilitated their identity connection with their clients as well as with their practice. Their clientele base is seen as their livelihood, not only for themselves but for their organisation and employees who are employed by their small firm. This strong affiliation between the clients and the principal owners, and the pressure of successfully providing an income to employees as well as themselves, sees a distinct responsibility emerge that is not apparent for professional accountants in a large-firm environment. The subconscious is a powerful force; and having responsibility for others in their small firm and knowing that the clientele base is the primary revenue stream for their small firm provides the catalyst to the process, heightens the identity link between the small-practice accountants and their clients, and subsequently creates a

heightened link and identity strength with their respective organisation. The link between high perceived client identity and organisational survival will be further discussed in Chapter Six.

Some representative responses from interviewees when asked about the importance of their clients are presented below:

"I think my clients are extremely important to me. They are the most important thing in the practice. They are basically why we have a practice." (AA5)
"Well they are very important. I mean partly because their money feeds us." (Ee1)
"Well without the clients you haven't got a business for starters, right, and you have got to look after the clients. You have got to be part of their business." (Aa2)
"Very (important) because most of my clients, I treat them as friends you know." (AA3)
"My clients are very important to me, without them I don't have a business. I don't have an income. They are extremely important." (CC1)
"Well, of course they are my livelihood." (BB1)

The examples above indicate the importance of the clients, and how that importance is strongly linked to livelihood, income and the survival of the practice/organisation as a whole. This interlinked relationship helps to form the strong identity bond the participants have with their clients.

Other statements presented below show more evidence of high identity strength towards the participants' clients.

"I care (about my clients). I care about what they are doing, I can relate to what they are doing, and, I worry about them, so I take on their worries." (BB1)
"It is very important, I am treating my clients as my children, I usually say, 'you have 2 or 3 children, but I have 500 children!', so I treat all of them as my children, so they can call me at any time" (AA1)

The overall evidence provided from the interview data suggests that client identity is high amongst the participants in a small-practice environment. The responsibilities of overseeing and running the practice, its survival, providing a living/salary to fellow employees, and providing a living for themselves and their own families, are major influences in the creation

of a strong social identity towards their clientele base, especially with clients that provide the higher revenue streams overall to the principals. This reliance on their clients also bears evidence of occasions whereby behavioural choices and decision making have not necessarily been up to the standard that the profession stipulates, resulting in actions which would not otherwise be performed if not for the pressures faced. This observation and conclusion from the interview data shows a difference from the previous chapter's survey data results, due to the perceptions of clients and their organisation. This will be further discussed in the following chapter.

5.7 AXIS OF THREE IDENTITIES - PROFESSIONAL/ORGANISATIONAL/CLIENT IDENTITY PARADIGM

At the conclusion of the interview for each participant - after discussing: all the relevant details regarding their practice, structure and specific questions relating to their relationships and identity towards the profession in which they practice; their feeling towards their organisations/small firm, and how that reflects on their identity; and their relationships with their clients and how they affect their identity - the participants were asked to reflect on the information given, as well as reflect on their career as a whole leading them to this point in time, and to make a judgement on which identity (professional/organisational/client) they identify with the most, and to list these identities in terms of their order (strength of identity) of importance. Table 5.4 presents the ranking order of importance and strength of Identity.

Table 5.3: Identity Ranking as perceived by interview participants

IDENTITY STRENGTH	1st Ranked	2nd Ranked	3rd Ranked
Client Identity	9	5	2
Organisational Identity	7	8	1
Professional Identity	0	3	13

As Table 5.3 indicates, the participants chose both client and organisational identities as being primarily their strongest identities in their professional careers, with client identity ranking the highest, thus having the strongest identity for the interview participants as a whole, albeit only slightly greater than organisational identity. On observation, this result can be seen as

presenting both organisational and client identities as having equal importance for the participants. Therefore, it can be said that both Client and Organisational identity are deemed strong, and similar. Below is a graph depicting further, the tables' result.

Both Table 5.3 and Figure 5.5 signify that professional identity for the participants is very low, with 13 participants (81.25%), an overwhelming majority, indicating that their professional identity is the lowest of all three. While the participants expressed that their professional identities had increased on the whole, this increase was seen as minor, and thus had little effect on the strength of identity found with both their small practice and in particular, with their clients, the latter which are of a priority, as shown by the data in this interview stage of the research.

Prior literature has shown that professional identity is higher and stronger for professional accountants in large, multi-national firms, all the while coinciding with a high organisational identity due to the strategic implementation of influences that employees are subjected to so that they adhere to the corporate culture of these organisations (Aranya et al. 1981; Aranya & Ferris 1984; Bamber & Iyer 2002, 2007; Covaleski et al. 1998).

Figure 5.5: Graph of Identity Ranking
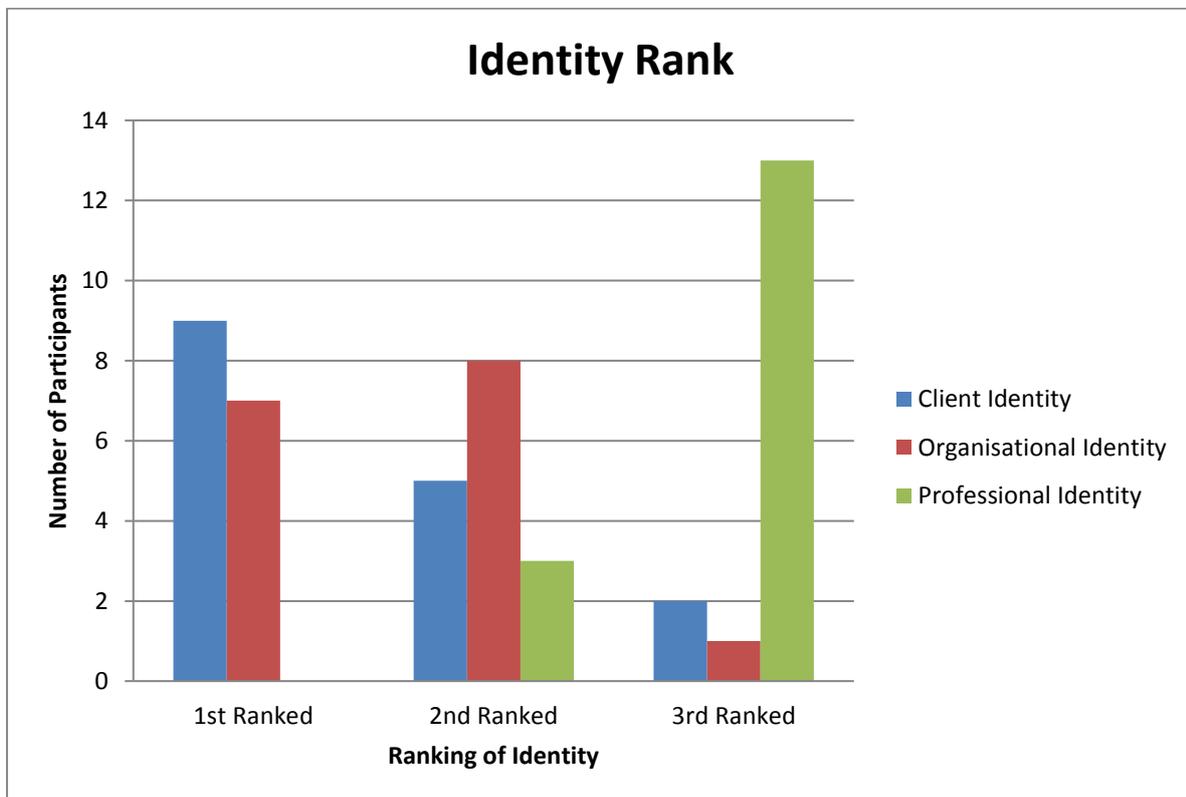
An interesting observation from the current interview data set is that the two participants who were principals of the largest firms interviewed (while still conforming to the boundaries of being characterised as a small practice), with much higher revenue turnover, higher total employees, bigger offices, and larger clients, were the participants who ranked client identity at 3rd. This mimics prior literature in regard to a higher professional identity, as these practices showed that they were aiming for alignment of their corporate culture with that of larger firms, as the latter were seen as a benchmark to aspire to.

5.8 CHAPTER SUMMARY

The second phase of data collection and subsequent analysis, comprising semi structured, in-depth interviews, delivered interesting and thought-provoking results regarding the complicated axis of identities that are generally present in professional accountants in small public practice. There were similarities between the survey results and the interview results, as well as differences. A prominent theme to emerge from the interview results, which aligned with the results shown in Chapter Four, is that organisational identity is seen to be significantly stronger and a salient aspect of the participants' overall identity paradigm. The interview results on this aspect of identity helped to inform the results obtained in the survey results, on why organisational identity was, on average, the strongest identity for the participants in this research: namely, the subconscious amalgamation of their organisational identity and with their "social self". This is prominent due to their close relationship with the practice (more so than what is identified in a large-firm culture), as well as their affinity to their clients and employees.

Themes to emerge from the results from this chapter, which help to explain the identity map for small-practice accountants, include the following for each identity skew:

Professional Identity: Timeline on identity formation, change in professional identity over time, professional identity resilience.

Organisational Identity: Organisational-professional conflict, organisational–personal alignment.

Client Identity: Public versus client interests, money exchange ritualism, client pressure and importance.

The themes and mechanisms found on the basis of their identity show significant differences to those of prior studies on professional accountants in large, multi-national firms. This explains the survey results showing that there is indeed a difference in strengths compared to prior literature. The main discrepancy between the survey and interview results is shown in client identity, wherein, in the interview results, client identity is seen as much stronger that what was reported in the survey results. This difference, as stated in this chapter, coincides with the link the participants see between their clients and their organisation. Links discussed by participants between their small practice, client importance, and their practice with their "social self", form the main driving contributor to this difference. This did not present itself in the survey results. This phenomenon will be discussed further in the following chapter.

The implications and links between the identities, and overall results, will be discussed in the ensuing, discussion chapter, Chapter Six.

CHAPTER SIX – DISCUSSION – OVERALL IDENTITY PARADIGM AND IDENTITY MECHANISMS

6.1 INTRODUCTION

The proceeding chapters in this thesis carefully stepped through the aims, rationale, research questions, prior literature, methodology and results pertaining to the main, salient social identities within professional accountants (professional, organisational and client identities). Particular attention was given to the social identity strengths found within the results chapter on accountants within the small-practice environment. The discussion chapter will endeavour to combine the findings from the two phases of data collection and analysis, in mapping the overall identity paradigm amongst the cohort of small-practice accountants, while comparing any differences to fellow accounting professionals in large-firm environments according to prior literature results. This chapter will first discuss the overall results regarding the influences and mechanisms involved in shaping a professional accountant's identity paradigm in small public practice, and the comparison of these with the influences and mechanisms for accountants in a large-firm environment. Then, the discussion will focus on the three overarching findings that were uncovered, to come to a discussion of the resulting conclusions, combined with a discussion of the specific mechanisms that contributed to the overall identity paradigm of the participants in the research. In summary, three overarching findings were obtained from the data, on:

- Organisational identity, and organisational-professional conflict, its significance, and differences to prior literature;

- Low professional identity and its differences to prior literature;

- Client identity, its significance, and its different interpretation to that in prior literature.

These findings will be discussed in detail, in terms of how the data presented lead to these findings, their differences to prior literature, and finally how these findings may have implications for the profession.

6.2 INFLUENCES ON SMALL PRACTICE ACCOUNTANTS – COMPARISON

A key aim of this research was to determine the influences that were most prevalent within professional accountants in small public practice. These influences and mechanisms which shape their identity were critical in helping to answer the "why" question: Why do accountants in small public practice have a certain identity paradigm, and is that overall paradigm, and its influences, different to that of their peers in large-firm environments? After a review of prior literature, in Chapter Two, Figure 2.2 was constructed (shown here again as Figure 6.1), showing the major influences on professional accountants.

Figure 6.1 shows the extent and breadth of influences used to increase both professional and organisational identities. These influences are focused on the predominate aim of increasing both professional and organisational identities concurrently. As is the priority for large organisations, being the upmost professional in their organisational setting is of high importance. There are also many mutual influences, which ultimately decrease any potential OPC. This is a testament to the vast resources, both monetary and otherwise, that the large multi-national firms have at their disposal, in being able to execute these strategies successfully.

Figure 6.2 shows the influences and mechanisms which were discovered in the present research study, which were the main influences leading to the identity paradigm experienced by professional accountants in the small-practice environment. Alongside these influences are visual representations of their effect on either of the three salient social identities discussed in this research.

Figure 6.1: Strategic influences – Multi-National Accounting Firms.
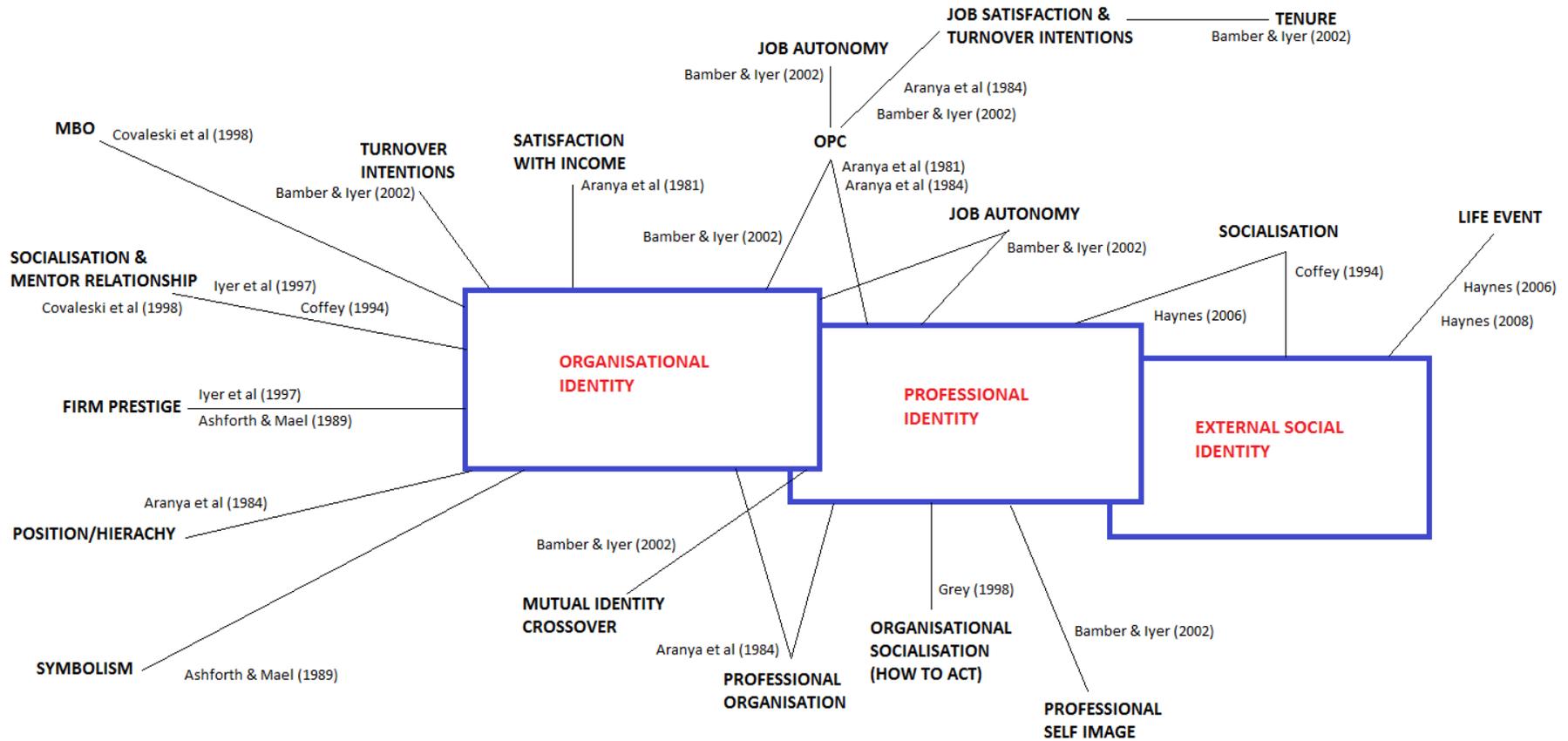
Figure 6.2: Influences/Mechanisms – Accountants in small public practice.
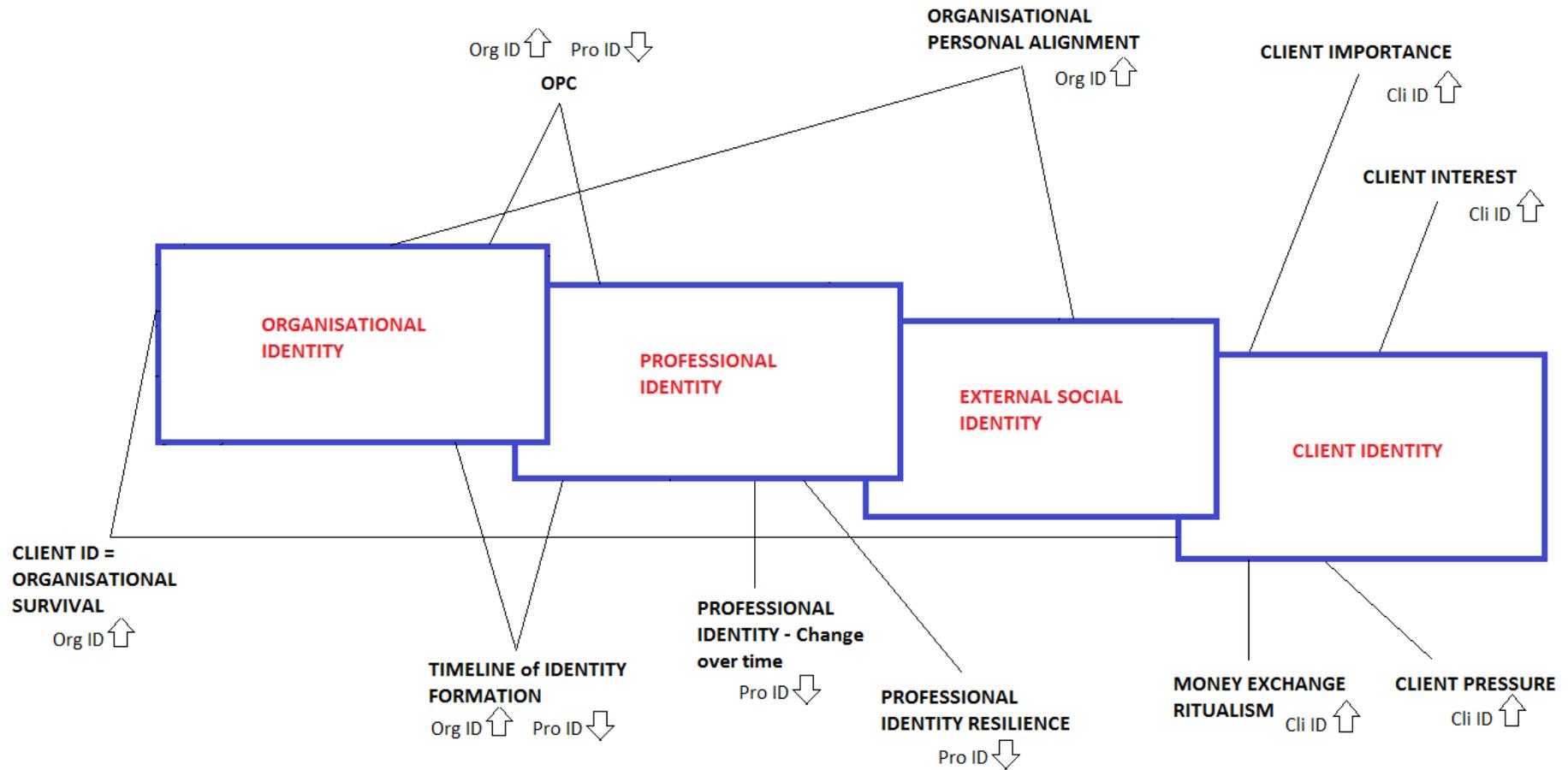
As can be seen in the above two figures, the influences and mechanisms that shape identity in a professional accountant are vastly different between the two cohorts of large-firm and small-firm professionals. In general, influences from a large-firm perspective centre on professionalism, not just regarding the profession but how to be a professional in a large corporate setting, such as attaining a mentor, managing by organisational objectives (MBO), and socialisation (how to act like a professional), amongst others. This observation explains why the organisational identity influences also have a mutual effect on professional identity, thus elevating both, and lowering any potential OPC. Therefore, the main aim is to have the perception, and external appearance, of being a high-level corporate professional. This is always a main priority for large organisations, such as Big 4 accounting firms, as the technical side of the profession can be learnt via their own processes.

By comparison, the influences and mechanisms involved in shaping the identity of an accountant in small public practice do not focus on professionalism; and this has a distinct effect on their professional identity. The influences are primarily related to acquiring an organisational link and identity first: that is, client identity mechanisms such as importance, pressures and money exchange ritualism, and seeing clients as a direct link to the survival of their small practice, amongst others. These influences regarding client identity have a dual effect on both client and organisational identities. The influences that heighten client identity also play a vital role in increasing organisational identity. The results also show that, while client identity was shown as very high amongst the interview participants, this was not due to prior literature theories and conclusions, such as to appease and acquiesce to client demands (Bamber & Iyer 2007; Svanberg & Öhman 2015). Rather, the results from the client acquiescence test, as used in Bamber and Iyer (2007), show similar (and not higher) results to those for their professional counterparts in a large-firm environment. This phenomenon is attributed to the link that the small-practice accountants in the present research have between their organisation and clients, and the importance of this link to the organisation's survival, which is directly linked to their clientele base. Therefore, client identity is not seen as in a traditional paradigm, as being a threat to the independence of the participants of the present research; instead, it is simply seen as an extension of their organisational definitions. Moreover, the participants in the present study see client identity and organisational identity as one and the same, due to the influences seen in Figure 6.2; therefore, having a high client identity, but not a higher propensity to acquiesce to their clients. This is a departure from prior research findings.

These distinct differences help to explain their overall identity paradigm. These unique influences and mechanisms directly lower professional identity; and with the interpretations of client importance to their organisation, show a high organisational identity. The chapter will now move onto explaining the nuances and individual findings that contributed to the overall findings discussed in this section.

6.3 SUMMARY OF RESULTS – SURVEY AND INTERVIEWS

Before delving into critical discussion, it is important to summarise the previous chapters pertaining to the results of both the survey and interview data. The survey data, collected using a Likert Scale questionnaire, was adapted from its use in Mael and Ashforth (1992), with its use in subsequent studies in ascertaining identity strength. With 159 participants, the statistically tested results from the survey indicated that organisational identity was significantly stronger than both professional identity and client identity. Statistical tests also showed that there was no significant difference between the professional and client identities. Furthermore, the demographic data that were collected were statistically tested in conjunction with the three identity scales, to establish whether demographics influenced the identity results. It was proven that demographics did not have any statistical significance in influencing the results; thus, the identity paradigm of the whole population of participants was uniform and consistent regardless of demographics.

The interview data collected both supported the results obtained via the survey, as well as showing a disparity within a particular identity from the survey results. The interview data, consisting of 16 in-depth, semi-structured interviews, corroborated the results regarding organisational identity, showing that this is significantly stronger and of more importance to the cohort of participants in both phases of data collection and analysis. The interview data also supported the survey results regarding professional identity, showing professional identity as being significantly lower and of less importance compared to organisational identity, for a variety of reasons that were articulated by the interview participants. These mechanisms will be discussed in Sections 6.5, 6.8 and 6.10 in this chapter.

One area in which the survey results and interview results diverged in their initial observations is with client identity. The survey results indicated that client identity was significantly lower than organisational identity, and at a similar level to professional identity. The interview data showed that client identity was of the upmost importance to the participants, and an identity

that is very strong and aligned with the strength of organisational identity. In this discussion chapter, this result will be explained, and how it coincides with the results obtained from the survey, once context and mechanisms are introduced into the analysis and discussion.

6.4 KEY RESEARCH FINDING 1 - ORGANISATIONAL IDENTITY, ORGANISATIONAL-PROFESSIONAL CONFLICT, ITS SIGNIFICANCE, AND DIFFERENCES TO PRIOR LITERATURE.

Regarding this key finding, I will initially summarise the findings from this research from both phases of data collection and analysis from the results chapters presented prior, and then proceed with prior literature findings and the statistical and observational differences in identity strength and formation between the present study and prior research. Finally, the discussion will turn to the influences and mechanisms that explain the identity paradigm and the possibility of implications for the profession as a whole.

6.4.1 ORGANISATIONAL IDENTITY – SIGNIFICANTLY STRONGER

Organisational identification has long been recognised as a salient aspect of overall organisational behaviour and performance within the organisational environment that accounting professionals find themselves in (Ashforth & Mael 1989). Numerous research studies regarding organisational behaviour have examined individuals' attachment to their prescribed organisation, with differing forms of attachment tested, such as commitment, loyalty, internalisation and identification (O'Reilly & Chatman 1986; Wallace 1995; Wan-Huggins et al. 1998). Bamber and Iyer (2002) posit that organisational identification is one of the more important aspects of employee attachment and feeling of connectiveness towards their respective organisation. The importance of organisational identity is further expanded upon as being a specific form of social identification in which individuals define themselves in terms of their perceived and/or real membership of a particular organisation (Mael & Ashforth 1992).

Thus, it has been widely established that organisational identity is a salient aspect of an accountant's professional work life, arguably the most important, because satisfying the goals of an employee's organisation, to continue to be employed by said organisation, would be of the upmost importance to an employee. Previous literature discusses organisational identity strategies, and the overall premise of organisational identity, revolving around professionalism within the organisation. Covaleski et al. (1998) emphasised that management by organisational

objectives (MBO) plays an important role in increasing professionalism within an accounting organisation; with a further salient aspect being lifting organisational identification through a professional outlook involving socialising employees within the organisation, as well as mentor relationships with more senior professionals already acclimatised towards the identity of their organisation (Coffey 1994; Covaleski et al. 1998; Iyer et al. 1997). Other influences on organisational identity linked to professionalism and how to act like a professional in a large organisational setting can be seen in Figure 6.3.

This paradigm is problematic when viewed from the perspective on other organisational environments that are not specifically aligned within the realms of a large organisational structure. The narrow scope of the prior literature findings allows for further research pertaining to organisational identity for a wider range of professionals. Small/micro organisations within the accounting profession are vastly different, in their structure, culture and, therefore, identity, compared to larger firms. This fundamental difference means that prior notions of employees' identification towards their organisation do not hold true in the small-firm environment. While results on the strength of level of identification towards their respective accounting organisations align between the two paradigms (results showing a high organisational identity in both cohorts of professional accountant), the way in which this strong identity is formed in each paradigm is vastly different. Small organisations have significantly less complicated structures, less levels of hierarchy, more accessibility to senior-level partners and owners, and more involvement of all employees within its structure, regarding engagement in policy, organisational influence and dealing with clientele.

Figure 6.3: Strategic influences – Multi-National Accounting Firms.
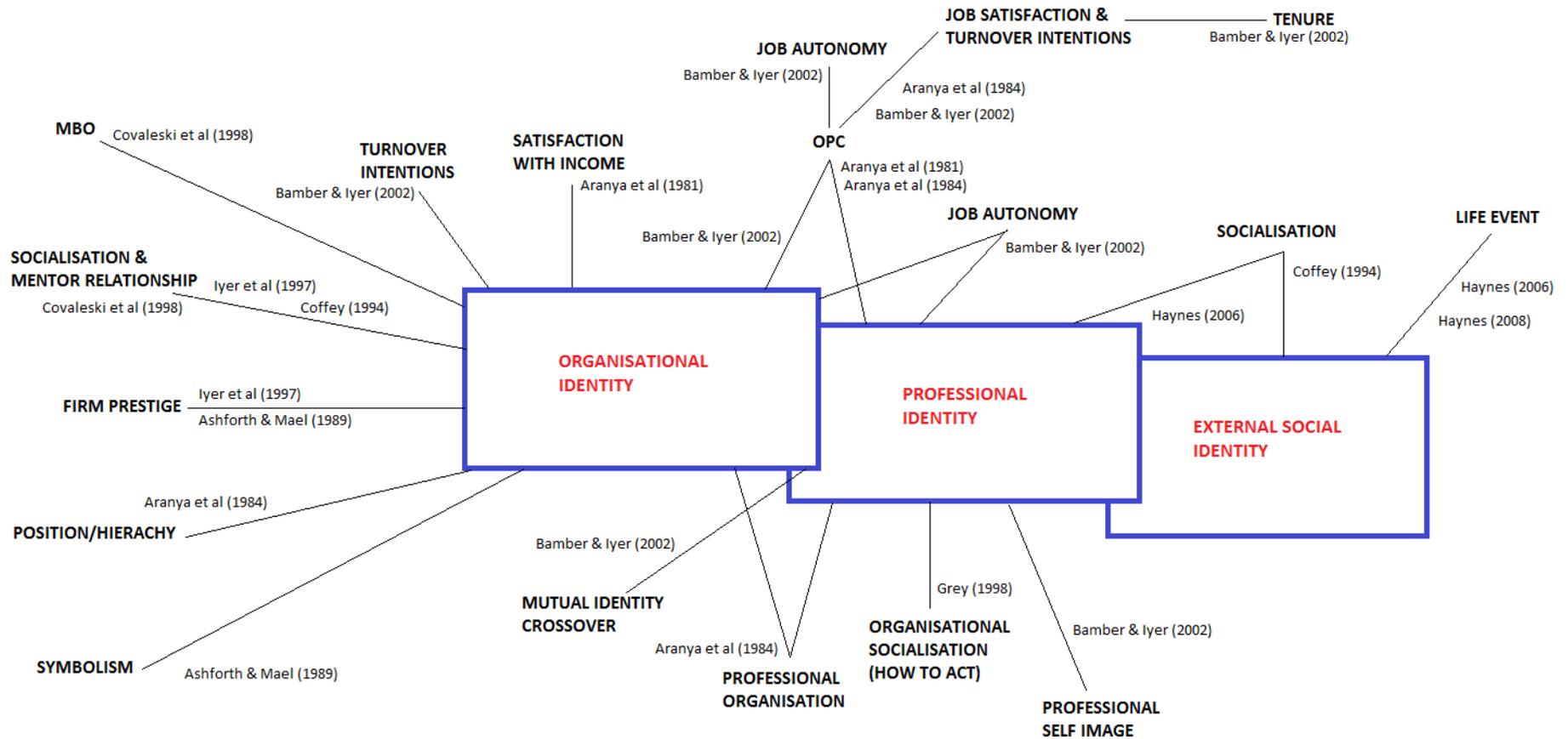
It is all the above reasons that led to the different influences and mechanisms that were involved in the overall organisational identity portrayed by the participants in the present research study. Professionalism as stipulated in prior literature was not present at all in the formation of participants' organisational identity. The salient influences and mechanisms involved in the construction of organisational identity amongst accountants in small public practice involved the nature of their identity formation timeline, and their clientele. A reversal in direction of forming their professional and organisational identities, compared to that prior literature was an important aspect, showing that an identity towards their future organisation was manifested first, before any identity was formed with the profession. This altered the trajectory and strength of both salient identities, compared to their counterparts in the large-firm environment. Finally, the connection and link the participants formed with their clients, and organisational survival, dictated their organisational identity and its overall high strength.

The following section of the chapter will go into more detail on the specific influences and mechanisms briefly discussed, and how they contributed towards participants in this study having a significantly higher organisational identity than their professional identity, leading to a higher conflict between the two identities (OPC), in contrast to prior findings.

6.4.2 LARGE FIRM VERSUS SMALL FIRM ORGANISATIONAL IDENTITY DIFFERENCES.

The above summaries lead to the first key finding from this research, which is that, unlike in prior literature, in the present study organisational identity is found to be significantly higher than professional identity. Prior literature has stipulated that a high professional identity is paramount in professional members adhering to professional norms, and in delivering satisfactory services that uphold the public interest as well as the integrity of the profession as a whole. This is a main factor in the dual strategic implementation of mutual mechanisms and influences in aligning both organisational identity and professional identity in the large-firm environment. With both the size and resources at hand for both professional bodies and large multi-national accounting firms, this strategy can easily be implemented. Professional accountants in small public practice do not have these influencing factors from large firms, and also can normally enter the profession in a different manner to most large-firm accountants. Thus, this has had a detrimental effect on their professional identity, as well as an effect on their organisational identity, ultimately leading to their significant organisational identity strength. Also evident in the data from the present research is that the reason for high

organisational identity amongst the participants is different to the reasons for influences present in prior research. Thus, while organisational identity is very high in both large- and small-practice accountants, this is for differing reasons. The following section will further discuss why this phenomenon has taken place; in particular, the types of mechanisms and influences that lead to the difference in the organisational-professional identity paradigm.

6.5 INFLUENCES AND MECHANISMS ATTRIBUTABLE TO KEY FINDING 1

While the first phase of data collection and analysis helped determine the overall identity paradigm of the participants, Phase Two of data collection and analysis, the interview process, is the catalyst in ascertaining the specific reasons, mechanisms and major influences that can explain "why" the participants have a particular identity with regard to the three identities in question.

6.5.1 ORGANISATIONAL – PROFESSIONAL CONFLICT (OPC).

One significant influence on the participants' organisational identity (and professional identity) is the higher level of OPC compared to results from prior literature. The higher OPC is directly attributable to the actual lack of dual/mutual organisational and professional influences which are present in the large-firm environment and in combination with the identity formation timeline (discussed in the next section regarding professional identity). The identity formation timeline is a significant influence that puts upward pressure on organisational identity, as well as downward pressure on professional identity; and the lack of organisational-professional mutual influences puts further downward pressure on professional identity, therefore having the ultimate effect of increasing OPC. This conflict is visibly apparent in the participants who undertook the interview process, who had a specific focus on the organisation and delivering services to uphold organisational reputation and client satisfaction, with little effort put in regarding their professional identity or any strategies to lift their professional profiles to their clients. Results also show that, while there are many strategic influences used in a large, multi-national firm environment, there are very little used in a small-firm environment. Accountants in small public practice focus on delivering services to please clients and on upholding organisational reputation as a natural link to personal social identity. This leads to a lack of fostering organisational culture in the manner seen in the large firms.

6.5.2 ORGANISATIONAL PERSONAL ALIGNMENT

Another significant mechanism influencing the organisational identity paradigm in the present research is in regard to Organisational Personal Alignment within participants. Findings in prior literature show that the organisational influences in large firms have an aligning effect. These influences reveal that organisational strategies implemented have both a corporate organisation and professional element to them. This is not the case for accountants in a small-practice environment.

Participants in the present study showed a very high connection between their personal social identity and that with their organisation. This had the effect of the participants connecting themselves with their small practice, therefore elevating their organisational identity for differing reasons to those for results seen in prior literature, and hence not involving professional identity. Table 5.5 in Chapter Five depicted some evidence towards this phenomenon. Hence, instead of mutual organisational and professional mechanisms to lift both identities to align with the goals of both the large firm and profession, small-practice accountants have an attachment to their local, small practice, which elevates their organisational identity via Organisational Personal Alignment, while putting further downwards pressure on their professional identity, the latter which lacks any significant mechanisms to heighten it. This further explains the reason for the difference in identity strength between these two identities.

6.6 IMPLICATIONS FOR PROFESSION.

While having a high organisational identity is not, in itself, of any particular concern, having a high organisational identity combined with a low professional identity, according to prior literature on professionalism as well as linked accounting literature, may lead to issues for the profession moving forward (Aranya & Ferris 1984; Bamber & Iyer 2002).

A high professional identity is linked to higher professional norms, less chance of undesirable decisions being made, and less chance of errors in behavioural choices (Aranya et al. 1981; Brouard et al. 2017; Grey 1998). Undesirable decisions and/or errors in judgements and behavioural choices are linked to professional accountants making decisions that acquiesce to client demands and/or are contradictory to professional norms and principles (Bamber & Iyer 2007; Grey 1998; Svanberg & Öhman 2015). As posited in SIT, not only accountants, but any

professional who regards their social in-group as prestigious and of a high stature, will consciously want to protect its prestige, and abide by the professional norms stipulated by said profession (Tajfel & Turner 1986). Thus, the findings of high organisational identity, while having a low professional identity (discussed next in this chapter), can pose risks to this notion.

With a high OPC, the conflict between the participants' small practice/organisation and the profession was very evident in the present study, which in combination showed in the data results from the interviews that the organisation would be priority one over the profession, thus possibly impacting decisions made and behavioural choices in implementing professional services to clients.

According to the conclusions from the present research, the implications for the profession stem from retaining high calibre accountants within the profession and not from the professionalism that was portrayed by the participants. With a high organisational identity, according to SIT, this means that the prestigious in-group which the individual values most is that of their organisation, and not of the profession. This can, in turn, contribute to a higher turnover of professional accountants leaving the profession and choosing to steer their organisation/practice to deliver services other than those of accounting. Also known colloquially as "Brain Drain", all types of organisations and/or professional bodies seldom wish to lose knowledgeable people; and this organisational-professional paradigm could lead to this phenomenon eventuating. As mentioned, the professionalism portrayed by the participants in the interview phase of the research did not pose any threats to professional norms that could be seen. This presents an opposing concept to that in prior literature which stipulates that high professionalism and professional identity are important in holding a high professional standard (Alvesson & Willmont 2002; Bamber & Iyer 2007; Brouard et al. 2017). While some interview participants did have some regrets from past minor transgressions, their overall commitment to upholding their professional standards was seen as admirable, and showed in the survey acquiescence test, in which there is found to be a minimal difference between their overall responses and those in the large-firm, corporate environment where professionalism is a major identity focal point.

6.7 KEY RESEARCH FINDING 2 - LOW PROFESSIONAL IDENTITY AND ITS DIFFERENCES TO PRIOR LITERATURE.

Regarding Key Research Finding 2, I will initially summarise the findings from the present research from both phases of data collection and analysis, from the results chapters presented prior; and then proceed with prior literature findings and the statistical and observational differences in identity strength and formation between the present study and prior research. Finally, the discussion will turn to the influences and mechanisms that explain the identity paradigm, and the possible implications for the profession.

6.7.1 PROFESSIONAL IDENTITY – SIGNIFICANTLY WEAKER

6.7.1.2 LARGE-FIRM VERSUS SMALL-FIRM PROFESSIONAL IDENTITY DIFFERENCES.

A key finding from this research, unlike in prior literature, is that professional identity is significantly lower in accountants in small public practice compared to the professional identity of those in large-firm environments. The high levels of both professional and organisational identities are not seen in the results obtained in the present research study, with both phases of data collection indicating a low professional identity. This variance, particularly the resulting low professional identity, according to prior professionalism literature, could jeopardise the delivery of accounting services as linking to professional norms and upholding the public interest. Low professional identity is also linked to higher client identity in prior research (Bamber & Iyer 2007; Svanberg & Öhman 2015), which is seen as not ideal for the same reasons. Further discussion in this chapter will reveal that these assertions from prior literature do not fully hold for accountants in small public practice, due to the nature of their business practices and the influences and mechanisms that drive their identity. The survey results give the identity paradigm amongst the salient identities researched, including that of professional identity; although it is the interview data that indicate 'why' professional identity is as low as it is shown in these survey results. These results are critical in understanding the fundamental mechanisms of identity within this cohort of professional accountants.

6.7.1.3 UPHOLDING PROFESSIONAL NORMS NOT DRIVEN BY PROFESSIONAL IDENTITY.

Professional identification has been proven to be a very important aspect in facilitating the effectiveness and efficiencies of employees when performing their duties as prescribed by their employing organisations (Grey 1998). Professional identity has been seen as an important factor in regard to aiding both professional bodies and organisations, in moulding employees to be the upmost professionals in their field (Grey 1998; Ibarra 1999). Specifically, regarding the accounting profession, the need to learn to act in appropriate ways and to have the perception of professionalism is seen as a factor in identity (Covaleski et al. 1998). This is done by using strategies such as mentoring, management by objectives, and communications (Covaleski et al. 1998). However, conceptually, this is at odds with the paradigm that knowledge, expertise and the control of licensing of specialist knowledge are focal factors in becoming a professional (Grey 1998). Professional identification is also seen as a pivotal factor in upholding accounting principles, professional norms and the public interest (Bamber & Iyer 2002). Therefore, prior literature posits that a high professional identity and having an appropriate professional outlook are needed so that a professional accountant will have the highest chance of delivering their professional services according to these fundamental norms (Bamber & Iyer 2002; Svanberg & Öhman 2015).

Thus, it is established that professional identity is a salient aspect regarding the work that is conducted by an accountant, with a high importance given to having both a high professional identification and an equally high organisational identity. This phenomenon, known as OPC, is seen as a strategy to align the priorities of both organisation and profession, to mould an employee into the most ideal professional with little OPC and high identification in both salient identities discussed (Bamber & Iyer 2002).

However, this paradigm can be problematic when it is asserted in professional environments that are not aligned within the realms of large, multi-national firm culture. As discussed previously regarding organisational identity, this narrow scope from the prior literature allows further research into professional identity, to identify whether there are other factors involved in upholding professional norms, integrity and the public interest, which may not be exclusively tied to high levels of professional identity. Due to the differences in fundamentals such as structure, culture and delivery of services in small public practice, this affects professional

identification in professional accountants in small public practice, as analysed in the previous results chapters (Chapter 4 and 5) and which will be further discussed in the present chapter.

The results from this study presented in Chapters Four and Five show that there is substance to the conclusions made above. Due to these fundamental differences, professional identification and its strength is significantly different (lower) for professional accountants in small-practice environments compared to those in large-firm environments. Prior literature results show a mutual high/strong identity for both their organisation and profession, whereas the present research shows high organisational identity but low professional identity. This discrepancy in the differing strength of professional identity is a culmination of various complex influences and mechanism; which is explained further in this chapter.

The prominent issue that needs addressing is whether a low professional identity does, indeed, impede the quality of accounting services that are administered by a small practice accountant, and whether it lowers ethical behaviour, behavioural choices or high-quality decision making. The evidence collected in this thesis indicates that prior notions of needing a high professional identity to uphold professional norms and standards (which include client acquiescence levels) are not necessarily true under the environmental culture seen in accountants in small public practice. Interview data suggest that the amount of admitted transgressions in regard to succumbing to client pressures and providing services that do not entirely align with professional norms was low; and if done, such transgressions were not something that was repeated, with the participants expressing a view of being regretful. Furthermore, survey data pertaining to the client acquiescence test performed by the participants indicate a very similar level of client acquiescence to the results obtained from Bamber and Iyer (2007). This test is seen as an indicator of acquiescence to client pressure, therefore possibly performing lower quality accounting services. Therefore, this test shows that, despite a significantly lower professional identity in the participants in this thesis, their propensity to acquiesce to their clients and succumb to client pressures is no different to that of their counterparts in a large-firm environment. This evidence allows the present study to conclude that professional norms, decision making, and behavioural choices in the small firms are of a similarly high quality to those in multi-national accounting firms. Hence, there are other reasons for this phenomenon that are not necessarily related solely on professional identity.

The data acquired in the interview phase of the research, as indicated in Chapter Five, show the participants having an extremely high level of organisational identification, which was

linked to the integrity of their practice and the importance that the local community attaches to their practice having substance, integrity, and a high social status within the local community. The data also provided evidence that there was a strong link between their practice/organisation and their personal social identity, meaning that the perception of their practice is a reflection on their own personal social identity within the community. This notion is also supported by the factor analysis performed on the survey instrument, specifically on the identity questions, which showed that questions 4 and 5 of the survey had the most influence on their identity responses. Questions 4 and 5 were linked to what outside parties thought of their identity, as well as successes in their practice being linked to personal success. This paradigm is the major driving force that holds the participants' norms to a high standard similar to their counterparts in large-firm environments. Ultimately, every professional is accountable for their actions, and it is this accountability that is the source which drives the decision making within a professional to adhere to professional norms.

In this instance, large-firm accounting professionals, because of the organisational culture they are subjected to and the influences on professionalism, are held to account in their professionalism and professional identity, as there is little to no interaction on a personal social level with clientele, and a significant distance between their work life and their personal social life within their respective local communities. By contrast, accountants in small public practice, while having a low professional identity, are held to account by what their local community thinks of them, which is linked closely with their practice, as there is a more visible connection between personal social identity, their organisational/practice identity, and the integrity of both. Therefore, small practicing accountants uphold professional norms not due to professional identity but to the link between their organisational/practice identity and what their local community thinks of their standing in the community. This pressure to be an upstanding community organisation drives their decision making and behavioural choices to align with professional norms, and not to overly acquiesce to client demands, even though they exhibit very high client identity due to the link between a client's wellbeing and organisational survival. The next section will show the influences and mechanisms involved in coming to the above conclusions in this study.

6.8 INFLUENCES AND MECHANISMS ATTRIBUTABLE TO KEY FINDING 2

There were many influences that contributed to the low professional identity which was present in the participants in this research study. The influences and mechanisms to be discussed served

to influence not only professional identity but also organisational identity. This dual impact was shown to exacerbate the discrepancy between the two identities, by putting downward pressure on professional identity and also helping in putting upward pressure on organisational identity.

6.8.1 TIMELINE OF IDENTITY FORMATION

Professionalism, and an individual's formation of their identification to their respective profession, is seen in prior literature to always be formed first and foremost, prior to any identification to any specific organisation. Aranya et al. (1981) argue the notion that an affiliation to a profession precedes the development of any affiliation to a specific organisation. Dutton and Dukerich (1991) and Bamber and Iyer (2002) support this notion using SIT, and its framework, showing that identity towards a profession also precedes organisational identity. This affords the individuals' "self" ample time to build their identity strength within their chosen in-group, thus elevating professional identity to a strong position, prior to acquiring a link of identification to a respective organisation. Thus, in this situation, the organisation in question (often a large, multi-national firm) can then work with their new employee(s) in elevating their identity towards their organisation, via the influences and mechanisms discussed in Chapter Two. These, in turn, align with their professional identity, thus not directly competing with their professional identity but complementing it, and thus conjuring a dual, high, and robust, combined professional-organisation identity. This overall paradigm thus results in a very low organisational-professional conflict, or OPC.

The above is a fundamental, and salient, professional-organisational identity paradigm. However, there is a vast difference in identity formation within the participants in the present study. Professional accountants in a small-practice environment have a vastly different experience in identity formation, and thus a completely different identity paradigm to the one discussed above.

The timeline of identity formation within the participants in the present study, who are in a small-practice environment, confirms that their identity formation is different to that seen in prior literature. The data from the interview phase showed that 81.25% of participants in this research had other motivating factors (not the profession) that influenced their decision to enter the accounting profession; with the overarching theme linked to those other factors being to start their own organisation/business. SIT posits that time is an important factor in regard to

accumulating the information required for the self to determine the positive aspects of a potential in-group in which they intend to attempt to enter (Tajfel 1974; Tajfel 1982; Tajfel & Turner 1986). This notion helps to explain the rise of organisational identity strength amongst the participants, as their initial motivations were from an organisational viewpoint, thus building their future organisational identity as a first priority.

Another factor regarding their predisposition to favour organisational identity over their professional identity stems from their pathway into the profession. All the participants in the interview phase of the present research disclosed that their entry into the accounting profession was at an older age, and not from the more popular pathway seen today, that of being straight from a university degree which was completed straight after high school studies. For the latter group, a common occurrence is that they would identify at a younger age (approximately high school level or early tertiary level) that they wish to enter the profession, thus acquiring the required results needed to be able to enter an accountancy degree at University. As stated above, this supports the SIT notion that having the time to develop a strong identity is an important factor, and thus using this pathway helps the future accountant to develop their identity to the profession. Therefore, they would finish university studies, giving the individual years to foster an affinity and identity with the profession, then enter via a graduate program to an organisation (often large), and then the dual organisational-professional identity formation takes place.

This is not the pathway used in small public practice accountants within the sample interviewed for the present study. Their pathway happened later in life, through accreditation courses/modules through a professional body. Thus, they form their identity with their future ambitions to form their own organisation/practice, and then acquire the education/qualifications needed to serve their clients. All these mechanisms and influences contribute to the reversal and differentiation of their timeline of identity formation.

The fact that the participants entered the profession later in life also supports the SIT concept that identity formation later in life is harder to form than it is at a younger age. This also exacerbates the difference in identity strength between the participants' organisational/practice identity and that of their profession.

In summary, a salient factor that explains the difference in identity paradigm within the participants in the present study, who practice their accounting profession in a small-firm

environment, is simply that they form an organisational identity first and foremost, well before they can attempt to acquire a professional identity. This puts downward pressure on their professional identity. In addition, the pathway into the profession also puts added downward pressure on their potential professional identity, as they are not exposed to the mechanisms and influences that are present in younger graduates, as much as their peers who are employed in a large, multi-national firm environment.

6.8.2 MANAGEMENT OF IDENTITY

SIT also describes how the self manages identity. Managing one's social identity involves one's own in-group and subsequent other out-groups that may be in competition with the individual's in-group, whether seen as more prestigious or not (Tajfel 1975). This constant comparison and competition between social groups leads to managing methods being used. Those who are seen to be a part of more privileged groups are normally motivated to enhance and also retain their positive social standing, which is attached to their professional prestige that has been incumbent and built upon over a long period of time. On the other hand, there are numerous groups within society that are devalued compared to these more prestigious social identity groups. These social groups with a perceived lower value compared to more prestigious social groups instil management techniques to define their social group in a more positive manner, or to rationalise within their self as to why they may be associated in a particular lower social group, depending on environmental upbringing and perceived external factors influencing their position in society (Tajfel 1975).

When using managing techniques in social identity, members of perceived lower value social in-groups tend to use strategies in order to solidify their social group position, to try and help elevate and improve the value of their social group standing within society. These strategies may involve: rationalisation of current circumstances; environmental factors which include particular upbringing characteristics; and a psychological reasoning that their social group is still one that, for them and other members, is seen as acceptable under the circumstances of less opportunity, which ultimately leads to comparison with even lower valued social out-groups (Tajfel 1978; Turner et al. 1979).

Social group management plays a key role in the dynamic between the participants' professional and organisational identities. The data acquired in the interview phase of the research showed assertions from participants that there were tensions between the participants

in the small-firm environment their counterparts in large multi-national firms. There is a separation and distinction in the eyes of the participants between themselves (small-firm professionals) and professionals in large firms. The tension between the two social groups, and the subsequent conclusion from the participants that they are seen as a lower, devalued social group, leads to management strategies for their in-group. The key strategy implemented, which was prevalent in the interview discussions, was 'Social Creativity', which is a key aspect of identity management in SIT, discussed in Chapter Two. 'Social Creativity' is a process whereby members of social groups seek to redefine the intergroup comparison by making a concerted effort in portraying their in-group in a more favourable, positive light rather than looking at any negative characteristics (Jackson et al. 1996). The three strategies by which this can be accomplished are:

1) Focusing on other dimensions of intergroup comparison;

2) Including other groups in the comparison;

3) Changing the meaning of low-status group membership.

In this instance, the participants used the strategy with regard to 'focusing on other dimensions of intergroup comparison' (first dot point above), with the main themes being their links to local community, perceived better relationships with their clients (and taking care of their needs on a more personal level), and having the privilege and drive/motivation to own their own practice/business. These social creativity strategies used are a concerted effort by the participants to distinguish their social in-group from that of their peers in large-firm practice, thus focusing on other dimensions of intergroup comparison. It can be seen that the main themes presented show a distinct link with their practice/organisation, and with their clients. The effect of this identity management strategy both elevates organisational (as well as client) identity, and lowers professional identity, because a key factor in managing their social in-group is to distance themselves as different from their counterparts in a large-firm environment. By doing this, they rationalise that their peers are more 'corporate' and 'professional' and they are more community based.

6.8.3 PROFESSIONAL IDENTIFICATION - CHANGE OVER TIME AND RESILIENCE

The other influences that combined in having an effect on professional identity were that the participants' professional identities 'change over time', and 'resilience'. The results from the data obtained from the interview phase of the research suggest that professional identity over time had a moderate to low increase, thus staying relatively low, and continued to be significantly lower than their organisational identity. This is supported by the results in regard to professional identity resilience. This factor was also low, which indicates that, with a low professional identity resilience, participants were more likely than not to want to, or aspire to, change their professional services to something outside of traditional accounting services. With the results combined, well over 50% of participants indicated that they would change professions or were in the initial stages of actually changing their professional services to something different from traditional accounting services.

In summary, the above results, influences and mechanisms add further evidence for 'why' professional identity amongst accountants in a small-firm environment is significantly and specifically low, compared to their organisational identity, which is significantly higher. The survey data obtained and tested gave an overall identity paradigm, and the interview data helped in explaining why this paradigm exists.

6.9 KEY RESEARCH FINDING 3 - CLIENT IDENTITY, ITS SIGNIFICANCE, AND ITS DIFFERENT INTERPRETATION.

In discussing key finding three, I will initially summarise the findings from this research from both phases of data collection and analysis from the results chapters presented prior, and then proceed with prior literature findings and the statistical and observational differences in identity strength and formation between the present study and prior research. Finally, the discussion will turn to the influences and mechanisms that explain the identity paradigm and the possible implications for the profession.

6.9.1 CLIENT IDENTITY - MIXED INTERPRETATIONS

6.9.1.1 THE PRESENT RESEARCH - SURVEY DATA

As stated earlier in the chapter for key research finding one, the survey data that were collected were statistically analysed, and this analysis constituted testing significant differences between the salient identities within this research. Client identity was concluded to be statistically lower than organisational identity. Client identity was also statistically tested against professional identity. The results showed that there was no significant difference between client and professional identities; thus showing that the identity strength between the two identities was of the same or similar strength. As explained, this finding was different to prior literature findings regarding client identity and the relevant differentiation with professional identity. The key findings in explaining why this result was obtained in professional accountants in a small-firm environment was predominately explained in the second, interview phase of data collection. In summary, the mechanisms and influences on how client identity is formed and viewed by the participants are the main indicators for why client identity had a different interpretation amongst the interview participants, and the reason for the mixed result.

6.9.1.2 THE PRESENT RESEARCH - INTERVIEW DATA

Contrary to the other identities studied in the present research, where the data obtained on both phases of data collection supported the same result, the interview data obtained for the present research study did not, on initial observation, support the survey data pertaining to client identity. The data showed that client identity was strong, stronger than professional identity, initially contradicting the result from the survey which showed client identity being similar to professional identity. This initially was seen as a surprising finding for the research: that client identity was shown as strong alongside organisational identity, but that it was seen as weaker amongst the survey participants. The interview participants strongly intimated that client identity was very important and a salient aspect of their daily duties as a professional accountant. Clients were considered by interviewees to be a focal point for the survival of their practice, and something that had an impact on their day-to-day activities. This is in contrast to the survey results, and also to what is seen in large firms, where overly strong client identity is frowned upon, as it may show untoward bias towards clients and may lead to an accounting professional acquiescing to their client and lowering the professional norm standards.

While initial observations showed this discrepancy between survey and interview data, upon further analysis, the reason for the difference is explained by the varied interpretation of what a client means to the participants. This interpretation was evident in the interview data, due to its in-depth nature in extracting meaning and context on the participants' identity paradigm; which will be discussed in more detail further into the chapter.

6.9.1.3 PRIOR RESEARCH – CLIENT IDENTITY

Prior literature pertaining to identity is predominately aimed at organisational and professional identities. Client identity research is sparse by comparison. Bamber and Iyer (2007) conducted research on client identity in auditors in large, multi-national firms, predominately looking at client identification, client acquiescence and its effect on auditors' objectivity. Bamber and Iyer (2007) posit that the Independence Standards Board identify the risk of 'familiarity' as one of five threats to auditor independence, yet being familiar with the client is necessary to understand their clients as well as conduct their services. Their results showed that, indeed, auditors identify with their clients, and that auditors who identified with their clients more so were more likely to acquiesce to the client-preferred position (Bamber & Iyer 2007). On the other hand, they showed that more experienced auditors who had a higher professional identity were less likely to acquiesce to the clients' opinion. This study shows an interesting relationship, that professional identity has a direct link to client identity, a negative correlation, in which a low professional identity can facilitate an upward change in client identity, as professional norms linked to professional identity are more easily ignored. The opposite was also observed, with a higher professional identity helping in keeping client identity lower and a lower chance for the auditor to acquiesce to their client (Bamber & Iyer 2007). While this relationship and dynamic shown between client and professional identities amongst auditors in the large firms is evident, it did not translate to accountants in a small-practice environment, which was discussed in Section 6.7.1.3 in this chapter.

Another important study, Svanberg and Öhman (2015), researched a very similar paradigm as in Bamber and Iyer (2002), although the former research centred on auditors who were not from the large, Big4, multi-national accounting firms, which more closely aligns with this present research study regarding non-Big4 participants. Svanberg and Öhman (2015) suggest that organisational cultures of non-Big4 firms are less competitive in nature, which in turn could provide stronger relationships with clients. This environment regarding closer client relationships is heightened as there is a higher turnover of employees in the Big4 firms

(Svanberg and Öhman 2015). Thus, if the employee turnover is lower in non-Big 4 firms, auditors have more opportunities to develop close client relationships; and this may impair auditor objectivity (Svanberg and Öhman 2015).

Svanberg and Öhman's (2015) findings show that auditors in non-Big4 firms did tend to identify with their clients more so, and that an auditor who identifies relatively more with a client is more likely to acquiesce to client-preferred treatment and to commit reduced audit quality acts.

While the prior literature regarding client identity, discussed above, is centred on auditors specifically, and the present study is on general small-practice accountants, the researcher determined that the comparisons can, nevertheless, be discussed, due to two major reasons. Firstly, prior literature on client identity using SIT has solely focused on auditors, due to their proven, close relationships with their clients, which results from the unique nature of an auditors' job. Therefore, this is the closest comparative data set that can be referenced. Secondly, general links regarding having a close, special relationship with clients can be seen between auditors and small-practice accountants. Small-practice accountants, due to their professional paradigm, like auditors also need to have close relationships with their clients, although for differing reasons. Irrespective of the reasons, this similarity means that client happiness, client pressures, and client relationships in both sets of professionals do draw parallels.

In summary, professional identity can play a key role in the level and relevance of client identity amongst accounting professionals. This is mainly in the case of accountants in larger firms. Overall, client identity tends to be lower; and the higher the professional identity, the lower the client identity will be and the less chance of client acquiescence. This premise is primarily underpinned by the notion of professional norms and professionalism in the larger corporate environment, where, as discussed extensively, influences and strategic mechanisms are implemented to alter and increase professional identity. A key area within the present research is to ascertain whether the prior literature assertions in regard to client identity, and its potential threat to independence, hold true within accountants in a small-practice environment, or whether the interpretations and link between the small professional accountant and their clients bring a different paradigm.

6.10 INFLUENCES AND MECHANISMS ATTRIBUTABLE TO KEY FINDING 3

There were key influences which contributed to client identity being seen as high in the interview participants. The influences and mechanisms to be discussed not only served to influence client identity but also links to organisational identity. This dual impact, and the interpretation and reasoning for the higher client identity in the interview data, explains why there was a discrepancy between the two data sets, and why the higher client identity found in the interview data was ultimately linked to increasing organisational identity, and not to an actual increase in client identity in the traditional sense that is explained in prior literature, regarding client acquiescence.

6.10.1 PUBLIC INTEREST VERSUS CLIENT INTEREST (DEFINITION OF AN ACCOUNTANT)

Determining the level of knowledge in regard to the public interest as opposed to client interest gives an indication of the potential for client preference as opposed to professional norms. Therefore, the present study examined whether the small-practice accountant understands this. As Table 5.6 showed in Chapter Five, when asked what the participants' thoughts were on the overarching definition and role of an accountant, there was seldom a mention about professional standards, norms or the public interest. The large majority of responses focused on Education/Technical Skills and Clients. Not one participant indicated or discussed professional norms or standards. This signifies that, if the small-practice accountant, first and foremost, has the notion that the backbone of being an accountant is to serve clients, with high technical skills, then the underpinning of the public interest paradigm may be under threat regarding decision making and behavioural choices. This influence on their understanding of what a professional accountant is sheds light on why, in the interview participants, client identity was shown as high.

6.10.2 CLIENT IDENTITY – MONEY EXCHANGE RITUALISM

Predictably, clients are of the upmost importance to the participants; but somewhat opposing the belief of upholding public interest and keeping a high level of professional identity strength, clientele seemed to be the main priority to the small-practice accountant. While this position in the identity paradigm would elicit a conclusion, from prior literature, that having a high identity towards clients would threaten independence and accounting professional norms, it is the

interpretation of the importance of clients that allows the small-practice accountant to have a high client identity but also discharge their professional duties according to the norms that are required. The mechanism of money exchange ritualism is one of those influences that increase client identity, but because it has a direct link to their organisational identity. Participants have a high client identity towards their clientele base mainly due to the act of directly invoicing clients and seeing that procedure first hand in their small-practice environment. Because of this, they see a direct link between clients and their small practice's revenue and subsequent survival, as without the clients, their practice would not exist.

While this premise is the same in a large, multi-national firm, just on a bigger scale, the average employed accountants (on which most prior data on identity are acquired) in these large firms do not invoice their clients, and are paid a salary from the firm; thus, they do not form such a high identity towards their client.

It is the interpretation of their clients being linked to their organisational survival that allows small-practice accountants to form the higher identity bond with their clients and also discharge their services in an ethical manner, as their identification with the clients is essentially an extension of their identification with their organisation, which in turn is an extension of the importance of their integrity and standing within their local community, driving their desire to uphold professional norms.

6.10.3 CLIENT PRESSURES AND IMPORTANCE

Participants in this research regularly indicated that client pressures and importance is a focal factor regarding their overall client identity and the relationships they have with their clients. With all participants having links to their local communities, they would often discuss seeing clients outside of their professional work, and also because of their close relationships, know more about their clients' personal life, their families and their social interactions. This created pressure to fulfil their professional duties for their clients, and increased the importance of holding onto their clients according, to their statements as seen in Tables 5.8, 5.9 and 5.10. Once again, the qualitative data pointed to these pressures being linked to practice survival. These influences added more weight towards a higher client identity, as it is of vital importance that clients are treated correctly for organisational survival.

6.11 AXIS OF THE THREE IDENTITY PARADIGMS

As the interviews came to a close, the participants were asked to rank their respective identities as they saw them from most to least important. The results, which were presented in Chapter Five, are presented again here, in Table 6.1 and Figure 6.4, for ease of reference.

Table 6.1: Identity Ranking as perceived by interview participants

| IDENTITY STRENGTH	1st Ranked	2nd Ranked	3rd Ranked
Client Identity	9	5	2
Organisational Identity	7	8	1
Professional Identity	0	3	13

Figure 6.4: Identity Ranking
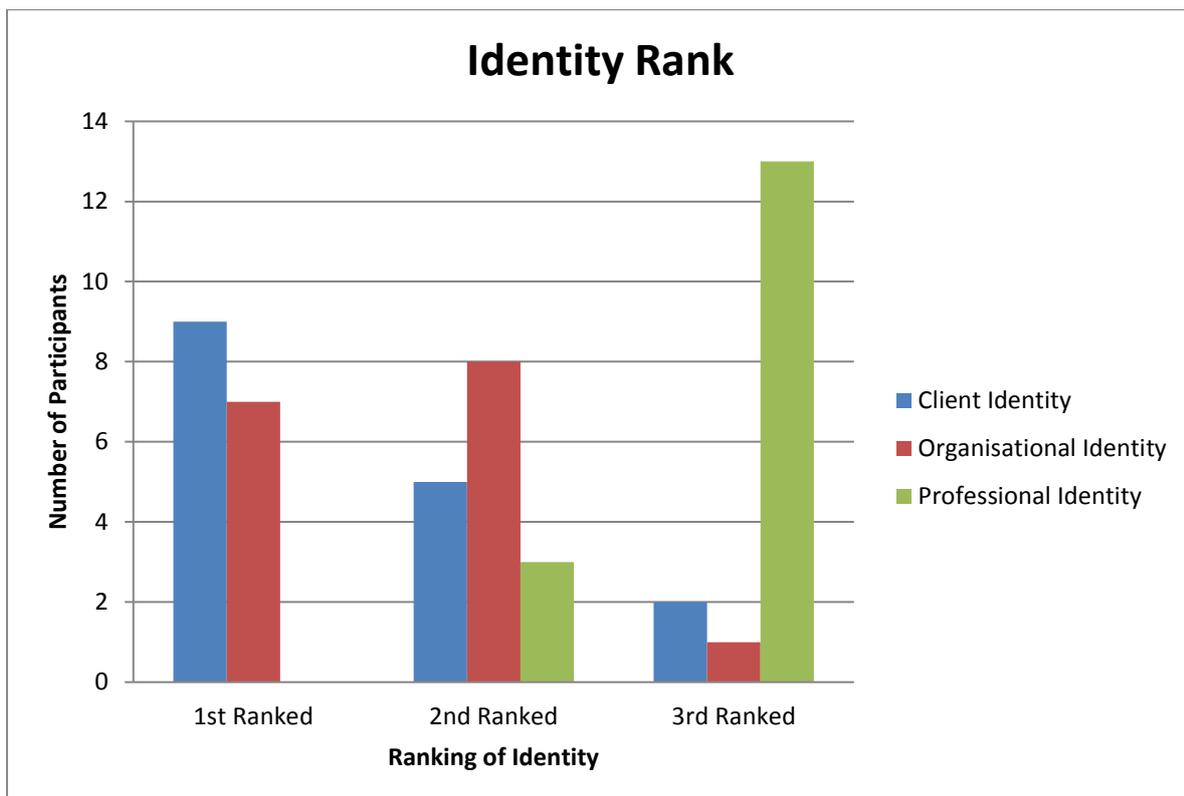
Table 6.1 and Figure 6.4 show that professional identity is categorically ranked last by the vast majority of interview participants. Client identity and organisational identity are closely ranked for 1st and 2nd; with this surprising result showing, overall, that the participants voted client identity ahead of organisational identity in 1st position (though by a small margin).

This phenomenon was not present in the survey data; although, as explained above, due to the interpretation small-practice accountants have of client identity being directly linked to organisational identity and survival, their client identity is thus strong due to their overarching aim of keeping their practice in business, as that is, ultimately, the most important aspect of their professional careers.

This conclusion was determined via the qualitative data that were acquired via the interviews, and also by linking these data to the client acquiescence test which was performed by the survey participants. The study concluded that, if the high client identity within the interview participants was indeed due to traditional insights on high client identity, which is shown to be a threat to professional independence, then the client acquiescence test should show a substantially higher result than that of the test performed in prior literature on accounting professionals in a large-firm environment (Bamber & Iyer 2007). The client acquiescence test that was performed in prior literature was that done by Bamber and Iyer (2007), on professionals in a large-firm environment. This test was adapted and used in the present research. The comparative results, which were presented in Chapter Four, are presented again here for ease of reference in Table 6.2.

Table 6.2 Simple Statistical results of Client Acquiescence Scenario compared to Bamber & Iyer (2007).

	Current Research	Bamber & Iyer (2007)
Sample Size	157	247
Average (Mean)/Percentage	4.38/43.8%	3.92/39.2%
Median/Percentage	4/40%	3.5/35%
Standard Deviation	3.47	2.67

Minimum/Percentage	0/0%	0/0%
Maximum/Percentage	10/100%	10/100%

Without having access to the raw data in the Bamber and Iyer (2007) study, only observational conclusions can be determined using the above information on whether a discernible difference can be seen. It is the conclusion of the researcher that the differences seen in the above data are not of a significant nature. With the nature of the test being a score from 0 to 100, as a percentage, with an average (Mean) comparison of 43.8% as opposed to 39.2%, and with the median comparison showing 35% as opposed to 40%, these results show a similar level of client acquiescence. This is seen as a vital factor in determining client identity interpretation. If high client identity, as seen in the interview participants, was due to actual favouritism to their clients, we would expect to see a much higher client acquiescence result in the above test. This is not the case, as the result is closer to the original result of Bamber and Iyer (2007), even not surpassing the 50% barrier. Therefore, the data acquired on why the small-practice accountants identified strongly with their clients, via the interviews, ultimately lead to a conclusion on a totally different interpretation of what client identity means to them: that it is, in fact, an extension of their organisational identity.

6.12 SUMMARY

In summary, the research presented in this thesis indicates that the identity paradigm within the participants, who practice their accounting profession in a small-firm environment, is fundamentally different to that of their counterparts in the large-firm environment. Organisational identification is seen as strong in both professional cohorts, though for differing reasons. High organisational identification in large-firm accounting professionals is strongly linked with high professional identity. This is because the mutual influences and mechanisms involved in a large, multi-national firm aim to heighten both identities, as the outward perception portrayed by large-firm employees is predominately focused on professionalism and how to act as a professional. Organisational identity in small-practice accountants is high because of other influences, such as links to clientele importance for practice survival, and perceptions of their organisation in the local community, as well as the timeline over which

they formed their organisational identification compared to their professional identity, to name a few.

Professional identity is shown to be significantly different between the two cohorts of accounting professionals. Accountants in a large-firm environment have a high professional identification alongside their high organisational identification, with minimal OPC; whereas accountants in small public practice display a low professional identity, opposed to their high organisational identity. Prior literature posits that low professional identity can lead to higher client acquiescence and lower quality services being administered by the accounting professional (Bamber & Iyer 2007; Svnaberg & Öhman 2015). This premise doesn't hold true with the small-practice accountants who participated in the present study: their level of client acquiescence was no higher than in results from prior literature, and their commitment to a high level of service was seen to be of a high standard. Thus, the drivers for upholding professional norms were not those of professionalism and professional identification but of the expectations to uphold their small practice to a high standard. This was because their visibility in their local community was high, and their organisational reputation was closely linked to their personal social identity within the same local community in which they practice.

Client identity was seen as high in interview participants; but this was due to clients' link to the survival of their practice, thus having direct links to increasing organisational identification. This was supported by the similar results in the client acquiescence test in the present study and in prior literature.

The next chapter (Chapter Seven) will conclude the thesis, with an overview of the pertinent findings, links to the research questions, implications for the profession, limitations of the study, and contributions and further research opportunities.

CHAPTER SEVEN - CONCLUSIONS AND IMPLICATIONS

7.1 SUMMARY OF RESULTS

This thesis has two overarching aims, to understand: the underlying foundations and paradigm of the salient social identities of professional accountants in small public practice; and whether said paradigm is different to that of their professional counterparts in a large-firm environment (as was the focus of prior studies). These two overarching aims were captured in one research question and three subsidiary research questions:

> **RQ1: To what extent do professional accountants in small public practice identify with their profession, organisation and clients?**
>
> **SRQ1: Do commitments to professional, organisational and client identities create a conflict in the practice of accounting?**
>
> **SRQ2: Does their client identity differ significantly to their professional identity?**
>
> **SRQ3: What are the mechanisms/influences in identity formation for accountants in small public practice?**

These research questions were addressed in three steps. The first step developed a current conceptual framework/map, from prior literature on the influences and strategies used in large-firm environments, which indicates the overall identity paradigm of this cohort of accounting professionals. The second step was to develop a survey instrument adapted from prior literature to empirically test the three salient social identities that are prominent in professional accountants and apply this to the participants in the present study. The third step was to analyse the results from the survey results and use these results to inform and develop a semi-structured interview design, to help delve further into the mechanisms and influences that face a professional accountant in small public practice. This led to comparisons to prior literature findings, to ascertain any differences in influences on identity, and whether these influences differ in the construction, and strength, of the three salient identities present in professional accountants.

7.2 KEY FINDINGS OF PRESENT STUDY

The above overarching aims, and academic procedures subsequently used, delivered three main key findings after data collection, analysis and interpretation. The three key findings are as follows.

7.2.1 KEY FINDING ONE: ORGANISATIONAL IDENTITY, ORGANISATIONAL - PROFESSIONAL CONFLICT, ITS SIGNIFICANCE, AND DIFFERENCE TO PRIOR LITERATURE.

The findings in this present study show that organisational identity is significantly stronger than professional identity. Prior literature findings did not show this phenomenon but showed both salient identities (professional and organisational identities) to be high. Linked to this, the high levels of organisational identification strength, and the low levels of professional identification strength, also show the apparent higher levels of conflict between the two competing identities (OPC).

This finding has significance for the accounting profession, along with the other major findings, as it introduces a different notion and paradigm for the way in which professional accountants in small public practice operate, and how they form their identities within their professional environment. The influences discovered in the participants show that the formation of an aspirational organisational identity first had negative effects on professional identity, the latter (professional identity) which formed at low levels and much later on in their careers. The unique relationships with their clients, as well as money exchange ritualism, also compounded their higher organisational identification, with a dual effect of putting downward pressure on their professional identification.

7.2.2 KEY FINDING TWO: LOW PROFESSIONAL IDENTITY AND ITS DIFFERENCE TO PRIOR LITERATURE.

Linked to key finding one, professional identity was significantly lower than organisational identity. As discussed above, the timeline through which identity was formed had a significant effect on the levels of identity strength between the two salient identities. Managing identity strategies also led to a lower professional identity amongst the participants. The participants indicated their differences to fellow accounting professionals in large-firm environments, and

that there is tension between the two groups. This led the participants in the present study to implement a social identity theory strategy in managing their identity, being a 'focus on other dimensions of intergroup comparison'. This meant that the small-practice accountants that participated in the present study differentiated themselves from their counterparts in large firms by focusing on their other attributes, these being their links to local community, perceived better relationships with their clients (and taking care of their needs on a more personal level), and having the privilege and drive/motivation to own their own practice/business. Combined, these perceived attributes contributed to a higher identity towards their organisation (small practice), as well to as their clients; thus, further lowering their professional identity.

7.2.3 KEY FINDING THREE: CLIENT IDENTITY, ITS SIGNIFICANCE, AND ITS DIFFERENT INTERPRETATION.

Client identity was found to have no significant difference statistically compared to professional identity in the survey data collected. By contrast, the interview data revealed that client identity was high amongst the participants in the interview phase of the research. Further investigation and analysis provided the reasoning behind the difference in results. Overall client identity, using prior literature frameworks, was not in jeopardy. The notion of high client identity previously indicated that having a high client identity, a close relationship with clients, could lead to excessive acquiescence, which could lead to low quality delivery of accounting services, as well as incorrect decision making and behavioural choices (Svanberg & Öhman 2015). These collectively can lead to potentially fraudulent activities conducted; which has been seen in high profile corporate collapses as well as other types of illegal activities (Martel 2006).

If client identification was high due to these notions, then client acquiescence would be high in the participants. The client acquiescence test that was completed by the survey participants, observationally, shows that the level of acquiescence towards clients in small-firm environments was not very different to prior results for large-firm accounting professionals. Therefore, there are other reasons for the high client identity seen in the interview participants in the present study. The reason for this is centred on the link the participants see between their clients and the survival of their practice, thus elevating the importance of their clients to a point that increases their organisational identity and the survival of their practice.

7.3 IMPLICATIONS

This thesis introduced the idea of the self, that is, social identity, and the effect identity may have on professional accountants in how they deliver their services. Social identity is an important perspective in analysing behavioural interactions within a professional environment, such as interacting with people in other social groups and how that interaction effects all parties involved (Tajfel & Turner 1979). Social Identity Theory can also identify issues that arise, and strategies employed by salient in-groups when conflict may render membership unstable (Turner & Reynolds 2004). Gaining an understanding on the overall identity paradigm of a professional accountant in small public practice, how this may affect their delivery of service, and how this may affect their decision making and behavioural choices, will lead to a better understanding of a vitally important sector of the profession, and how said professionals interact with others in their professional environment.

7.3.1 IMPLICATIONS FOR THE PROFESSION

In general, there has been increasing exposure in mainstream media of how poor-quality accounting decisions effect organisations and, in a larger sense, can have repercussions regarding large-scale scandals and corporate collapses (Smith & Jacobs 2011). This negative perception of the accounting profession has the potential to filter down to local, small-practice accountants. With the large majority of society having direct interactions with small-practice accountants (as opposed to large-firm accountants who deal with large-scale organisations), this negative perception may incorrectly reflect unfairly on their reputation. It is the opinion of the researcher here that research on accountants in small-public practice is vital in forming a more comprehensive outlook on professional accountants, their reputation, and their overall importance to society as a whole. Identity plays a major role in ascertaining the overall standing of the profession, and differences in identity between the two cohorts of accounting professional (large-firm versus small-firm) can go a long way in explaining how they may deliver similar services but in vastly different ways due to the social environment they find themselves in.

The present study uncovered two main overarching implications for the profession regarding identity in small-practice accountants. These are:

- Potential knowledge outflows from the profession;

- Strategies in upholding professionalism.

7.3.2 POTENTIAL KNOWLEDGE OUTFLOWS FROM THE PROFESSION

A common issue that professions, or organisations, wish to avoid is outflows of knowledge from their profession or organisation, respectively. Colloquially termed 'brain drain', entities continually wish to keep their most talented individuals within their organisation, as the individual talent, combined, within the whole workforce is the key for innovative thinking and progression with the aim of being ultimately successful.

Social Identity Theory (SIT) posits that social groups have certain barriers of entry and exit. These barriers of entry and/or exit can vary, depending on various factors such as prestige of the social group and difficulty in entering or exiting the social group (Tajfel & Turner 1979, 1986). In the context of SIT, this concept relates to potential outflow or inflow of knowledge into an organisation or profession.

The results and data obtained from the present study indicate that the barrier to exiting the accounting profession is relatively low, and a significant amount of the participants interviewed declared their desire to leave the profession. Using SIT, this phenomenon amongst the participants is explained by their identity paradigm. With a low professional identity, this propagates and encourages the decision-making process in regard to leaving the profession and to deliver different services to their clients. Low professional identity represents a low level of attachment and connectedness to the professional in-group; thus, without the high identity attachment, this gives more incentive for the professional accountant in small public practice to leave the profession, and possibly the profession will lose high quality accounting professionals to other professions or industries (Pratt et al. 2006).

Moreover, regarding avenues for avoiding this outcome, one must look at barriers to entry and exit. Barriers of entry are robust in the current accounting professional environment, thus giving confidence that high calibre individuals enter the profession. Exit barriers cannot be forced upon an individual; thus, if they deem it necessary to leave the profession, the profession (or professional bodies) can seldom stop them from searching for other professional endeavours. Therefore, the logical strategy for avoiding this implication is to strengthen professional identity amongst accountants in small public practice. This will, in turn, strengthen attachment and connectedness to the profession, and lead to less potential loss of

knowledgeable individuals. The difficulty in this is to ascertain what professionalism means to a small-practice accountant, and why it is important to them. The present study has found that professionalism is seen differently by the participants in the study, and that prior literature notions on professionalism, client identity, and what makes a professional accountant acquiesce less towards clients, are different. This points to the importance of conducting the present research.

7.3.3 STRATEGIES IN UPHOLDING PROFESSIONALISM

This leads on to the second overall implication, in devising strategies for upholding professionalism and lifting professional identity. As previously discussed, what it means to be a professional amongst the participants in this study is vastly different to that found in prior literature on large-firm accountants. Prior literature stipulates that professionalism, high professional identity, and in turn lowering client identity and client acquiescence (seen as having a negative effect on professional identity if client identity is high), are driven by influences and mechanisms used in combination with large organisations and the profession. These influences and mechanisms all centre on professionalism, such as management by objectives, professional self-image, how to act like a professional, symbolism, senior mentorship, and professional social interaction, to name a few (Covaleski et al. 1998; Iyer et al. 1997; Coffey 1994; Ashforth & Mael 1989; Grey 1998; Bamber & Iyer 2002).

High professionalism, and hence low client acquiescence, are seen differently amongst small-practice accounting professionals. Professionalism for the small-practice accountant revolves around their organisation. Influences and mechanisms that the participants discussed in upholding their professionalism were personal social reputation in the community, clientele satisfaction, their organisation's reputation within the community, and their technical expertise to satisfy their clients, to guarantee the survival of their organisation within the local community.

With this information in consideration, using traditional methods to lift professional identity will not work for small-practice accountants. Strategies involving the encouragement for small-practice firms to be involved in their local community, to have a presence within their community, and to be visible, will in turn lift their desire to sustain a professional practice, as reputation is seen as critical to their survival.

Furthermore, prior literature notions on client identity also do not hold true with small-practice accountants. High client identity is seen as having a negative effect on professional identity, and thus a reason for poor quality accounting acts, decision making and behavioural choices, potentially leading to fraudulent activity. Small-practice accountants hold high client identity, due to their interpretation of their clients as being essential to their organisational survival. They also hold high client identity due to the fact that they tend to know more about their clients on a social level outside of traditional accounting services, thus, the small practice accountant is more closely linked and tied into their local community. Thus, high client identity is a by-product of their standing and connection within their communities. This phenomenon will lift their organisational identity; and due to their wanting the reputation of their organisation to be beyond reproach, they produce less client acquiescing acts (or no more than seen in large-firm accounting professionals).

Hence, to lift professional identity and professionalism, and to lower client acquiescence for professional accountants in small public practice, it is recommended to look into organisational reputation and community strategies, rather than to traditional strategies revolving around how to act as a professional.

7.4 LIMITATIONS

As with most research studies, limitations can present themselves as the study progresses. This common occurrence was also seen in the present research.

7.4.1 INHERENT LIMITATIONS IN SALIENT SOCIAL IDENTITIES IN PROFESSIONAL ENVIRONMENT

There may be inherent problems in identifying salient social identities in the professional environment of accounting. While prior literature stipulates that the salient identities that are faced by a professional accountant are mainly professional, organisational and client forms of identification, this notion may not be conclusive for all professional accountants. Other salient identities may play a part in their overall identity paradigm, thus introducing other facets to their own identity paradigm that may have a significant influence in their day-to-day professional accounting activities.

7.4.2 METHOD

The development of the methods used to acquire the data, particularly the construction of the interview questions for the semi-structured interview phase of the present study, required a degree of judgment relating to the interpretation of dialogue and statements made by the participants, as well as the interpretation of prior literature and how it may apply to the present study and its findings. Whilst care was taken in all of the above, with the guidance of senior academics, other interpretations may be possible.

The survey instrument delivered 159 completed data points. While adequate to be able to perform the required statistical tests to ascertain an overall identity paradigm, more data points would have been ideal. A request to send the survey out a second time to capture more data was rejected by the professional body, with the concern of information overload on their members. This response was out of the control of the researcher, who had to adhere to their wishes on this issue. The method used for the survey also required the participants to record their degree of identity for each identity question within the survey. This may give rise to the risk of self-report biases where individuals are motivated to present positive reflections of themselves (Gravetter & Forzano 2012). This potential limitation was mitigated as best as possible by the researcher, indicating strongly the anonymity of the research numerous times throughout the correspondence with the participants. Interview participants were also clearly instructed that the information they would be providing is completely anonymous and that there would be no identifying information in the data that they would provide.

7.4.3 SAMPLE GROUP

In the selection of the sample there is a limitation regarding the number of professional accountants targeted. The researcher stipulated in detail the target audience required for the present research and articulated this to the Australian professional accounting body that was in collaboration with the researcher in acquiring the sample. The professional accounting body selected a sample of 2200 member email addresses to send the survey to. According to the professional accounting body, this was the best target audience. The researcher accepted this strategy, although more potential emails to other eligible participants would have been ideal. The demographic section of the survey instrument was carefully constructed to ensure that the participants were the intended target for data.

7.4.4 CLIENT ACQUIESCENCE TEST

In line with a prior study (Bamber & Iyer 2007), a client acquiescence test was conducted to ascertain the degree to which the participants in this research study would acquiesce to their clients. This client acquiescence test was adapted from Bamber & Iyer (2007), with a possible limitation of the research being only one client acquiescence test being conducted, where potentially using more than one test may have yielded more robust results.

7.5 CONTRIBUTIONS AND FURTHER RESEARCH

7.5.1 CONTRIBUTIONS

The thesis has two overarching contributions related to the identity of professional accountants in small public practice. The first is to identify and form a conclusion on the foundation of the overall social identity paradigm that is present in accountants in small public practice; and the second is to identify whether their identity paradigm is fundamentally different to that of those in a large-firm environment from previous results in prior literature. It is in addressing these two goals that the main contributions are made to literature in the present thesis.

Existing literature on the social identity paradigm of accountants is focused on professional accountants in large, multi-national firms, such as the Big 4 financial services firms. Thus, the first contribution of this thesis, identified in Chapter One, is to establish an identity paradigm for those accountants that practice their profession in a small-firm environment. Accountants in small public practice make up a large majority of overall registered accountants, and their social identity structure is of crucial importance to understand. This is to help to build an overall paradigm on accountants and their social identity, and how this affects the quality of work they produce.

The second contribution, indicated in Chapter One, is to identify whether the social identity paradigm of accountants in small public practice differs from that of their counterparts in large-firm environments, as found in existing literature. This contribution is validated by way of comparing the two overall identity paradigms of both sets of accountants, to ascertain the differences, how these differences may affect the way in which accountants in different professional environments may deliver their services and expertise, and whether this has effects on other salient aspects of their work, such as clients and employees.

Other contributions that this thesis provides include the overall map of influences and mechanisms that are involved in the general social identity make-up of a professional accountant in small public practice. This map of influences and mechanisms can be seen in Figure 6.2, Chapter Six. This contribution will help to build further insights into this important sector of the profession and to encourage further research into adding to this initial map of fundamental influences and mechanisms that help to drive their identity paradigm.

7.5.2 FUTURE RESEARCH

There appears to be three areas of further research opportunities that are suggested by the results of the present study. This work will involve improving of the survey instrument, providing more in-depth data to help refine the mapping of influences and mechanisms, which in turn will help to develop more robust frameworks and to extend the findings to explore more deeply how identity affects accountants in small public practice (such as elevating professional identity). Also linked to the above, in conjunction with social identity theory, is the effect identity has on decision making and behavioural choices within professional accountants.

The specific identity scale used in the survey instrument was adopted from prior literature (Mael & Ashforth 1992). The six questions used were adopted directly from prior literature, regarding testing identity strength (see Appendix B). The survey responses and subsequent factor analysis performed do indicate that two of the six questions overall had the most influence on the results obtained. This provides avenues for future research in refining this aspect of the survey instrument, in assessing the content of identity questions asked. The demographic questions asked in the survey were developed by the researcher in obtaining further data in relation to screening participants to achieve the desired target audience (see Appendix B). Demographics were also acquired for further testing to ascertain whether there were any significant differences in responses depending on said demographics. This could be refined further to encourage more discussion on the possible effects of demographics of participants and their identity paradigm.

Another avenue for future research focuses on acquiring more in-depth data to help refine the mapping of influences and mechanisms. This may be done via more interviews, and more in-depth discussion building on the present research study, in refining and delving into more intricate details on the influences and mechanisms that mould identity within accountants in

small public practice. This in turn will help to build a more robust framework that could be used in future research and industry-specific incentives.

Future research could also be applied on strategies that could help impact and elevate professional identity within accountants in small public practice. With the results obtained in the present research, further extending this aspect of the research could help professional bodies in galvanising professional identity: as has been discussed in this study, prior literature findings on strategies for increasing professional identity would not be expected to provide the desired results within the cohort of accountants in a small-firm environment.

Finally, future research could be applied to refining and extending the present research study regarding the effects identity can have on decision making and behavioural choices. The present study sets the foundations for the possible effects identity can have on decision making and behavioural choices, though extending this one aspect of this study could yield more results specific to this area.

7.6 CONCLUSIONS

This thesis takes a range of literature to develop an overall foundation map of identity strength, as well as specific mechanisms and influences that drive the day-to-day identity paradigm that afflicts the typical professional accountant in small public practice. The results of the present study help to build upon current literature findings regarding the effects that identity has on professional accountants. The results also help to understand why accountants in small public practice think the way they do and discharge their services the way they do, and help to understand what drives their decision making and behavioural choices with regard to their profession, their organisation and their clients.

Small-practice accountants play a vital role in society. Understanding their perspective on the profession, their motivations, and their way of delivering their services, will benefit society as a whole. This thesis shows that their identity paradigm differs to that of accountants in large-firm environments. Their high-level organisational identity is significant, with most of their decisions being made specifically revolving around what is good for their organisation. Linked to their organisational identity is their client identity, which is seen as paramount for the survival of their organisation. Professional identity is shown to have had constant downward pressure from the beginning of their careers to the present time. Professional identity being low

gives rise to losing knowledgeable people within the profession; and results show that, to lift professionalism, other aspects need to be addressed other than traditional methods shown in prior literature. Significantly low professional identity did not signify higher levels of client acquiescence, as stipulated in prior literature findings.

Professional accountants, both in small- and large-firm environments, hold a prestigious and privileged role in society. With this role comes high responsibility, to ensure that the public interest is upheld and accounting principles are adhered to. The more we can understand how and why certain decisions are made, the better the profession can evolve and move forward into the future.

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APPENDICES

APPENDIX A - INTERVIEW - TRANSCRIPT

Q1: What does a "Professional Accountant" mean to you?

A:

Q1(a): What is it like "being" a Professional Accountant in your opinion?

A:

Q2: What motivated you to be become a Professional Accountant?

A:

Q2(a): Were there any specific "influences" that enticed you wanting to become a Professional Accountant?

A:

Q2(b): Was is the "Accounting Profession" or other factors that lead you to pursue a career as an Accountant?

A:

Q3: From the start of your career till now, would you say your feeling of identity towards the profession is the same, higher, or lower? Has it changed over time?

A:

Q3(a): At the beginning of your professional career, as well as throughout, if you recall, were you subject to any type of activities/workshops/incentives in strengthening your professional outlook?

A:

Q3(b): Has your identity strength changed towards your practice the same, or different, to your professional identity change?

A:

Q4: What does "identity" meant to you in regards to the profession, your organisation/practice and your clients?

A:

Q5: Why become an Accountant? Would you do something different today?

A:

Q6: Would you agree that an important aspect of being a Professional Accountant is to look after your clients interests? How important would this aspect be in your practice?

A:

Q7: How important is it to you, and your staff, to be emotionally attached to the practice?

A:

Q8: Would you consider your organisation/practice, as having more importance than the profession in which you practice?

A:

Q9: What influenced your decision to practice in a small firm, and not pursue a career in a large, Big4 type firm?

A:

Q11: If an opportunity to change your practices direction and services was presented to you (away from traditional accounting services), to help further your practices' potential as well as your clients' potential, would you consider the change? Bearing in mind monetary compensation would remain the same.

A:

Q14: Do you value your membership with the IPA? Why?

A:

Q15: Do you connect with the IPA on a regular basis?

A:

Q16: How often do you engage with fellow members of the IPA?

A:

Q17: In your opinion do you receive communications from the IPA to a satisfactory level?

A:

Q18: How often do you attend workshops/seminars or professional development courses?

A:

Q19: If an issue arose, how comfortable would you be in contacting the IPA for further help/instruction?

A:

Q20: Is there anything that would help strengthen your association with the IPA?

A:

Q21: How important are your clients to you? Why do you feel this way or explain?

A:

Q22: Do you do your upmost to serve your clients' needs as best as possible?

A:

Q23: Are there times when client needs don't necessarily align with your own opinion and principles?

A:

Q24: Are you more inclined to adhere to client demands or not?

A:

Q25: Have you been put in situations where you had to please clients over and above your professional values?

A:

FINAL Q: Which identity do you identify with the most? Explain.

A:

APPENDIX B - PROFESSIONAL IDENTITY OF SMALL PRACTISING ACCOUNTANTS – SURVEY

Dear Participant,

You have been invited to participate in research project by completing the survey below. Participation in this study is voluntary and should take approximately 10-15 minutes of your time. There are no risks that can be foreseen to any person who completes this survey. The survey data will be used for analysis and will have no traceable elements, so please be assured that all respondents will remain entirely anonymous. Finally, consent is deemed to have been given when you submit the completed survey.

This research is being undertaken by Mr Francesco (Frank) Maisano, a PhD student in the School of Accounting, RMIT University, supervised by Professor Steven Dellaportas.

What is this research project about?

The aim of the research is to better understand how members working in small accounting firms identify with their clients and the accounting profession. The results of this research will be used to gauge identity stature compared with other accounting professionals (and comparable professional groups), and assist in developing strategies that will solidify a more robust relationship with clients and your professional body.

The results will be published in summary form only to offer insights into the identity of accountants working in small public accounting firms. The data collected will be stored securely for 5 years before being destroyed. Only the chief investigator will have access to the data.

What if I have a complaint or any concerns?

This study has been approved by the Human Research Ethics Committee at RMIT University (Ref No: 19072). If you have any questions, you may contact me (frank.maisano@rmit.edu.au) or my principal supervisor (steven.dellaportas@rmit.edu.au) who will attend to your queries promptly. If you have any complaints or concerns regarding the manner in which a research project is conducted, it should be directed to the Ethics Officer, Research Integrity, Governance and Systems, RMIT University, GPO Box 2476V VIC 3001. Tel: (03) 9925 2251 or human.ethics@rmit.edu.au.

Any complaint or concern will be treated in confidence and fully investigated. You will be informed of the outcome.

Kind Regards,

Francesco Maisano.

School of Accounting

RMIT University, Swanston Street Campus, VIC, Australia.

SECTION A: Participant Profile and Demographics.

A1: What is your gender? ☐ MALE ☐ FEMALE

A2: What is your age? ☐ 21 – 29 ☐ 30 – 39 ☐ 40 – 49

☐ 50 – 59 ☐ 60 – 69 ☐ ≥70

A3: In what country were you born?

☐ Australia ☐ New Zealand ☐ China

☐ Hong Kong ☐ Malaysia ☐ Other (Specify) _____

A4: What is your highest academic qualification?

☐ Diploma ☐ Advance Diploma

☐ Bachelor ☐ Honours ☐ Masters ☐ PhD

Please identify specialisation:

☐ Accounting

☐ Other (please specify) _____

A5: How long have you been practising as an Accountant?

☐ ≤ 3 Years ☐ 4 – 6 Years ☐ 7 – 10 years

☐ 11 – 15 Years ☐ 16 – 20 Years ☐ > 20 years

A6: How long have you practised in a small firm?

☐ ≤ 3 Years ☐ 4 – 6 Years ☐ 7 – 10 Years

☐ 11 – 15 Years ☐ 16 - 20 Years ☐ > 20 years

A7: Do you have any experience in a large accounting firm (Big 4 or mid-tier firm)?

☐ YES   ☐ NO

A8: If you answered yes to A7, how many years' experience do you have in a large accounting firm?

☐ ≤ 3 Years   ☐ 4 – 6 Years   ☐ 7 – 10 Years

☐ 11 – 15 Years   ☐ 16 - 20 Years   ☐ > 20 years

A9: In your current role, what is your level of employment?

☐ Non-Graduate Employee (academic qualification not yet complete)

☐ Graduate Employee   ☐ Manager

☐ Principal   ☐ Partner

☐ Other (Specify) _____

A10: What is your current professional designation?

☐ Associate – IPA   ☐ Member – IPA   ☐ Fellow – IPA

☐ Public BAS Practitioner   ☐ My Public Accountant

SECTION B: Professional Identification.

The purpose of Section B is to elicit your opinion on the extent to which you as an **accountant** feel you can **identify** (connected and committed) with the **accounting profession** (as a member of a like-minded group of professionals connected via membership with a professional association and/or accrediting authority such as the Tax Practitioners Board).

5-Point Likert Scale. 1 = Strongly Disagree, 5 = Strongly Agree

Please indicate the extent to which you agree with the following statements by circling the appropriate number response	Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
1. When someone criticises my profession, it feels like a personal insult.	1	2	3	4	5
2. I am very interested in what others think about the Accounting profession.	1	2	3	4	5
3. When I talk about the Accounting profession, I usually say "we" rather than "they"	1	2	3	4	5
4. My profession's successes are my successes.	1	2	3	4	5
5. When someone praises the Accounting profession, it feels like a personal compliment.	1	2	3	4	5
6. When a story in the media criticises the Accounting profession, I feel embarrassed.	1	2	3	4	5

SECTION C: Organisational Identification.

The purpose of Section C is to elicit your opinion on the extent to which you as an **employee** feel you can **identify** (connected and committed) with your **employing organisation** (as a member of your firm).

5-Point Likert Scale. 1 = Strongly Disagree, 5 = Strongly Agree

Please indicate the extent to which you agree with the statement following by circling the appropriate number response	Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
1. When someone criticizes my organisation, it feels like a personal insult.	1	2	3	4	5
2. I am very interested in what others think about my organisation.	1	2	3	4	5
3. When I talk about my organisation, I usually say "we" rather than "they"	1	2	3	4	5
4. My organisations' successes are my successes.	1	2	3	4	5
5. When someone praises my organisation, it feels like a personal compliment.	1	2	3	4	5
6. If a story in the media criticized my organisation, I would feel embarrassed.	1	2	3	4	5

SECTION D: Client Identification.

The purpose of Section D is to elicit your opinion on the extent to which you as an **accountant** feel you can **identify** (connected and committed) with the **clients** you serve (as a service provider advancing the interests of those who seek your professional services).

5-Point Likert Scale. 1 = Strongly Disagree, 5 = Strongly Agree

Please indicate the extent to which you agree with the following statement by circling the appropriate number response	Strongly Disagree	Disagree	Somewhat Agree	Agree	Strongly Agree
1. When someone praises my clients, it feels like a personal compliment.	1	2	3	4	5
2. I am very interested in what others think about my clients' business.	1	2	3	4	5
3. When I talk about my clients, I usually say "we" rather than "they"	1	2	3	4	5
4. My Clients successes are my successes.	1	2	3	4	5
5. When someone criticizes my clients, it feels like a personal insult.	1	2	3	4	5
6. If a story in the media criticized an important client, I would feel embarrassed.	1	2	3	4	5

Client Acquiescence:

Please respond to the following short case study. We appreciate that normally you would require more information. However, for the purpose of our study we ask that you respond (1) Based on the limited information provided and (2) Assuming that the case involves an important client of yours.

- **In the current financial year, a dispute has arisen between you and a long term client of yours over the materiality and amount of disclosure on tax deductions to be claimed within the current financial year. Professional guidelines do not provide a definitive answer on the materiality and evidence required by the client in making these claims. In your opinion, the amounts being claimed by your client require further proof/evidence. However, the client strongly disagrees. Your client argues that no further evidence is required in making the claims, and further work relating to providing evidence is not needed. As their accountant, how likely is it that you will *not require* the extra evidence from your client? Please indicate your response by marking with an X on a specific point on the following scale:**

0	10	20	30	40	50	60	70	80	90	100

Very Low Likelihood   Very High Likelihood

Thank You

Thank you for completing this survey. We now invite you to assist further by participating in an interview. Completing this section is purely **voluntary** and you will be assured of complete **confidentiality.** You may indicate your consent to an interview by providing your details below.

Name: _____

Email: _____

Telephone: _____