“DIVERSITY WITHIN THE ACCOUNTANCY PROFESSION: AN INSTITUTIONAL LOGICS APPROACH.”

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18/06/2021
Abstract

Historically, the accountancy profession has portrayed itself as an “elite” profession where homogeneity is embraced. However, in recent times, The Big Four signal that they are moving away from the homogeneity of the past and are currently embracing diversity. This research addresses this matter by examining the institutionalization process of diversity within the accountancy profession. Insights are derived from the institutional logics perspective, which resulted in three logics that are of main relevance within the accountancy profession: (1) the logic of the state, (2) the logic of the corporation and (3) the logic of professionalism (Thornton et al., 2012). This research makes use of qualitative research methods where data has been obtained from the Big Four’s social media sites, websites and annual reports. The results show that the Big Four frame diversity around six central themes: (1) stories of diversity as “being your whole self” and “being authentic”; (2) the client case for diversity; (3) the business case for diversity; (4) diversity as “feeling at home”; (5) diversity as a network; (6) diversity as the “right thing to do”. These central themes act as starting points of diversity policies and, therefore, drive the institutionalization process. Which in turn define and shape the embedding of diversity within the accountancy profession.
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1. Introduction

The stereotypical accountant is characterized as “white, male, middle class [and] heterosexual” (Alvehus and Spicer, 2012, p. 499). A stereotype is based on public perceptions, an image constructed and portrayed by society. For professional accounting organizations, it is of considerable importance to project a positive image of accountants (Carnegie and Napier, 2010; Jeacle, 2008). Since a positive image could support attracting the most talented people, strengthen the faith of the society and extend jurisdiction (Carnegie and Napier, 2010), professional service firms strive to portray a more dynamic image (Jeacle, 2008). The Big Four (EY, Deloitte, PwC and KPMG) strongly influence the appearance of the professional accountant in society (Anderson-Gough, 2018; Acker, 2006). Furthermore, Cooper & Robson (2006) stated that The Big Four is increasingly important in professionalization and emphasized the importance of the way it is institutionalized (socially constructed). Moreover, The Big Four, as one of the largest professional service networks, employs almost 1 million people worldwide1. The size of their workforce is just one indication of the enormous “global reach and power” of these elite firms (Edgley, Sharma, and Anderson-Gough, 2016, p. 13).

Nonetheless, The Big Four accountancy firms are signaling messages about the emergence of a diverse accountant, a discursive move towards heterogeneity (Edgley et al., 2016). Increasingly the accountancy firms are embracing heterogeneity by including diversity and inclusion objectives into their strategy (Duff, 2017; Edgley et al, 2016). KPMG states for example, “A future where everyone feels included and diversity is embraced”2. Another example is KPMG’s recent commitment to the Charter Diversity 3. Edgley et al. (2016) emphasized that accountancy firms perceive the movement away from homogeneity as integral to professional success. Moreover, the Big Four are voluntarily disclosing diversity data about their workforce (FRC, 2020). The question arises whether these efforts also translate into actual changes within the accountancy profession. Ashcraft (2005) found that within the traditionally male-dominant profession, this is not always the case. Mainly, when looking at diversity data at senior levels the picture of the workforce is, that it is still predominantly white and male4. This

1 https://www.investopedia.com/terms/b/bigfour.asp
3 https://home.kpmg/nl/en/home/about/inclusion-and-diversity.html
raises the question whether the professional identity of the accountant really has changed. Are there any real changes in the logics or is it perhaps mainly used as branding activity to attract the “crème de la crème”? Research regarding diversity in the accountancy profession primarily focused on North America and the UK. The question arises how diversity is enacted in other institutional settings. Therefore, in this research, the diversity issue within accountancy firms in the Netherlands is examined employing the following research questions:

**How is diversity institutionalized within the accountancy profession?**

This research contributes to the accounting literature in three ways. Firstly, the ongoing trend within the accountancy profession to emphasize diversity objectives in strategic plans and disclose diversity data highlights the need to study the changes in professional identity. This research fills this scientific gap by examining the social construction of diversity and the changes in professional identity in the Netherlands. Secondly, derived from the purpose and main objectives of their work, accountants can be seen as the “guardians of the economy” (Caldwell & Clapham, 2003; Miller & Bahnson, 2004). Hence, the accountancy profession, particularly the Big Four, fulfills a prominent role in society. The lack of representativeness at the top levels of accountancy firms reflects present-days diversity issues and therefore do matter for society. This research contributes to this debate by examining how the diversity agenda is institutionalized within the accountancy profession. Third, the findings of this research are of interest to practitioners as well as regulators. The practical relevance of this are the findings that may support various diversity initiatives.

Lastly, the structure of the thesis is elaborated on. After the introduction, the theoretical foundation is mapped out in the second part. In this section, the diversity agenda within the accountancy context is examined. Thereafter, the institutional logics perspective is discussed in detail. After the discussion, the logic of the corporation, the logic of the state and the logic of professionalism (Thornton, Ocasio & Lounsbury, 2012) are separately examined and linked to the accountancy profession. The third section incorporates a detailed description of the research design. The results of the research are displayed in the fourth section. Based on the results of the research, the fifth section, the conclusion,
provides an answer to the research question: “How is diversity institutionalized within the accountancy profession?” In the last section the limitations of the research are discussed.
2. Theoretical Framework

2.1. Diversity in the context of the accountancy profession

Prior research in the accounting context examined several aspects of diversity, including gender (Gallhoffer, Paisey, Roberts and Tarbert, 2011; Gammie and Whiting, 2013; Joyce and Walker, 2015; Lupu, 2012), disability (Duff and Ferguson, 2007; 2011a, 2011b), social mobility (Duff, 2017; Paisey, Paisey, Tarbert and Wu, 2019) and ethnicity (Huang, Fowler and Baskerville, 2016; Kim, 2004). The extended body of literature on the role of gender in the accountancy context are currently concerned with the progression women make within the profession (Gallhoffer et al., 2011; Gammie and Whiting, 2013; Joyce and Walker, 2015; Lupu, 2012). Kim (2004) examined this problem in relation to ethnicity and stated that the perception of cultural difference can shape their career.

Although several dimensions of diversity have been studied in relation to both access to and progression within the accountancy firms, Edgley et al. (2016) is one of the first to study the institutional logics related to diversity. Edgley et al. (2016) examine the complexity of this issue by asking the question: “how diversity, as a concept, is influencing the social construction of professional identity and its instrumentalization” (p. 14). The authors concluded that firms think of diversity mainly as a branding exercise and question if radical change may not be possible. Nevertheless, their paper is limited towards the extent that evidence is derived from social media analysis. Furthermore, they focused on the institutional settings of North America and the UK. It is emphasized that the concept of diversity and professionalism might potentially differ in other institutional settings (Edgley et al., 2016).

In line with Edgley et al. (2016), Ashley and Empson (2016) examine diversity in practice related to the issue of gender and flexible work. In narrative research, they conclude that people frame flexible working through four different lenses: the moral case, the business case, fairness and client service ethic (Ashley and Empson, 2016). Moreover, these framings often provide competing stories (Ashley and Empson, 2016). Ashley and Empson (2016) call for a more pragmatic approach when studying diversity issues. Although Ashley and Empson (2016) examine how diversity is enacted in practice, their research is limited since they only explore the gender aspect. But like Haynes (2017, p. 120) stated: “However, just as women are not a unitary category, neither are men…”. Therefore, this research takes on an intersectional approach, where the interaction between the different measures of
diversity are emphasized (Acker, 2006). In compliance with prior research, diversity is recognized and problematized as a malleable and fuzzy term (Ahonen, Pullen, Tienari & Merilainen, 2014; Edgley et al., 2016).

2.2. Institutional logics
In line with Edgley et al. (2016), this research makes use of institutional logics, a meta-theory, as the theoretical framework (Thornton & Ocasio, 2008; Thornton et al., 2012). As defined by Thornton & Ocasio (2008): “the core assumption of the institutional logics approach is that the interests, identities, values, and assumptions of individuals and organizations are embedded within prevailing institutional logics” (p. 103). It helps to gain an understanding of how institutions are interrelated with organizations and individuals (Thornton et al., 2012). Additionally, institutional logics are socially constructed patterns, with “material and symbolic elements”, where sense-making is a key mechanism (Thornton et al., 2012, p. 10). It is in these features where the institutional logic approach distinguishes itself from the traditional neo-intuitional theory (Thornton et al., 2012). Thornton et al. (2012) described seven societal sectors that appear in western societies: religion, market, family, professions, state, corporation, and community. Each institutional logic has its own rules, principles and rationality that guide both organizational as well as individual behavior (Thornton et al., 2012).

Thornton et al. (2012) emphasized that “social actors are key to understanding institutional persistence and change” (p. 76). The institutional logic approach takes upon the perspective that individuals have cognitive limitations (Thornton et al., 2012, p.90). Therefore, “organizations develop structures and processes that shape individuals’ and groups’ focus of attention” (Thornton et al., 2012). This focus of attention, guided by multiple institutional logics, shape organizational decision making (Thornton et al., 2012). Moreover, these institutional logics can have both a constraining and enabling function (Thornton et al., 2012). Although the constraining effect of institutional logics has been examined in the public accounting domain (Thornton, Jones & Kury, 2005), the enabling effect has been rather unexplored.

The institutional logics approach can help to understand “the rules of the game” and how these are socially constructed within the accountancy profession (Edgley et al., 2016). Furthermore, it helps
to describe the values and beliefs within a company (Thornton et al., 2012). Nevertheless, very little is
known about “the role of institutional logics within organizations” (Thornton et al., 2012, p. 147). The
question arises of how the “rules of the game” and the belief systems shape the behavior of actors within
the field. In line with this reasoning, the institutional logics perspective can shed light on the various
logics that shape the diversity agenda. And with that, enhance our understanding of how diversity is
enacted and integrated within the context of the accountancy profession (Thornton et al., 2005). When
the diversity agenda entails a shift, towards heterogeneity, within the accountancy profession usually
this signals that institutional logics have been changed (Lounsbury, 2008). Thornton et al. (2012)
identified three forms of change: (1) blending, (2) segregation and (3) assimilation (p. 164). Nevertheless, this is not a one-directional relationship, a shift in professional and organizational
identities “can also catalyze changes in logics” (Thornton et al., 2012, p. 130). Hence, they are
interrelated (Thornton et al., 2012).

Organizations and individuals must deal with different and often competing logics (Lounsbury,
2008; Reay & Hinings, 2009; Thornton et al., 2005). These competing logics can for example be a result
of the conflicting interest of various stakeholders inside and outside the company. Edgley et al. (2016)
argued that three logics are of main relevance when examining diversity within the accountancy context:
(1) the logic of the state (2) the logic of the market and (3) the logic of professionalism. Thornton et al.
(2012) expect that the logic of the state and the logic of professionalism put more emphasis on ethical
issues, i.e. the diversity agenda, than the market logic does. However, it is questionable if it is the logic
of the market that is of main relevance when examining the public accounting domain.

For example, the logic of the market’s source of legitimacy is the share price (Thornton et al.,
2005, p. 168). Secondly, its source of authority is defined as “shareholder activism” (Thornton et al.,
2005, p. 168). Prior research examined that these characteristics do not influence the behavior of
organizational actors in public accounting (Thornton et al., 2005). Therefore, this paper argues that it is
not the logic of the market that is of main relevance in public accounting but rather the logic of
corporations (Thornton et al., 2005). This perspective is in line with the defined ideal types of
institutional logics by Thornton et al. (2005). In Table 1, an overview of three major societal sectors
and their characteristics are displayed. These are the three “ideal-types” that are expected to have the
greatest influence on the behavior of organizational actors in the public accounting domain when examining diversity. It must be emphasized here that in this research, these “ideal-types” work as a benchmark to categorize and reflect upon the behavior of organizational actors.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Logic of the state</th>
<th>Logic of corporations</th>
<th>Logic of professionalism</th>
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<tbody>
<tr>
<td>Economic system</td>
<td>Collective welfare</td>
<td>Managerial capitalism</td>
<td>Personal capitalism</td>
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<td>Symbolic analogy effect</td>
<td>State as redistribution mechanism</td>
<td>Hierarchy as a corporation</td>
<td>Profession as a network</td>
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<td>Sources of identity</td>
<td>Political ideology of social class</td>
<td>Accounting as an industry</td>
<td>Accounting as a profession</td>
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<td>Sources of legitimacy</td>
<td>Democratic participation</td>
<td>Scale and scope of firm</td>
<td>Reputation of CPA</td>
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<td>Market position of the company</td>
<td>Standardization &amp; conservatism</td>
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<td>Sources of authority</td>
<td>Bureaucratic domination/ political parties</td>
<td>Board of directors Management Committee Managing Partners Government regulation</td>
<td>Professional association Government regulation</td>
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<tr>
<td>Basis of attention</td>
<td>Status of interest group</td>
<td>Selling services</td>
<td>Selling legitimacy</td>
</tr>
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<td></td>
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<td>Generating profits</td>
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<tr>
<td>Basis of strategy</td>
<td>Increase of collective good</td>
<td>Growth through mergers and acquisitions</td>
<td>Standardize and authenticate client financial statements</td>
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<td></td>
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<td>Differentiate on client service</td>
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<td>Informal mechanisms of control</td>
<td>Policy backstage</td>
<td>Organizational culture</td>
<td>Professional celebrity</td>
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<td>Formal mechanisms of control</td>
<td>Imposition legislation</td>
<td>Authority of the board and management</td>
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<td>Logic of investment</td>
<td>Capital commitment to public policy</td>
<td>Build wealth &amp; career of partners Capital committed to corporation</td>
<td>Build legitimacy of profession</td>
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Table 1. Overview ideal types of Institutional Logics within the accountancy profession (derived and adapted from Thornton, Jones and Kury (2005, p. 135 & p. 168-170)

2.3. The logic of the state
The first logic that is discussed is the logic of the state where the focus is on the legal drivers and social justice (Thornton et al., 2012). For example, Thornton et al. (2005) stated that due to corporate scandals, state-regulation within the accountancy profession has increased which produced a “punctuated equilibrium model”. From this example, the question arises if the logic of the state also influences the
diversity agenda? The Big Four, just as any other organizations operating in the Netherlands, needs to comply with Dutch laws and regulations. The law states:

“All people in the Netherlands shall be treated equally in equal circumstances. Discrimination on the grounds of religion, belief, political opinion, race or sex or on any other grounds whatsoever shall not be permitted.” (Algemene wet gelijke behandeling, 1994)

The fundamental rights of the Dutch Constitution should provide a legal framework that makes sure that every human being is treated equally. With regards to organizational decision making, people should be judged on relevant capabilities and not on difference regarding for example gender and race (Liff, 1997, 1999). Nevertheless, a certain amount of “fatigue” regarding the equal opportunities approach has arisen (Ahmed, 2007; Ashley, 2010; Liff, 1997, 1999). Liff (1999) stated that “the failure was to think that equal opportunities would or should lead to equal outcomes” (p. 65).

The diversity agenda emerged, as alternative approach, and has gained ground as a reaction to this “equality fatigue” (Ahmed, 2007; Ashley, 2010; Liff, 1997). The diversity movement is seen as a positive change and voluntarily instrument for organizations (Astrid, 2000). Moreover, it is increasingly debated in the corporate governance sphere (Carter, Simkins, & Simpson, 2003). The diversity agenda is concerned with how people from various social dimensions such as ethnicity, gender and class are treated, for example in selection and promotion processes and activities. This approach put more emphasis on recognizing differences and “has the potential . . . to be more inconclusive of a broader range of employees than conventional equal opportunity approaches” (Liff, 1997, p. 24). Alongside the diversity agenda, the focus on “inclusion” has emerged (McKinsey & Company, 2020). Diversity and inclusion go hand in hand: “the productive language of diversity and its management suggests that it is ‘inclusive’ because it attends to individuals” (Ahonen et al., 2014, p. 271). It is important here that worksites are open and inclusive to everyone, environments where everyone can be themselves (Barmes & Ashtiany, 2003). Therefore, in the political, social as well as in organizational sphere and research, the diversity agenda is of significant relevance (Kyriakidou, Kyriacou, Özbilgin & Dedoulis, 2016). Nevertheless, it is argued that the diversity approach ignores “the structural and cultural racial biases that exist in the organization” (Astrid, 2000, p. 243).
The discussion of diversity involves the concept of “meritocracy”, where individual people should be rewarded based on merit, effort and intelligence, rather than on class and wealth (Young, 1958). It proposes a positive thing for the diversity agenda, that discrimination would be swapped away. The problem is that the meanings of merit change over time and depends on the context, since it is socially constructed. Referencing to merit can reproduce existing social hierarchy (Littler, 2013) and can result in a focus on certain aspects and personalities associated with the “ideal” worker (Ashley, 2010). People are then judged based on this “ideal worker” (Young, 1958), how well do they “fit in” a certain picture? For example, recruitment practices could be based upon a certain “fit” with the organizational culture (Ashley, 2010). Also, concerning promotion to partner level, people could be rejected because they are not perceived to “fit” in a leadership role (Kim, 2004). These features emphasize the importance to study diversity in practice, such as the professional setting of accountancy firms.

Additionally, more advantages can be derived from examining how diversity is enacted within a specific setting. One of the main objectives of the logic of the state is to attain social justice (Thornton et al., 2012). In accomplishing this goal of social justice, it is of substantial importance that organizations are transparent (Ahonen et al., 2013; Ashley, 2010). Recently, large organizations within the European Union are required to disclose non-financial information, which includes diversity data about the organization’s board of directors. Furthermore, organizations are required to disclose the policies they implement with regards to “respect for human rights” and “social responsibility and treatment of employees”. Additionally, to achieve more transparency more than 250 Dutch organizations, among which the Big Four, are committed to the Diversity Charter.

2.4. The logic of the corporation
The second logic that is examined and connected to diversity is the logic of the corporation (Thornton et al., 2012). In contrast to the logic of the state, where it was all about social justice, the logic of the

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5 Non-financial reporting | European Commission (europa.eu)
6 Non-financial reporting | European Commission (europa.eu)
7 Charter Diversiteit - Diversiteit in bedrijf
corporation is about the business case of diversity (Thornton et al., 2012) and has managerial roots (Zanoni & Janssens, 2004). The logic of the corporation goes beyond the legal requirements of equal opportunities and emphasized the need for an infrastructure that effectively facilitate diversity in the workplace (Ahmed, 2007). The logic of the corporation emphasizes that being diverse is good for business and, therefore, can be seen as an economic good for organizations (Thornton et al., 2012). The business case is advocated as essential for genuine organizational commitment to the diversity agenda (Astrid, 2000; Barmes & Ashtiany, 2003). From the resource-based-view of the firm, a diverse workforce can be seen as a scarce resource (Wernerfelt, 1984). If this scarce resource is managed appropriately, it can lead to a sustainable competitive advantage for the organization (Wernerfelt, 1984). For example, an emphasis on diversity management can enhance the companies’ reputation and with that, help to recruit talented people (BIS, 2013). Secondly, a diverse labor force can assist in developing a wider and more varied client base (Barmes & Ashtiany, 2003).

As detailedly elaborated in the logic of the state, historically there have been struggles with the terms “equality” and “justice” (Ahmed, 2007; Barmes & Ashtiany, 2003). The move from these approaches to diversity management aligned diversity with organizational values and goals (Ahmed, 2007; Barmes & Ashtiany, 2003). In line with this development of taking diversity to the core of the organization, it is expected that the desired change is achieved (Ahmed, 2007; Barmes & Ashtiany, 2003). In recent times, partly due to an increased focus on internal control effectiveness and the requirement for an auditor to know its client internal and external environment (Knechel & Salterio, 2016), the job scope of an accountant has substantially expanded (Suddaby, Gendron & Lam, 2009). Additionally, due to the rise of new enterprise-wide technologies, prior research stated that a more hybrid accountant is called for (Caglio, 2003). The question arises if these recent changes also can explain the embracing of diversity by the Big Four.

(Ashley, 2010; BIS, 2013). Furthermore, Ashley and Empson (2016) stated that the business case for diversity is “fatally flawed”. Research into the accounting profession has surprisingly shown that diversity initiatives “reinforced gender barriers” (Kornberger, Carter & Ross-Smith, 2010). In nuance, regarding the dimension gender, there is some evidence that it can enhance organizational performance, but no significant results are shown on the other dimensions of diversity (BIS, 2013). Moreover, it is emphasized that to enhance organizational performance, it is required that diversity is embedded in the business strategy and managed accordingly (BIS, 2013). Additionally, in determining if diversity can be seen as an economic good, prior research emphasized that the firm’s economic and organizational context is of great importance (BIS, 2013).

This last feature gives a first glance at the problems that can arise from the business case perspective of diversity and therefore might not serve as a catalyst for radical change (Barmes & Ashtiany, 2003; Litvin, 2002). As Edgley et al. (2016) stated “a commercial logic, however, turns the value system of diversity back into organizational self-interest and success rather than public interest” (p. 20). In line with this point, the organizational-centered focus of the diversity agenda can be threatening (Noon, 2007). This is because it cannot be assumed that “diversity” is beneficial in all organizations at all times (Noon, 2007) and therefore Noon (2007) argues that it does not dismantle systemic barriers. The fundamental flaw of the business case and its underlying assumptions is that “it assumes irrationality where rationality might prevail and assumes rationality where irrationality might prevail” (Noon, 2007, p. 779). Noon (2007) described two main problems of the business case: (1) short-termism and (2) the blinkered view. Moreover, it is emphasized that it is difficult to measure the real organizational benefits of diversity (Litvin, 2002; Noon, 2007). In line with these problems, Litvin (2002) describes diversity as an “iron cage”. These critiques shed new light on the debate if the diversity initiatives really can change the deep-rooted structural problems.

In summary, prior research has argued that the logic of the corporation alone cannot serve as a basis for change (Litvin, 2002; Lorbiecki & Jack, 2000; Noon, 2007). This is because the economic rationality of the logic of the corporation ignores “human right concerns” and “social justice” (Noon, 2007). It is more geared to change the workforce than actual change the underlying culture, for example the way people interact and the dress code, of a company (Astrid, 2000). Therefore, the logic of the
corporation does perhaps not challenge “existing power relations and the established order” (Tomlinson & Schwabenland, 2010). Nonetheless, although the business case and the social justice perspective of the logic of the state seem contradictory, research has shown that both can coexist (Astrid, 2000; Tomlinson & Schwabenland, 2010). Perhaps, the coexistence and the combination of the two logics can bring about the desired change towards heterogeneity within the accountancy profession.

2.5. The logic of professionalism
Lastly, the logic of professionalism is examined. The logic of professionalism entails the commercial and client service perspective of the diversity agenda (Thornton et al., 2012). This logic mainly dictates “that accountants focus their attention on verifying the legitimacy of client financial statements” and with that protect shareholders’ investments (Thornton et al., 2005, p. 13). Moreover, the logic is a mix of the prior mentioned logics and reflects the pressure resulting from both the commercial and the social side. The very nature of the word “professionalism” emphasizes the distinction between accountancy firms and other (commercial) organizations (Evetts, 2003). “Professionalism” entails for example the qualities, skills and competencies that characterize a profession (Evetts, 2003). Historically, the definition of “professions” has varied over time but “professions are essentially the knowledge-based category of occupations which usually follows a period of tertiary education and vocational training and experience” (Evetts, 2003, p. 397).

In this light, accountancy is seen as a profession with a dual character for society (Evetts, 2003; Willmott, 1986). On the one hand, it includes the “development of an autonomous form of governance” but on the other hand the gained expertise and power could lead to a “monopoly control” (Evetts, 2003, p. 404). For the accountancy profession themselves, conflicts can arise because on the one hand they ought to work as “commercial innovators” but on the other hand, they ought to act as “guardians of the professional tradition” (Malsch & Gendron, 2013, p. 870). Historically, the transformation of the accountancy profession “has been predicated, externally, by a financial scandal and followed by regulation” (Thornton et al., 2005, p. 12). Scandals have been the main driver for institutional change within the accounting industry (Malsch & Gendron, 2013). Recently, in the wake of high-profile
scandals such as Arthur Andersen and Enron, more focus has been placed on ethical principles and standards (Cullinan, 2004; Sataya, Caldwell & Richards, 2006).

Cooper & Robson (2006) state that professional service firms, such as the Big Four accountancy firms, are a crucial site and of increased importance in the professionalization process. Although professional service firms have become more “open” in recent years, Hanlon (2004) argued it is still a “homogenized world” (p. 206). In these crucial sites, the professional identities of accountants are shaped and modified (Cooper & Robson, 2006). The diversity agenda comes into play here since within the professionalization process it is where boundary work takes place (Cooper & Robson, 2006; Hanlon, 2004). Boundary work can be defined as the “process of inclusion and exclusion”, here it is indicated “which groups are excluded and which allowed to participate as legitimate accountants “(Cooper & Robson, 2006, p. 421). Ashcraft, Muhr, Rennstam & Sullivan (2012) examined the diversity agenda within a broader range of professions and shed more light on the diversity problem in the profession by defining two primary diagnoses: “(a) the dominant ‘absence’ view, which defines exclusion as a lack to be rectified through inclusion efforts and (b) an alternative ‘presence’ view, which explains contemporary exclusion as a consequence of historical inclusion” (p. 468). The authors argue that both diagnoses inhibit meaningful change and therefore a dialectal perspective is called for (Ashcraft et al., 2012).

The process of becoming and “creating” a professional accountant, which is seen as essential to the functioning of any profession, involves socialization (Anderson-Gough, Grey & Robson, 2002). Thornton et al. (2012) posit that it is partly through this socialization process that multiple institutional logics are learned. Priorly, a scarce amount of research has examined this professional socialization process in the accountancy profession in practice (Anderson-Gough et al, 1998, 2000, 2001, 2005). They have identified the client service ethic as a central term in this socialization process of trainees (Anderson-Gough et al, 2000, 2001). For example, overtime and working at the weekends are viewed as “symbolic of good client service” (Anderson-Gough et al, 2000, p. 1160). Second, research has examined that the fit with the “correct image” is viewed as essential to progress within the organization, this “image is maintained for the sake of professionalism” (Anderson-Gough et al., 2001, p. 100).

From a broader perspective, individuals use “gender-, race, and class-based assumptions” in
their daily social interactions (Acker, 2006, p. 451). Zooming in on the accountancy profession, research has identified gendered biases in promotion practices where people unconsciously promote people who look and act like themselves (Anderson-Gough et al., 2005). This unconscious behavior can “reproduce organizational gender relations” (Anderson-Gough et al., 2005, p. 487). These research outcomes have pointed out some practices that could reinforce homogeneity within the accountancy profession. A side note must be made here, research that has been looked into the professional socialization process in the accountancy profession is mainly done in the United Kingdom and perhaps also outdated (Anderson-Gough et al, 1998, 2000, 2001, 2005). Above all, meanings and perceptions of professionalism and diversity are not universal and hence can differ in different geographic settings (Edgley et al., 2016).
3. Research Design

3.1. Method

To examine the research question and grasp the complexity of the subject, qualitative research methods are called for (Starr, 2014). This choice of research method is in line with prior research examining institutional logics (Reay & Jones, 2016). In this research, a combination of two techniques to qualitatively capture institutional logics are used: (1) pattern matching and (2) pattern inducing (Reay & Jones, 2016). In the first step, “pattern matching”, the three ideal types, as described in the theoretical framework, are tested upon (Reay & Jones, 2016). In the second step, “pattern inducing”, it is examined whether other logics can be derived based on one’s observations (Reay & Jones, 2016).

Whereas in economic research quantitative research methods prevail, Starr (2014) emphasized the growth and recognition of qualitative research methods in Economics. Qualitative research methods can enhance our understanding of the world around us because they allow us to examine actors within a specific setting or context (Starr, 2014). Moreover, since qualitative data is expressed in words, it has the potential to shed light on how humans think, act in certain ways and how they perceive certain things (Starr, 2014). These features of qualitative research methods are essential to examine how diversity is enacted within a specific context: the accountancy profession. This research fits within the interpretivism paradigm. Within this paradigm, society is constructed by individuals and there are multiple social realities (Killam, 2013). Additionally, society also plays an important role in how individuals act (Killam, 2013). Therefore, interpretive research has the potential to provide more complete knowledge of diversity.

When performing research the role of researcher should be considered. In qualitative research, the researcher takes upon a prominent role in both gathering and analyzing data. Throughout the research, the researcher is also working internally for one of the Big Four’s companies. The researcher must be aware in how these features can lead to biases and perhaps affect the results of the research. During the whole process, the researcher should take on a neutral role and stay objective.
3.2. Data collection

The response of the Big Four to the diversity agenda and the logics are examined by carrying out an analysis of social media sites, which is in line with Edgley et al.’s (2016) research, and annual reports. This process can be defined as a form of data analytics, where a large amount of publicly available qualitative data is analyzed to discover patterns. To ensure credibility, the process of data gathering is carefully described and documented (Mandal, 2018). Furthermore, the research method described by Edgley et al. (2016) serves as a guideline for this research. They focused on social media sites in North America and the UK and notice that diversity and professionalism could potentially have different meanings in other geographic regions. This research builds on this by examining the social construction of diversity in the Netherlands. The Big Four currently consist of Deloitte, KPMG, EY and PwC. It is acknowledged that these are global firms, but this research focused on the Dutch subsidiaries of these firms and their social media sites.

Firstly, data is collected from social media sites (Twitter, Facebook and LinkedIn), company websites and annual reports of the Big Four. The use of different types of sources and data (triangulation) provides a completer and more balanced picture (Mandal, 2018; Starr, 2014). Therefore, data triangulation decreases the criticism that “the perspectives of the researcher may affect research results” (Starr, 2014, p. 256) and increases the validity of this research (Mandal, 2018). The data trail on the social media sites Twitter, Facebook and LinkedIn have been followed from 1 January 2020 until 18 May 2021. Only EY does not offer a separate Dutch LinkedIn page. During this process, the search terms “diversiteit” (“diversity”), “inclusiviteit” (“inclusivity”), “inclusie” (“inclusion”) and “gelijkheid” (“equality”) have been used. In the literature review the terms “inclusivity”, “inclusion” and “equality” are regularly linked to diversity, therefore also these search terms have been used. Both the Dutch words and the English translation have been applied to discover data trails on websites, social media sites (Twitter, Facebook and LinkedIn) and the annual reports. In the social media sites, a large overlap is found regarding messages (feeds) about diversity and inclusion. If this was the case, only one data source is saved to make sure there are no identical documents.

The second step is to save the collected data. To be able to analyze the data, the documents are stored in the research software Atlas.ti. The data trail also leads to videos and podcasts where they talk
about diversity and inclusion, these audio fragments are saved in the form of transcripts. In summary, the data collection resulted in data that consists of images, video transcripts, podcast transcripts, annual reports, articles, stories told by employees and company websites. All documents, except for the images, are saved in pdf or word as text documents. Data is saved in Atlas.ti, where a map is constructed for each Big Four firm, which resulted in 65 documents: Deloitte (18), EY (15), KPMG (17) and PwC (15).

3.3. Data analysis
Thereafter, the data analysis starts using the software program “Atlas.ti”. Firstly, to organize the data and capture essential meanings, the data is coded (Friese, 2016). It is acknowledged that coding requires a neutral and objective view of the researcher. Descriptive coding is performed to select what is relevant to answer the research question. These codes consist of predefined codes derived from the literature and new emerging codes. In this process content analysis, which focuses on themes, is used to classify and categorize the data.

The three predefined codes derived from the literature review are (1) logic of the state, (2) logic of the corporation and (3) the logic of professionalism (Thornton et al., 2012). Firstly, the three ideal types are tested upon. The logic of the state, which is all about social justice and equal opportunities, emerged in messages of diversity as “the right thing to do” (see Table 2). The logic of the corporation emerged in messages as the business case for diversity (see Table 2). The logic of professionalism appeared to be hard to capture because the logic of professionalism only occurred in one quotation regarding diversity and inclusion. Where diversity and inclusion are directly linked to audit quality,

“In addition, our root cause analysis shows that teams in which accountants can express a dissenting opinion, result in higher audit quality.” (EY)⁸

It can be argued that indirectly, the messages of the business case for example also reflect the logic of professionalism. Nevertheless, the messages of the Big Four do not directly link the logic of professionalism to diversity and inclusion.

Second, in line with Edgley et al. (2016), stories of employees posted on social media and

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⁸ Hoe voelen mensen zich gehoord, gezien en betrokken? | EY - Nederland
websites are analyzed. Edgley et al. (2016) found “stories of diversity as “my brand” and “bringing a whole self to work”” (p. 23). In line with “bringing a whole self to work”, this paper found a similar central theme within these stories: “being your whole self” (see Table 2). Nevertheless, stories of diversity as “my brand” are not found. In contrast, this research found the central theme “being authentic” in these stories (see Table 2). Furthermore, prior research that examined diversity within accountancy firms identified “a strong client service ethic” as the primary justification for maintaining the status quo (Ashley & Empson, 2016). Also, Edgley et al. (2016) found the central theme “in the name of the client” (p. 26). In line with prior research, this paper found a similar central theme: “the client case for diversity” (see Table 2). Lastly, Edgley et al. (2016) found that “diversity is associated with… “feel good” metaphors” (p. 27) and defined “diversity as a social network” (p. 28). In the data analysis, it occurred that the “feel good metaphors” are often linked to diversity as “feeling at home” (frequency, see Table X). In line with “diversity as a social network”, this paper found a similar central theme within the messages signaled by the Big Four: “diversity as a network” (see Table 2).

In summary, six important themes are classified: (1) stories of diversity as “being your whole self” and “being authentic”; (2) the client case for diversity; (3) the business case for diversity; (4) diversity as “feeling at home”; (5) diversity as a network; (6) diversity as the “right thing to do”.

<table>
<thead>
<tr>
<th>Code</th>
<th>Company</th>
<th>Deloitte Total number of coded documents</th>
<th>EY Total number of coded documents</th>
<th>KPMG Total number of coded documents</th>
<th>PwC Total number of coded documents</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being authentic</td>
<td>Deloitte 18</td>
<td>10</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Being yourself</td>
<td>EY 15</td>
<td>19</td>
<td>16</td>
<td>5</td>
<td>7</td>
<td>47</td>
</tr>
<tr>
<td>Feeling at home</td>
<td>KPMG 17</td>
<td>9</td>
<td>15</td>
<td>4</td>
<td>8</td>
<td>36</td>
</tr>
<tr>
<td>Network</td>
<td>PwC 15</td>
<td>18</td>
<td>10</td>
<td>7</td>
<td>8</td>
<td>43</td>
</tr>
<tr>
<td>The business case</td>
<td>Deloitte 18</td>
<td>23</td>
<td>26</td>
<td>13</td>
<td>18</td>
<td>80</td>
</tr>
<tr>
<td>The client case</td>
<td>EY 15</td>
<td>12</td>
<td>10</td>
<td>4</td>
<td>5</td>
<td>31</td>
</tr>
<tr>
<td>The right thing to do</td>
<td>KPMG 17</td>
<td>17</td>
<td>19</td>
<td>8</td>
<td>7</td>
<td>51</td>
</tr>
<tr>
<td>Unconscious bias</td>
<td>PwC 15</td>
<td>0</td>
<td>4</td>
<td>8</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>111</td>
<td>104</td>
<td>54</td>
<td>61</td>
<td>330</td>
</tr>
</tbody>
</table>

Table 2. Codes and number of related quotations
4. Results

In this chapter, the results of the research are elaborated. In the first paragraph, the presentations of diversity on social media sites are displayed. Thereafter, the following six themes, that emerged from the data analysis, are discussed: (1) stories of diversity as “being your whole self” and “being authentic”; (2) the client case for diversity; (3) the business case for diversity; (4) diversity as “feeling at home”; (5) diversity as a network; (6) diversity as the “right thing to do”.

4.1. Presentations of diversity

The first step in examining how diversity is institutionalized is to map out how the Big Four is accounting for diversity. How the Big Four account for and define diversity shape the institutionalization process. In their annual reports, the Big Four are signaling that they measure, set targets and actively monitor diversity and inclusion in various ways. These steps contribute to the regulation of the behavior of organizational members. Where Deloitte pointed out: “Inclusion is the goal we want to achieve, and diversity and equality are measures of success”. The Big Four is presenting diversity on their website as a fuzzy concept, where it is about the difference between people in a very broad sense (see Table 3). It is not only about the differences between men and women but is much more than that, which makes the measurement of “diversity” much more complex.

When looking at the numerical data that is publicly available, the emphasis here is on gender and, albeit to a lesser extent, on age and cultural diversity. Gender can be seen as a relative “easy” and understandable measure of diversity, which makes for example monitoring and setting targets more easily. Therefore it can be argued that this feature facilitates the regulation of diversity. The Big Four signal that, by first focusing on gender, a snowball effect is expected regarding other dimensions of diversity. Within the so-called visible characteristics, data is measured across different functions, from staff intake to partner level. In this light, also gender and cultural equal pay analysis are performed. Moreover, the Big Four do also account for diversity with data derived from people (engagement) surveys. This can be characterized as the “softer aspects” of diversity (Edgley et al., 2016). EY, for

example, signal that their diversity & inclusion (D&I) policy is not limited to gender, but also cover these wider aspects of diversity.\footnote{Hoe D&I-beleid stapje voor stapje bijdraagt aan inclusiviteit | EY - Nederland} The D&I policy they draw up, in turn, contributes to the regulation of organizational members.

Nevertheless, when looking at the numerical data of gender the male-female ratio is almost straightened out at the hiring stage but there is a lot of outflow towards the higher positions (see Table 3). Thus, the higher the position, the greater the difference in the male-female ratio (Ross, Wells & Clarke, 2014). In line with Ross et al. (2014), KPMG defines this situation as the “leaking pipeline effect”\footnote{https://home.kpmg/content/dam/kpmg/nl/pdf/over-ons/integrated-report-2019-2020.pdf}, which results in a scarce representation of women in top positions. This is an aspect that is receiving a lot of attention from the Big Four, as KPMG for example stated,

“Many of our efforts are now focused on addressing the leaking pipeline of female talent to ensure that we achieve our ambition in this area” (KPMG)\footnote{As above}

In the data analysis, the concept of “unconscious bias” (see Table 2) emerged several times concerning diversity issues, such as the leaking pipeline effect. In an interview, Stephanie Hottenhuis (CEO and chair to the Board of KPMG) acknowledged the existence of an unconscious bias towards women,

“I've become more fanatic about it. At the beginning of my career, I also thought what's the big deal? I'm doing my job, apparently I'm good at it so yes, I'll take those steps. We'll get there without quotas. But I have come to realize how slowly it goes and that it is a matter of bias, societal peer pressure and expectations around family formation. Then I realized: no equal opportunities. That is morally wrong.” (KPMG)\footnote{https://www.opzij.nl/2020/02/27/langs-de-feministische-meetlat-kpmg/}

KPMG ensured that their application procedure is “bias-free”\footnote{https://www.ser.nl/nl/thema/topvrouwen/actueel/nieuws/bias-free-solliciteren}. Where, regardless of his or her background, every applicant has an equal chance. Additionally, the other Big Four firms do recognize and address this problem,

“In practice, people tend to prefer people who look like them, who have the same characteristics. These judgments are often reflexes. Our brain simply works in such a way that we find it pleasant
to work with people who resemble ourselves. That feels safe and secure and we think that people perform better.” (EY)

These unconscious biases stimulate exclusion and can hold back the change in professional identity. Addressing these biases is the next step in transforming the professional identity of the accountant, as portrayed on social media sites as the “diverse professional” (Edgley et al., 2016). The Big Four signal that they address these issues, for example, EY state that they provide training regarding unconscious bias to their organizational members.

<table>
<thead>
<tr>
<th>Company name</th>
<th>Presentation of diversity</th>
<th>Female % of partners &amp; directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>EY</td>
<td>“Diversity is about differences. At EY, we see differences very broadly, including nationality, background, education, gender, ethnicity, generation, age, workstyle, the way of thinking, religious background, sexual orientation, abilities, experience and technical skills. There are also differences in geography, service line, sector and function.”</td>
<td>34%</td>
</tr>
<tr>
<td>Deloitte</td>
<td>“We see diversity not just as a demographic thing, but as a diverse way of thinking, feeling and doing. Gender, ethnicity and sexual orientation are all indicators of potential diversity. Deloitte recognizes and values these differences.”</td>
<td>32%</td>
</tr>
<tr>
<td>PwC</td>
<td>“The success of our organization stands or falls with the quality and diversity of our people. Surprising insights and innovative and unconventional solutions for our clients are the result of an interplay of views, cultures, knowledge and experience. At PwC we want to acknowledge and value those differences. That's why diversity is one of our strategic focal points.”</td>
<td>18.7%</td>
</tr>
<tr>
<td>KPMG</td>
<td>“It is about the different aspects of a person, not just a person's gender, but also his or her cultural background, personality, work ability, personal characteristics and the stage of life he or she is in.”</td>
<td>19%</td>
</tr>
</tbody>
</table>

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18 Hoe D&I-beleid stapje voor stapje bijdraagt aan inclusiviteit | EY - Nederland
21 https://werkenbijdeloitte.nl/over-deloitte/diversity-inclusion
23 https://www.pwc.nl/nl/onzee-organisatie/diversiteit.html
4.2. Stories of diversity as “being your whole self” and “being authentic”

In the data analysis, two comparable codes that the Big Four link to diversity have been identified: (1) “Being yourself” (frequency 47) and (2) “Being authentic” (frequency 20). Stories of employees are shared on the websites of the Big Four accountancy firms, in particular on the recruitment pages such as “working at”, “meet us” and “our organization”. Prior literature emphasized that storytelling can be seen as a “sense-making device” (Brown, 2005). Employees tell stories through various mechanisms, such as videos, blogs and podcasts, about their own experiences on the topics of diversity and inclusion. Moreover, in their annual report EY acknowledge the use of testimonials to signal diversity and inclusion messages,

“We also use testimonials of EY colleagues (“Meet us”) to present the organization. Important themes such as teamwork, diversity & inclusiveness, coaching and innovation receive a lot of attention.” (EY)27

Through these messages, the Big Four are signaling that they provide an inclusive working environment, a symbolic indication that the professional identity of the accountant is changing. In this light, by focusing more on diversity and inclusion, it is suggested that the boundaries between an employee’s “private-self” and “professional-self” are torn down. These stories of diversity as “being your whole self” and “being authentic” are often linked to overarching dimensions. As an illustration of this change, this paper elaborate on four overarching dimensions used by the Big Four: (1) gender; (2) LGTB; (3) multi-cultural and (4) disabilities.

First, motherhood is set as an illustration of this change. Prior literature suggests that within professional service firms’ women are systematically excluded (Anderson-Gough et al., 2005). Especially in senior positions, Ashley & Empson (2016) examined that the client perspective is of great importance. They emphasized that clients always expect you to be available, which makes working part-time difficult (Ashley & Empson, 2016). It should be noted here that it is often expected that when

women have children they prefer to work part-time. A female EY employee shared her experience after announcing her pregnancy:

“"It's something she has been having difficulties within recent months: the assumption that she'll work less when the baby arrives. It's completely understandable that colleagues and supervisors would like to know how you envision your future, but why don't they ask the men too? Why shouldn't it be the father who starts working less?’ Even her husband initially assumed that Shima would be working less.” (EY) 28

Similarly, Ad van Gils, chairman of the board of PwC Netherlands, also emphasizes the expectations that prevail from society. Moreover, he mentions the difference between the Netherlands and other countries:

“Meanwhile, there are enough countries where PwC has more female partners than in the Netherlands. 'Does that have to do with culture? I don't know. But when a female colleague told a neighbor about her appointment to the board of directors, she got the response: "Oh dear, will you still be there for your kids?" That neighbor could also have said, "How cool for you!" That is different in other countries.” (PwC) 29

Deloitte30,

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28 https://www.facebook.com/eynederland/photos/a.530680950421906/1555462597943731
29 PwC-topman kijk ook naar wat accountants al hebben gedaan - Onze organisatie - Actueel en publicaties - PwC
Images of a female employee working for Deloitte implying that being a mother and having a career can be combined through flexible arrangements. This is reflected in the first picture which shows a mother on a cargo bike with a child seat, going to pick up her child. The second picture shows a smiling mother working from home, implying that it is not always necessary to be physical at the office. She described her experiences on the Deloitte website:

“Combining an ambitious career with motherhood is not without its challenges. At the same time, I have received support from multiple sources within Deloitte, both in terms of flexibility and from a network of young mothers. I am especially proud to be a role model for the next generation of mothers in our organization and junior colleagues.” (Deloitte)31

Nevertheless, it is not only motherhood that is getting attention in the stories. In a video, young parents working for EY are talking about their experiences32. In this video Mirjam Sijmons, Talent & Transformation Leader, notes that “…fortunately a new generation of fathers is coming into the job market. They aren’t afraid to say that being involved in the upbringing of their children is important to them”33. And asks the question: “Do we have an environment in which that is possible?”34. Jaap de Jong, Partner, reacts as follows:

“It’s tricky because I think it’s possible but in conversations I’ve had as HR partner for my area I’ve noticed those people are struggling with that. I’m a father of two girls of five and eight. I

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31 As above
32 https://www.youtube.com/watch?v=kALmWHrOZnE
33 As above
34 As above
want to see them grow, to take them to school, to hockey practice. I also want my own social life.

That matches the ambitions of other colleagues.” (EY)35

In the above stories, it becomes clear that the ambition to combine parenthood and a career is shared among employees of the Big Four. To ensure that talent is retained, the Big Four are offering various flexible arrangements, such as working from home, to support employees with children. Moreover, these flexible arrangements are an example of how diversity is institutionalized within the accounting profession. They signal that working from home is excepted and therefore facilitates the regulation of (future) organizational members. Recently, due to COVID-19, the Netherlands experienced severe lockdowns where also schools have been closed. As a result, employees with children have experienced extra pressure36. The Big Four publicly announced that they offer childcare arrangements to support their employees37. This transparency from the professional service firms regarding employee support, “humanizes the individual as a parent and professional” (Edgley et al., 2016, p. 23).

Second, as an illustration that the boundaries between an employee’s “private-self” and “professional-self” are torn down are the stories told by LGTB employees and of employees with a non-Dutch background. By drawing upon unique stories told by their employees, the Big Four communicate that everyone can be their whole self. These stories help to explain how diversity obtains meaning within the accountancy profession. A common team in these stories is that an inclusive working environment is seen as a requirement that everybody can be their whole and authentic self. The formation of an inclusive culture within the organization is seen as an important part of the institutionalization of diversity, as a Deloitte employee emphasizes,

“For example, the recruitment campaigns, internal platforms and awareness campaigns show that Deloitte is making a genuine effort to create a truly inclusive culture. However, employees must

35 As above
36 International Women’s Day Podcasts - KPMG Nederland (home.kpmg)
actively participate and contribute. Otherwise, it will remain with hiring more international employees and that should not be an end in itself, it is about the culture.” (Deloitte)38.

An EY employee, part of EY’s LGBT+ network “Unity”, mentions the opportunity to be “your whole self” in an inclusive environment and the importance of participation in events such as the Pride Amsterdam,

“Unity is a community for people who have fear of being themselves. That's the main thing that Unity stands for, to support diversity but also inclusiveness within EY. And that everyone is helped by colleagues and accepted as they are. Participating in Pride Amsterdam means a lot to me. It gives me the feeling that I can be myself. And that EY stands behind me in everything I do. I am Jeroen Breunissen. I am very proud that EY has given me all the opportunities to grow in this way. (EY)39

By participating in events such as the Pride, the Big Four sending out a clear signal that LGBT is accepted in the accountancy profession. This is a strong signal because the Big Four also has clients in countries where homosexuality is still illegal. In this light, by openly supporting the LGBT community the Big Four signal that the embrace of diversity is not only about commercial logics.

Thirdly, stories are told by human being with a multicultural background. A woman working for Deloitte with Dutch and Moroccan roots expressed her experiences as follows,

“I am a woman and wear a headscarf... Fortunately, Deloitte's position is very clear: you are welcome as you are. On the introduction day for new employees, they even asked who had chosen Deloitte because of its diversity policy. So you know that it is an item within the company. And I turned out not to be the only one who raised his hand” (Deloitte) 40

Fourthly, stories are told by people with disabilities. These stories demonstrate that a career in the accountancy profession can be achieved when you have a disability and they are “open” for

38 Somil Sharma: ‘Culturele diversiteit wordt door... - Werken bij Deloitte
40 https://werkenbijdeloitte.nl/bij-deloitte-is-elke-opdracht-weer-uitdagend
everyone. To create awareness and support for people with disabilities, the Big Four created communities. PwC for example, created the (dis)Ability-network. As a Deloitte employee described,

“Within PwC, everyone must be able to join in and this means we must think in what someone can do rather than what they can’t do… but we all need to think about care and work together. It’s important to put it into practice” (PwC)

4.3. The client case for diversity

“The client” takes upon a prominent role in the socialization and professionalization of trainee accountants (Anderson-Gough et al., 2000). Under this perspective, the client’s expectations are given as the main reason to justify homogeneity and determines whether a trainee “fits” within the picture of the Big Four (Ashley & Empson, 2016). Nowadays, this perspective is linked to diversity, in which the client is identified as a reason for embracing diversity. This outlook can be recognized on social media sites of the entire Big Four (see Table 2). EY account for diversity as a necessity in this transforming world and diversity is seen as a broad concept,

“We believe that in the rapidly changing environment created by globalization, success will only come to the best teams, who can leverage the benefits of different perspectives and backgrounds. Such teams are diverse and inclusive, open to other perspectives and willing to learn from them. Our ability to base what we think, how we behave and what we do on different perspectives are essential to fostering innovation, developing strong relationships and providing the best solutions to our clients. (EY)

Moreover, EY emphasizes the expected co-occurrence with the code “being your whole self”. They expect that when people can be their whole self, they are of more value to the customer. Similarly, in a video, KPMG’s CEO Stephanie Hottenhuis emphasized the client’s expectation as a reason to embrace diversity: “…our clients expect it. The more diverse we are as teams, the higher impact

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41 https://www.pwc.nl/nl/onze-organisatie/diversiteit/disability-thema.html
42 https://www.pwc.nl/nl/onze-organisatie/diversiteit/disability-thema.html
44 Iftar viering bij EY: moslims en niet-moslims gezamenlijk aan tafel | EY - Nederland
we are for our clients.” (KPMG)\(^45\). Besides, “On top of that, KPMG's client simply expects teams to be mixed.” (KPMG)\(^46\).

Having different perspectives in-house, emerging from for example differences in gender and culture, is seen as key in providing high-quality services,

“We acknowledge that indeed there are differences between males, females, cultures and generations in the working environment. At Deloitte, we embrace and respect these differences in order to create the best possible outcomes for our clients, our people and society” (Deloitte)\(^47\)

Deloitte emphasized not only the importance of diversity to clients but also to other stakeholders such as their people and society. In line with this view, diversity and inclusion score high on the materiality index.\(^48\) In summary, diversity is seen as essential for success and therefore incorporated in the companies’ strategy, where diversity is again seen as a broad concept,

“Surprising insights and innovative and unconventional solutions for our clients come from an interplay of views, cultures, knowledge and experiences. At PwC, we want to recognize and value those differences. That is why diversity is one of our strategic spearheads. This focus creates room for varied qualities and perspectives. We need these to solve our clients’ problems and build trust. Because just like the megatrends that are changing the world, our clients’ environment is rarely unambiguous.” (PwC)\(^49\)

The messages transmitted by the Big Four show that different perspectives and qualities are required to best serve their clients. “To make a difference for our clients, we don't discriminate when it comes to talent” (PWC)\(^50\). The client case appears to be a central driver for embracing diversity by the Big Four. Whether in prior research the client has been the main motive for the justification of

\(^{45}\) https://www.linkedin.com/posts/kpmg-nederland_a-message-from-our-ceo-pride-week-activity-6694560993152004096-qCC7
\(^{46}\) https://www.ser.nl/nl/thema/topvrouwen/actueel/nieuws/bias-free-solliciteren
\(^{48}\) As above
\(^{49}\) https://www.pwc.nl/nl/onze-organisatie/diversiteit.html
\(^{50}\) https://werkenbijdeloitte.nl/impact/inclusiveness-2
homogeneity (Anderson-Gough, 2000; Ashley and Empson, 2010). Apparently, “the clients” needs and expectations are changing, and they are forcing the Big Four to embrace diversity.

4.4. The business case for diversity
As priorly elaborated, the logic of the corporation is about the business case for diversity (Thornton et al., 2012). Here diversity is seen as an economic good and acknowledged as essential to a firm’s success (Ahmed, 2000). Although Ashley & Empson (2016) define the business case for diversity as “fatally flawed”, McKinsey & Company (2020) define the business case for diversity as “stronger than ever”. In the analysis of the client case for diversity, it is already mentioned that diversity is integrated within the Big Four’s strategy. The client case, as well as the business case, can both be seen as commercial logics. In annual reports and social media sites, “the business case” takes upon a prominent role (see Table 2) and it is communicated to stakeholders that diversity is set as a business priority.

It is not only about diversity, but also inclusion is associated with organizational success. “Inclusiveness is about leveraging these differences to achieve better business outcomes” (EY)\textsuperscript{51}. Moreover, EY show their commitment to diversity and inclusion (D&I) by signing the Diversity and Inclusion statement where D&I is defined as essential for creating long-term value,

“It is critical to achieving EY's ambition to create long-term value - bringing together the best of our global organization to lead our organization and serve our clients, and ultimately ensure better business success in this transformative era.” (EY)\textsuperscript{52}

Additionally, Deloitte believes that diversity and inclusion drive performance,

“Strength from inclusion and diversity is one of the core values of Deloitte. This value is rooted in the conviction that diversity drives quality and innovation and thus ultimately drives performance” (Deloitte)\textsuperscript{53}

\textsuperscript{51} https://www.ey.com/nl_nl/diversity-inclusiveness/diversity-and-inclusiveness-means-growth
\textsuperscript{52} https://www.ey.com/nl_nl/diversity-inclusiveness/global-executive-diversity-inclusion-statement
In line with this perspective, KPMG emphasizes the importance and added value of diverse teams,

“For KPMG, inclusion and diversity are both business and moral requirements. They help us build trust, encourage growth and force us to stand up for what is right. Diversely composed teams tend to be more innovative and excel more” (KPMG)\[^{54}\]

Both, a diverse workforce and an inclusive working environment are recognized as assets. These messages on firm websites and annual reports do signal that the Big Four recognize diversity and inclusion as an economic good and are convinced that these “assets” ultimately lead to better firm performance. Another point with relation to the business case perspective, Ad van Gils (CEO PwC Netherlands) emphasized that “… a diverse organization helps to attract talent”\[^{55}\]. Thus also the possession of these assets makes the organization more attractive as employers for future talent. PwC for example support the recruitment and retaining of talent employing an extensive diversity policy\[^{56}\]. As priorly mentioned, these policies shape the regulation of organizational member and thus the institutionalization of diversity.

4.5. Diversity as “feeling at home”

As mentioned before, the diversity approach has emerged as a reaction to “the fatigue” regarding the equal opportunities approach (Ahmed, 2007; Ashley, 2010; Liff, 1997). The diversity approach is seen as a more positive change (Astrid, 2000). This reflects a mix of logics, where it is about the combination of equal opportunities and business productivity. By embracing diversity and inclusion, a working environment is created where employees can be themselves and feel “at home” which stimulates performance,


\[^{55}\] [Talent loopt je deur voorbij als je niet bouwt aan inclusiviteit - Blogs - PwC](https://home.kpmg/nl/nl/home/over-ons/onze-mensen/inclusie-en-diversiteit.html)

\[^{56}\] [Verder bouwen aan een inclusieve cultuur - Jaarbericht 2019/2020 - Onze organisatie - PwC](https://home.kpmg/nl/nl/home/over-ons/onze-mensen/inclusie-en-diversiteit.html)
“Inclusiveness is about leveraging these differences to achieve better business results. About creating an environment where EY employees feel valued, where everyone feels at home and can perform at their best in every situation.” (EY)\(^{57}\)

Similarly, an inclusive culture where people “feel at home” as a precondition for their employees’ success,

“Our people are more likely to be successful within an inclusive work culture that embraces ethical behavior. For us, an inclusive culture is not just about gender equality, but about much more. It is about the different aspects of a person, not just a person's gender, but also their cultural background, personality, workability, personal characteristics and the stage of life they are in. An inclusive work culture is a work environment where people feel at home and can be themselves.” (KPMG)\(^{58}\)

An inclusive working environment where everyone can be themselves and reach their full potential, diversity is portrayed as a positive thing,

“PwC is committed to an inclusive culture in which we embrace diversity. Inclusive means that everyone feels included and valued - not despite but because of their differences” (PwC)\(^{59}\)

Additionally, this positive view can also be found by the attention the Big Four draws to events such as National Women’s Day\(^{60}\) and Pride Week\(^{61}\) and participation in the Amsterdam Pride.\(^{62}\) Furthermore, on their websites, the Big Four communicate about partnerships with other organizations and diversity initiatives\(^{63}\). In line with Edgley et al. (2016), in these messages, the Big Four portrays “diversity as a celebration and feeling good” (p. 27). Moreover, the demonstration of diversity as a celebration is also seen in pictures. For example,

\(^{57}\) Diversiteit en inclusiviteit zorgen voor groei | EY - Nederland
\(^{58}\) https://home.kpmg/nl/nl/home/over-ons/onze-mensen/inclusie-en-diversiteit.html
\(^{59}\) https://www.pwc.nl/nl/onze-organisatie/diversiteit.html
\(^{60}\) https://home.kpmg/nl/nl/home/insights/2021/03/international-womens-day-podcasts.html
\(^{61}\) https://www.linkedin.com/posts/kpmg-nederland_a-message-from-our-ceo-pride-week-activity-6694560993152004096-qCC7
\(^{62}\) https://www.ey.com/nl_nl/diversity-inclusiveness/de-kracht-van-diversiteit-inclusiviteit-ey-op-pride-amsterdam
\(^{63}\) https://www.pwc.nl/nl/onze-organisatie/diversiteit.html
In an article, PwC employees share their perspective on the essence of diversity,

“Make employees from various backgrounds feel at home within your organization. That is the essence of diversity, say Pauline Mbundu-Uitenwerf and Abdellah M'Barki of PwC. Feeling at home is also about small things. From celebrating the Chinese New Year, the halal “frikandel” in the canteen, to designating your holiday. (PwC)\(^{65}\)

Feeling at home is seen as the essence of diversity, which is regulated in organizations in various ways. In the previous quotation, examples are given that they for example celebrate Chinese New Year and can choose their holiday. By the means of these examples, the Big Four try to regulate the social behavior of their organizational members.

4.6. Diversity as a network
In line with the priorly mentioned overarching dimensions of diversity, the Big Four put up communities to support these dimensions\(^ {66}\). PwC for example,

“We have various networks in place such as PwC Women NL; SHINE for gays, lesbians and everybody else; disability for talent that faces physical disabilities; and Connected cultures. These networks organize various activities to build on an inclusive culture.” (PwC)\(^ {67}\)

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\(^{64}\) https://www.ey.com/nl_nl/diversity-inclusiveness/diversity-and-inclusiveness-means-growth

\(^{65}\) acc_2020_nr5_diversiteit_def.pdf (accountant.nl)


From this perspective, diversity can be seen as a network. In the data analysis, this code emerged with a frequency of 43 quotations (see Table 2). A Deloitte employee stated that these networks raise awareness, are an important catalyst for change and also play a role in policy forming,

“When we started, Deloitte did not yet have a clear diversity policy. Together with GLOBE and Deloitte’s Women’s Network, we put it on the agenda, and now diversity is a strategic pillar.” (Deloitte)

These networks facilitate the institutionalization of diversity within the accountancy profession because these networks can help to understand and shape the behavior of organizational actors,

“Finally, engage is about how much people feel at home with EY and how engaged they feel with the organization. To contribute to this from D&I, we have set up employee networks … We would like these networks to become a trusted advisor for the board. They can advise the board based on the thoughts, wishes and living conditions of their supporters. That will help the board in its application, but also the formation of strategy and operational policy. And so the minorities feel more heard, seen and hopefully also more involved”

These networks do not only raise awareness regarding diversity issues among organizational members, but it is also emphasized that there is a need for role models to address for example the leaking pipeline effect,

"That's where we as PwC need to take more steps. That is why we need role models, to whom you can relate. They show you that you can get to the top.” (PwC)

As an example, in practice, mentoring programs are set up to make role models more visible and to exchange experiences,

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68 ‘Diversiteit en inclusiviteit zijn twee kanten van een munt” - Werken bij Deloitte
69 Hoe voelen mensen zich gehoord, gezien en betrokken? | EY - Nederland
70 acc_2020 nr5_diversiteit_def.pdf (accountant.nl)
“The cultural diversity network is also part of a cross mentoring program organized by Talent to the Top.” (KPMG)71

“Diversity as a network” takes upon a prominent role in the institutionalization of diversity within the accountancy profession. One of the reasons is that these social networks facilitate the interaction between employees and the board. This feature shows that the regulation of organizational members regarding diversity and inclusion is an interaction rather than a one-way street.

4.7. Diversity as the “right thing to do”
Priorly elaborated in the logic of the state, it is about equal opportunities and social justice (Thornton et al., 2012). In social media sites, diversity and inclusion appeared in messages as the “right thing to do”,

“The emphasis on D&I is now more on equal opportunities for all, with inclusion taking on a greater role. Societal events are also acting as catalysts in this regard, such as, for example, the passed quota law for women, expansion of birth leave, and the Black Lives Matter movement...

“It is morally right to pay attention to D&I””(EY)72

Recent social events appeared to be a catalyst in the justification of diversity as “the right thing to do”. These events likely raised awareness among organizational members about diversity and inclusion issues. Comparatively, in an interview with and video of Stephanie Hottenhuis, CEO of KPMG, the ethical considerations emerge,

“What is our impact? How can our services benefit society? Those antennae outward. Of course, that includes the whole component of inclusion. That plays a very important role, that's where we have a moral obligation to give people fully equal opportunities and if you don't do that then your ethos is not right.” (KPMG)73

71 Culturele diversiteit binnen KPMG vieren en meetbaar maken | Werkenbij KPMG
73 https://www.opzij.nl/2020/02/27/langs-de-feministische-meetlat-kpmg/
“Why we do this? To celebrate diversity. There are many reasons we do this. And the most important one is equal opportunities. It is about everybody, every individual being at their best. It is about future generations. It is about your impact.” (KPMG)74

Deloitte demonstrates their message about equal opportunities, prejudices and biases in a video called “Ask yourself – A film about respect”75. Here, the same person is portrayed in two different ways and awareness is raised to potential biases people might have. In the first picture, a man in a suit appears with the quote: “I am black”. In the second picture, the man in the first picture takes off a mask and a white-skinned man appears with the quote: “Perhaps you feel more comfortable now?”. In the third picture, a woman appears with the quote: “I am good at my job”. In the fourth picture, the same woman appears but now it can be seen that she is pregnant. The quote that is displayed: “I’m still good at my job”. Both examples show the biases and prejudices people might have towards pregnant women and a man with dark skin.

(Deloitte)76,
Within these messages of diversity as “the right thing to do” it is emphasized that one should start the dialogue, which might involve difficult conversations,

“The Black Lives Matter movement shows us the importance of real diversity and inclusion. We realised that also within our organisation we still had a lot of work to do. We need to become more comfortable talking about uncomfortable subjects as inequality and racism. Only then we can have those difficult but very necessary conversations and challenge each other to do the right thing.”

(PwC)77

5. Conclusion

In the section, the research question, “How is diversity institutionalized within the accounting profession”, is answered. The Big Four frame diversity and inclusion (D&I) around six central themes: (1) stories of diversity as “being your whole self” and “being authentic”; (2) the client case for diversity; (3) the business case for diversity; (4) diversity as “feeling at home”; (5) diversity as a network; (6) diversity as the “right thing to do”. These central themes serve as point of departure for policy making. Additionally, both the logic of the corporation and the logic of the state (Thornton et al., 2012) can be recognized in the central themes. These in turn create the preconditions for the institutionalization process of diversity. The several logics that drive the institutionalization process determine and shape how diversity is embedded in the accountancy profession.

The incorporation of diversity (and inclusion) in the Big Four’s strategy can be seen as a starting point in the process of how diversity is embedded in the accountancy profession. Initiatives such as D&I related training and employee networks create awareness among employees and contribute to the regulation of organizational members. Prior research that examined the professionalization of the accountant justified working long hours and the homogeneity of the profession “in the name of the client” (Anderson-Gough et al, 2000). In contrast, the result of this paper show that nowadays diversity is frequently mentioned as “in the name of the client”. In policy, both diversity and inclusion are portrayed as central terms for success and material for a broad range of stakeholders.

In line with Edgley et al. (2016), diversity is framed in the name of “good for business” and “for the client’. Both themes can be linked to the logic of the corporation, where the Big Four acknowledge that both diversity and inclusion are a necessity to create a sustainable competitive advantage. Moreover, by framing diversity as “feeling at home”, the Big Four attempt to create an (inclusive) environment where all employees can get the best out of themselves. Also, this framing can be linked to the logic of the corporation because it is expected that it will increase performance. The above-mentioned commercial logics serve as drivers for the institutionalization process. They shape the preconditions for policy making, including, for example, the preparation of key performance indicators related to diversity and inclusion. Which in turn shape the embeddedness of diversity (and inclusion) in the accountancy profession.
Additionally, by framing diversity as “being your whole authentic self” and “feeling at home”, the Big Four shed a positive light on diversity. In this light, diversity and inclusion are framed within the accountancy profession as positive concepts which should be embraced by organizational members. This is for example done by participating in events such as the Amsterdam Pride. They do signal that as a profession they are “open” for everybody. These results suggest that the accountancy profession has torn down the boundaries between the “private self” and “professional self”. Nonetheless, the diversity numbers concerning gender do show a “leaking pipeline effect”. Whereby the question is raised if the embrace of diversity changed the professional identity. This issue is acknowledged and partly explained by the Big Four as the “unconscious bias” and parenthood stigmas that have become entrenched in society. Moreover, prior research stated that much of the inequality regimes are produced in organizations (Acker, 2006). As a next step, they start tackling these issues by making organizational members aware of their biases in recruitment and promotion processes, all to make sure that the processes of inclusion and exclusion are bias-free.

Lastly, in contrast to Edgley et al. (2016), the results of this research show that within the Netherlands diversity is widely framed as “the right thing to do”. This process involves for example the establishment of diversity networks and entering the (perhaps difficult) dialogue. This framing fits within the priorly elaborated logic of the state (Thornton et al., 2012) and is not always, as Edgley et al. (2016) argue, combined with commercial logics. The logic of the state underlies the institutionalization process which, in turn, drives the embeddedness of diversity in the accountancy profession. In messages from the Big Four, it is acknowledged that social events such as the Black Lives Matter Movement work as a catalyst for change. Therefore, it can be argued that these events may have led to an increase in stakeholder pressure which in turn has led to more emphasis on the framing of diversity as “the right thing to do”. Furthermore, in the Netherlands, LGBT employees take on a prominent role in social media sites. This can be seen in for example LGBT communities and participation in the Amsterdam Pride. It should be mentioned here that same-sex marriage has not yet been legitimized all over the world. Therefore, this is a strong signal from the Big Four, as a multinational with clients all over the world, that everyone can be their whole self and they do not tolerate discrimination in any form.
6. Discussion

The first limitation of this research is that the researcher played a big role in gathering and analyzing data. Although several efforts have been made to ensure that the perspectives of the researcher did not influence the results, further research could conduct research in teams (Starr, 2014). When more researchers separately and independently gather, analyze and code the data, the validity of the results would increase (Starr, 2014). Furthermore, interdisciplinary researchers with different perspectives and ideas could lead to other emerging classifications and themes (Starr, 2014). These other insights could be beneficial in examining the research question (Starr, 2014).

Secondly, the logic of professionalism (Thornton et al., 2012) appeared hard to capture with the applied research method. As priorly elaborated in the research design, the link between audit quality for example and diversity has only been explicitly mentioned once. It is acknowledged that the logic of the corporation (Thornton et al., 2012) and attracting top talent also could influence the logic of professionalism (Thornton et al., 2012), but this linkage did not directly appear in the data analysis. This non-appearance could be explained by the fact that the Big Four do offer more than just audit services. In addition, the direct effect of diversity and inclusion on auditing could be difficult to measure and monitor. This is a fruitful area for further research. Further research could examine the logic of professionalism by conducting interviews with chartered accountants.

Thirdly, it is beyond the scope of this research to control for events that potentially influence how diversity and inclusion are institutionalized in the accountancy profession. From the results, it appeared that flexible working like working part-time and working from home is increasingly accepted by the Big Four. It can be argued that this change is partly due to for example Covid-19, where we are obliged to work from home. Another example of a social event is the Black Lives Matter movement, which appeared to be a catalyst for change regarding diversity and inclusion. On the one hand, it can be argued that this event raised awareness regarding diversity issues and influenced diversity as “the right thing to do”. On the other side, it could also be more about the increased reputational risk (Power, 2004). A fruitful area for further research is to examine how these events influence the institutionalization of diversity and inclusion in the accountancy profession.

Fourthly, the reader should bear in mind that the research is based on content analysis of the Big
Four’s social media sites and annual reports, which comes with limitations. The messages signal that there is indeed a move away from homogeneity, but it is beyond the scope of this research to examine if there is a material change within the accountancy profession. However, the results of this research can serve as a (interview) guide. Further research could explore this gap by conducting interviews with chartered accountants and examine how diversity and inclusion (policies) are embedded in working practices. Where, for example, discourse analysis can be performed to map out how various actors are shaping reality. This would allow shedding more light on institutionalized discrimination and the social construction of diversity and inclusion. The influence of specific regulation regarding quotas, for example, could also be examined. Moreover, the interaction and perhaps conflicts of various logics could be further explored. By conducting interviews, a better understanding can be obtained of how accountants themselves experience diversity and inclusion in practice.

The last note to make concerning to the limitations of this research, considering diversity as a broad and fuzzy concept entails limitation. The question that arises is: how do organizations shape diversity and inclusion policies if they assume that everyone is unique? In this light, how do organizational members manage issues regarding diversity and inclusion? This feature further increases the need to examine diversity and inclusion in practice. Further research could do this by means of in-depth interviews, but also other qualitative methods such as observations could be of added value.
Bibliography


