



FE6203 VT18 Magisteruppsats i redovisning och revision

“Auditors’ journey to the top”

The case of Sweden

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Titel/Title

Auditors' journey to the top, the case of Sweden

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Sammanfattning/Abstract

Promotion to partner has always been a future goal for auditors, still becoming a partner is not an easy task, and it has many requirements, and since the audit profession is a sensitive profession and it concern everyone in the society, and since partners are the most important capital that audit firms have, so that is why we thought it is very important to investigate how this position can be reached?

This research has a qualitative methodology and has interviews and internal documents as research strategy. The research consist of 7 interviews varied between authorized auditors who are still working in auditing firms or left it before becoming partners, partners and HR, the interviews were performed personally via phone or face to face.

The findings are based on semi structured interviews and internal documents. There is significant effect between profitability and promotion to partner beside many more aspects such as Reputation, personal characteristics, promotion systems, personal branding, overtime, industry specialized, education and gender, but being profitable was the most important one.

Ämnesord/Keywords

Promotion, Auditor, Partner, Profitability, Professionalism, Agency theory

Acknowledgement

We would like to thank and to present our gratitude to everyone involved in this research.

In the beginning we would like to thank our participants, because without them this research would never be possible, and we would like to thank them for their honesty, and dedicating time to meet us especially during the busy season that they had.

Secondly we would like to thank our supervisor Ulf Larsson Olaison for the assistance, guidance. We would also like to thank Andreas Jansson for guiding us during the middle seminar and for the examination of this research.

We would also want to thank all the professors, teachers and staff at Kristianstad University for all the efforts they did during the whole master program.

Lastly we will never forget the encouragement and the support from our colleagues at the university, besides the support from family and friends during this research work.

Abdullah Saleh

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1- Introduction

1.1. Background

One of the phenomena of the previous decades has been the emergence of the large service firms employing thousands of professionals and owned by many, sometimes hundreds of partners. The traditional way of organizing such firm is in the form of hierarchal pyramid. Recruits join at the base of the pyramid and work their way up through a series of clearly defined stages, until they eventually reach the partnership. Such pyramids have far fewer partners than raw recruits, and so they must shed staff during the promotion process (Baden-Fuller & Bateson, 1990). Little has been written in academic or professional journals on the particular problem of managing professional service firms such as accounting and auditing (Baden *et al.*, 1990). Prior research has identified and argued different aspects of auditing. Such as auditing as a profession, audit quality, structure-judgment and auditing control. These studies focused on specific auditing characteristics, but very few of studies focused on promotion system in auditing firm, and what are the triggers could affect the auditor who wants to become a partner in those firms (Alissa, Capkun, & Jeanjean, 2014).

We find that a service firm has a promotion ladder. Promotion comes from within the firm by an orderly progression up the ladder, and it is not possible to rise to being a partner unless one has spent significant time in the more junior ranks of the firm. There is a minimum amount of time which should be spent at each level. The promotion in high growth firm, the norm is often close to the minimum; in a low growth firm the norm can extend beyond the minimum depending on the promotion policy that the firm has (Baden *et al.*, 1990). The auditing firms have well-defined the hierarchal ladders where you are supposed to climb a step every second or third year of the job. The formal performance assessments are used to determine when an auditor is ready to take the next step up the ladder. Therefore, it is important for the auditors to have an accurate understanding of what is assessed in order to be able to boost their careers (Jonnergård, Stafssudd, & Elg, 2010).

In large auditing firms, there are traditional steps on the audit firms' career ladder. The auditor first becomes as a manager, then an underwriter, and finally, a partner of the firm (Månsson, Elg, & Jonnergård, 2013). Every company has a different system for promotion; large auditing firms have separate systems for performance evaluation where members of auditing teams are evaluated when they complete their audit assignment for each project. These evaluations include how an auditor has performed as a member of the team as well as

how his relation with the clients and their numbers. These routine evaluations are complemented with a formal performance assessment every specific period, carried out by the responsible person or managers (Jonnergård, *et al.*, 2010).

Admission to partner in a big firm has always been a lofty career goal. Overall, the path to partner is more difficult than in the past. New partners in the big accounting firms are older, also have more years of experience and work more overtime hours than they did 10 years ago (Robert, Sake, & Blanthorne, 2004).

1.2. Problematization

Auditors play a very important role in the economy as they express independent opinions on the fairness of financial statements before they are published to the public. The public do view the auditors as experts who have professional knowledge that can serve their interests. Thus, the public expect the auditors to undertake their auditing work with integrity and objectivity, and to exercise due professional care in serving their interest (professionalism) (El-Rajabi, 2007).

We can also say that the scandals that happened lately such as Enron shed more light on the independency and professionalism that auditors have. That is why it became more important to investigate audit firms, and how it is structured, and one of the most important capitals that audit firms have, we can find at the very top of the audit firms which are: authorized auditors and partners. Those two positions are the most important layers and capital in audit firms, because they are leaders of teams in audit firms and they hold the final decisions and signature on the audit report, which concern all stakeholders (Sobhi Waked & MD Yusof, 2016; Morris & Pinnington, 1998).

As partners are the decision makers in those companies, this study concern the public and stakeholders, that is why it is very fundamental to those who has an interest in every company to have an idea about this position, and we all know that everyone has a stake in it, as a reason for that it concerns everyone in the society. The term partner is still considered as a symbol of prestige. The role of the partners is continuously changing, and future partners will need to be adaptable, ambitious and resourceful if they want to make it to the top. Recruiters know that the vast majority will leave and only few of them will actually progress to become a partner and make it to the top (Waked *et al.*, 2016).

After investigating, we found many factors that can have an effect on becoming a partner, some of them have been mentioned in depth in previous literature such as (1)gender: when speaking about gender a previous research clearly indicates that females are likely to have a disadvantage in climbing the career ladder (Månsson *et al.*, 2013). While in other research it was said that women auditors are disadvantaged due to gender biased evaluation in which male norms guide the criteria against which auditors are evaluated (Jonnergård, *et al.*, 2010).

(2) Auditing education and training should implement curriculum that includes how auditors should properly behave under conditions of not only external but also internal pressures (Nasution & Östermark, 2012).

But there are some other factors that have been hard to measure and we think that they can play a significant role in becoming a partner and at the same time they have not been mentioned in depth in previous literature, that is why we will go deeper in the method part in those aspects such as(1) profit making (making customers), because promotion to partner has a growth consequences for the firm, it must also take the decision with care: creating additional partners means the firms has to employ more fee earners who are not partners to get the benefits of leverage. Firms have to be confident that new partners will be able to create the amount of work necessary to justify the extra employment, and this mainly can happen by obtaining customers and gaining new ones (Morris *et al.*, 1998). In other words auditors have to perform several tasks including, maintaining their own quality, soliciting new clients, and monitoring colleagues (Van Lent, 1999).

(2)Auditor reputation: because the promotion of the firm is closely related to the qualities of its partners, decisions about who should be promoted are important to the firm reputation. Reputation is important for buyer decision in markets where the products are intangible, and complex such as in audit firms. For this reason it is in the interest of the firm to promote to partner only those who demonstrate sufficient human capital value to sustain or enhance its reputation. Also we can say that the auditors who want to become partners should have a good reputation that differentiates them from others and this can add value to the reputation which the firm has as well (Palmer, Ziegenfuss, & Pinsker, 2004).

(3) How auditors brand their selves, the branding literature states that auditors and partners should acquire specific abilities where they can brand themselves in order to advance in their position as well (Ward & Yates, 2013). Individuals who promote themselves often get promoted or other opportunities like special assignments. Effective self-promotion (personal

branding) in terms of strategic visibility, meaning that leaders are intentional in the way they publicize, what they share, and how they communicate. Furthermore, when approached with authenticity and integrity, self-promotion helps leaders to build the valuable social capital needed to accomplish business outcomes. It means that people who reach the partner level should be valued and trusted and liked by everyone in order to reach this level and to do that those auditors need to know how to brand themselves (Ward *et al.*, 2013).

(4) The company's promotion system is one of the most important factors that can have a strong effect on becoming a partner. Professional service firms conventionally used up or out promotion system in the past excluding from permanent tenure all but those offered partnership (Morris *et al.*, 1998; Baden *et al.*, 1990; Waked *et al.*, 2016). Another policy is dead men's shoes in this policy the employee does not have a maximum length of stay in any tier and it discourage outplacement and forced removals (Baden *et al.*, 1990). On the other hand there have been mixed and hybrid strategies used in promotion (Baden *et al.*, 1990).

(5) The personal characteristics: behavior theory and leadership theory states that partners and auditors should acquire specific characteristics in order to fully advance to their positions (Cyert & March, 1992; Bauer, 2013; D. Jogulu & J. Wood, 2006). Audit performance is determined not only by the inherent complexity of the firm or the business unit audited, but also by audit task and auditor's personal characteristics (Alissa *et al.*, 2014). One must assume that the affected public accounting firms would have assigned the audit tasks to auditors they believed possessed the capabilities and personal characteristics to perform those tasks based upon information provided by the firms' formal personnel and performance records (Owhoso & Weickgenannt, 2009).

As we mentioned before becoming a partner is the toughest position to reach in those firms but still, what is interesting is that all the factors that allow auditors to become partners are somehow mentioned in separate literature, and in our study we will try to integrate all those aspects and factors in one study.

What makes our study more interesting is that we will try to investigate those who left big audit firms before becoming a partner, and we will try to investigate the reasons behind him or her leaving the company, as we think the reasons that can be discovered can add to the existing theories and literature such as the agency theory. This can make our study more reliable because we can find the exact reason of auditors leaving the companies before becoming partner.

According to what we discussed before, we draw our model 1 below to summarize all variable aspects, to give a good image to our argument.



Model 1

1.3. Research purpose

In this study we focus on the triggers that are effecting the auditor's promotion to become a partner in the firm. Our purpose is to increase the knowledge, further understand the different triggers, how every aspect has a significant role to affect the auditor performance, to add to our current understanding of audit firm organisation structure and how this safe-guards audit professionalization and hence an audit of such high quality that the general public's trust in audited financial report.

1.4. Research question

How can auditors be promoted to become partners?

2. Literature review

In the following section we will speak about the existing literature on each one of the aspects that can affect auditors becoming a partner, then we will speak about the method, the analysis and conclusion, at last we will provide our model.

2.1. Agency theory

One of the most important theories of corporate governance is the agency theory, this theory considers a firm only to be a nexus of contracts. But, in the modern and less extreme agency theoretical view, there is ownership in a firm (Collin, 2006). The agency theory separates ownership from management and suggest a principal-agent relationship (Shleifer & Vishny, 1997). The agent is a person doing something on behalf of another person, the principal (Thomsen & Conyon, 2012).

In other words agency theory and the principal-agent problem: the core of new institutional economics. Whenever one individual depends on the action of another, an agency relationship arises. The individual taking the action is called the agent. The affected party is the principal. The share-holder (principal) employs the manager (agent) to act in his or her interests, namely to increase the value of the firm. Agency theory, when applied to the study of the modern corporation, focuses primarily on the problematic relationship between shareholders and managers that has arisen through the separation of ownership and control. There some problems that could appear in the relationship between the agent and the principal. The first and most well-known problem is moral hazard, i.e., the agent's opportunistic behaviour after signing a contract (Brink, 2010). This was one of the main reasons why we see auditing profession nowadays, to decrease this agency risk between the agent and the principal.

The agency theory predicts that there is a conflict of incentives between the agent (employee) and the principal (owner); it generally says that the agent will act opportunistically in favour of him or herself (Agoglia, Hatfield, & Lambert, 2015; Brink, 2010).

Most of the agents' acts and behaviour will be linked to their chances on reaching the principal level in the hierarchy, so most of the agents will try to become principals in order to have a residual claim (Brink, 2010), and in auditing firms auditors are agents who want to become principals. This will decrease the agency risk because the incentives of both the principal and the agent are aligned, and that can be reasoned to that the agent is also the principal (Van Lent, 1999; Agoglia, *et al.*, 2015; Brink, 2010; Palmer *et al.*, 2004).

In all professional service firms, the agency risk (the agency theory) is magnified because the accurate assessment of an individual's overall contribution is difficult; an employee may be putting a great deal of effort but achieving very little and vice versa. The risk to a principal is that employees (agents) will behave opportunistically either by shirking or overstating their contribution knowing detection is difficult. Creating a competition for a limited number of partnership positions provides a solution to the shirking problem by offering a large reward to those deemed to have performed well. The reward is ownership of part of the equity of the firm entitling the successful candidates to receive what is, in effect, a deferred portion of pay through shares in the firm's profit (Palmer *et al.*, 2004). In other words the importance partnership in auditing profession in the eyes of agency theory is because, the audit production functions: if auditors jointly own the brand name of the company, in this way both human capital and brand name are combined together to provide profit opportunities, that is why partnership governance is the optimal structure for audit firms (Van Lent, 1999).

And we can see the agency problem in auditing firms as we tried to put it in figure 1

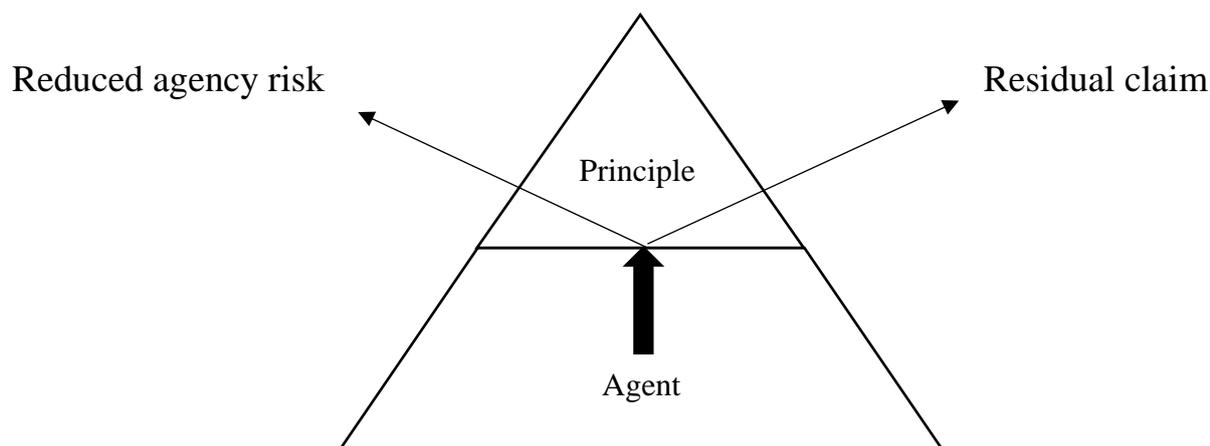


Figure 1: Agency Theory

2.2. Professionalism

Professionalism is a way of conducting oneself that tends mostly towards the giving of an impression; this impression is, being prepared to work to the same standard (Anderson-Gough, Grey, & Robson, 2001). Professionals are well-educated individuals, who have big involvement in academic activities and they are well equipped with communicable techniques and a tendency of self-organization (Nassery & Phuong Vu, 2010). The definition of professionalism in connection to accounting is often found in as a complex social process in which the social class, gender, associative strategies and political acuity of early accountants are emphasized (Nassery *et al.*, 2010).

Agency theory concerns rational individuals striving for profit making (Palmer *et al.*, 2004; Brink, 2010), while professionalism concern a different kind of man, it concerns a man who act in a professional way, before thinking about anything else, which why we think being professional decrease the agency problem (Spence *et al.*, 2014; Nassery *et al.*, 2010).

The professional logic in accounting and auditing profession maintains that accountants make decisions and perform their work without undue client or extra-professional influence and with serving the public interest as their most important objective (Spence & Carter, 2014). As part of professional, accountants have to take extensive training in professional ethics. Mainly, this comprises the resolution of potential ethical dilemmas that can face them, particularly in auditing, such as clients who want to adjust accounting figures in order that they meet debt covenants set by creditors or so that shareholders' expectations are managed. In this kind of

situations, accountants are supposed to work on behalf of the third parties and remain independent from their clients. The biggest paradox here is that auditors are hired by their clients rather than the external parties for whom they have been entrusted to ensure the discharge of accountability (Spence & Carter, 2014). Which why auditing profession is not characterized only by the tasks that auditors do, but also by their role in the society, which why they are called guardians of the markets and protectors of public interest (Umans, Broberg, Schmidt, Nilsson, & Olsson, 2016).

The accounting profession is marked by the uneasy co-existence of two different logics: technical-professional and commercial-professional logics (Spence *et al.*, 2014). The technical-professional logic can be understood mainly in terms of adherence to codes of conduct, auditor-independence imperatives and interpretation of accounting standards; essentially, issues that are embodied in the delivery of technical accounting work. On the other hand, the commercial-professional logic is understood primarily in terms of revenue generation (profitability), winning and retaining clients and business development; essentially, this logic embraces the commercial aspects of accounting practice (Spence *et al.*, 2014). When auditors make the decision to accept new clients, Professional logics dominate in certain cases whereas commercial logics dominate in others (Spence *et al.*, 2014).

By looking closely on partners we can directly assess the attributes of the most successful individuals within these firms; only 2 to 3 per cent of those entering a Big audit firm will ultimately achieve the status of partner. In turn, this focus on ‘being successful’ should reveal something of what it means to be a professional nowadays: excellence in most societies, is the art of playing according to the rules of the game (Spence *et al.*, 2014).

2.3. Promotion systems

Audit firms during their evolution time have used many policies during their time, and all those policies have evolved together to form what we see now the promotion system in audit firms. That is why it is so important to shed some light on the old promotion systems that had been used by audit and service firms in general.

2.3.1. Up or out

Historically, public accounting career paths have been “up or out,” with the standard career progression being from staff to senior to manager to senior manager to partner (Waked *et al.*, 2016).

In the past professional firms used up or out promotion policies excluding from permanent tenure all but those offered partnership. In this system employees are hired prior to previous qualification and following completion to their training. Those employees are usually guaranteed employment until the decision to elect a partner is made. If an employee fails to obtain promotion in all layers within a certain time period they are expected to quit or are dismissed. That is why for any newly recruited trainee, the probability of being promoted to partner is generally low (Morris *et al.*, 1998; Baden *et al.*, 1990; Palmer *et al.*, 2004). In other words it was said that in up or out staff are only permitted to remain for a limited period of time in any tier of the firm, and at the expiry of this time period they are expected to be promoted or encouraged to go and leave the company. Furthermore an individual is allowed to stay in a given level for only a fixed amount of time. After that time the individual must exist either upwards to the next layer or out of the firm (Baden *et al.*, 1990; Morris *et al.*, 1998; Palmer *et al.*, 2004). But on the other hand only up or out can cope with negative growth: while up or out cannot allow the firms to grow as dead men's shoes (Will be described in the next section), it does permit the firm to contract, and still maintain upward movement (Baden *et al.*, 1990).

Under up or out policies, different factors can influence the probability of promotion. Because the timing of promotion up the ladder is now fixed, the probabilities of promotion at each grade depend on: the growth rate of the firm, the number of people available to be promoted, and divided by the number in the tier immediately above the person. In up or out no growth, does not mean no promotion, because the ruthless system is pushing people out to create promotion opportunities and at the top of the firms those not wanted are forced to retire (Baden *et al.*, 1990).

Under up or out system a firm cannot grow as fast as under dead men's shoes (mentioned in the next paragraph). That is because under pure up or out it is assumed that staff would stay a fixed time under every tier, including the top tier. As a result the firm is restrained to grow more slowly. That is why many firms which used up or out when they grow rapidly, relax the rule about pushing people out at the top, and so can increase their potential growth rate (Baden *et al.*, 1990).

Another thing we can see in auditing firms that the partners when they reach a certain age they are out, they have to hand back their residual claim (partnership) to the company itself, they cannot sell their shares (Ibid), which as a result will create empty positions for oth-

ers to become partners and this will lead to reduced agency risk, because more agents will become principals.

Others have conceptualized up or out as a financial option held by partners on employees rather than a tournament, but do not dispute. It is neither the conventional form of promotion in professional partnerships nor its incentive function to avoid shirking (Palmer *et al.*, 2004). We can say the up or out was used because it seemed to many as just the best way to manage their salary bill, they bring through to partner only those who can pay for themselves and build the business in the future and they do not end up with a bulge of faintly dissatisfied staff in the middle of the firm. The concentration of up or out in the largest firms may also be explained by their better ability to execute the trade off to unsuccessful candidates of employment with a client or smaller competitor (Palmer *et al.*, 2004).

In up or out policies employees who are not promoted to the next level or rank have to leave the firm. This keeps the autonomous growth of labor cost in check. Labor costs will increase, even if employees are not promoted. The maturity of the audit market does not allow an unlimited growth of personnel. That is why, the number of jobs at each hierarchical level is relatively fixed. Beside employees who are not promoted would block the way up for auditors at lower levels of the firm (Van Lent, 1999).

Up or out had been said to be the predominant form of promotion in large professional service firms such as accounting, but empirical patterns are actually rather rare. Use of up or out is skewed across the size range with the largest firms using it more commonly than others. However up or out is not exclusive to the elite firms. It is also used by other types of firms deploying different labour market policies (Morris *et al.*, 1998).

2.3.2. Dead men's shoes

The dead men's shoes policy states that there is no maximum time that a person may remain in a grade and after that time has expired. The probability under this policy of promotion for any person in a grade depends on two factors: (1) the rate of growth of the firm as a whole, (2) the ratio of the total number of people in higher grades to the number of people available to be promoted. And in dead men's shoes policy, it is the total number above the person in the firm as a whole, not the number in the grade immediately above (Baden *et al.*, 1990). It is intuitively obvious that if there is no growth, there is no probability of promotion. As the growth rate of the firm rises, so the likelihood of promotion increases, until a maximum is reached. This maximum is the firm's constraint that each person must spend a minimum time

in a grade before being promoted. When comparing with up or out, dead men's shoes always offer lower chances of promotion, because it is kind to those at the top of the organization because it does not throw them out. Therefore it has to be less kind to those lower down. If the minimum time available to spend in grade under dead men's shoes is also the fixed time under up or out. The dead men's shoes always offer lower chances of promotion to those at the lower grades. This idea is true regardless of the growth rate (Baden *et al.*, 1990). At a very high growth rates, there is little difference between the two policies. Everyone in the lower tiers perceives good chances of promotion. However, as the firm's growth slows down, the probabilities of promotion fall more rapidly at the lower tiers. Unlike dead men's shoes, up or out allows the firm to weed out the less good staff. This is usually critical in times of economic slowdown, when competition between firms get tougher. If the firm believes that it is more important to have good people at the lower tiers than at the higher, then up or out will be better. One other difference between the two policies is that up or out makes the firm more attractive to recruits and so attract better people. Furthermore, if the firm believes that those at the lower tier are more mobile, then also up or out is also preferable (Baden *et al.*, 1990).

2.3.3. Mixed and hybrid strategies

Some firms try to avoid the two extreme policies. For example, pure dead men's shoes assumes that people at the top never retire and that no one quits voluntarily: both are unrealistic assumptions. Up or out also assumes that no one ever "stays on" which is another restrictive assumption. In practice, most firms adopt a mixed set of rules: for example, a minimum time in a grade and a maximum which is longer than the minimum. Thus, when growth is rapid they operate rapid promotion policies, but as growth slows down, the firm recedes towards dead men's shoes (Baden *et al.*, 1990). Some firms seek to get round the problems by having "fast tracks" and "slow tracks". The fast tracks are groups of people who are starred and are expected to progress through the firm rapidly. If they are not promoted rapidly they leave. Fast tracks are up or out. Slow tracks in the firm are dead men's shoes: these contain plodders who are moved up when required, but who stay around in tiers if not promoted, being too valuable to throw out but not so marketable as to leave (Baden *et al.*, 1990).

2.4. Personal Branding (Self marketing)

A brand is a consistent group of characters, images, or emotions that consumers recall or experience when they think of a specific symbol, product, service, organization or location.

Branding is promoting value, image, prestige, or lifestyle. It must communicate information, minimize risk or increase trust, help identify or recall key factors, differentiate from competition and facilitate recommendations (Balakrishnan, 2009).

Personal branding is a concept used to market people for entry into or transition within the labour market (promotion) (Lair, Sullivan, & George, 2005). It was argued that in audit firms the main assets are specialized knowledge and brand name. And without the brand name, auditors may and will not earn a comparable return on investment (Van Lent, 1999). Personal branding represents an innovative concept that associates the efficiency of personal development which increases the effectiveness of communication and marketing techniques adapted to the individual and that comprises the entire collection of techniques that allow the identification and promotion of the self/individual. The term of personal branding refers to creating a powerful and persuasive public image, this image reflect the experience, personality, qualities and values in a unique way to differentiate the person from others. Partners are persons whom are able to differentiate themselves by highlighting their unique values (professionally and personally) (Amălăncei, 2015). Personal branding is essentially an inside-out process that serves to encapsulate the current strengths and uniqueness of the individual in relation to a targeted market (Shepherd, 2005).

In other words we can say that personal branding is self-promotion, which is a concept that can enhance the auditor's career with promotion (to become partners and reduce the agency risk). Not only that but also self-promotion and personal branding can help the person to stay motivated by developing additional skills or gaining rewards for the contributions that they do. Furthermore it can help the person to gain influence that other people may think about it as effective, powerful, well connected, knowledgeable and up to date. Furthermore, leaders such as partners use personal branding and self-promotion to build a valuable social capital which is needed to accomplish business outcomes (Ward *et al.*, 2013). Personal branding is also sold as a differentiator in an increasingly crowded marketplace, in other words: Nurturing your brand ... will ensure that you get out in front of the pack. It was also said that Personal Brand is not you, it is the public perception of your personality and abilities, in addition the creation of this perception involves the branded individual living the brand they have constructed (Shepherd, 2005).

2.5. Reputation

Because the reputation of the firm is closely related to the qualities of its partners, promotion decisions are important for its survival (Moriss *et al.*, 1998). When an auditor perform his job well, he is likely to create trust and loyalty with his clients. Over the course of time, he learns the needs of customers, and he acquires specialized knowledge about particular markets and clients, which will increase the reputation of the auditor himself (Van Lent, 1999). And this reputation is very important in the race to the top as the one who has the biggest reputation he is probably to be promoted to partner.

Reputation is very valuable because it allows auditors to ask for a premium fee for their activities. The audit clients use the reputation that the auditor has as signal to a good quality, meaning: an auditor who has a good reputation usually has a good audit quality. That is why we can see that auditors with reputation are more valuable to the audit company, and this can be one of the reasons to becoming a partner. Auditors may as well signal their reputation by providing additional services which will give them more value and burst their reputation (Van Lent, 1999).

A single auditor has the ability to hurt the reputation that the firm has because reputation is very hard to attain but also very easy to destroy (D. Morrison & Wilhelm, 2004), and this can happen when deviating from the agreed level of the provided service. Many manifestations of powerful complementarities within the audit firm exist, for example when the auditor builds on his specialized knowledge and this can be achieved by improving personal relations with clients, and this will add to the audit firm's reputation in return. (Van Lent, 1999).

2.6. Profitability

According to previous research partners and auditors should have high level of professionalism (Heyrani, Banimahd, & Roudposhti, 2016), meaning, in order to ensure that registered accountants and auditors discharge their functions in the public interest, the registered accountants and auditor's profession, through its governing bodies, should establish, maintain and ensure compliance with among other things an identified set of educational requirements (Botha, 2001). Professionalism is a vital variable in order for employees to develop in the audit profession (Heyrani *et al.*, 2016). As employees reach the position of authorized auditor we suggest that they have enough professionalism, because the professionalism develops as the person develop in the profession. In other words, professionalism and hierarchy are directly linked, both because being professional is to be distinguished from being a student but

also, more importantly, to be on friendly terms with a porter would run counter to appropriate professional behavior (Grey, 1998). At senior levels, the ability to gain clients and profitability is emphasized (Jonnergård *et al.*, 2010).

Partners of audit firms are evaluated on their ability to attract new clients. They have an incentive to welcome prospective clients. In other words At the partner level, the focus is on the ability to acquire new clients and keep effective relations with existing clients (Van Lent, 1999). It is the auditors that know their trade best and thus is expected to sell it in the best possible manner. This in turn puts pressure on the individual professional to increase the volume and profit of the business. Consequently, auditors need to include various marketing activities in their relationships with clients. Auditors must now not only promote themselves and their firm but also promote why the (prospective) client needs an audit, in order to promote the company and gain new customers (Broberg, Umnas, & Gerlofstig, *Balance between auditing and marketing: An explorative study*, 2013). It has become more important for auditors to convince clients that auditing is necessary for them. It is also important to convince clients that additional non-audit consulting services such as consulting and guidance, can be of value to them as well, that is why auditors see advertising as an important marketing strategy that can help them expand their client base (Broberg *et al.*, 2013).

Firms have to be confident that new partners will be able to create the amount of profit to justify the extra employment. Limiting promotions to partners to the most promising candidates also avoid excessively diluting profit per partner and intensifies the competition for partnership positions. Ownership dilution is avoided by the principle of allowing only working partners to own equity (Palmer *et al.*, 2004).

2.7. Education

As a direct result of the changing accounting and auditing professional landscape, accounting information is continually changing, and accountants and auditors need to develop the skills to continuously acquire new information (Palmer *et al.*, 2004). In addition, most of the audit firms implement audit-training programs, prepare audit work manuals and foster audit socialization processes that improve the audit work environment and empower auditors' organizational commitment (El-Rajabi, 2007).

Public accounting firms hire, train, and provide advancement opportunities to individual auditors that they want to retain and whom they believe possess the characteristics that will enable them to perform their audit assignments in a competent manner (Owhoso *et al.*, 2009).

In fact, generally accepted auditing standards (GAAS) require that auditors possess competence in the form of technical training and proficiency (Owhoso *et al.*, 2009). Prior studies in auditing also show that industry-specific knowledge allows individual auditors to effectively perform an audit task better than those who do not possess the industry-specific knowledge (Owhoso *et al.*, 2009).

The prevailing situation in many professions, including the accounting and auditing profession, is the ability of passing a final written qualifying examination before entry to the profession is permitted (Authorized auditor). Even though it was contended that there is very little evidence of a significant correlation between success in a final written examination and later success in practice. Still a written examination rarely tests anything but knowledge, and therefore the examination might only succeed in maintaining the minimum standards concerning the knowledge requirements of the profession (Botha, 2001). Auditing education and training should implement curriculum that includes how auditors should properly behave under conditions of not only external but also internal pressures (Nasution *et al.*, 2012). The dilemma for accounting educators is how to include all of the skills the auditing profession requested and continue with the basic and specialized accounting knowledge. The trend appears to indicate that some skills are becoming more important than some of the accounting knowledge normally included in accounting curriculum (Palmer *et al.*, 2004).

2.8. Personal characteristics

The personal characteristics that an auditor and a partner have, is one of the most important aspects, and this could be connected to two theories: Behavioral theory, and Leadership theory. We think that those two theories are important to understand how auditors behave. Because the behavior of the auditor can have an effect on them becoming partners, that is why it is important to speak about the behavioral theory. On the other hand it is obvious that authorized auditors and partners needs to have leadership attributes, for that reason it is important to speak about the leadership theory as well.

2.8.1. Behavioral and leadership theories

Behavioral theory is viewed as a coalition of managers, workers, stockholders, customers, employees, and others, each with their own goals. The objectives that emerge out of this coalition are determined by various internal control processes (personalities) and adjusted over time in response to environmental change. Within the coalition some members exert greater influence and make greater demands for policy commitments than others. There are two im-

portant operating procedures within the firm that exert a major impact on decision making behavior within the firm is that (1) effects on individual goals within the organization. (2) Effects on individuals perceptions of the environment. The behavioral theory is essentially descriptive in nature. It attempts to understand and predict what executive do and will do, rather than to state what they should do (Cyert *et al.*, 1992).

Being a member of a certain profession by revealing how the process of adopting the values, norms and behaviors of the profession is fundamental to the career success of the professional person (Anderson-Gough *et al.*, 2001).

According to the International Federation of Accountants (IFAC) and American Institute of Certified Public Accountants' (AICPA), the accounting profession has become a claim development, so that work must involve many public accountants' skills, such as financial analysis, communication, leadership and interpersonal skills (Waked *et al.*, 2016). And as we mentioned before auditors are professionals (Spence *et al.*, 2014; Grey, 1998; Heyrani *et al.*, 2016) which lead to that moving up the hierarchy does not only mean doing good but also implies responsibility towards those in positions under in leading, training and teaching as well (Bauer, 2013).

Leadership theory of the firm means that individuals have implicit beliefs, convictions, and assumptions concerning attributes and behaviors that distinguish leaders from followers, and effective leaders from ineffective ones. A universal leadership definition is that leadership is the ability of an individual to influence, motivate and enable others to contribute to the effectiveness and success of the organization of which they are a member in (Bauer, 2013; D.Jogulu *et al.*, 2006).

There was an emerging recognition of the importance of a concern for people in the behavioral theories as being an effective leadership quality. The leadership literature moved on to embrace both individual traits and situational aspects of leadership simultaneously. This means, successful leadership was considered to be reliant on the leader's judgment and the consideration of situational factors in order for an appropriate leadership style to be chosen to cope with each situation. Situational theories suggested that leadership is a matter of situational demands. Therefore, situational factors will play a role in determining who will emerge to take up a leadership role. The styles of leadership that are required are those that are more relational-oriented, nurturing and caring among many other attributes (D. Jogulu *et al.*, 2006).

There are three types of leadership (1) autocratic leaders: originally described as leaders who have the ability to persuade in leading their followers, or those who used their power to force others. (2) democratic leadership, which was explained as a style whereby the leader pursued an open, trusting, and follower oriented relationship. (3) Laissez-faire, leadership. The term laissez-faire means to let others act without interference (*ibid*).

As a conclusion we can say both the behavior and the leadership aspect that the auditors have are bound with the agency problem. Because auditors act in a way as we mentioned before that allow them to get the residual claim (*Brink, 2010*), that is why both leading in the company and their behavior has an effect on climbing the hierarchy.

2.8.2. Personal characteristics (Human capital)

Personal characteristics and human capital have provided an important insight into the determinants of career success (*Judge, Higgins, Thoresen, & Barrick, 1999*). Human capital is assert needed in the production of audit services (*Van Lent, 1999*). A general result is that the individual characteristics become more important as an auditor ascends the career ladder (*Månsson et al., 2013*).

Personal competence has a big importance in professional roles. For example, recent work has indicated the importance of personal characteristics such as self-confidence, sensitivity, proactivity, etc. to effective performance. They may also be better predictors of capability than functional competence (*Graham & Geoff, 1996*).

Many important key job skills required to become partner in accounting firms: computer/IT skills, English language skills, self-supervision, moral & occupational commitments, strong and effective personality, professional accounting fellowships, relevant job experience, public relations, moral commitment and adherence, self-development, administrative performance, spirit of initiative, and analytical ability (*Waked et al., 2016*)

Partners require highly developed social skills. They need to know when to speak and when to listen, how to comport themselves in a given situation. Here one can infer that dispositions have to be inculcated into the partner habitus corporeally. Partners need to set people at ease and generate trust (*Spence et al., 2014*).

Extraversion is related to the experience of positive emotions, and extraverts are more likely to take on leadership roles, and to have a greater number of greater friends (*Judge et al.,*

1999). This can be connected to the reputation, because an increase number of close friends means: an increased reputation to the auditor.

In addition, research has shown that auditors score high relative to other business professionals on traits as self-acceptance, psychological-mindedness, flexibility, measures of achievement, and cognitive processing (Owhoso *et al.*, 2009).

However, there is no guarantee that a person who apparently has the right mix of personal competencies will be able to "put it all together" and deliver the desired outcomes. Hence, the main weakness of focusing primarily on personal competence is that the approach does not define, or assure, effective performance within the job role in terms of the outcomes to be achieved. And by underplaying other potentially important components, such as knowledge and ethics, it falls short of providing a holistic model of professional competence (Graham *et al.*, 1996).

Another issue to be considered is whether the relationship between personality and career success is independent of the effects of general mental ability. In terms of the personality predictors of job performance, research suggests that, personality traits contribute to the prediction of job performance, at least some aspects of performance, controlling for general mental ability (Judge *et al.*, 1999).

2.9. Gender

Recruitment of women has increased during the last decades in some European countries such as Sweden, and the gender balance among junior auditors is almost even, and sometime we can find more women. And, a recent study of Swedish auditing trainees shows that female trainees in general have a shorter waiting time before they receive their license than male trainees do. This implies that women have an advantage over men in the career race, especially to before becoming a partner. On the other hand at higher levels in the organization, however, there is a dramatic change in the situation (Jonnergård *et al.*, 2010). Overall, in managerial jobs and in most countries, men are in the majority among managers, top executives, and higher levels of professional workers, whilst women are still concentrated in the lower categories of managerial positions (Dambrin & Caroline, 2008). Females, even after controlling for human capital variables, were less likely than males to be promoted, especially when the promotion is to high positions (Månsson *et al.*, 2013).

Even though, it was noted that the time lag between finalizing studies and becoming approved is shorter for females than for males (Månsson *et al.*, 2013). In Sweden less than ten

per cent of the partners are women. Something happens on the way to the top (Jonnergård *et al.*, 2010). Women usually leave auditing firms because they anticipate the impossible task of managing correctly the dilemma between professional life and family life, which is either occurring or soon to occur in their cases. In other words, women in accounting and auditing profession try to manage the two sides of their lives (family, career) in the best way they can, and are forced to develop tactics to optimize the volume and the quality of their working time and of their family time (Dambrin *et al.*, 2008).

Moreover Women's careers are more complex and have a different timetable than those of men. It may facilitate a career that includes switching between different organizations rather than remaining in a single firm (Jonnergård *et al.*, 2010).

Another hinder for women auditors to become partners is called, "the glass ceiling hypothesis" it accentuates the highest rungs of the career ladder and the idea is that minorities in organizations meet increasing difficulties in reaching these stages. Another hypothesis called the "dead end" women more frequently hold jobs that offer few or no promotion possibilities, Swedish women who are employed in the private service sector are more likely to be caught in dead-end jobs (Månsson *et al.*, 2013). This could be reasoned to that men will prefer to socialize with other men, which can influences promotion decisions and how performance is evaluated. Women auditors seem to be adversely affected by the male norms of who is perceived as being a good auditor as well as by not being evaluated fairly against such a norm. This in addition to this, a common view among senior auditors seems to be that clients prefer men to women auditors (*ibid*).

3. Methodology

In this section we will speak about the research philosophy, the critical review of choice of theory, choice of methodology, and the research approach. Moreover we will speak about why we chose each one of the approaches.

3.1. Theoretical methodology

This section discusses the research philosophy and approach adopted in this research.

3.1.1. Research philosophy

When it comes to the research philosophy, we have two major aspects of thinking: Ontology and Epistemology (Bryman & Bell, 2011; Dieronitou, 2014).

Ontology is concerned with the nature of social entities. Ontological assumptions will feed into the ways in which research questions are formulated and the ways research is carried out. If a research question is formulated in such a way as to suggest that organizations and cultures are objective social entities that act on individuals, the researcher is likely to emphasize the formal properties of organizations or the beliefs and values of members of the culture. There are two facets within the aspect of ontology: Objectivism and Constructionism. As [Bryman *et al.*, \(2011, p 21, 22\)](#) said “Objectivism is an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors. It implies that social phenomena and the categories that we use in everyday discourse have an existence that is independent or separate from actors”. Constructionism “is an ontological position (often also referred to as constructivism) which asserts those social phenomena and their meanings are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision”.

On the other hand an epistemological issues concern the question of what should be or (what is) regarded as acceptable knowledge in a discipline. There are three facets within the aspect of epistemology: Positivism, Realism, and Interpretivism.

As [Bryman *et al.*, \(2011, p 15, 17\)](#) Positivism is “an epistemological position that advocates the application of the methods of the natural sciences to the study of social reality and beyond”. While Realism is “a belief that the natural and the social sciences can and should apply the same kinds of approach to the collection of data and to explanation, and a commitment to the view that there is an external reality to which scientists direct their attention”. At last Interpretivism “is taken to denote an alternative to the positivist orthodoxy that has held sway for decades. It is predicated upon the view that a strategy is required that respects the differences between people and the objects of the natural sciences and therefore requires the social scientist to grasp the subjective meaning of social action”.

In our research we will use for few reasons. (1) An interpretative understanding of leadership claims that the concept of leadership can be understood only through understanding the meaning of the concept for those involved in this form of social actions. This approach to this subject is broadly interpretative. (2) In order to grasp the meanings of a person’s behavior, the phenomenologist attempts to see things from that person’s point of view ([Bryman *et al.*, 2011; Dieronitou, 2014](#)).

After looking at those two reasons and because we are studying humans (Auditors), and their actions cannot be controlled and they can change and never be completely predicted, but we will try to analyze and interpret why they tend to do certain actions that is why we think that intrepretivism is the best choice.

3.1.2. Research approach

Theories are mostly used in methodology, which are Deductive and Inductive theory; it is quite useful to think of the relationship between theory and research in terms of deductive and inductive strategies (Bryman *et al.*, 2011).

Deductive theory represents the most common view of the type of relationship between theory and research. The process in the deductive theory appears to be very linear, which means that one step follows the other in a clear and logical sequence. The deductive strategy is associated with a quantitative research approach, an inductive strategy of linking data and theory is typically associated with a qualitative research approach (*ibid*).

On the other hand the inductive is an approach to the relationship between theory and research. With an inductive approach, theory is the outcome of research. In other words, the process of induction involves drawing generalizable out of observations. This characterization of the inductive strategy as associated with qualitative research is not entirely straightforward: not only qualitative research does not generate theory, but also theory is often used as a background to qualitative investigations (*ibid*).

There is a third approach to lower the risk of the two approaches by combining them together, which is called the Abduction approach (Saunders, Lewis, & Thornhill, 2009).

In our research we will use the abduction approach, the reason behind that is that our subject (promotions from authorized auditor to partner) is not new (deductive), but because we have some hidden characteristics we will investigate, and we did not find enough literature about them (Inductive). That is why we think the abduction approach is the most applicable one to our research, as we will use previous literature as well as empirical data.

3.1.3. Choice of methodology

In the methodological issues it is very helpful to distinguish between quantitative and qualitative research. Many researchers find that quantitative and qualitative research as having different epistemological foundation and as differing in other respects too (Bryman *et al.*, 2011).

Quantitative research is outlined as a distinctive research strategy. In broad terms, it is described as entailing the collection of numerical data and as exhibiting a view of the relationship between theory and research as deductive. The criticisms to this method are: (1) Quantitative researchers fail to distinguish people and social institutions from the world of nature. (2) The measurement process possesses an artificial and spurious sense of precision and accuracy. (3) The reliance on instruments and procedures hinders the connection between research and everyday life. (4) The analysis of relationships between variables creates a static view of social life that is independent of people's lives (Bryman *et al.*, 2011).

Qualitative research is a research strategy that usually emphasizes words rather than quantification in the collection and analysis of data, and it is also sometimes taken to imply an approach to business research in which quantitative data are not collected or generated. There are few reasons to why qualitative research is important, (1) Qualitative research subsumes several diverse research methods that could differ from each other. (2) There is some kind of resistance to a delineation of the nature of qualitative research which is that the connection between research and theory is somewhat ambiguous more than in quantitative research (Bryman *et al.*, 2011). The qualitative methodology is used because it allows investigating deeper and has an anchoring to reality. Moreover, the selected material is mostly rich and detailed. It has interviews, documents and observations. In our research we think that the qualitative is the best choice of methodology as it can give us a better understanding on how auditors can become partners. The qualitative method is used together with semi-structured interviews and documents.

At the same time there are some criticisms on the qualitative method which are: it is too subjective, difficult to replicate, problem of generalization and lack of transparency (*ibid*).

3.2. Empirical methodology

The section Empirical methodology considers the way data collection has been conducted and how the collected data is analysed.

3.2.1. Time horizon

The time horizon of a research could be divided in two dimensions, longitudinal studies, and cross-sectional studies (Saunders *et al.*, 2009). Longitudinal studies have the capacity to study change and development (*ibid*). Cross-sectional studies, on the other hand, obtain a study of a certain phenomenon in a certain period of time and are undertaken most of the time for academic researches, since there is a time constrain (*ibid*). Our research was conducted

between 15th of March and the 31st of May 2018. Within those ten weeks a cross sectional studies is the most suitable because it is conducted in a short period of time.

3.2.2. Research strategy

Research methods can be and are associated with different kinds of research design. There are five different research designs: experimental design, social survey design; longitudinal design; case study design; and comparative design (Bryman *et al.*, 2011). In our study we will use the case study design for a few reasons, such as: a case study entails the detailed exploration of a specific case, which could be an organization, community, or person. The basic case study entails the intensive and detailed analysis of a single case. A case study research is concerned with the complexity and particular nature of the case. The case study approach is a very popular and widely used research design in business research and some of the best-known studies in business and management research are based on this design (*ibid*). The case study does provide a vehicle through which several qualitative methods can be combined, thereby avoiding too great a reliance on one single approach (*ibid*). In our study we focus on the auditors and how can they become partners and it is a case study that is why we think it is the best design for our research.

3.2.3. Selection of participants

Population: basically, the universe of units from which the sample is to be selected. While sample is the segment of the population that is selected for investigation. It is a subset of the population. The method of selection may be based on a probability or non-probability approach. The Probability sample is a sample that has been selected using random selection so that each unit in the population has a known chance of being selected. The aim of probability sampling is to keep sampling error to a minimum. On the other hand non-probability sample is a sample that has not been selected using a random selection method. Furthermore, this means that some units in the population are more likely to be selected than others (Bryman *et al.*, 2011). In our research we used non- probability sampling, the participants in our research are: currently auditors or worked as auditors before, partners and HR. We have selected two audit companies to interview the first one is one of the big four and the second one in non-big four.

All the selected participants are detailed in table 1 below.

Beside in table 2 you can see the internal documents that we got from participant.

Table 1

Participant	Company	Code	Language	Gender	Duration	Pages	Word count
HR	Non big 4	B1	English	Female	41:50 m	5	3013
Partner	Non big 4	B2	English	Male	35:45 m	6	3409
Authorized auditor	Big 4	A1	English	Female	34:45 m	5	3133
Partner	Big 4	A2	English	Female	33:15 m	5	3215
Left the company	Big 4	A3	Swedish	Female	18:26 m	3	1171
Left the company	Big 4	A4	English	Female	13:33 m	3	1121
HR	Big 4	A5	English	Female	33:26 m	5	3118

Table 2

Document	Code	Source	Type
Promotion from auditor to partner	C1	Big 4	Internal document
Promotion from junior assistant to partner	D1	Non big 4	Internal document
Education from junior assistant to partner	D2	Non big 4	Internal document

3.2.4. Fall out analysis

In the beginning of our study we decided to make 8 interviews, 4 with big four company and 4 with non-big four company, but because our study was during the busy season, that is why it was hard for us to schedule all interviews in the short time frame that we had. As a reason we managed to do the 7 interviews instead of 8. We intended in the beginning to make interviews with partner authorized auditor HR and someone who left the company from each company.

3.2.5. Data collection

There are (1) mono method: where the researchers use only one method like interviews,(2) multi method : where researchers use two method such as interviews and documents, (3) and there are the mixed method where researchers can use few qualitative and quantitative studies together (Bryman *et al.*, 2011). In qualitative research data collection, the diaries are produced specifically for the purpose of the research and the diarists are normally given some sort of topic guide to help them. They are different from quantitative diary studies, because a lesser degree of structure is imposed on the diarist, for example exploring coal people attitudes to incentive schemes as part of a larger and multi-method study (Bryman *et al.*, 2011). The main use of content analysis has been to examine documents that are either produced by the organization, such as annual reports, or written about it, such as articles in the business press. In our research we will be using multi method because we are using both semi structured interviews beside some documents that we took from the interviewees. Content analysis is an approach to the analysis of documents and texts that seek to quantify content in terms of predetermined categories and in a systematic and replicable manner (*ibid*). Semi-structured interview is a term that covers a wide range of instances. It typically refers to a context in which the interviewer has a series of questions that are in the general form of an interview schedule but is able to vary the sequence of questions. The questions are frequently somehow more general in their frame of reference than that typically found in a structured interview schedule. Also, the interviewer usually has some latitude to ask further questions in response to what are seen as significant replies. Interviewing, the transcription of interviews, and the analysis of transcripts are all very time consuming, but at the same time they can be more readily accommodated into researchers' personal lives (*ibid*)

Moreover, to reduce the risk of bias and to have more thorough examination of what people say, the interview is audio recorded, with the permission of the respondent, while the researchers are attending the interviews, one is able to concentrate on listening and asking the questions and the other one is able to observe the situation, make notes and focus on the interview and how does the interviewee respond to each question.

3.2.6. Interview questions

We had four interview guides and that can be reasoned to that we have interviewed five different positions in the auditing companies, and we thought that each position needs its own questions to increase the efficiency of our data

3.2.6.1. Interview questions to authorized auditors

1. Will you tell us a bit about yourself and you experience?

Motivation: This question was asked to the respondent in order to let him or her speak about the experience that he or she had as an auditor the education, name, age and other demographic characteristics.

2. What are the steps that you did to became an authorized auditor? What were the difficulties?

Motivation: This question was asked in order to see the steps that the auditor took in his journey until he or she reached the current positions.

3. Do you want to be a partner in the future? If yes why, if no why?

Motivation: This question was asked to see if the participant wanted to be a partner and what are their motivations if yes.

4. How much do you think that Sweden is having a better economy have an effect on more partnership possibilities in the company?

Motivation: This question was asked to see if the growth rate in Sweden has an effect on the partnership positions in the company.

5. How will the company help you to be a partner in your opinion?

Motivation: to see if there is a clear path that the company prepares for its auditors to become partners.

6. When you are usually during Fika time, what do you speak about with your colleagues?

Motivation: to investigate the importance of how auditors socialize with other auditors, and if the auditor is liked around his colleagues has an effect on the promotion.

7. How much do you think that all of your coworkers like you: is it only professionally or also personally?

Motivation: to see if the auditor is liked between his colleagues personally and professionally and its effect on promotion.

8. When looking at the reputation that the auditors have in the society, between customers, and privately how much it is important? And what does it add to the company itself?

Motivation: to investigate the importance of the reputation in the market and in the personal life and if it add to the company itself and its effect on promotion.

9. Does the auditor reputation refer to a better audit quality?

Motivation: To see how much the reputation is connected to the auditor quality.

10. How much attracting new clients and obtaining old ones are important to become a partner?

Motivation: to see the importance of bringing new clients to promotions to partner.

11. Do you think that being able to provide consulting services is important to become a partner? Why?

Motivation: To investigate the importance of non-audit services to the promotion and the profit making.

12. Did you manage to bring new customer to the company?

Motivation: to see if the auditor manage to bring new customers and link it to his other answers, if it is connected to the promotion.

13. Are there specific requirements in education if you want to become a partner, like a master degree for example?

Motivation: to investigate if the master degree had any effect on promotion to partner.

14. Does the company provide a training programs and education to the auditors?

Motivation: to see if the courses provided by the company has importance on promotion to partner.

15. What kind of personal characteristics do you think can affect the auditor in his/her way to partnership? Can you name some of them?

Motivation: to investigate what kind of and characteristics are important to be partner.

16. How the auditor behavior can have an influence on becoming a partner? Do you have examples?

Motivation: to investigate what kind of behavior is important to be partner.

17. How successful leadership effect promotion to partner?

Motivation: To see the importance of leadership traits on promotion.

18. We know that most of the partners are men in the company, why do you think is that, have you had any difficulties because of your gender?

Motivation: to see the affect that gender has on the promotion.

3.2.6.2. Interview questions to partner

1. Will you tell us a bit about yourself and you experience?

Motivation: This question was asked to the respondent in order to let him or her speak about the experience that he or she had as a partner and auditor, the education, name, age and other demographic characteristics.

2. What are the steps that you did to became a partner? What were the difficulties?

Motivation: This question was asked in order to see the steps that the partner took in his journey until he or she reached the current positions.

3. How much do you think that Sweden is having a better economy have an effect on more partnership possibilities in the company?

Motivation: This question was asked to see if the growth rate in Sweden has an effect on the partnership positions in the company.

4. How did the company help you to be a partner in your opinion?

Motivation: to see if there is a clear path that the company prepares for its auditors to become partners.

5. When you are usually during Fika time, what do you speak about with your colleagues?

Motivation: to investigate the importance of how auditors socialize with other auditors, and if the auditor is liked around his colleagues has an effect on the promotion.

6. How much do you think that all of your coworkers like you: is it only professionally or also personally?

Motivation: to see if the partner is liked between his colleagues personally and professionally and its effect on promotion.

7. When looking at the reputation that the auditors have in the society, between customers, and privately how much it is important? And what does it add to the company itself? Please answer from your own experience!

Motivation: to investigate the importance of the reputation in the market and in the personal life and if it add to the company itself and its effect on promotion.

8. Does the auditor and partner reputation refer to a better audit quality?

Motivation: To see how much the reputation is connected to the auditor quality.

9. How much attracting new clients and obtaining old ones are important to become a partner from your own experience?

Motivation: to see the importance of bringing new clients to promotions to partner.

10. Do you think that being able to provide consulting services was important to become a partner? Why?

Motivation: To investigate the importance of non-audit services to the promotion and the profit making.

11. Did you manage to bring new customer to the company when you were auditor?

Motivation: to see if the partner managed to bring new customers.

12. Were there any specific requirements for you to become a partner in terms of education? Like a master degree for example?

Motivation: to investigate if the master degree had any effect on promotion to partner.

13. Does the company provide a training programs and education to the auditors and partners as well?

Motivation: to see if the courses provided by the company has importance on promotion to partner.

14. What kind of personal characteristics do you think can affect the auditor in his/her way to partnership? Can you name some of them?

Motivation: to investigate what kind of and characteristics are important to be partner.

15. How the auditor behavior can have an influence on becoming a partner? Do you have examples?

Motivation: to investigate what kind of behavior is important to be partner.

16. How successful leadership effect promotion to partner?

Motivation: To see the importance of leadership traits on promotion.

17. We know that most of the partners are men in the company, why do you think is that, have you had any difficulties because of your gender? Maybe you can speak a little about your own experience?

Motivation: to see the affect that gender has on the promotion.

3.2.6.3. Interview questions to HR

1. Can you please tell me about yourself and your experience?

Motivation: This question was asked to the respondent in order to let him or her speak about the experience that he or she had, the education, name, age and other demographic characteristics.

2. Do you have promotion system (strategy) in your company? Can you tell me a bit about it?

Motivation: This question was asked in order to know what kind of promotion strategy the company has.

3. Did you depend on recruitment on internally or externally? Why? Do you use both?

Motivation: to know if partners are promoted internally or externally.

4. If you want to hire an authorized auditor from outside the company, what do you look at (Requirements)?

Motivation: to know what are the characteristics that they look on when they hire auditors.

5. Do you as a company prefer those employees who do not become partners to stay in the company and use their experience or you incentivize them to leave and make space for new?

Motivation: to see if the company use the up or out system and dead men's shoes.

6. Do you think the auditor's reputation effect the audit firm? And how much the reputation of the auditor is important to become a partner?

Motivation: To investigate the importance of the reputation in the market and in the personal life and if it add to the company itself and its effect on promotion.

7. What are according to your knowledge the skills (personal characteristics) required to be a partner?

Motivation: to investigate what are the specific personal characteristics required to become a partner.

8. How much does the audit contacts and relationships in and outside the market can affect him or her being a partner?

Motivation: to see what kind of contacts are important.

9. Are bringing new customers and obtaining old ones have an effect on becoming a partner? How much?

Motivation: to see the importance of profitability and getting new customers on becoming a partner.

10. What level of education required to become a partner?

Motivation: to see if the master is required to be a partner and also the importance of the courses provided by the company.

11. We know that most of the partners are men in the company, why do you think is that, have you had any difficulties because of your gender?

Motivation: to see the affect that gender has on the promotion.

3.2.6.4. Interview questions to auditors who left the company

1. Will you tell us a bit about yourself and your experience?

Motivation: This question was asked to the respondent in order to let him or her speak about the experience that he or she had as an auditor, the education, name, age and other demographic characteristics.

2. What is your current job?

Motivation: to see what are the position that the auditor has in order to know the incentives to why they left.

3. How did you get the job offer, and why did you accept?

Motivation: To know how getting the offer had an effect on accepting and what were the reasons behind accepting the offer.

4. What are the steps that you did to became an authorized auditor?

Motivation: to see if there are any differences from the ones that still at company in term of tenure in each position.

5. What are the reasons that led you to leave the company?

Motivation: To know what are the different aspects that affected leaving the company.

6. Did you wanted to become a partner? IF yes why did you leave? If no why?

Motivation: to know if the auditor wanted to be a partner and changed his or her mind afterwards or not.

7. Do you think that becoming a partner has specific requirements that made it hard for you?

Motivation: to see what the person's opinion about what does it need to be a partner

8. Did the company tried to incentivize you to stay in the company?

Motivation: to see what did the company do to incentivize the person if it did.

9. When you were at the company, did you manage to bring new customers to the company?

Motivation: To see the importance of profitability on the future plans of being a partner or not

10. Did your gender have an effect on you leaving the company before becoming a partner?

Motivation: to see if the gender has an effect on not continuing to partnership.

11. How was your network with other auditors and partners inside and outside your office?

Motivation: to see if the auditor had good reputation and strong network or not.

12. Did you have any children when you worked as an auditor if yes how long was your parental leave?

Motivation: To see if the parental leave had an effect on him or her not becoming a partner.

13. How many hours a week did you work when you were authorized auditor? And in your new work?

Motivation: to see the effect of overtime on leaving the company

14. Did the salary have anything to do about you accepting the new job?

Motivation: to see if the salary was one of the reasons behind leaving the company.

3.2.7. Analysis approach (Coding the data)

All the interviews were transcribed, one of them we translated from Swedish as the participant was not comfortable in doing the interview in English, and then did the transcription. We did the coding in appendix 1 and 2. Where we tried to move all the data from the interviews into an excel file to make it easier for us to analyze and discuss our data.

In the excel file we had our research question in the beginning, and from that questions we ramified our main aspects that we mentioned in the beginning, and then we added to them the

new ones that we discovered in our research. From each one of those themes, we had sub-themes in order to go more in detail in each one of the aspects. And for each one of the sub-themes we had a category to know the reason behind each one of the subthemes. After the category we had the sense of the subthemes to reflect if it is negative or positive toward promotion to partner, then we had the connection that this subthemes have with other themes. In addition to that we had the participants from the interviews to know who mentioned each one of the subthemes, and at last the importance of each one of the subthemes from 1 to 10.

3.2.8. Reliability

In order to indicate if the research is reliable or not. According to [Saunders et al., \(2009\)](#), there are three different factors that can be assessed, first of all, if the results of a study are repeatable, if the research study gives similar results with other observer, transparency and interpretation of data. This research depends on humans, which means their personal characteristics and its factors are highly prospect to repeat the same result if the participants and the communications are the same. In this research we tried to ask general questions that have an effect on auditors in general, in order to increase the reliability of this study, but still the experiences of each one of the participants is different.

According to [Saunders et al., \(2009\)](#), there are four errors that could affect the answers of the participants. First relating to the subject/participant error, which depend on the mood of the participant which could be different from day to another. For instance on Monday the participant will be busy at the first day of the week and probably influence the data, but we did not have the ability to choose the days of interviews as we faced a lot of problems just trying to schedule the interviews with them, and the reason behind that is, we were writing our Master thesis during the busy season which made it hard for us. The second is subject/participant bias error, which depend on the position of the participant, due to the influence of higher positioned people on the participant. The third is observer error, that means the interview questions probably read it differently and consequently affect the answers of the participants, but we tried to increase the reliability here by asking the participants follow up questions when we faced such a problem. The last one named so-called observer bias error, which is the research should interpret the important data with an objective view, here we are students and when interpreting the information we got we tried to be as neutral as we could.

3.2.9. Validity

According to Bryman *et al.*, (2011) Validity and reliability “are different kinds of measures of the quality, rigour and wider potential of research, which are achieved according to certain methodological and disciplinary conventions and principles”. The interview guide’ questions should reflect the validity of the research and what is the motivations and the purposes for all questions. Moreover, this study involves people and their characteristics, thus this variable is uncontrolled, due to the difficulties to measure other humans characteristics factors, that is why it is pretty difficult to generalize to a greater population.

4. Analysis

The section of analysis presents the data collected, and it is also discussed and analyzed by using the concepts from the theoretical framework, this section is divided to nine categories where we try to analyze each one with the finding. Seven of those nine categories were already mentioned in our first model, but in our findings we found two new categories that we will add to our new model. We also tried to differentiate between two different levels: Organization level and individual level, which is specified in figure 1 and 2.

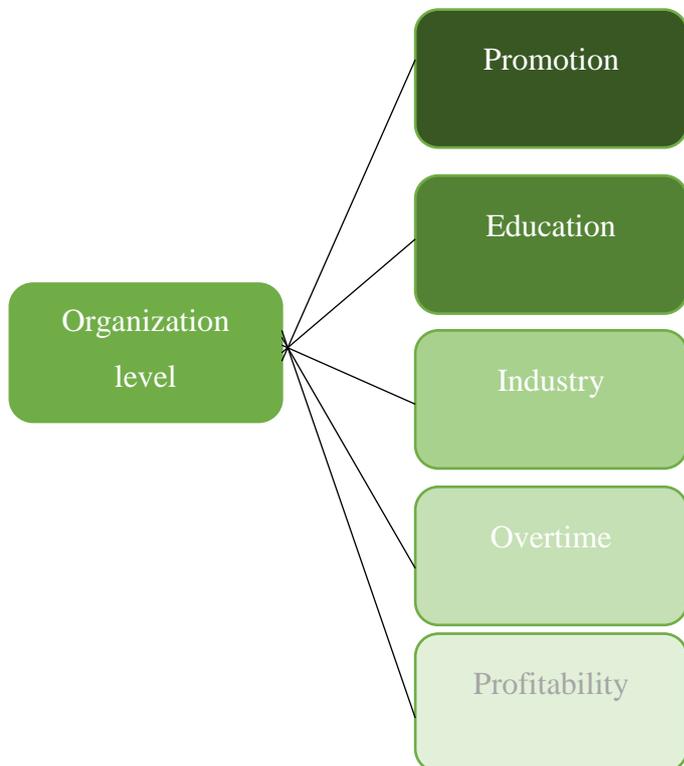


Figure 3: Organization level

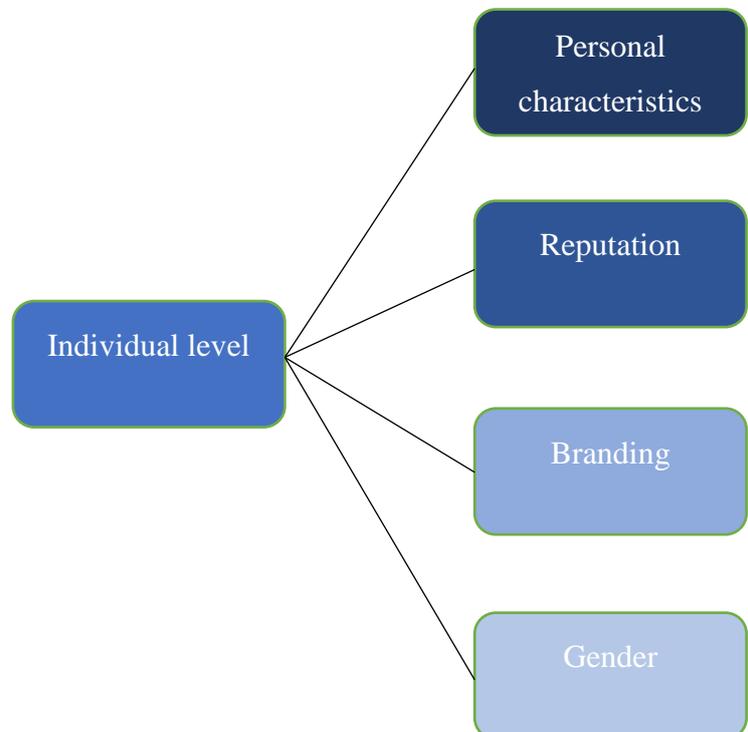


Figure 2: Individual level

4.1. Organizational level

4.1.1. Promotion systems

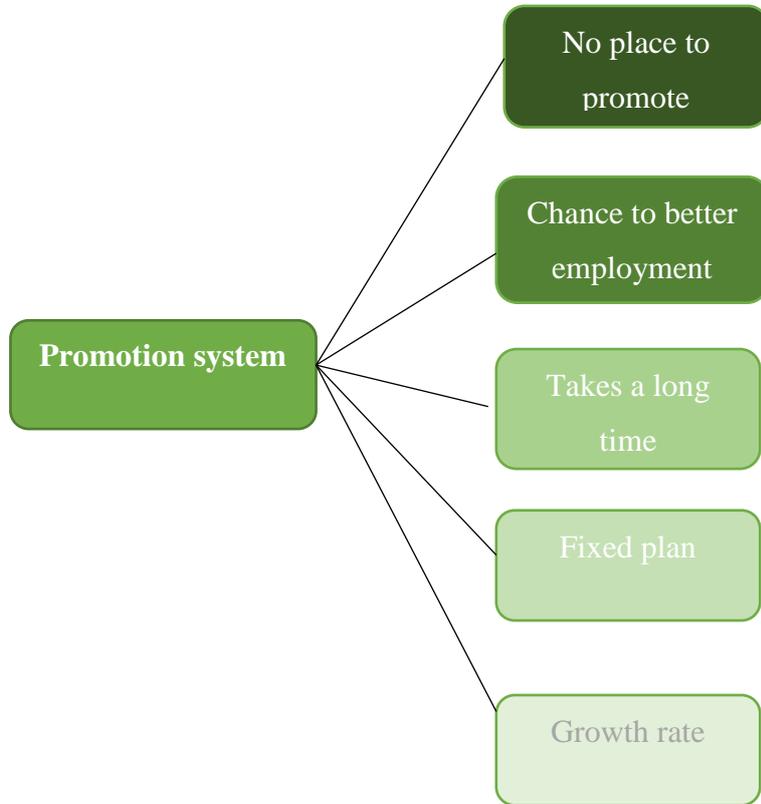


Figure 4: Promotion system

We saw in the previous literature, that one of the most important promotion policies in service firms is the up or out system, but recent work has suggested that this traditional method has been replaced with the rationalization of management methods and reforms of internal labor market policies (Morris *et al.*, 1998; Palmer, *et al.*, 2004). And according to our study and the interviews we did, we found out that none of the interviews had referred to that employees will leave the company after a certain amount of time, all the interviews (A1, A2, A3, A4, A5, B1, B2) none of them said that there is a possibility that the company will incentivize them to leave. Instead most of them have said that it is the opposite and the company instead will incentivize them to stay. And that is why we can see that the up or out policy has been criticized because it inevitably involve the loss of considerable firm specific skills, that is why it has been criticized as harsh both on firm and on those who have to quit (Morris *et al.*, 1998; Palmer, *et al.*, 2004).

A lot of the companies did not manage to use the up or out system, and they started to loosen up the system and made exceptions on the up or out system, and those exceptions started to occur more and more, because the traditional client business started to fall away, the companies could no longer place people and it was not right just to drop loyal good employees because they are not partner materials (Morris *et al.*, 1998). Another reason is that employees prefer to join a firm with poorer promotion prospects rather than take the higher risk route of the tournament and this appears to have prompted firms to change away from up or out (Morris *et al.*, 1998; Palmer, *et al.*, 2004). And from our findings we have noticed that, companies somehow fight nowadays over the good competences to hire them pretty early even before the students graduate as it was said in interview (A5, B1) they said the market demands them to do that in order to get the best competent future employees from the market, and if they use the up or out system it will be hard for them to get enough recruiters.

Also we know that auditing companies depend mostly on the internal managerial labor (Morris *et al.*, 1998; Palmer, *et al.*, 2004). But still some time they are hiring externally to fix the problem of not enough experienced staff at the level of experienced auditors as it was mentioned in interview (A5, B1).

If the company promotes new partners, they have to grow to maintain the leverage through which profits are generated and to be able to keep their fee earners profitably employed, that is why such growth depends also on market conditions, which have become more difficult to predict (Morris *et al.*, 1998). Our findings indicate that the growth in the market inquires growth in the business itself, and Sweden nowadays is experiencing a good ratio in growth in general, and that means that the auditing firms in return will grow and expand, which means that this will create new partnership positions at the top, but still those positions at the top are still limited, the growth will be more at the lower positions as it was mentioned in interview (A1, A2, A5, B1, B2). And we can also see connection to profitability in times of growth because when the company will expand it will need more customers which will require its auditors to bring more customers to make the expansion possible.

Still the biggest nightmare that auditing companies are facing nowadays, is that most of the employees who reach the level of authorized auditors they want to become partners and as we mentioned before in our literature, those positions are very limited which is making a lot of those auditors leave the company (Morris *et al.*, 1998; Palmer, *et al.*, 2004), as also has been said in interview (A1):

“There is no place to promote, so you have to wait, or you have to move”

This quote also strengthen our contribution with the wait or leave policy as you will see later in this page.

And the reason behind a big number of them are leaving is that authorized auditors have good reputation in the market and they have good competences which will make them attractive in the labor market as it was mentioned in interview (A1, A2, A3, A5, B1, B2). What made their leaving easier is that auditors did auditing works for those companies, so that they became well known to those companies over the years, and that is why they offer them good positions with better salaries most of the times as it was mentioned in interview (A1, A2, A3, A5, B1, B2).

As we mentioned before in our literature dead men’s shoes policy is more likely helpful to those at the top but still not the same at the lower levels (Baden *et al.*, 1990). Under up or out we can see there are forced quits and its most dramatically at the level prior to partner, while dead men’s shoes reduces the promotion prospects to near zero, and at that case the firm runs the very real danger of not being able to recruit from the staff market (*ibid*). The up or out offers good promotion prospects and it would certainly solve the problem of recruiting into the bottom layer. The problem here is the wholesale carnage amongst the most senior, non-partner levels. These are people with long standing in the firm and with a lot of expertise. Leaving aside the emotional problems, many firms argued that they could not risk losing expertise (*ibid*). For those reasons we saw in our findings that none of the companies nowadays are using these two policies as it was said in interview (A5, B1). That is why companies we investigated nowadays are using hybrid and adjusted strategies, if we have a close look at the main system; we found they came up with a new policy that we call wait or leave. In this policy we found some similarities to other policies and some differences. “Wait or leave” has out, but in a nice way, it does not force anyone to leave, still the ones who do not want to wait they will get plenty of offers from outside the market or apply for other jobs themselves, and they will probably be welcomed according to the experience they possess, or they can stay at the company and wait for their chances for empty positions in the partner level, and it will at the same time offer better promotions in time of growth as dead men’s shoes imply. And still at the same time, they will be able to still recruit new auditors from the market, because of the people who leave the company. So that is why we think that wait or leave is a mixed of the

two policies up or out and dead men's shoes with a difference from both of them, the difference is that no one is forced to leave.

This could be reasoned to what (Van Lent *et al.*, 1999) said, that all employees who are not promoted they have to leave the company in order to keep the anonymous growth of the labor cost in check. That is because it is not possible in the audit market to have unlimited growth of personnel. On the other hand we found out that they are having a problem that those companies still lack of experienced people in the level of authorized auditors, and that is because the ones who want to leave and does not have the patience to stay are more as it was mentioned in interview (A1, A2, A3, A4, A5, B1, B2). The reason behind a lot of them leaving was because it was a long way to the top and it is not only long but also tough as we will speak in overtime section why it is tough as it was mentioned in (A1, A2, A3, A4, A5, B1, B2).

To be more specific the wait or leave is not that simple, as we need to have other aspects that we will speak about later, because even though there is a lack of experienced auditors, still the competition on the partner position is still tough, hard and it require from the auditor to integrate all aspects that we will speak about in the next sections, otherwise he or she will fall in the problem of staying and waiting for ever as there will be better auditor to fill the position, because to be a partner it is not only about time but also you need to be perfect for the position and almost complete to get chosen as it was said in interview (A1, A2, A3, A4, A5, B1, B2).

From some of the documents that we got from the companies that refer to their promotion time we found out that, there is a certain fixed time to stay in each level before you can be promoted, for example to be authorized auditor you need to have a bachelor degree beside an amount of years of experience, and both of those tenures need to be in total 8 years before you are allowed to take the authorization exam, still the problem that we found in those documents that there is no time mentioned to wait in the position before you can become a partner, which proof our new policy wait or leave to be true as we found in document (D1).

4.1.2. Profitability

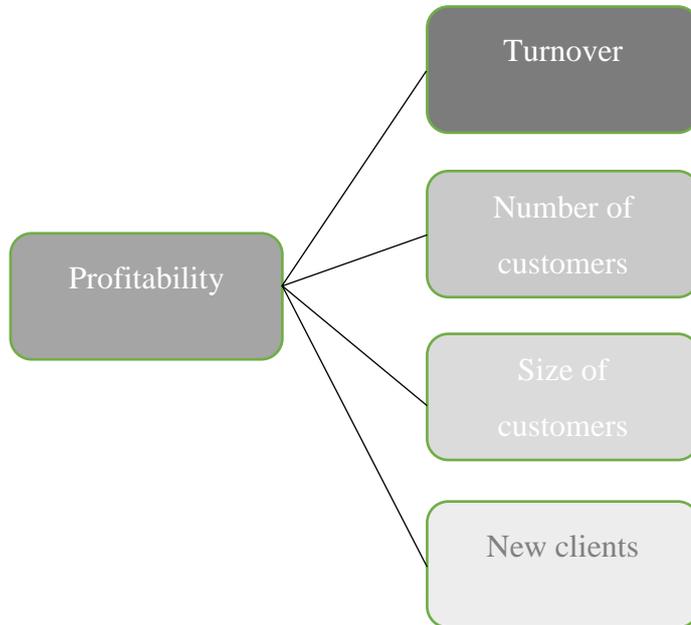


Figure 5: Profitability

Now here is the most important aspect that we came up with, as we said before there is not enough literature about how much important is to get new customers and to be profitable. At junior levels technical skills and team member skills are emphasized, while on senior levels the ability to gain clients and profitability is emphasized (Jonnegård *et al.*, 2010; Van Len *et al.*, 1999). Performance is a major factor in determining which auditors make partner (Van Len *et al.*, 1999) and here performance means the auditors' turnover. That is why the most important aspect and factor for auditors who wants to become partners is being profitable to the company, and all other aspects and subthemes ramify from it, as it is the most important one, and all the activities mentioned in profitability afterwards are to increase the turnover as it was mentioned in interview (A1, A2, A3, A4, A5, B1, B2). Furthermore in document (C1) it was mentioned that in order to become a partner an auditor is required to increase her or his turnover by 15% from the previous position.

Getting new customers and keep the old ones are a major aspect to increase turnover (Van Len *et al.*, 1999), in all interviews, it was mentioned that bringing new customers and maintaining the ones auditors already have is a very important aspect. On the other hand it was mentioned that the size of the customers is of big importance, this can be reasoned to some

auditors can have 50 small new customers, while another one can get two new customers and still have more turnover than the one who got 50, that is why the size of the customer is of big importance as was mentioned in interview (A1, A2, A3, B2), and as it was said in interview (A1):

“It does not depend on the quantity of the customers, because maybe you have a lot of small customers, and maybe you have just few large customers”

Even if an auditor have no place in his or her schedule for new customers, still he or she can get new customers and give them to new auditors who have been new in the market within the same company, which will also lead to increment in the turnover as well as was mentioned in interview (A1, A2, B2). Beside in document (C1) it was mentioned that in order to become a partner you need to have 600 thousands kronor from new customers. Beside an auditor needs new customers, because every auditor might lose customers from bankruptcy and other reasons, therefore it is important to have new client as it was mentioned in interview (A1).

Only in one interview we found that the auditor did not bring any customers and in that case the auditor did not want to be a partner in the future, maybe that is why he or she did not focus at all on bringing new customers as it was in interview (A4).

Regulators do not prohibit auditors from providing non-audit services such as tax services (Lei Lisic, 2014), which is why auditors have to be able to operate as a consultant; in turn can lead to why auditors and partners are involved in supplying services to clients (Van Len *et al.*, 1999). It was also mentioned that increasing profitability and customer orientation can be done by offering non-audit services (Broberg, Umans, Skog, & Theodorsson, 2018). Nowadays auditors are required to give more Non-audit services to their customers and in return these services will increase the turnover of the company, and this we found out to be important in interview (A1, A2, B2), while when looking on document (C1) it was mentioned that auditors need to have 30% revenue in consultancy services from their customers in order to become a partner from the previous position in order to become partners.

Furthermore auditors and audit firms focus more on marketing activities than before in order to have a competitive advantage (Broberg *et al.*, 2013). It was found that new authorized auditors use different marketing activities in order to promote and enhance their image, services and the awareness of their names. And this in turn will lead to expansion in their client base. That is why nowadays auditors try to balance between marketing and auditing tasks (Ibid).

As usual younger auditors will eventually replace old ones with time, which will lead to more marketing activities in the audit profession between auditors to get the those auditors' clients (Broberg *et al.*, 2013). In our research we found out that auditors and partners nowadays spend a lot of time outside the office and inside the market, to have more contacts with the customers in the market, and this in order to bring new customers to the company which will lead to more profit and more chances in winning the race to partnership as was mentioned in interview (A1, A2, A3, A5, B2). Furthermore in interview (B2) it was referred to the importance of marketing as an important and changing step in the auditing market as was said:

“Because the market has changed, it was not allowed or almost not allowed to get out in the market to get new clients; of course you have to take them from other accountant so it was not allowed. The people before went to the accountant, they called, and the account say yes I have time or I have not time so it is like this. Today you never have a phone call, you have to go on the market, so the competition is high”

And this will have an effect on the professionalism of auditors, because focusing on marketing activities will lead to that auditors may decrease the level of their professionalism (Spence *et al.*, 2014).

4.1.3. Overtime

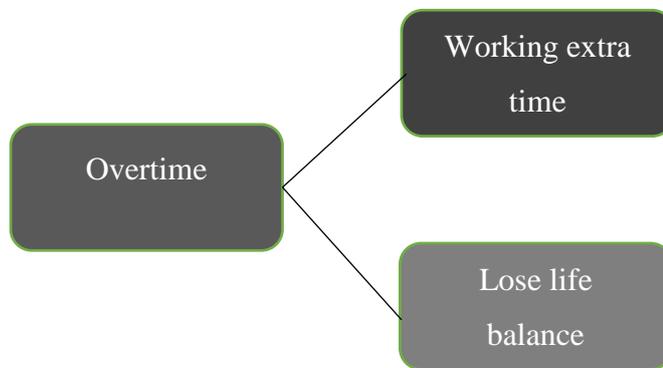


Figure 6: Overtime

In audit profession, the time factor is crucial because high workload and over time are very common in the profession, especially in the busy season (Gertsson, Sylvander, Broberg, & Friberg, 2017). Individuals tend not to stay very long in auditing and accounting firms especially in the big firms as the work requires heavy duties and heavy responsibilities (Sobhi *et al.*, 2016). Auditors might notice that the time required to complete an audit job is unreasona-

ble (Barrainkua & Espinosa-Pike, 2015), but since auditors are required to satisfy the expectation of their organization on account of their professional conduct (El-Rajabi, 2007), that is why most partners and auditors work overtime and some of them respond to time budget pressure by underreporting their total time devoted (Barrainkua *et al.*, 2015).

We found out that most of the auditors and partners work during the busy season 80 hours a week and it starts to decrease as the work load decreases with it as interview (A1) said:

“For example in month 1,2,3 I worked for 80 hours per week, and 4,5,6 work start from 60 hours, now I am working 40 hours a week, if you want to learn a lot, you have to work a lot”

Another reason behind that is, many in auditing companies work overtime is also can be reasoned to peer pressure, and this will occur if a member has the ability to affect individual choices. Moreover the influence that superiors and peers have on auditors behaviour is very important in auditing firms (Barrainkua *et al.*, 2015), which why we think that many of partners and good auditors work a lot in overtime, leading to creation of pressure on others to work the same amount of time. And in our research we found that, the more overtime you work the more signals you send that you want to be a partner, and according to our interview all partners and auditors who wanted to be a partner worked around 80 hours a week during the busy season as it was mentioned in interview (A1, A2, A3, A5, B2), while only in interview (A4) the workload during the busy season was around 55 hours a week and in that interview the person did not want to be a partner, which we think why he or she did not work 80 hours a week because he or she did not need to send any signals.

More working hours means more stress that auditors will face and feel because of the deadline that they will have to submit their audit report before which will lead to loads of stress and this also could be one of the reasons behind auditors leaving the company (Gertsson *et al.*, 2017). The work load that increase the stress will eventually lead to conflict with family life and that in return will create problem with life balance, and life balance is a very important factor that made auditors choose to leave the company after they lost the balance in their life (Ibid). When we spoke with the auditors who left the company we found out that they have balance in their working hours in their new job, as they do not have to work as they did in their previous job, and sometimes no overtime at all as it was mentioned in interview (A3, A4). The family aspect was of big importance to Interview (A4) and the reason behind her leaving the company was that he or she could not find the balance in time for spending with family and friends.

4.1.4. Industry specialized

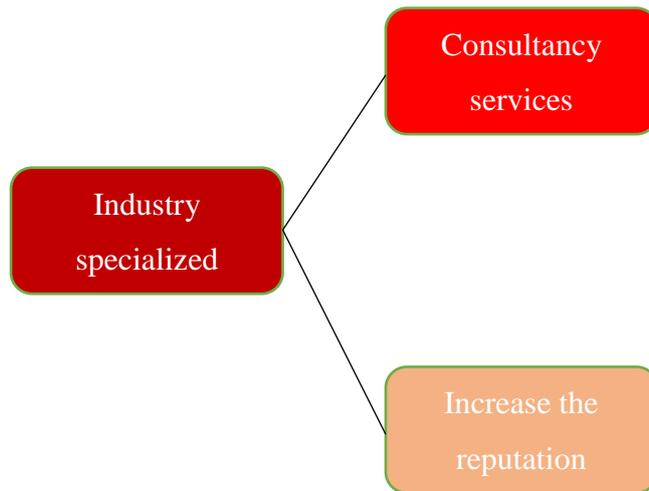


Figure 7: Industry specialized

When auditors work with specific industries, that will lead to them contributing in a redundant way to the teams' overall effectiveness, not only that but also being specialized help auditors detect more error (OWHOSO, Messier, & Lynch, 2002), and this in turn will increase the quality that the auditors have. Beside that the auditors who acquire task specific experience in specialized industries are likely to exhibit better performance in those industries while doing their audit work (Owhoso *et al.*, 2002).

Being specialized in one industry can be easier for women in the career race to the top as it will give the woman more reputation in the market as well as more quality in the specialized field which will help her in becoming a partner as it was mentioned in interview (B2, A5, A3), while on the other hand it will not play any role if it is a man in the promotion race, as it in interview (B2). But still if a man or a woman is specialized in an industry or few it will give more reputation regardless of gender.

Being specialized in an industry is important as it will add value to the client, because auditors in this case can provide consultancy services to their clients, which lead to more profit to the company as it was mentioned in interview (A2, A3, A5, B2). Not only that but also the probability of the auditor to detect errors will increase if he or she are specialized in few specific industries, and this can send signals regarding the quality that the auditor has, and this will play a significant role in his or her race to becoming a partner, and this was proofed in our interview (A3, B2, A5, A4).

4.1.5. Education

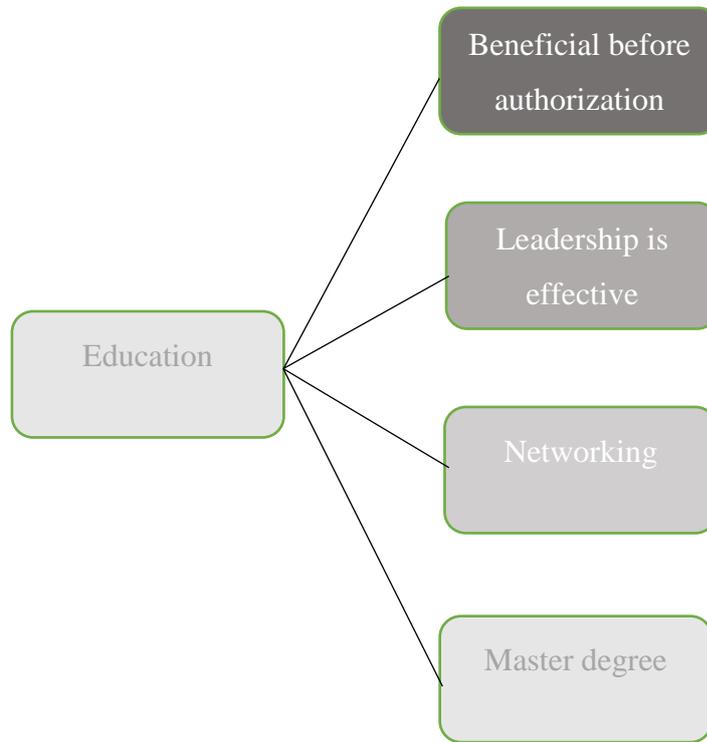


Figure 8: Education

To become an auditor, a person needs to acquire specific education and professional qualification. Accounting and auditing programs generally focus on auditing and accounting knowledge and do not help students acquire other skills (Anis, 2017) , that is why we can see that during the time an auditor start his or her profession, he or she are required to attend mandatory courses every year as it was found in document (D2) which says that auditors should attend 132 hours of courses in the first years, while in the second year they should attend 79 hours, then the third 72 hours, the fourth 80 hours, the fifth 104 and lastly the sixth 107. We can notice that the 5th and the 6th year have more studying hours than others that could be reasoned to that in those two years they mainly start preparing the auditor for the authorization exams. All the courses are different, they are not the same, some of them about taxation some of them about VAT, some of them about accounting, auditing leadership and so forth.

We found that the amount of mandatory hours that the auditor has to take in order to keep his or her authorization is between 20 to 30 hours but many of them take additional courses

sometimes but that is rather rare. In case if they took any additional courses it will be mostly about leadership courses or some technical courses as we found in interview (A1). But still in interview (A1, A2, A3, A4, A5, B1, B2) all of them mentioned that the mandatory courses does not add that much for their knowledge because they already have the professional knowledge they need.

Furthermore we found out that, they go to attend the courses because they have to, and to do networking which we mentioned how much important it is in order to become partner, as we found in interview (A1, A2, A3, A4, B2). And to refer to the importance of networking we can have this quote for from interview (A1):

“I think before I got the authorization the courses were good, and after that, the leadership course help me a lot, but the knowledge course is not so much about knowledge, it is about networking for me. When I go to the class for example in big four company in Stockholm, I sit with other people within the same position who I am. Then maybe 50% they become directors in near future or they are already directors, so it is good for me to know that. So I focus more on relation and networking with these people, to make a socializing with other, drinking cup of wine. That is why I am really there, the courses is cover up”

Auditors in general should be educated in financial risk analysis, international knowledge, legal knowledge, leadership, strategic management, presentation skills, analytical skills, statistical skills, economic background and cost and managerial accounting (Anis, 2017), All the knowledge mentioned above will also add to the level of professionalism that auditors have (Nassery *et al.*, 2010). In order for anyone to enter the field of auditing it has a bachelor degree requirement, which can lead to the ability of all the mentioned above. On the other hand we found out that in order to become a partner there are no specific requirement, nothing more than a bachelor degree as it was mentioned in interview (A1,A2,A5,B1,B2), but all the ones who were interviewed, the ones who wanted to become a partner or are partners had a master degree, which lead us to a conclusion: because of the competition is rough, people who wanted to become partners tended to differentiate themselves from others to get a better position in the race, had a master degree as we found in interview (A1, A2, A3, B2).

We also found out that the ones who considered education mostly as a very important networking tool, are auditors who are not partners yet, that is why they focused on networking to brand themselves as well as to increase their reputation to get an advantage on others as we found out in interview (A1), while in interview (A2, B2) they did not mention that network-

ing is of big importance for them at this level because they already know so many and they are already partners, and in most of the cases they went to the education courses just because they have to.

4.2. Individual level

4.2.1. Personal characteristics

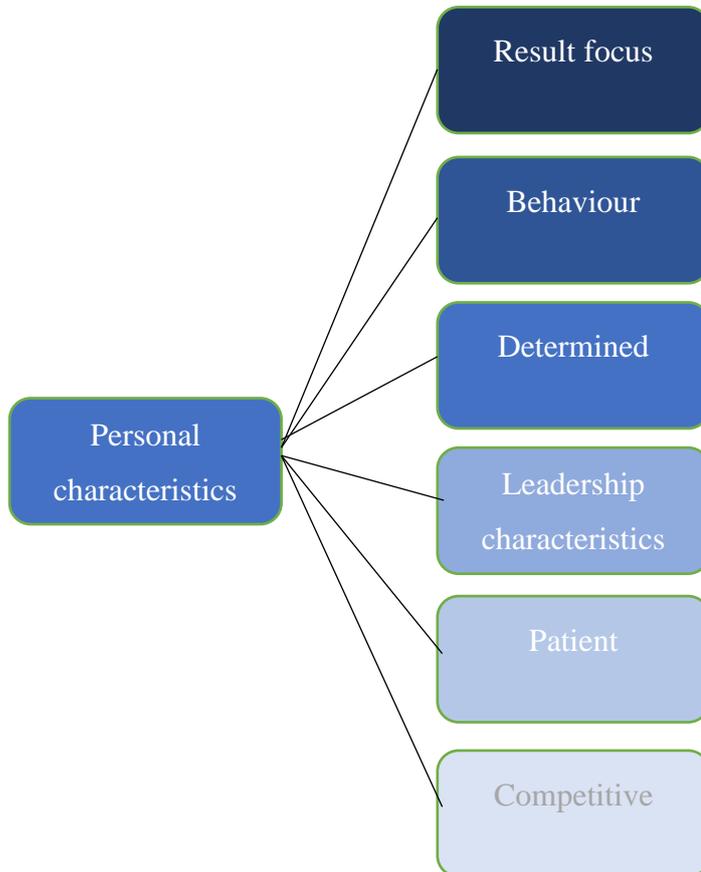


Figure 9: Personal characteristics

In terms of personality predictors of job performance, research suggests that personality traits contribute to the prediction of job performance (Judge *et al.*, 1999). And sometime personal competence could be a better predictor of capability (Graham *et al.*, 1996). It was also mentioned in (Judge *et al.*, 1999) that the auditor characteristics have an effect on audit performance, which we think in turn will have an effect on the auditor's promotion as performance is an important factor for auditors. Furthermore, it was argued that auditor's characteristics will affect his or her judgement decisions with respect to the audit planning (Anis, 2017). We found in our interviews that personal traits are an important aspect that can affect becoming a partner or not, as it was mentioned in interview (A1, A2, A3, A4, A5, B1, B2).

Every auditor should have many skills such as (1) professional integrity (2) professional skepticism (3) negotiation skills (4) Ability to understand client business (5) risk assessment knowledge (6) internal control knowledge (7) forensic accounting knowledge (8) fraud detection skills (9) decision making skills (10) project management skills, beside many more (Siriwardane, Kin Hoi Hu, & Yew Low, 2014). Those characteristics mentioned before are more connected to the competency that the auditor has and it is somehow connected to the education that auditors have had before. But still individual characteristics are becoming more important as an auditor ascends the career ladder (Månsson *et al.*, 2013).

In audit firms to be more efficient, managers which are in this case authorized auditors are required to specialise in managerial tasks, because they are team leaders, leaving the operational audit duties to lower level employees (Van Lent *et al.*, 1999).

Successful managers (auditors) possess attitudes and characteristics that are aligned to make him or her better in leading others (D. Jogulu *et al.*, 2006). That is why leadership is one of the most important traits that the auditor should have and develop, and it was proofed in our interviews that auditors if they wanted to be successful they need to successful leaders, which will make it easier for them to be promoted as we found in interview (A1, A2, A3, A4, A5, B1, B2), and as was mentioned in interview (A1):

“I had some leadership traits, I am the oldest sister in my family so I had to lead my brothers in an early age, I think I also developed my leadership here a lot”

The behaviour and the attitudes of auditors before they become partners are bonded by their potential future promotion to partner, which let us say that the need to monitor the behaviour is needed especially for non-partners (Van Lent, 1999). And this monitoring is mostly done by partners or other auditors in the company.

We know that turnover is one of the most important aspects that auditors should focus on but at the same time there is a shift toward focusing on the behaviour at the same time, as participant in interview (A5) said:

“We are right now going through shifting because before we focus a lot on numbers. Of course number as well, for the revenue to the company, but also your behavior skills for example are you living the value or sharing your competence with others, do you hope and help others to grow and this kind of stuff. You have to act in way that is really professional and to live to the company values”

Still the auditors' behavior is very important inside and outside the company, as we figured out that the auditor should be liked professionally and this was of great importance, which means the way the auditor acts and interact with clients and with colleagues at the same time should be professional enough to make everyone like his or her professionalism as it was mentioned in interview (A1, A2, A3, A4, A5, B1, B2). On the other hand it was not at the same level that auditors should be liked personally, it was mentioned that it could add to the chances of better promotion possibilities if he or she is liked by others especially other partners, but it was not a necessity as it was mentioned only in interviews (A1, B1).

One of the most important traits that auditors should acquire is to be determined to be a partner, our finding says that if you are not determined since the beginning you will not even get close on being a partner, you need to want the position to make sacrifices to achieve it, otherwise there is no chance on getting it. And in our study we discovered that almost all the participant said to us that it is very important to be determined on being a partner from the beginning, just one of the one who left the company before being a partner were not determined at all on being a partner, and we think that this have sent signals to everyone around that person that he or she is not competitive enough to reach this position, furthermore this was the only person who left the company by applying for a job not by being offered one as in the case of (A4). The determination can be sometime even by accepting the partnership in other offices as interview (A1) says:

“And that is thing I can really do nothing about it, but I am prepare to move as well, so if someone say to go to Stockholm and be a partner, so I will go directly”

In our research we found some more attributes that should be acquired in order to be promoted to partner, the first one is to be result focus and to focus on the goals that you have, because of the deadlines that auditors have it is very important to be focused on achieving the results and finishing the tasks on time, in order to get the reputation that you need to become a partner as it was mentioned in interview (A1, A2, B2).

As we all know promotion to partner can take a long time so that is why it was discovered that auditor needs to be patient in terms of promotion, otherwise he or she will give up and start working elsewhere, so that is why patience is one of the important characteristics that was mentioned in few interviews, as (B1, A1, A2, A5).

It was also mentioned in three interviews (A3,A2,A1) that the auditor needs to be a competitive person in nature because there are not enough positions and you need to compete with

other auditors in the company in order to be able to be selected on the others expense. It was also mentioned in interview (A3, A4) that you need to be harsh sometimes not only competitive, to be a partner, as an example, interview (A3) said:

“If you want to be a partner you must go forward you do not have to be nice, but at the same time in a good way, a man cannot stop him or herself with the details, and you do not have to know everything but you should always move forward, and show that you want to be promoted, you have to show it to everyone”

4.2.2. Reputation

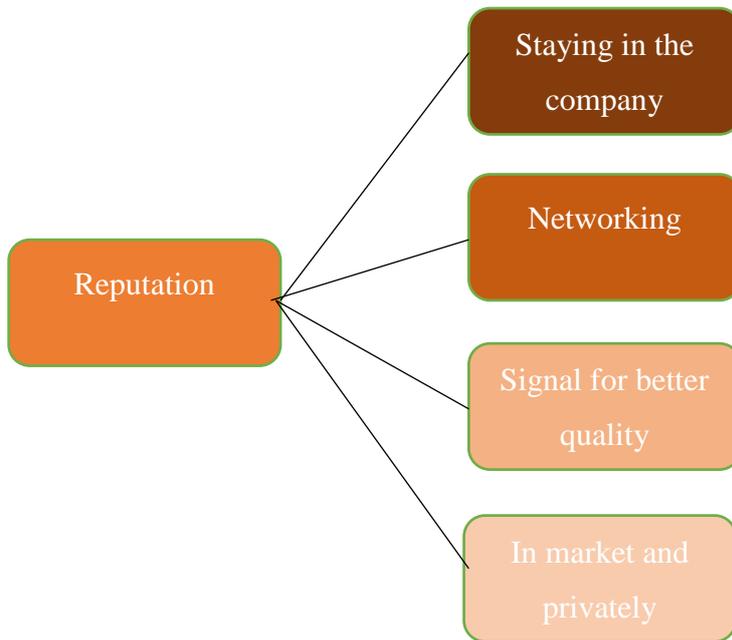


Figure 10: Reputation

Reputation plays a significant role in auditing and accounting, this can be reasoned to that the quality of the services provided cannot be observed (Barton, 2005). That is why firms tend more to be concerned about engaging highly reputable auditors, in this case trying to preserve and build their own reputation (Bigus, 2015). Most of the investors tend to rely on the auditors reputation as an indicator of financial reporting credibility, that is why managers of companies point out to reputation as a key factor in their choice of auditors (Barton, 2005). Many researchers have posed that signaling expertise through one’s reputation is the way forward and most appropriate in the profession (Brobeg *et al.*, 2018).

In our research we found out also that, the reputation the auditor has is considered as a signal that can be send for a better audit quality, which mean in return better chances of promotion.

Because in the competition to partner the auditor who possess the biggest reputation is probably to be promoted the first, as it was mentioned in interview (A1, A2, A3, A5, B2). This also can be connected to the profitability, because an auditor with higher reputation is probably to get more customers, meaning more turn-over.

In some of the interviews we discovered that interviewee (A1) wanted to stay in the company to be a partner of course, but also to increase the reputation that he or she has, because when you work in a big four company, you will mainly get more reputation than when you work with one company, because you do not limit yourself with only one industry, as interview (A1) said about the limit that they can get from leaving the company:

“Because I do not learn anything, for example if I work as a CFO in a large company in Kristianstad, and the company turn over about 500 million Crown, and two or three hundred people are employed. This is a large company in the market, and they will pay to me about 70 thousand crown per month, and I will have almost the same benefits that I have now. But the problem is after one year I would know everything within that company. I hate being stuck, I hate having boundaries, I like to work in project, I like to work with large corporation, that you see the goals far ahead, I like to have a great leaders, a lot of networks. I like to work with huge company like in big four that you got your answers for any questions within one minutes”

And this could be connected to the knowledge that you get if you stay in an audit company as well, and this is one of the main reasons why auditors have a really good reputation when they work with audit companies.

Building and using social networks is of big importance of individual's personal as well as professional success (Pollack, Forster, Johnson, Coy, & Molden, 2015), and this in return will increase the reputation of the auditor as his or her network gets bigger. Auditors' interactions with other auditors, partners and people in the market, help increase revenue generation through the sharing of contacts and expertise, relevant for new customer acquisition (Pollack et al., 2015). And this is connected also to profitability, because more reputation means more customers and in turn more turn-over.

With regard to motivations for promotion, we think that, in line with their generally eager mind-sets, promotion focused individuals are more likely to view business networking contacts as opportunities and think generally about the future potential they can create for future gains and profit. In the course of their activities, they should therefore try to interact and sus-

tain contact with as many people as possible in order to best exploit these opportunities (Ibid). we found out that if you do not want to be a partner there will be no chance for you to try networking because you do not care about it, and this we found in the case of interview (A4) because he or she did not want to become a partner, he or she did not feel the need to increase the network that she or he has. In the other hand in all other interviews we found that they all tried to increase their network. In the case of HR, it was mentioned how important it is. All the partners and auditors who wanted to be a partners said that networking is one of the important aspects that can help him or her in becoming a partner, because as we said increasing the network in the market, means better quality, while increasing the network inside the company and between partners will increase the chances of being selected by other partners when the position is available as it was mentioned in interview (A1, A2, A3, A5, B1, B2).

Furthermore the network should not only be with people in the same field but also could be banks lawyers as interview (B2) said:

“Then you have to have good connections with banks and lawyers and accounting firms and stuff like that”

4.2.3. Personal Branding

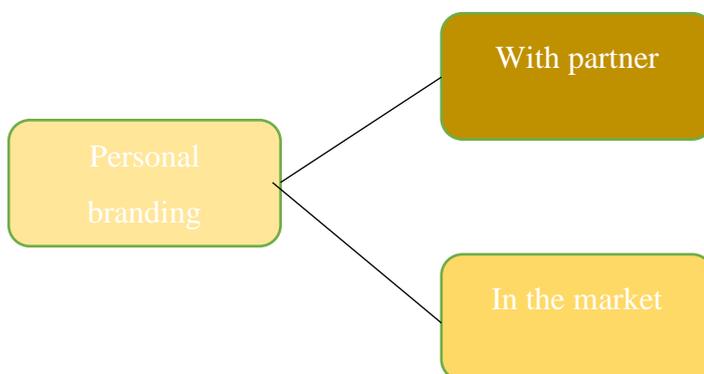


Figure 11: Personal branding

Personal branding is when someone controls the information in an attempt to steer how others form impression of oneself to achieve future goals (Ward *et al.*, 2013) such as promotion to partner.

A person who knows how to brand him or herself uses the intrinsic special qualities of a person in order to differentiate him or herself from others, by creating specific expectations in their minds, personal branding is also considered as self-promotion (Amălăncei, 2015). And because auditors are experts in marketing that is why they know how to market their selves, but still at the same time they are professional so they do not market values that they do not have, on the contrary they will promote the values that they think have an effect on their promotion to partner (Ibid).

It is believed that the social media has a great impact on how we brand ourselves, and it also represents a manner of self-promotion that is a lot more efficient than off-line promotion (Amălăncei, 2015), and because self-marketing and personal branding have increasingly become popular (Shepherd, 2005), when looking at the LinkedIn account for the auditors and partners, we interviewed, we found in which way they try to brand and market their selves, for example as in interview (B2) we looked at the LinkedIn account, we found out he or she brand him or herself in a way that shows that he or she is experienced in almost all branches. While interviewer (A1) have described him or herself as a person who will develop the work of their clients, beside mentioned few of their positive personality traits which he or she think are important in the audit profession.

One of the most important branding techniques to become a partner is to do branding with other partners, because as we mentioned before partners are the ones who will select future partners, so that is why it is very important for auditors to brand their selves in front of other partners and try to reflect to the qualities that they have, as it was mentioned in all interviews (A1, A2, A3, A4, A5, B1, B2).

When auditors market and brand their selves it is not only by referring to their personal qualities and their audit quality, but also by referring to their experiences in some branches (industry specialized), because in this way they can give more to their customers in consultancy services, as was mentioned in interview (A1, A2, A3, A5, B2).

And because of that audit profession is mainly a profession that offer services provided by humans that is why the marketing in this case in not the products, it is mostly the auditors themselves, their and personal and their audit quality.

4.2.4. Gender

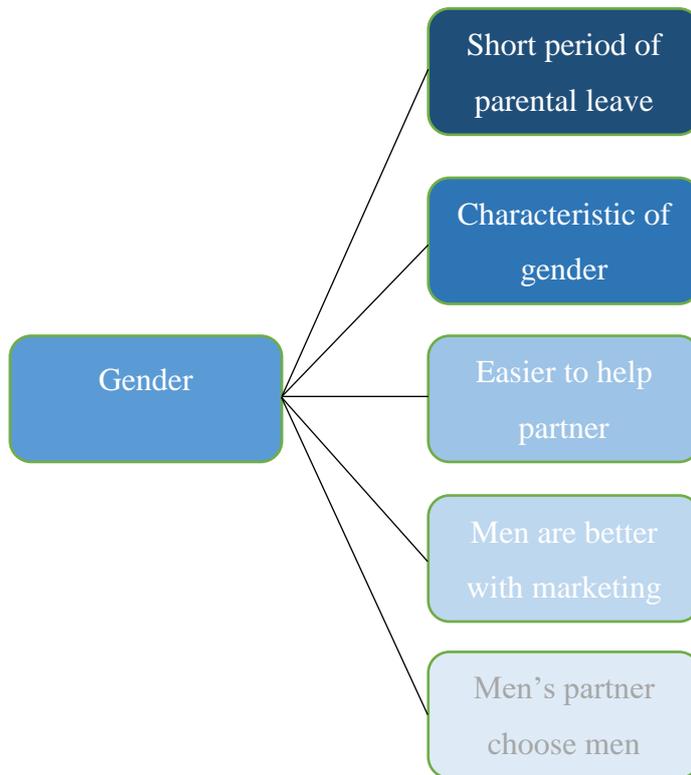


Figure 12: Gender

Even though women can be authorized auditors faster than men, we are still facing the problem when women want to be promoted to partners (Månsson *et al.*, 2013), and it was also mentioned in interview (B2) that women are more skilled and more qualified when first becoming auditors.

The involvement of child care is very connected to promotion to partner, if it is male or female, but it has more effect on men than women, but as women involve in the childcare more than men that is why females have lower probability in promotion than males (Månsson *et al.*, 2013). This was one of the biggest reasons that we found and almost everyone agreed on, but still in interview (A1, A2) we found out that both interviewer did not take a lot of time as parental leave when they had children because one of them is already partner and the other one wanted to be a partner. We think that taking just few months per child when a woman have a baby, is one of the most important signals that can be sent, as it was said in interview (A1) about one partner in big four firms after she had a baby:

“And the partner on the top mother company, she had a baby in January and she brings her baby with her in the final audit meeting in February, and the stroller was outside the meeting room. That was how it work, when you reach to certain level it is hard to leave the work”

Moreover many women see themselves meeting different demands, and they perceive those demands more problematic, especially when it comes to family responsibilities (Jonnergård *et al.*, 2010). And most women faced or are to face the dilemma between family and work during their career (Dabmrin *et al.*, 2008).

In most of the interviews when we asked how females can handle just three month of parental leave per child, they said that having a partner who can take responsibility as much as the woman does can make it a lot easier to get involved in work and family at the same time, as it was mentioned in interview (A1, A2, A3, A4, A5, B1).

And in some interview as interview (A1, B1) it was mentioned that women had to work more than men in general if they wanted to become partners, and in interview (B1) it was mentioned that the society in general has an effect on that. On the other hand in interview (A2, A3, A4, A5) it was mentioned that the gender has no effect in Sweden on the promotion, while the characteristics of the gender itself who played a role, because sometime you can find a woman with the characteristics required to be a partner, just like all the personal characteristics that we mentioned in the previous section for example being competitive.

What will influence how performance is evaluated and promotion decisions are, that usually men will prefer men to socialise with, and because the majority of partners in auditing firms are men so that is why they will tend more toward choosing other men (Jonnergård *et al.*, 2010). And that was proofed in our research in all interviews, as all of them indicated that the majority of partners are men and they agreed that men will eventually prefer choosing other men.

Women are not only facing a problem when they are chosen to partnership, but also Clients seems to prefer men to women auditors (Jonnergård *et al.*, 2010). And this could raise the issues that can be connected to profitability. Moreover in our findings we saw that in interview (B2) it was mentioned that women can face a problem in the market as well because most of the managers in the companies that need to be audited are men, not only that but also there are some industries that women are not interested in like car industries or some other industries, but still nothing to be generalized.

Another aspect is that men are better in marketing than women and to be profitable you need to acquire good marketing skills to sell your advisory services that your company can provide, but also still nothing to be generalized as have been said in interview (B1).

Still what was mentioned in interview (A5) that auditors should stop looking at those who take short parental leave as role models, because this creating a problem that indeed if a woman have to take parental leave more than few month she will send signals toward that she will not become a partner, even though she is completely determined to become a partner, this would be unfair to those women.

4.3. Leaving the company



Figure 13: Leaving the company

In large firms, there will more competition, and in turn this will make it harder to auditors to reach their career goals, so that is why we see more auditors leaving the company (Jonnergård *et al.*, 2010). And as we mentioned before because auditors are very attractive in the market, they get plenty of offers, and between the competition and the offers auditors may sometime accept the offers because the offers are tempting sometimes in term of salary and in term of the companies' reputation that wants to hire you, in the market, as interview (A1) was said:

"I got offer from a big bank last year, they needed someone specialist in IFRS, and they offered me a 95 thousand crown per month, then I was tempted to be honest. It is a quite more than what I earn today. And this bank has large offices and large thinks to do"

Each one of the auditors who wanted to be a partner before they became partners they got around ten job offers every years as it was mentioned in interview (A1,A2), even in interview (A3) the one who left the company the person got offer from another company, while only in interview (A4) the person applied for a job.

The auditors have a pressure that incentivize them to leave, but this pressure is not obedience nor conformity but is from other factors, one of those factors for leaving the company we spoke about in overtime section, in most of the cases when you get a job in another industry than auditing the amount of overtime decreases significantly. Another factor is the salary in most of the cases when leaving the company and accepting new offers from the outside, auditor will probably get a better salary as was mentioned in interview (A1, A2, A3, A5, B1, B2).

Another aspect is that most of the offers comes during the busy season where auditors are stressed, and most of the companies tend to offer auditors positions in their company, because they know the amount of stress that auditors face during this time of the year as was mentioned in interview (A1):

"They call you in February or March, they know exactly when they call you, when people are under pressure and have too much things under mined, and you have not seen your family for two months, that is when they call"

Still there are some auditors who choose not to leave the company, and their incentives is that in auditing company you can have more knowledge and if you accept offers from other companies your knowledge will be limited as was mentioned in interview (A1, A2, B2).

Another reason was because the auditor wanted a change and wanted to experience how the work is done from the other side of the business as was mentioned in interview (A3).

4.4. Results model

And at the end we will represent our adjusted model (Model 2) which can give a wider view on the aspects that can have an effect on auditors' journey to partnership.

The coloured line to the right of the model shows the connection between the different factors, while the number of each one of the factors shows the importance of each factor from 1 to 9.

5. Conclusion

As we mentioned before that many companies adjust the promotion policies according to the conditions that they have, which will lead to hybrid strategies (Baden-Fuller *et al.*, 1990; Palmer *et al.*, 2004), for that reason we did not find any up or out or dead men's shoes in the system of auditing firms we studied. We found instead a hybrid strategy that we called wait or leave. Wait or leave means that agents will leave but not because they are forced to leave as in other policies, instead because they do not have the patience to wait and stay and keep competing with others, and in this case they will leave by their own will, because auditors in auditing companies are very attractive for other employers in the market in Sweden, that is why they get many offers which will lead to, some will leave the company. It is true that wait or leave does not apply to the available promotion policies, but it still add to creating empty positions, which lead to creating competition between the agents, and this will keep the agency problem, and at the same time reduce it, because still they will keep doing what the company wants them to do in order to reach the level of principal (partner).

It was claimed before that, besides carrying out auditing activities, auditors need to get involved in activities such as communication, marketing, networking and public relations. It was claimed that auditors' involvement in such activities is leaning toward becoming more commercial and as a result less professional (Brobeg *et al.*, 2018; Ponomareva, Umans, Broberg, Karlsson, & Vinberg, 2018; Umans *et al.*, 2015). The implication here is that, being professional today in auditing firms, means dealing with the pressure to win work while not exposing the firm to legal risk. This legal risk denotes a concern to act in accordance with the rules of the legal game that surround public accounting practice (Spence *et al.*, 2014). Many researchers were claiming that auditing and commercialization were incompatible activities, since auditors (professionals) being experts in their field, are naturally predisposed to perform their professional duties rather than to focus on business development activities (Brobeg *et al.*, 2018; Umans *et al.*, 2015).

Those who embody commercial- professional logics (Marketing activities and getting new customers) ascend to the top of the organizational hierarchy (partnership), while those who are engaged in technical-professional logics are unlikely to progress beyond director level. This is controversial, because the technical-professional logic is the one who is closely related to the accounting profession's public interest mandate, but still this logic is considered

secondary in auditing firms (Spence *et al.*, 2014). On the other hand it was said that professionals who focus more on the commercial logic are likely to be considered unprofessional (Spence *et al.*, 2014).

From that we can see that according to our research, it is true, because auditors who want to become partners they need to make money to their company by bringing new customers and this can be applied when auditors engage in marketing activities. And we saw in our findings that profitability is the most important aspect in the race to partnership, which we think can have a huge influence on the level of professionalism that auditors have. Not only in marketing activities, auditors who wants to be profitable have to compete with other auditors in their company, which we also think that can have an effect on the professionalism of auditors. In that sense we can see auditors doing things right instead of doing the right thing (Öhman, Häckner, Jansson, & Tschudi, 2006).

And we also found that most of the leadership activities and characteristics and behaviour of auditors who want to become a partner are bound toward increasing their chances on becoming partners. In other words auditors focus on doing their audit work and at the same time, the way they behave in the firm, with their colleagues and with other partners, will help them to become partners. While leading in a way and teaching others are the way to become partners and in this case we think this add to the professional aspect of auditors positively. But when looking on the behaviour from another ankle, we can see that auditors also behave in a way to increase their reputation which is important to get new clients and in the race to become partners. Research has shown the importance of behavioral determinants of client satisfaction (Ponomareva *et al.*, 2018), which means that auditors could act in an opportunistic way in order to increase their reputation, and in turn will increase the agency risk.

There are two central dimensions to auditor's well-being: overall happiness and job-related happiness. The overall happiness is reflected to individual satisfaction with life, which is not related to work (family and social life). The job-related involves personal career success, a professional self-realization and pleasant working environment. Well-being in one dimension is likely to increase it in another: happy people report higher satisfaction with their professional life (Ponomareva *et al.*, 2018). We found in our research that auditors will have to work around 80 hours a week during the busy season, which we think can have a negative effect on the auditors' well-being. This can be reasoned to, during the busy season auditors will not be able to see their family or socialize with their family and friends, and at the same

time increase the amount of stress auditors have in that season, and in return decrease the well-being of auditors.

6. Theoretical and methodological contributions

In previous research there was a gap in speaking about the importance aspects that can have an effect on promotion chances to partner level in audit firms. In the promotion policies we had a contribution as we did not see any of the theories in previous research, that can be applicable in our study, and the link between the new policy to the agency theory, by defining its effect on it.

And we also added how different behavior and leadership characteristics can have an effect on the professionalism level of auditors, as well as the effect of overtime on the well-being of auditors.

While previous research focus only on auditors and partners to investigate what can affect promotions in auditing companies, we added by our research to the previous ones by interviewing auditors who left the company, to investigate the reasons behind them leaving the company, and also the HR in two auditing companies to be able to know more on the promotion systems.

And also while other research tried to focus on only one aspect, we on the other hand tried to find a holistic view on how can auditors become partners.

7. Limitation and future research

The research in general is satisfactory, but it would have been better if we were able to conduct more interviews, but because of the limited time frame that we had, beside that, the study was conducted during the busy season, that is why it was hard to schedule more interviews in the timeframe provided to us.

Another limitation is that the HR we interviewed of non-big four audit company, were new in his or her position, around four weeks only and have never worked as HR before that, that is why we tried to focus on other interviews more than this one.

Moreover the study is from a small sample it would have been better if we were able to do the same amount of interviews in each big four and non-big four companies, in order to be able to make a comparison between the two companies, and investigate if there is differences in promotions to partner between them, and this could be done in future research.

The seven interviews that we did 6 of them were done face to face and one of them has been done by phone. We tried to do as much face to face interviews in order to observe underlying information and to observe non-verbal communication, and this in turn will increase the reliability if all interviews were conducted face to face.

In our interview questions we found some factors that we did not ask about directly in the first few interviews, because we found out this aspect afterwards inside the interviews when the participants speak about different factors such as overtime, and for that reason it would have been better if we were able to ask those questions in the beginning.

Our suggestions for future research will be to focus on having a qualitative study but on a bigger sample and at the same time do the comparison between big and non-big four auditing firms to have a more holistic view over the promotion to partner.

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9. Appendix

Research	Themes	Sub themes	Category	Sense	Connection	Interviews	Importance	
Auditor to partner	Promotion systems	There will be no place to be promoted	You have to wait or leave until a position is available	negative		A1.A5,B1,B2,A2	8	
		You get chances of better employment with better payment	Attractive in the market	negative		A1,A2,A3,A5,B1,B2	5	
		Ready to move somewhere else if they offer partnership	Another office like stockholm	positive	Networking	A1	3	
		The promotion to partner takes a long time, and hard	Specific time and steps to be done	negative	2,3,4,5,7	A1,B1,A5,A2,A3,A4,B1	9	
		a fixed plan	to get promoted and requirements	positive	2,4,7	B1,A1,A4,A5	3	
	Personal characteristics	growth rate	connected to profit as well and to the market in general	positive		A1,A2,B1,B2,A5		
		not as before and easier	that's why no more up or out	positive		B2,A5		
		Result focus	Focus on goals	Positive	1,3,8	A1,A2,B2	6	
		Behaviour	Know the people around you and who you work with		positive	1,3	A1,A2	3
			Not only about the behaviour shifting toward doing it the right way as well		positive	1,3,5	A5	2
	Reputation	Behaviour	liked professionally		positive	1,3	A1,B1,B2,A2,A3,A4,A5	8
			liked personally		positive	1,3	A1,B1	2
			you need to want the position from the beginning		positive	1,3,5,8	A1,A4,B1,A3,A2,A5,B2	5
			its good to have it and good to develop with time		positive	1,3,5,7	A1,A2,B1,B2,A2,A5	8
			cause it takes long time		positive	1,8	B1	6
Networking		some times harsh		positive	1,3,5	A3	5	
		The company has a big network which will increase the reputation		Positive	1,2,4,	A1	7	
		Not networking enough send signals that you don't want to be a partner		negative	1,2,3,5,9	A4	8	
		to know banks and lawyers and so forth		positive	1,3,4,5,10	B2	5	
		to know and work with as many partners as you can cause they choose you		positive	1,5	A1,A3,B2,A5,A2	8	
Profitability	New clients	signal for a better quality		positive	1,3,5	A1,A3,B2,A2,A5	6	
		In the market and privately	life so you can customers from it in the future and in the market as an auditor	positive	1,4	A3,B2,A2	7	
		Turnover	very important	positive	1,3,8	A1,B2,A2,A3,A4,A5,B1	10	
		Number of customers	You need specific number of customers	positive	1,3,8	A1,B2,A2	9	
		Size of customers	Not only the number but also the size because you cant have only small and too and	positive	1,3,8	A1,A2	9	
		even if you have enough customers you still can give them to others	positive	1,3,8	A1,B2,A2	7		
		Because you might lose some, and even if you don't you give others	positive	1,3,8	A1	9		
		Marketing capabilities to get new clients	positive	1,2,3,5	A1,A3,B2,A5,A2	7		
		new customers she knew that she has no chance in it	negative	1,3,5,8,9	A4	9		

Research	Themes	Sub themes	Category	Sense	Connection	Interviews	Importance
Auditor to partner	Personal Branding	Brand you self with other partners	it will increase your reputation	positive	1,3	A1,B2,A2,A5	8
		Brand your self with what your good in the market	very important	positive	1,2,3,4,10	B1,B2,A5,A1	6
		Getting a small period of parental leave can send signals	Having kids and not being so much time away from th work	positive	2	A1,2,3,4,5/B1,2	7
		Women work harder than men	more working hours than men, having a baby is not an excuse even after you are a p	positive	1,3,4,5	A1	7
		its mostly not about gender it self but about the characteristics		positive	2	A4,A3,A5	3
		A helping partner can make it easier	take responsibility so you have more time to work	positive	1,3,4,5,8	A4,A3	6
	Gender	Usually men are better with marketing	can not be generalized	negative	1,2,3,4,5	B2	5
		Partners are men and they choose men	most of the cases	negative		A1,B1,B2,A2,A5	8
		Society is also still like to deal with men more than women	especially in the market because most of the companies leaders are women	negative	1	B1,B2	5
		women are more skilled	when it comes to qualification in the first time of hiring	positive	1,7	B2	4
		Good and beneficial before becoming authorized	In the early years of the career	positive	1,2,3,5	A1	5
	Education	Leadership courses are good after becoming authorized	Good cause you're a team leader	positive	1,2,3,5	A1	4
		Then you go not for the education but for the networking	Important to get to know new people, networking	positive	1,2,3,5	B2	2
		Master degree	had the degree, send signals	positive	1,3,5	A1,B2,A2,A5	4
		just because you have to		negative		B2,A2	1
		For both auditors and partners	Positive	2,3,4	A1,A2	8	
Overtime	Working extra time	80 hours a week during busy season	positive	1,2,3,4	A1,A3,A5	8	
		working less send signals especially during busy season	negative	1,2,3,4,5	A4	2	
	lose life balance	too many working hours	negative	1,3,4,5,9	A4,A3,A5	7	
		needed time for family	negative	1,3,4,5,6,9	A4	7	
		Better salary	Because the auditor is very attractive to the outside companies	Negative	1,2	A1,A4,A3,B2,A2,A5,B1	5
Leaving the company	Less overtime	When you leave you don't have the same amount of work load	Negative	8,2,1	A1,A4,A3,B2,A2,A5,B1	5	
	Less knowledge	because you will have only one company working with instead of many	negative	1,2,7	A1	5	
	Companies decide when to offer you a job	Mostly during stressing seasons	Negative	1,2,3	A1	7	
	You old company incentivize you to stay	because of you experience	positive	1,3,4	A4,A3,A2,A5,B1	1	
	Better position in the new company	like being a boss for example	negative	1	A3,B2,A5	5	
	the company that offers you job knows you well	because you probably did the auditing work for them during few years	negative	1,3	A3	6	
	wanted a change	to see how the work is from the other side	negative	1,2	A3	6	
		connected to profit	positive	1,3,4,5,6	A1,A4,A3,B2	8	
		they can give more consultancy services	positive	1,3,4,5	A1,A3,B2,A5	6	
	Industry specialized	increased the reputation	connected to reputation	positive	1,3,4,5	A1,A3,B2,A5	6

Appendix 2: Coding 2