

Balancing Enabling and Coercive Formalization:

A Case Study in an Accounting Firm



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Abstract:

Adler and Borys (1996) distinguish two types of formalization in organizations: enabling and coercive formalization. Procedures in the enabling type of formalization provide employees with organizational memory. The coercive type of formalization consists of procedures to force compliance. The features between the two types of formalization differ. The four design principles – repair, internal transparency, global transparency, and flexibility – are used to distinguish these different features. Several studies showed that features of enabling and coercive formalization could be found in one organization. This thesis adds to those studies. A case study is performed at the audit department of an accounting firm, Deloitte Arnhem, to investigate how Deloitte balances enabling and coercive formalization. Interviews are taken with employees from several layers, and observations during a five months' period are used. Results show that both features of enabling and coercive formalization are present at Deloitte Arnhem. Global transparency and flexibility have more coercive features, while Deloitte has more enabling features regarding repair and internal transparency.

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1. Introduction

Formalization is widely used in organizations. It consists of written rules, procedures and instructions. Formalization could lead to dissatisfied employees and limit innovation. However, more positive literature states that employees encourage formalization, as long as procedures are appropriately designed and implemented. Well-designed procedures could help in facilitating task performance and innovation when they capture lessons learned from experience. Employees will generally be positive to formalization if routine tasks have high levels of formalization, and non-routine tasks have low levels of formalization. Firms could be distinguished based on the degree and type of formalization (Adler and Borys, 1996).

This thesis focuses on the distinction between enabling and coercive types of formalization. Adler and Borys (1996) state that the enabling type of formalization consists of procedures that provide organizational memory about lessons learned from experience. They have to enable employees in dealing more effectively with contingencies. On the other hand, procedures designed in a coercive way are developed to force compliance instead of support. However, organizations only relying on enabling or coercive formalization are barely found in practice. This argument is supported by findings of case studies performed by Ahrens and Chapman (2004) and Jørgensen and Messner (2009) for instance, who both found characteristics of enabling and coercive formalization in one firm.

The findings and suggestions of previous research are a reason to further investigate the interaction of enabling and coercive types of formalization, because little research is done about this topic. Adler and Borys (1996) argue that further research should focus on the nature of the hierarchy and relations between layers in firms, which could have an enabling or coercive character. Ahrens and Chapman (2004) suggest that the framework with the four design principles of formalization – repair, internal transparency, global transparency and flexibility – could serve as input for future research about management control systems, in which features of enabling and coercive formalization are used simultaneously. Also, prior literature did not focus on accounting firms balancing enabling and coercive formalization.

This paper contributes to this gap in the literature by conducting a case study in an accounting firm. The audit department of Deloitte Arnhem is chosen to do a case study. The goal of this research is to investigate how Deloitte balances enabling and coercive formalization. The research question which will be answered during this research is: ‘How does Deloitte balance enabling and coercive formalization?’ By interviewing several layers, namely three groups of employees working at different levels, the suggestions for further research of

Adler and Borys (1996) to focus on the hierarchy and relations between layers are taken into account. The four design principles are used in the whole research process. As guidance for conducting interviews, by interpreting the results, and for answering the research question.

The results are scientifically relevant, because they provide more evidence about balancing enabling and coercive formalization, and show how an accounting firm combines elements of both types. They provide practical relevance for the management of Deloitte in their decision to use enabling or coercive formalization. Employees' different point of views regarding both types of formalization indicate that enabling and coercive formalization both have positive and negative sides. The decision of Deloitte to focus more on one type of formalization instead of the other type, shows how formalization is organized in the accounting firm in question. Future research could use the results of this case study as a starting point to examine if the findings hold for other accounting firms as well.

A case study is conducted at the audit department of Deloitte Arnhem. The case study consists of multiple interviews to get an idea of the experiences of employees regarding formalization, as well as observations during a graduate internship of five months. The answers given during the interviewees provide insights into several characteristics of enabling and coercive formalization. Those characteristics are used to review how Deloitte balances enabling and coercive formalization.

The next section provides a literature overview in which the four design characteristics of formalization are discussed. Furthermore, literature is discussed about the features of enabling and coercive formalization, the decision to use one type over the other, and how both types of formalization are balanced. After that, the third section gives information about the qualitative research method which is used. Section four shows the results of the case study. These results are analyzed in section five to answer the research question. Finally, the paper ends with a discussion in section six.

2. Literature Overview

According to Adler and Borys (1996), enabling and coercive formalization could be distinguished based on three dimensions: (1) the features of enabling and coercive formalization, (2) the design process, and (3) the implementation process. In the first dimension, enabling approaches are distinguished from coercive approaches based on four design principles: repair, internal transparency, global transparency, and flexibility (Adler and Borys, 1996). The second dimension takes into account if employees should be involved in the

design process of formalization or not. Lastly, the third dimension is about implementing formalization. The formalization approaches are adapted to local circumstances in this dimension. Technology could adapt to the organization or the organization could adapt to the technology. Wouters and Wilderom (2008) studied the design and implementation process together and not as separate dimensions, because they are related to each other. They are both part of the development process of formalization. The way in which the development process is executed, influences how employees perceive the control system (Wouters and Wilderom, 2008). This paper focuses only on the first dimension, the features of enabling and coercive formalization. Special attention is paid to the four design principles.

Repair

Repair is about dealing with unexpected breakdowns and finding opportunities for improvement. In the coercive approach equipment is designed in such a way that it will be less likely for employees to shirk. Repair tasks are part of the non-routine tasks and separated from routine tasks. Repair tasks and routine tasks are done by different employees. Local workers cannot repair the process themselves, but have to call specialized technicians who are responsible for the unexpected breakdowns. Few attention is paid to employees who have suggestions for improvement. Deviating from procedures is not allowed (Adler and Borys, 1996).

In the enabling approach breakdowns and repair efforts are indications of organizational problems. Deviating from procedures signal the need for more training and considerations to revise those procedures. Repair efforts are seen as opportunities for improvement and employees are allowed to repair the process themselves (Adler and Borys, 1996). Repair tasks are integrated in the routine tasks. Repair is only effective if employees could analyze control processes. For such an analysis, internal transparency is needed (Ahrens and Chapman, 2004). However, repair efforts by employees are not always possible or desirable. Sometimes it could be better if repair is executed by management (Jørgensen and Messner, 2009).

Internal transparency

Internal transparency deals with the visibility and understanding of equipment. In a coercive control environment employees are not informed about the equipment's status. Information about the equipment's status, in the case of machine breakdown for instance, is only given to specialized technicians who are responsible for repair (Adler and Borys, 1996). This shows the

relationship between internal transparency and repair (Ahrens and Chapman, 2004). Also, employees do not need an understanding of the internal functioning of equipment. Coercive formalization consists of procedures which are just designed as a list that has to be followed. Internal transparency is not needed for employees to do their job well (Adler and Borys, 1996).

In the enabling approach employees need an understanding of the internal functioning of equipment and information on the equipment's status to deal with unforeseen contingencies. Employees' interaction with equipment is required and therefore information has to be presented in an understandable language for employees. Equipment status information could be requested on demand, but it is important that employees are not overloaded with unnecessary information. The enabling formalization gives employees visibility into their tasks, makes sure employees understand the functioning of their tasks, and provides feedback on employees' performance (Adler and Borys, 1996).

Global transparency

Global transparency is about employees' understandability of the firm's broader system within they are working. In the coercive approach employees are only responsible for their part and understanding the broader system is not required. There is an asymmetrical global transparency. Managers have an understanding of what is going on in the whole company, while local employees only have information about their specific tasks. Global transparency is seen as a risk, because employees are not allowed to move beyond their specific tasks. They have to stick to the procedures (Adler and Borys, 1996).

In contrast, procedures in the enabling approach provide employees with an understanding of the broader organization. Employees are provided with comprehensive information on the status of the entire production process, and interact with the broader organization. Understanding of the whole process is meaningful, because it could improve the performance of employees in executing their own tasks and contribute to identifying opportunities for improvement. Global transparency shows how tasks of employees fit into the broader organization (Adler and Borys, 1996). Management often uses budgets as a tool to enhance global transparency. Besides the use of budgets in hierarchical relationships, budgets and targets could also be used between units by communicating to other units how to prioritize (Ahrens and Chapman, 2004).

Flexibility

Lastly, flexibility is about flexible handling (Adler and Borys, 1996). It shows employees' degree of freedom in how to use the system (Jørgensen and Messner, 2009), for example the possibility to hand over certain tasks to machines. Employees in a coercive approach perform those tasks that cannot be automated. They enter the required data into the machine and the machine continues with the remaining work. The machine is responsible for taking the controlling decisions. Employees do not have freedom in how to carry out their tasks. They have to follow the procedures and could only deviate after authorization of the supervisor (Adler and Borys, 1996).

Employees in an enabling approach can choose to keep control over their tasks or hand off control to the machine. The machine provides data and gives advice and suggestions, but the employees could take the controlling decisions. In an enabling approach, flexible systems give employees the opportunity to suit their work to their own preferences. Deviating from procedures is not necessarily a bad thing, because it provides learning opportunities (Adler and Borys, 1996). Technical developments have contributed to flexibility in control practices. Customization of routines is possible due to personal computer applications and enterprise resource systems (Ahrens and Chapman, 2004).

Chapman and Kihn (2009) examined if the technical development of information system integration is related to the four design characteristics. Enterprise Resource Planning (ERP) systems make use of information system integration, in which business functions are integrated into one system with a common database. They found that information system integration has a direct association with perceived system success. The results show that three of the four design principles – repair, internal transparency and global transparency – are positively related to information system integration, perceived system success and business unit performance (Chapman and Kihn, 2009). Firms with competitive environments rely heavily on ERP systems. Process-based performance measures could be useful to integrate processes and redistribute power. They make sure people have knowledge of the business processes, allow them to think about the structures and mechanisms of the organization, and people could communicate with a common language (Beretta, 2004).

Englund and Gerdin (2015) focus specifically on performance measurement systems (PMS) and show that an interplay exists between the four design principles of Adler and Borys (1996). Repair, internal transparency, global transparency, and flexibility are intertwined in

enabling PMS. A flexible use of performance measures and opportunities for repair will increase internal and global transparency. A dynamic relationship is found, in which the design principles form and feed each other in a cyclical manner. Also top-management pressure and recurrent breakdowns of operations encourage the experimental development process of PMS, which increase internal and global transparency of PMS. However, as internal and global transparency are of a sufficient level, the development process will slowly end (Englund and Gerdin, 2015).

Enabling or coercive formalization

Firms' decision to use enabling or coercive formalization depends on several factors. The goals a company wants to achieve, current developments, and the company's environment all play a role in this decision. Forces that encourage the coercive type of formalization are asymmetries of power and the absence of reality checks. Competitive pressure and automation encourage the enabling type of formalization. Because of automation, routine tasks are handed over to machines, leaving employees with the non-routine tasks (Adler and Borys, 1996).

When a firm wants to reach flexibility, they have to adapt their control system. An enabling approach could be applied, relying on coordination devices. Those devices connect the different job functions by working in teams and having task forces, meetings and other contacts between employees (Abernethy and Lillis, 1995). Abernethy and Lillis (1995) provide evidence that flexibility is negatively related to the role of efficiency-based performance measures in the company. Firms taking an enabling approach are therefore expected to rely on coordination devices and make less use of efficiency-based performance measures. Abernethy and Brownell (1997) explore how task characteristics influence the effectiveness of accounting, behavior and personnel forms of control. In environments where task analyzability is low and tasks have many exceptions, tasks are coordinated by informal coordination mechanisms. This is the non-routine situation, in which enabling formalization fits better. The results show that especially personnel controls are suited in this task environment, while accounting and behavior controls should be avoided more (Abernethy and Brownell, 1997). Personnel controls enable employees to control themselves and others. In contrast, formal types of control could diminish innovativeness and creativity, and employees could interpret them as boundaries. Therefore, personnel controls are a more suitable form of control in innovation companies, because of the contingencies that arise in those companies (Haustein, Luther, and Schuster, 2014).

To show the existence of enabling and coercive formalization, two examples of companies relying on one type of formalization are illustrated. Geppert (2015) studied an extreme case of an organization characterized by a coercive control environment, the German European food retailer Lidl. Their strategy focused on cost leadership that resulted in management pressure to meet key performance measures. Power was highly centralized by the management of Lidl. They implemented many standard operating procedures that were heavily controlled. Also a system of sanctions existed if employees underperformed. Management created a climate of fear for employees. This served as a barrier for employees to resist against the management. Even a lot of private information about the employees was recorded. The German 'Stern' magazine wrote: "The German discount supermarket chain Lidl has been accused of spying on its employees, including recording how many times they went to the toilet as well as details about their love lives, personal finances and menstrual cycles" (p. 101). This is an example of a really extreme case of coercive control and does not happen that often in practice. On the other hand Groen, van de Belt, and Wilderom (2012) did a case study in an enabling control environment. Their research was conducted in a small law firm that developed an enabling performance measurement system (PMS). This enabling system helped in aligning the operations with the firm's strategy, dealing with tacit knowledge (knowledge that people have without being aware of it), and creating new knowledge. Employees were involved during the development process of an enabling PMS, which gave them an understanding of the strategies and priorities of the firm to reach their goals. A more open environment was applied in which employees could share their knowledge and insights.

Enabling formalization could be more desirable than coercive formalization, but this differs for each situation. Free (2007) did research about how control systems could improve buyer-supplier relationships in supply chains. Results show that use of enabling accounting practices strengthens global transparency and communication within the supply chain. Redefining tasks through interaction and information sharing are key for enabling control. Enabling accounting practices increase learning and problem solving opportunities, and lead to higher levels of trust. In contrast, information sharing in coercive control systems is limited, because of hierarchical relationships and emphasis on compliance. Global transparency and flexibility barely exist. Learning from other functions is low, and distrust or conflicts could easily arise. Therefore, enabling relationships seem to be desirable in supply chains. However, the choice to use enabling or coercive control systems also depends on the costs. It could be costly to maintain close enabling long-term relationships (Free, 2007). Not only coercive control, but also enabling control can lead to negative effects. Errors could occur if flexibility

exist. Employees could for example act in their self-interest and decide to deviate from routine procedures, because they will not be punished if they do so. Therefore, sometimes it is better to stick to the routine. In other words, employees could misuse their flexibility in an enabling control environment (Jørgensen and Messner, 2009).

Adler and Borys (1996) are quite positive regarding enabling formalization, and more negative regarding coercive formalization. Also in the literature, coercive controls are often associated with bad controls. However, this statement could not be made. Enabling controls stimulate creativity and flexibility, while coercive controls increase predictability (Tessier and Otley, 2012). It depends on the specific situation and environment which type of formalization is desirable in a firm.

Also, the presence of a certain control system alone is not enough to conclude that enabling or coercive formalization is used in that company. The circumstances and manner in which the control system is used, and the employee perceptions should be taken into account. For example performance measurement systems (PMS) are generally implemented as monitoring devices for top management to control the behavior of employees. In that case PMS have coercive characteristics. However, PMS can also become enabling (Englund and Gerdin, 2015). Instead of hierarchical flows, enabling PMS emphasize the horizontal flows of information. To be enabling all customers, employees and managers should be involved in the selection process of performance measures, and opportunities should exist to improve performance measures as circumstances change (Neely et al, 2000). Generally, performance indicators are perceived as enabling if they help in facilitating work and do not constrain tasks. Incompleteness of performance indicators does not necessarily lead to problems. Top management could enforce a strong focus on particular performance indicators, but as long as local managers and employees could handle these incomplete indicators in a flexible way, they could still perceive the performance indicators as enabling. If they do not understand or agree with those indicators and if they perceive the system as incomplete, dissatisfaction will probably arise and employees will perceive the indicators as coercive (Jordan and Messner, 2012). To ensure the system encourages employees, the relevant local circumstances have to be taken into account (Robson, 2005).

Boundary systems are another example. These systems limit the behavior of employees by giving sanctions when they violate the procedures. If these systems are implemented in a coercive way, they could motivate employees to do their job well, because they fear the sanctions of not following the rules. On the other hand, boundary systems implemented in an

enabling way could motivate employees as well. Employees can interpret them as helpful guidance to their work, and in reaching the goals of the organization (Adler and Chen, 2011).

Combining enabling and coercive formalization

Organizations can be characterized based on the type and degree of formalization. The two most extreme types of firms are organic and mechanistic firms (see figure 1). Organic organizations are characterized by a low degree of formalization and an enabling type of formalization. The mechanistic firms have a high degree of formalization and a coercive type of formalization (Adler and Borys, 1996).

Figure 1: Typology of organizations (Adler and Borys, 1996)

		TYPE OF FORMALIZATION	
		Enabling	Coercive
DEGREE OF FORMALIZATION	Low	Organic	Autocratic
	High	Enabling Bureaucracy	Mechanistic

Mechanistic and organic characteristics could also be combined by management control practices. Ahrens and Chapman (2004) did an exploratory field study in a restaurant chain to show that an organization could simultaneously have some organic, as well as some mechanistic aspects. Principles of enabling formalization are found side by side with coercive formalization. The head office determined the strategies, standards, and performance targets for the whole restaurant chain and the local restaurant managers used their knowledge and skills to help achieve them. Many aspects were planned and controlled from the center, but local managers also had flexibility and repair responsibilities to support and enhance their work. Central standards were flexibly adapted when local contingencies took place. Such a combination of types of formalization is not rare. Purely organic or mechanistic forms of organization do not exist that often in practice. Efficiency and flexibility could simultaneously be supported by management control systems.

Jørgensen and Messner (2009) also showed how efficiency and flexibility are balanced by combining different control mechanisms. Furthermore, attention is paid to firm's strategic change and how this influences enabling control. Flexibility in this content is about adjusting centrally established rules to local circumstances. To achieve this, transparency is needed. Also, understanding of the broader process is required. An enabling approach could work in an organization as it allows employees to repair the control system if necessary. However, in certain circumstances employees' repair efforts may not be sufficient enough. Top management support is needed then for successful implementation of re-designs of control systems. Such a re-design by top management could still be perceived as enabling by employees.

Combining enabling and coercive control is showed by Van der Meer-Kooistra and Scapens (2008) as well, who did research about lateral relations. These relations consist of managers who cooperate with other managers at similar levels in the hierarchy. The focus is more on co-operation and co-ordination, instead of command and control. However, they argue that these lateral relations also need some regulation. A minimal governance structure is necessary for the lateral relations to work, but at the same time the structure still has to enable parties to act flexible, share information and knowledge, and react to new situations. Therefore, lateral relations consist mostly of enabling formalization, but some features of coercive formalization are needed as well.

If formalization leads to negative outcomes, this is due to a misalignment of task requirements and system design. Also, poor employee selection often results in negative outcomes (Adler and Borys, 1996). Transformation of management control system design constantly happens, because the system design could create contingencies for managers. By intervening and adding processes and procedures to the design, managers could respond to unexpected effects (Mouritsen, 2005). Firms could shift from a more enabling control environment to a more coercive control environment, and vice versa. Adler, Goldoftas, and Levine (1999) conducted a case study at NUMMI, a Toyota auto assembly plant. This firm is both superior in efficiency and flexibility compared to average industry performance. They found that four mechanisms help in shifting the tradeoff between efficiency and flexibility, which are (1) metaroutines, (2) job enrichment, (3) switching, and (4) partitioning. Metaroutines transform non-routine tasks into more routine tasks. Job enrichment enhances routine tasks by including improvement opportunities as well as efficiency goals. Switching differentiates routine and non-routine tasks, so employees could switch between the two types of tasks, while partitioning assigns different subunits to those tasks. Certain subunits specialize

in routine tasks and other subunits have specialized skills in non-routine tasks. Metaroutines have a direct effect of increasing efficiency, while having an indirect effect of increasing flexibility because of irregularities that cannot be made routine. In contrast, job enrichment, switching and partitioning directly increase flexibility and innovation capabilities. Indirectly they create opportunities to increase efficiency, because those innovation capabilities improve the ongoing operations. Training, trust and leadership, which are features of the broader organizational context, are important for the success of the four mechanisms (Adler et al, 1999).

Features of enabling and coercive formalization

In conclusion, employees in an enabling environment can contribute to decisions taken by management. Emphasis is placed on flexible handling with procedures (Adler and Borys, 1996). Enabling formalization is typically characterized by information sharing and interaction of employees. Also learning and problem solving opportunities exist (Free, 2007). Coordination devices connect the different job functions by having meetings, task forces and other contacts between employees (Abernethy and Lillis, 1995). Generally, enabling control environments are characterized by high levels of trust (Free, 2007).

In contrast, coercive formalization is characterized by asymmetries of power (Adler and Borys, 1996). Power is centralized by management (Geppert, 2015). The emphasis of coercive formalization is on employees complying with the applicable rules and procedures. They have to follow a list of procedures. Coercive formalization limits information sharing, and learning from other functions is low. Because of the characteristics of coercive formalization, distrust and conflicts could easily arise (Free, 2007).

Table 1 provides an overview of these features of enabling and coercive formalization to make the differences more visible. Literature provides evidence that companies balance the two types of formalization, so firms can have characteristics of both enabling and coercive formalization. Such a balance varies for each firm depending on the situation and environment.

Table 1: Features of enabling and coercive formalization

	Enabling formalization	Coercive formalization
Power	Power is decentralized. Employees contribute to decisions that are taken.	Asymmetries of power exist. Power is centralized by management.
Emphasis	Emphasis is on flexibility.	Emphasis is on compliance.
Information sharing	Task forces, meetings and other contacts between employees exist.	Information sharing is limited.
Learning	There are learning and problem solving opportunities.	Learning from other functions is low.
Trust	High levels of trust exist.	Distrust or conflicts are likely to arise.

3. Research Method

A qualitative research is done by conducting a case study in Deloitte Arnhem. This section gives an explanation why a qualitative research is chosen, describes the organization in which the case study is conducted, and the operationalization and used methods are discussed.

Case study

Qualitative research describes processes and studies phenomena in the natural environments. The experience of social actors is studied. It provides insights about how broad concepts and theories operate in particular circumstances (Gephart, 2004). Case study research is a form of qualitative research. A particular setting is studied in detail to get an advanced understanding (Cousin, 2005). By conducting a case study, a real life context of a complex system could be studied to get an idea of different perspectives. This type of research is suitable in studying unique situations (Simons, 2009; Yin, 2009).

The case study is appropriate for this research, because literature about enabling and coercive formalization is limited. Also, no research about balancing enabling and coercive formalization in accounting firms is done yet. The processes and experiences of employees regarding enabling and coercive formalization in accounting firms still has to be investigated.

Therefore, this research studies a unique situation. By doing this case study, the particular setting of one accounting firm, Deloitte, is studied in detail. A case study is aligned with the goal of this research, because the use of enabling or coercive formalization varies between firms. The trade-off depends on the specific situation and environment in which the firm operates. By studying the formalization of one accounting firm in detail, the multiple views of employees regarding the existing formalization provide insights into how the accounting firm in question balances enabling and coercive formalization. Subsequently, the findings of this case study could be used as a starting point for further research.

Deloitte

The case study is conducted at Deloitte. Deloitte is one of the biggest providers of audit, consulting, tax, advisory, and risk management services. These services are done by different teams. Over 200,000 employees are working for Deloitte in more than 150 countries. Deloitte is located at eighteen different areas in the Netherlands and over 4,500 employees work here. Deloitte Arnhem is chosen to conduct the case study, one of the eighteen locations of Deloitte in the Netherlands. This case study focus only on the audit department of Deloitte Arnhem, with approximately eighty employees (Deloitte, 2016).

Method

Interviews are conducted to get insights into both types of formalization used in Deloitte Arnhem. This provides a clear picture of how their management control systems balance characteristics of enabling and coercive formalization. Interviews are taken in different layers of the organization to get an idea of the employees' experiences about the existing formalization in the firm. This is important, because persons operating at different layers in the organization could experience the same controls differently. The managerial intentions of enabling and coercive formalization do not necessarily have to be in line with employee perceptions. Employees could interpret controls differently than managers do. Also, some employees could perceive the same controls differently than other employees in the organization (Tessier and Otley, 2012). Moreover, own observations during a graduate internship of five months are used in analyzing the balance between enabling and coercive formalization. This helps in understanding the behavior, activities, and perceptions of employees. Observations from the work-floor, as well as the lunch breaks are used to get an idea of employees' perceptions in formal and informal circumstances.

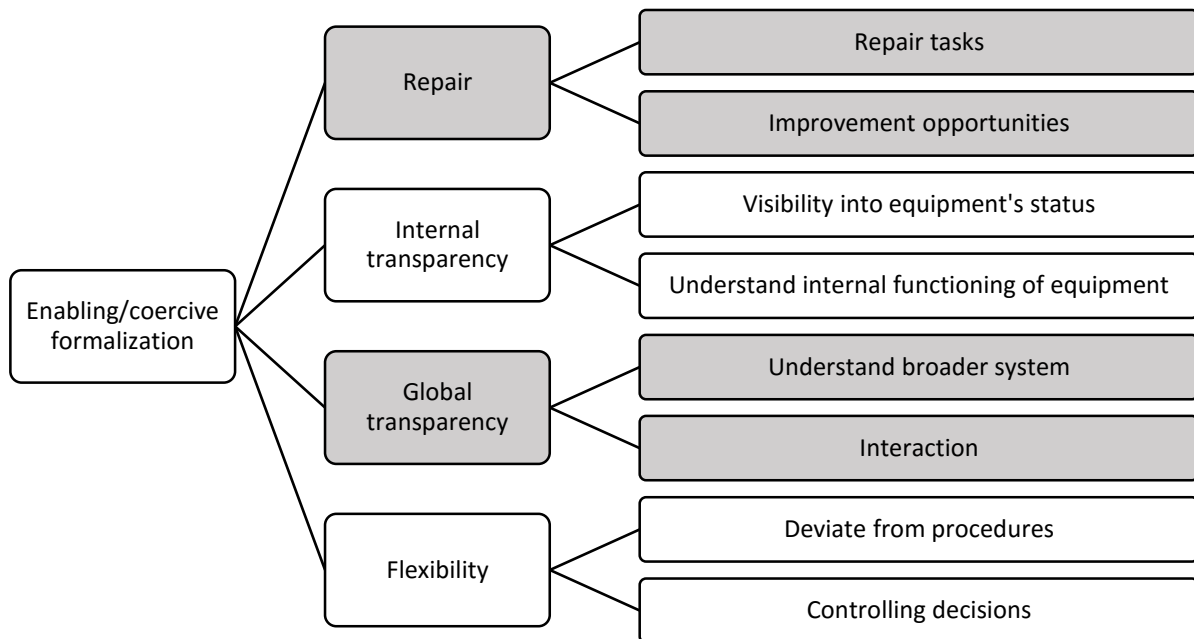
Generally, the career path of most employees at Deloitte start somewhere between the level of assistant and staff, and there are growth opportunities until the level of partner is established. The progress of study and the level of education of individual employees determine the job grade in which they begin to work. After some years of work experience, the employee could promote to the next job grade. The hierarchy is as follows, starting from the top: Partner – director – senior manager – manager – junior manager – senior staff – staff – junior staff – senior assistant – assistant (Deloitte, 2015). In this case study, these ranks are divided into three groups for conducting interviews. The first group consists of the assistants, senior assistants, junior staff, staff and senior staff (all these employees are from now on referred to as staff). The second group includes junior managers, managers and senior managers (referred to as managers). Finally, the last group consists of the directors and partners. From the first group five employees are interviewed, four employees of the second group, and lastly three directors/partners. This should give a representative picture of employee perceptions in the company. The questions asked at the interviews are formulated in such a way to explore which features of enabling and coercive formalization are present at Deloitte. To formulate questions correctly, the features have to be clear.

Design principles

Attention is paid to the features of enabling and coercive formalization that exist in Deloitte Arnhem. The four design principles – repair, internal transparency, global transparency, and flexibility – are used to detect these features. Each design principle has its own characteristics. The operationalization of the four design principles is showed in figure 2. This operationalization is based on the definitions from Adler and Borys (1996). A more detailed explanation of the features could be found in Appendix I, emphasizing the difference of each design principle between the two types of formalization.

The four design principles are an accurate representation of the features of enabling and coercive control. The features in table 1 could be traced back in the operationalization. The design principles include power, emphasis, information sharing, learning, and trust characteristics.

Figure 2: Operationalization of the features of enabling and coercive formalization



Several questions are asked for each design principle. These interview questions are represented in Appendix II, and are used as guidance. During the interviews more questions could arise.

Data Analysis

All interviews are recorded on tape. Before recording the interview, a short explanation about the research is given, so the interviewee knows what to expect. After the interviews are conducted, they are transcribed by using the recordings. Subsequently, the transcripts are analyzed to get insights into the experiences of employees regarding the balance of enabling and coercive formalization at Deloitte. To analyze the gathered information, the interview transcripts are coded. The program used in this coding process is ATLAS.ti. Coding is based on the operationalization of figure 2 and features of appendix I, and the answers given during the interviews are taken into account. The code manual used in this process is included in appendix III, and one coded interview transcript could be found in appendix IV. When the coding process is finished, the same codes are compared with each other to see if certain patterns are found.

4. Results

This section discusses the interview findings. Quotes of interviewees are used to clarify the results. The interviews took place in Dutch, so all quotes used in this section are translated from Dutch to English. The findings are organized under the relevant design principles, and conform the operationalization of figure 2 and features of appendix I. First of all, the tasks of the audit process are discussed. These auditor's routine tasks are discussed to give an indication of the organization.

Audit process

The audit process of Deloitte consists of several stages. Only partners and directors are involved in the first stage: the client acceptance and continuance stage. They decide if the client is accepted by taking into account if the client matches with the strategy of Deloitte, the risk profile of the client and the independency of Deloitte. When the client is accepted they make sure there is an adequate audit team, and arrangements with the client are planned. This should give the client an indication of what to expect in the upcoming period.

Secondly, in the planning stage a clear understanding of the client's business and processes is established. Risks are identified and estimated. A distinction is made between normal risks and significant risks. After that, procedures are made for the next stages. Employees at staff level are barely involved in the planning stage, because skills and insights of high level employees are needed here. Procedures for the next stages are namely based on decisions taken in the planning stage. The planning activities are therefore done by managers, directors, and partners.

During the interim, which is the third stage, employees attend conversations with clients to understand their business processes. The processes are divided between employees, so they all have some specific part to focus on. The aim is to get a clear idea about the design, existence, and functioning of processes. Attention is paid to the existence and working of the client's internal controls to mitigate the possible risks identified in the planning stage. A management letter is prepared in which the findings are communicated to the management and/or Supervisory Board. The findings of the interim are stored in a system called EMS, and serve as the basis for the year-end audit.

The next stage is the year-end audit. The focus is on the financial statements. Employees check if the financial statements of the client give a true and fair view. The auditors perform several checks, like tests of details or analytical procedures. Sufficient work must be done to

judge the financial statements. When the year-end audit is finished this results in an auditor's report. This report could include an unqualified opinion, a qualified opinion, an adverse opinion, or a disclaimer of opinion, depending on the year-end findings. These opinions indicate if the financial statements give a true and fair view.

Depending on work experience, the different items of the financial statements are divided between employees. Employees who just start to work for Deloitte are assigned to the relatively simple items, like cash and cash equivalents. The key tasks of staff employees especially relate to the execution of procedures determined during the planning. In other words, they are mainly involved in the interim and year-end audit stages. Relatively more difficult balance sheet items, for example real estate, are done by employees at junior manager level or higher. These items require many estimations and valuations. The managers' tasks also consist of managing the team on the work floor and monitoring the work progress. They have to make sure that everyone knows what to do. Also, communications with the client are mostly done by managers.

In the end, the aim of all stages is to deliver an auditor's report based on the financial statements of the company. The directors and partners are responsible for signing the auditor's report, and communicating the findings with the management or Supervisory Board. They have the ultimate responsibility over the entire process, and the actions and decisions taken by the audit team.

“In the end, the aim is to deliver an auditor's report based on an object, mostly the financial statements. The determined risks are based on that auditor's report. You first look at: What is my object? What do I need to do to verify that object? What risks does that specific client have? [...] For every client the significant risks are slightly different.” (Manager 2)

“For each auditor's report, even if it's a qualified opinion, sufficient foundation is needed. And foundation is built by the activities performed during the different stages.” (Director 2)

Beside these tasks, employees at staff level have opportunities to focus on items of the financial statements they prefer. If possible, they are assigned to these items, as long as they indicate their preferences to the manager. Managers, directors, and partners mention some other tasks as well. However, for each task they would like to carry out, they have to take their independency into account. Also, they often perform some extra tasks. For example recruiting new employees and having interviews, supervising trainees, giving guest lectures at

universities, or presenting any concerns to clients or employees at special meetings. Moreover, each employee attends education to constantly improve their working skills.

Repair

Repair tasks

There are several manners in which errors and mistakes are detected and repaired. Firstly, review is done to detect mistakes of other employees. This is mostly done by employees working at higher levels of the organization. Employees at staff level also do some review work, but always a person from a higher level reviews the work of someone else. Therefore, staff only review the work of junior staff or interns for example. After that, the manager could review the same work again, and finally the partner or director performs a final review.

“The review contains several layers. The experienced assistant reviews the work of the beginning assistant, the junior manager the work of the experienced assistant. Finally, I do a final review of the entire case file, and I put some review notes that have to be solved. That is the process of carrying out the review.” (Partner 1)

When person A has ‘finished’ all the activities of a particular item, he will sign off that item in EMS. Subsequently, the reviewer reviews his work. If he thinks the work is not sufficient enough and extra work is needed, review notes are created. In these notes the reviewer mentions the work that still has to be done for that particular item according to him. Communication between the preparer and reviewer takes place to discuss the performed activities and review notes, to think about solutions, and to provide feedback. They also agree about who should repair the work. Mostly, the remaining work is given back to the preparer who also did the previous work for that item, in this case person A. This is done to stimulate the learning process of employees, and to make sure they will not make the same mistakes in the future. When the activities in the review notes are finished, person A clears these review notes. The reviewer checks again if all required work of that item is properly done. If so, he closes the review notes. However, if still some work has to be done, the process continues until all review notes are closed. Sometimes the reviewer repairs the remaining work on his own. For example small mistakes could be repaired by the reviewer. Also, when the work is already given back to the preparer several times, but he is still not able to do it correctly, the reviewer could repair it himself. Therefore, if the preparer does not have the skills to repair their own mistakes, the reviewer could better repair it himself.

If all activities and review work at team level are finished and the case file is 'complete', also a quality review takes place. This work is done by managers, partners, or directors that are not part of the same audit team. The employee who performs the quality review will not repair mistakes on his own. If he detects any errors, he creates some review notes and communicates his findings to the audit team. The audit team is responsible for repairing these review notes. Again, this process continues until all review notes are closed. Auditors cannot deliver an auditor's report until the quality reviewer approves the engagement file of the particular client.

Improvement opportunities

Opportunities exist to suggest any improvement points at Deloitte. According to the interview participants, communication within the audit team is important here. If dissatisfaction arises at team level, employees should express to the audit team how they feel about the situation and indicate how they think it could be improved. The audit team could best be informed as soon as possible. For each client a pre-audit meeting takes place. This is the perfect moment for an employee to show dissatisfaction and motivate why he prefers an alternative approach, because the whole audit team is together. Then they could discuss it and decide as a team which approach they prefer. Also after this meeting employees could still suggest improvement points to their team members. Employees listen and learn from each other. Managers also communicate with staff, so they know which difficulties staff encounter. They are willing to listen to new ideas and suggestions of employees. However, this does not necessarily mean managers will carry out those ideas, because employees should have sufficient arguments and reasoning for their dissatisfaction.

"Employees have to say why they think something could be improved. You have to say like: [...] I think we constantly schedule too few hours for that client during the year-end audit. [...] If I make sure that I inform them for next year and strive for more scheduled hours, then I do not have to complain about the same thing next year. That does not mean they will schedule more hours next year, but then I did everything I could. But I have to argue why I think I need more hours. I cannot say: I actually scheduled 40 hours, but I took 16 hours off, so subsequently I had to work overtime for two evenings. No, that is not an argument. I have to substantiate my dissatisfaction." (Manager 2)

If employees have any ideas not related to a particular team, there are also opportunities to walk into a partner's office in Arnhem and discuss their suggestions and improvement points. Partners listen to those ideas and seriously consider them, but again clear arguments should be

given. However, it could be that this will be more applicable to managers and experienced employees. They could probably reach directors or partners more easily than employees who work at Deloitte for only a few years. This is not really clear, because all less-experienced employees that were interviewed did not discuss any improvement issues with a director or partner yet. Partners and directors of Deloitte Arnhem also have the possibility of showing their dissatisfaction with rules and regulations to higher levels of Deloitte.

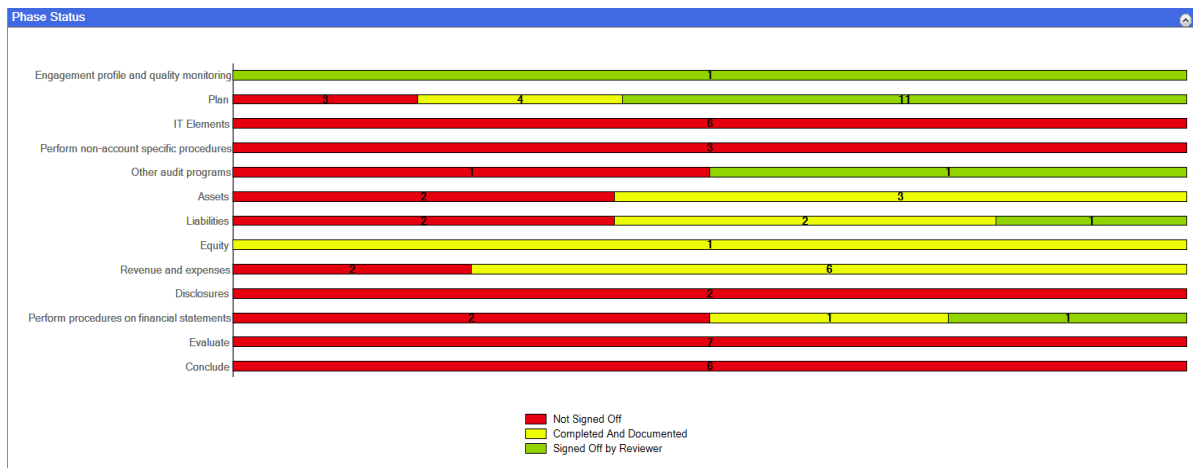
Other contact persons exist as well. A particular person could be contacted if the problems are not related to working skills, but some other dissatisfactions exist. For example about parking lots or office activities. Also, employees are assigned to a performance manager to discuss their problems and experiences with Deloitte, and to evaluate their working skills twice a year. They could contact an ethical officer if there are any social problems, there is a Deloitte service desk, etcetera.

Internal transparency

Visibility into equipment's status

All employees have access to EMS, a program used by Deloitte. All work and files related to one specific client are stored in EMS. For each client a separate case file exist. Employees only have access to the case file of a particular client, if they are part of the audit team of that client. In every case file team members have visibility into dashboards and the engagement status of the client. These dashboards show the progress of the audit team for a specific client. All phases, stages, balance sheet items, procedures, risks, working papers, etcetera, are colored red if nothing happened yet. This indicates that employees did not finish their work or did not sign off their work yet, and also no review has been done. If employees sign off their tasks and items they completed by placing their initials, these items become yellow. Yellow items show that the preparer finished his work, but no review took place yet. If also the review is done, the item's color turns into green. Figure 3 shows an example of how an engagement status dashboard could look like. However, these colors do not indicate that all the work of those specific items is done. Review notes could exist stating more work should be performed. Therefore, the colors only show if items are signed off and if the review took place. Separate pie charts show for example the total review notes, as well as the amount of completed notes and notes that still need to be completed. The pie charts could be opened to see the contents of the review notes.

Figure 3: Engagement status dashboard (Deloitte EMS, 2016)



The dashboards in EMS should give each team member an overview of the engagement status of the client, but the interviewees are not unanimous about the system. While some employees think this overview is useful, others show some criticism. They think the colors of the dashboards not always show the right reflection of reality. A preparer could sign off his work, so the dashboard turns yellow (and green after review). However, it is possible that the preparer added some review notes, or the reviewer will add some notes. Then the dashboards are yellow or green, but still some review notes have to be completed. The other way around is also possible. For example, an employee only signs off his work when he is completely finished. In this case, the dashboard will be red for a long time, even if only some small activities still have to be performed. Two quotes showing the conflicting opinions:

“Yes, we have a clear overview, because we have an engagement status. [...] The status is very well monitored in my opinion.” (Junior Manager 1)

“We have an overview in EMS. I do not use it that much. The items that are signed off are shown there. But often, the items that are signed off are not finished. They could still contain 30 review notes. [...] It does not tell me that much, but it gives you an overview. [...] But often you do not know the content yet. Three review notes could be more work to complete than ten, depending on the content of the review notes.” (Staff 3)

The visibility in the engagement status is not only visible because of dashboards in EMS. Generally, managers have the overall visibility of the client’s engagement status. They communicate with the rest of the audit team members to know the status. If the progress of status is different than scheduled, the manager could timely communicate to the client that

more working hours are needed, or he could try to find an extra team member to join them if possible.

“If everyone only signs off tasks to make sure a green dashboard appears, then the overview is not that clear. But mostly the manager or junior manager knows the engagement status quite well, but this is more based on experience. Because they know about the period they already work for this client, the quality of delivered documents and the audit team they have.” (Manager 1)

Understand internal functioning of equipment

There are several rules and regulations auditors have to apply in their work to ensure quality and independence. NV COS (Nadere Voorschriften Controle- en Overige Standaarden) contains the Dutch auditing standards. This manual indicates which checks an auditor has to perform, but not how these checks should be carried out. It only shows the considerations auditors should take in their decisions. All employees can access the COS through the technical library of Deloitte on the internet. In this technical library more auditing and reporting standards are found, for example the Deloitte Audit Approach Manual (DAAM). DAAM contains the COS, and some additional international standards as well. These manuals could be used as guidance in the auditor's work.

However, not only manuals serve as guidance. In the planning stage, the normal and significant risks of a particular client are determined. Based on these risks, procedures are made in EMS. If an item has a significant risk more procedures have to be performed, because this balance sheet item is that important that users of the financial statements could take other decisions if the item is not correctly stated. The procedures in EMS are executed in the interim and year-end audit, and are formulated more specific than COS. Also relevant references to COS are included in EMS. Therefore, it is not required to know COS by head, but the structure and reasoning has to be clear. Standard templates are developed for the basic balance sheet items. These standard templates are formulated the most specific. For those basic balance sheet items, it is already clear beforehand how the activities have to be performed.

The interviewees indicate they mainly use procedures and standard templates in EMS to do their work. They prefer this type of guidance more than manuals like COS. When they are not sure about how to do their tasks, they could always ask other team members. Someone with more experience for example. If there are still ambiguities after asking team members, they could consult the technical library. Even though employees do not directly consult COS

that much, indirectly they do, because the procedures and standard templates in EMS are already in compliance with COS. In the end, all balance sheet items (normal risk items, as well as significant risk items) have to comply with COS.

“In the end, all balance sheet items (normal risk items, as well as significant risk items) have to comply with COS. That is our Bible, so to say. COS is number one. You have to comply with those audit standards or you must have a very good reason to deviate from COS. It is allowed, but you need a very good reason to do that.” (Director 1)

Furthermore, Deloitte organizes several meetings to keep employees updated about knowledge and current developments in auditing. They organize three to four times per year a VTO (vaktechnisch overleg) for all employees of the audit department in Arnhem. In these meetings, cases are discussed that could occur during the audit. Managers, directors, or partners present relevant issues to all audit employees of Arnhem. For example recent developments in auditing, changes in regulations, and often made mistakes. VTO's not only take place at office level but also at sector level, because some cases are only relevant for specialized employees of the audit department. Therefore, these sectors have some extra VTO's. Often not at office level, but with a specific area of the Netherlands or at country level. Also summer courses take place at country level in which audit teams are formed. Each team is mixed with employees from different job grades and different offices. They work together on one case assignment for several days, and present the results at the end of the summer course to the rest of the teams. Lastly, employees periodically have to take some E-learnings to check if they have the required knowledge and working skills.

Global transparency

Understand broader system

Deloitte consists of several departments. The audit department is just one of the departments. Other departments are Deloitte legal, risk services, consulting, tax, financial advisory, and IT for example. They all provide their own services to clients. However, these departments pursue some common goals as well. The interviewees mention a few. First of all, Deloitte aims to maximize profits and partner compensation. Moreover, they want to express their motto to the outside world. Deloitte strives to be ‘the most trusted and innovative firm’, and their common mission is to ‘make an impact that matters’. They want to add value to society, because then

they will be accepted as service provider by the outside world. Employees of all departments collaborate to achieve this.

“As an accountant we serve social relevance. Social and economic life, social interaction, and therefore social relevance. [...] The existence of an accountant originates from society, because people express their faith in accountants.” (Junior Manager 1)

The focus of the audit department is to deliver quality work. The work and reports they deliver have to be reliable. The AFM (Autoriteit Financiële Markten) serves as the monitoring organization. This organization provides reviews to make sure Deloitte delivers the right quality. Deloitte has to comply with auditing standards, and proper considerations why certain decisions have been taken must be included in each file. Because of accounting scandals in the past, the AFM provides stricter reviews, and quality work becomes more and more important. A quality focus is especially important in the audit department. Interviewees think other departments also focus on quality, but in a different manner. In those departments quality is important as well, because otherwise Deloitte will lose clients. However, they do not have a monitoring organization like the AFM. Another reason why the audit department focuses on quality is the impact to society. The auditor's work is not only of interest to the client, but to all users of the client's financial statements. Users take decisions based on those financial statements. The interested parties are therefore much broader at the audit department than for example the tax department. At the tax department only the client and tax authorities are probably interested.

However, the interviewees indicate they do not know that much about the other departments, because they do not work there. Some employees mention the strict laws and regulations as a reason for this. Too much cooperation between different departments is not allowed by laws and regulations. Overall employees working at higher levels have more knowledge about the broader organization.

“We are allowed to provide different services to one client, so doing the audit and giving tax advice, but this is only allowed if we give permission in advance. So imagine, I am auditor of corporation X, and that corporation wants some tax advice, and asks a tax expert of Deloitte. Then this tax expert of Deloitte will come to me as audit partner and says like: I want to carry out work for corporation X. Subsequently, I have to consider in the context of independency: Is this combination of activities allowed? If I give permission, he could carry out tax work. But if

I say no, because otherwise we have a sort of self-review, he is not allowed to do it.” (Director 1)

“For non-public companies, so companies that do not freely trade shares of stock on stock exchanges, advisory and audit work could be combined under strict conditions. Then you have to be sure that we are not checking our own work. Also, do we not have an audit engagement of 50,000 euros and a consulting engagement of 2 million euros? Because this would suggest that we become more flexible in our audit work, because we do not want to risk those 2 million euros. So self-interest.” (Senior Manager 1)

Interaction

Furthermore, some interaction between departments exist. This is mainly through the deployment of experts. If the skills and knowledge necessary to conduct an audit are not available in the own audit department, experts are deployed. These experts work in other departments and therefore have specialized skills in one proficiency, for example real estate, financial advisory, tax, or IT. They do not necessarily have to work at Deloitte, but experts from other organizations could be deployed as well. The experts are involved in the audit process to increase the quality of the audit. Generally, in the planning stage is already determined if experts are needed. However, if contingencies are found in the next stages, experts could still be deployed. The assigned experts can become part of the audit team, or they only give some advice and communication takes place, depending on the specific COS reference used. Only auditors working at higher levels are involved in this communication process. The considerations have to be documented, and if the experts possess the required expertise.

“You as an auditor deliver the required documents to the experts. They have questions for you, and in the end you receive a report. You evaluate. [...] In the end, you have to interpret the report he gives to you. You have to understand it. Not the work itself, but the conclusions he reported. You have to understand his reasoning.” (Junior Manager 1)

Communication within the audit department itself is also important. The audit department consists of several audit teams assigned to different clients. When new clients are assigned, new teams are formed. Therefore, no permanent teams exist. Of course communication within one audit team is important, but interacting with other teams happens as well. For example, if one audit team is not really sure about the most suitable approach, it could contact an employee from another team. Moreover, employees often specialize in a particular audit sector

throughout their career. There is a distinction in profit and non-profit firms, but also specializations like education, healthcare, municipalities, and housing associations exist. If a particular issue about such a topic arises, employees generally know which persons to contact and to ask for help. They also recommend to do this, instead of reinventing something complex that somebody else already did. Each employee has access to a tool in which all employees of Deloitte Global could be contacted by chat or by calling them. The quality reviewer continuously communicates with audit teams as well, because things could be unclear.

“If I see something, and I don’t know how to continue. I don’t know it, neither the junior manager does. Then maybe someone else knows it, because that person is assigned to a different client and a different manager. Maybe we could find a solution then. Or I just call with the other manager by myself. [...] And if I call colleague A and ask a question, and that person also doesn’t know, then mostly you conclude together that another person probably knows it.”
(Manager 2)

“Nowadays, there is a television program called: Around the world in 6 steps. At Deloitte you don’t have to take 6 steps to reach someone who could tell you more about something. Mostly, the first person you contact already knows. That’s because you know what person to ask for certain topics. And if it is not the first, then mostly the second person knows. So if I call you with a specific question and you don’t know the answer. Generally, you do know someone else who could answer that question.” (Assistant 1)

Flexibility

Deviate from procedures

In the planning stage the procedures of a specific client are established and documented in EMS. During the interim and year-end audit these procedures are executed. A balance exists in strictly following these procedures and the opportunity to flexibly deviate from them. This depends on the specific circumstances of a client. Every client is different and requires a different approach. The approach should fit with the accessible documents for instance. Also, the identified risks determine the degree of flexibility. Significant risks and normal risks could be identified. Other factors influencing the degree of flexibility are the type of balance sheet items, and the size/amount of particular items stated in the financial statements.

“One procedure only says to check the debtors for example, while another procedures states: Determine the expiration, check for a certain element, perform a sample in accordance with the

MUS (Monetary Unit Sampling), etcetera. This is really dependent on the specific client.” (Staff 3)

The steps auditors have to take in their work are documented in working papers. Documentation is more strictly for the standard activities and items with normal risks. Employees have to perform these standard activities for every client. Standard templates are made for these items, to make sure employees document in a uniform manner.

“This is done to guarantee a certain quality in your file. Which is also necessary in my opinion, so more time is available for things requiring real attention. Meaning the significant risks. To focus yourself on these risks.” (Junior Manager 1)

Furthermore, in the planning stage they already considered which procedures have to be followed in the next stages to mitigate certain risks. Items with significant risks generally have more procedures, but these procedures are formulated in a more general manner. Auditors cannot be certain what they will encounter during the audit. Therefore, procedures relating to significant risks are not formulated too specific. There is no checklist culture of blindly ticking the boxes. There are still opportunities for employees to give their own interpretation of procedures. Every time they have to consider how they could perform the audit in the most efficient and effective manner, taking into account the specific circumstances of the client. However, laws and regulations like COS, always have to be followed.

If employees during the interim or year-end audit discover that some procedures are missing or too many procedures exist, this could be adjusted. The whole audit is a continuous process of switching. Every time going back to your planning, because new information is received or circumstances changed. The planning stage is continuously in process. But overall, the procedures determined beforehand are maintained.

“You can think a client doesn’t have any stock. In many healthcare institutions you think they don’t have any stock. Then you go there for the year-end audit and you discover they just bought many injections, because it was cheap. So in the balance sheet 1 million euros of stock is stated. Last year stock was 10,000 euros and these 10,000 euros were less than the tolerance level, so not relevant. Now stock is 1 million euros. Then I cannot say: Yes, I know, but in the planning stage no stock existed, so I’m not doing anything.” (Manager 2)

Controlling decisions

Several programs are used by auditors at Deloitte, like EMS and Excel. These programs do not make any decisions, but are only used as a tool to help employees in their work. Next to that, programs exist that do regressions, analyses or select samples. The Deloitte Analytics Tool is used for selecting samples. These samples are selected randomly. Employees could not affect this selection. However, employees still insert the commands in these programs. After the programs determined their regressions, analyses, or samples, employees have to interpret the results by themselves and perform the required upcoming tests. Therefore, the decisions are always taken by the employees themselves. All the programs and software are only used to facilitate the audit process. For example, they give employees an insight in the progress of the audit process and provide signals to them. The programs show a notification when an employee forgets to insert a required document for instance. Tasks are therefore not handed over to machines, and employees keep control over their tasks. They take the controlling decisions.

5. Analysis and Conclusion

This section links the results of section 4 with the theoretical framework of section 2. The operationalization of figure 2 and features of appendix I are used in this analysis. After that the research question is answered.

Analysis

Results show that all four design principles in Deloitte have some features of both enabling and coercive formalization. However, the balance between enabling and coercive formalization varies between the design principles. Therefore, all four design principles are discussed separately. They are linked with the available theory (in particular Adler & Borys, 1996) to see which enabling and coercive elements are present at Deloitte Arnhem. The findings are represented in an overview (table 3) to show how Deloitte balances enabling and coercive formalization. For each design principle a checkmark (✓) is placed. If the checkmark is more located to the coercive side, more coercive characteristics are found for that specific design principle, and vice versa.

The first design principle repair is about the opportunity of employees to repair the process themselves and if they have opportunities to suggest improvement points. The results show that employees not only perform prepare activities, but have review tasks as well.

Reviewing and repairing work of other employees is part of auditor's routine tasks. If they perform review work, they are allowed to repair errors and mistakes, but mostly the repairing work is given back to the preparer. The preparer could repair his own work again, after the review took place. Repair activities are not avoided, but seen as opportunities for employees to improve their work in the future. Communication takes place and feedback is provided to stimulate employees' learning process. Also, Deloitte is willing to listen to new ideas, suggested improvement opportunities of employees and other problems they experience, both on team level and broader levels of the organization. These are all characteristics of enabling formalization. However, not only enabling features exist. By looking from a different perspective, prepare tasks and review tasks are sort of separated from each other. The preparer is not allowed to review his own work, but another auditor has to take this responsibility. Therefore, repair tasks are not totally integrated with the other tasks. Always at least two employees are involved, the preparer and the reviewer. This is comparable with the mechanism of switching discussed by Adler et al. (1999), in which employees could switch between two types of tasks, but cannot perform them simultaneously. Moreover, employees working at higher levels perform more review work than staff for example. These features show some elements of coercive formalization. So overall, repair has both enabling and coercive characteristics. The checkmark is placed in the middle (see table 3).

Secondly, elements of internal transparency are found. This is about visibility into the equipment's status and understanding of the internal functioning of equipment. All employees have visibility into the engagement status of clients they are assigned to. They are informed about the status by their manager, and could see the progress in EMS by looking at the dashboards. Manuals and standards like COS and DAAM provide employees with information about considerations they should take into account. Procedures in EMS give employees more specific and relevant information with references to COS, that is necessary to perform the specific tasks procedures relate to. These are formulated in an understandable language. If employees still have any questions, they could always ask other team members. Also, discussions and courses take place to make sure employees understand how they have to perform their tasks, and why these tasks are important. All these features match with the enabling characteristics of internal transparency Adler & Borys (1996) provide. Coercive elements relate to employees' visibility in the engagement status. Some interviewees indicate employees could sign off their work too early or too late. If this happens, the dashboard shows an engagement status that is not reliable anymore. This would diminish employees' visibility in the engagement status. However, generally enabling characteristics are found, so the

checkmark of internal transparency is more located to the enabling side of table 3.

Thirdly, features of global transparency relate to understanding the broader system of an organization and interaction between employees performing other tasks. The interviewees generally have an understanding about the audit department of Deloitte. They show the importance of delivering audit quality and the relevance they provide for society. However, their understanding of the broader organization and other departments of Deloitte is not that clear. Employees indicate they do not know that much about those departments, because they do not work there. They also mention the current laws and regulations as a reason for this. These rules prohibit auditors to perform other tasks at Deloitte, besides the audit work. Employees working at higher levels of Deloitte Arnhem generally know more about the broader organization than staff, which shows an asymmetrical global transparency at Deloitte. These are all characteristics of coercive formalization. Interaction with other departments takes place if experts are needed to support an audit team. This interaction is an enabling feature, but only employees working at higher levels of the organization communicate with them, which is again a coercive element. Interaction with other auditors at Deloitte takes place as well. Employees are not only communicating with their own audit team, but also communicate with other teams from the audit department. This is an enabling element of global transparency, but on a lower level. Only the global transparency about their own audit department is taken into account now. Overall, mainly coercive elements exist, so the checkmark of global transparency is placed more to the coercive side (see table 3).

Lastly, flexibility is about the possibility of employees to deviate from procedures and taking controlling decisions. Auditor's activities have to comply with rules and regulations of COS. Deviating from COS is not allowed. This is done to guarantee the quality of the audit. The AFM performs an external review to check if the activities are performed conform COS. However, COS does not state how the required activities have to be performed. Procedures in EMS are more specific about that. Standard templates with procedures are used for balance sheet items with standard risks, and employees do not have much freedom to deviate from those templates. These are features of coercive formalization. In contrast, auditors have some flexibility for items with significant risks to decide how they perform activities. They should take the specific circumstances of the client into account when deciding which activities are most suitable. The determined procedures in the planning stage could also be adjusted in the next stages if necessary. Therefore, also some enabling features exist, but the main rules and regulations of COS could not be adjusted. Furthermore, employees keep control over their tasks. They take the controlling decisions, and programs are only used as a tool to help them

take these decisions. This is another enabling characteristic. In conclusion, several enabling characteristics of flexibility are found, but the most important finding is coercive: All activities have to be in line with COS to guarantee audit quality. The checkmark is therefore more located to the coercive side of table 3. The location of this checkmark is placed more to the enabling side than global transparency, because more enabling characteristics of flexibility are found than the amount of enabling features for global transparency.

Table 3: Balancing enabling and coercive formalization in Deloitte Arnhem

	Enabling ←	→ Coercive
Repair		✓
Internal transparency	✓	
Global transparency		✓
Flexibility		✓

Table 3 is just a tool to provide an overview of the findings. The checkmarks are located based on interpretations. The exact position of the checkmarks could slightly differ, but the relative differences between the four design principles are visible in table 3.

Conclusion

The research question of this thesis is: ‘How does Deloitte balance enabling and coercive formalization?’ To answer this question, interviews with employees are taken. These employees work at different layers, and are part of the audit department at Deloitte Arnhem. Also, observations during a graduate internship of five months are used in the analysis. Regarding repair, more or less the same amount of enabling and coercive features of formalization is found. The internal transparency of Deloitte mainly consists of enabling characteristics, while global transparency and flexibility generally have coercive features of formalization. Therefore, Deloitte Arnhem balances enabling and coercive formalization by

having more coercive features regarding global transparency and flexibility, and more enabling features for repair and internal transparency.

6. Discussion

Scientific and practical relevance

This research further investigated the interaction of enabling and coercive formalization, and provides more evidence that features of enabling and coercive formalization could be used simultaneously by companies. The thesis extends the current literature of Ahrens and Chapman (2004), who suggest that the framework with the four design principles of Adler and Borys (1996) should be used in more future research about balancing enabling and coercive formalization. Also, no research focused on balancing enabling and coercive formalization in accounting firms yet, and the findings of this thesis show that an accounting firm could combine both types of formalization as well. Furthermore, Adler and Borys (1996) suggested that further research should focus on the hierarchy and relations between layers in firms that could have an enabling or coercive character. Therefore, employees from different layers working at the audit department of Deloitte Arnhem are interviewed, and attention is paid to communication between them. This showed some different perceptions between groups, and provided new insights. For example, the contrasting views regarding the visibility into the equipment's status, and the asymmetric global transparency became visible.

The management of Deloitte Arnhem could use the findings of this research to decide if they are satisfied with the amount of formalization, or if they want to use more enabling or coercive formalization. Also, some findings indicate if employees are positive or negative regarding specific types of formalization. This could give the management new insights into possible improvement points.

Limitations

The performed case study also has some limitations. First of all, the interview questions are generally formulated. This should prevent interviewees from having the idea that they should answer in a certain direction. However, it could be that some employees experienced this differently, even if this is avoided as much as possible. Secondly, the coding and analysis is based on personal judgments. These judgments are based on answers given by the interviewees, and the manner in which they expressed themselves. By not only reading the transcripts, but

also taking into account any doubts and emotions they showed while giving the answers, judgment errors should be mitigated. But still possibilities exist that other researchers should interpret results differently. Thirdly, only twelve employees of the audit department at Deloitte Arnhem are interviewed, because of time limits. These participants include five employees from staff level, four managers, and three directors/partners. This should result in representative findings, because more staff than partners/directors are working at Deloitte Arnhem. However, it is still possible that other results were found if different employees were interviewed. Based on the similarities of answers given, this possibility is not that likely. Furthermore, this research only focused on the first dimension of enabling and coercive formalization, namely the features of enabling and coercive formalization. Therefore, no statements could be made about the other two dimensions: the design process, and the implementation process (Adler and Borys, 1996). Finally, the results of this research are only applicable to the audit department of Deloitte Arnhem. No conclusions could be made for other departments at Deloitte Arnhem, neither for Deloitte offices settled in other places.

Future research

The findings of this research cannot be generalized to other accounting firms. Each accounting firm has its own specific circumstances that could influence the results. More research is needed to see if these findings hold in other accounting firms as well. The results of this case study could be used as a starting point for future research. Case studies in other Big Four accounting firms could be performed to check if the same findings are found. Also, case studies in smaller accounting firms, other countries, or bigger cities are interesting. The possibility exists that these case studies provide different results. For example, the audit department of Deloitte Amsterdam could already show other results, because of a different working climate.

Future research focusing on the other two dimensions of Adler and Borys (1996) could be interesting as well. For example, the switch from a coercive environment to a more enabling working environment, or vice versa. This would include elements of the design and implementation process of formalization, and information about any potential problems during the integration could be detected.

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Appendices

Appendix I – Features of the four design principles

	Enabling formalization	Coercive formalization
<u>Repair</u> - Repair tasks - Improvement opportunities	Repair tasks are integrated in the routine tasks. Employees are allowed to repair the process themselves. Breakdowns and repair efforts are indications for shortcomings and opportunities for improvement.	Repair tasks are separated from routine tasks. Employees cannot repair the process themselves. Employees have little opportunities to suggest any improvement points.
<u>Internal transparency</u> - Visibility into equipment's status - Understand internal functioning of equipment	Employees have visibility into the equipment's status, so they can deal with unforeseen contingencies. Information is presented in an understandable language for employees, so employees understand the internal functioning of equipment.	Employees have no visibility into the equipment's status. Employees do not need an understanding of the internal functioning of equipment.
<u>Global transparency</u> - Understand broader system - Interaction	Employees have an understanding of the broader system within they are working. They know how their local tasks fit into the broader organization. Interaction exists between employees performing different tasks. This improves the performance of their own tasks and stimulates the identification of improvement opportunities.	Employees do not need an understanding of the broader system within they are working. It is difficult for employees to know their exact place in the organization. Employees are not allowed to move beyond their specific tasks.
<u>Flexibility</u> - Deviate from procedures - Controlling decisions	Employees have freedom in performing their tasks. They could fit their work to their own preferences. Deviating from procedures is allowed and provides learning opportunities. Employees take the controlling decisions.	Employees do not have freedom in how to carry out their tasks. Employees could only deviate from procedures after authorization of the supervisor. Machines take the controlling decisions.

Appendix II – Interview Questions

Repair

- Repair tasks
 - Bij welke taken van het audit proces bent u betrokken?
 - Zijn er daarnaast ook mogelijkheden om taken uit te voeren die niet tot uw standaardtaken behoren?
 - Als u fouten ontdekt tijdens uw werk, mag u deze fouten dan zelfstandig herstellen?
- Improvement opportunities
 - Zijn er mogelijkheden binnen Deloitte om verbeterpunten voor te stellen?

Internal transparency

- Visibility into equipment's status
 - Hebt u inzicht in de voortgang van de audit?
 - Kunt u zien welke taken al gedaan zijn en wat nog gedaan moet worden?
- Understand internal functioning of equipment
 - Hebt u toegang tot informatie waarin staat hoe taken uitgevoerd moeten worden?
 - Zijn hier bepaalde handleidingen voor beschikbaar?
 - Helpt deze informatie ter ondersteuning van uw werk?
 - Worden er daarnaast ook informatiebijeenkomsten gehouden?

Global transparency

- Understand broader system
 - Welk doel streeft Deloitte na?
 - Hoe passen uw werkzaamheden binnen het totaalplaatje van Deloitte?
- Interaction
 - Wordt er informatie gedeeld tussen de verschillende afdelingen van Deloitte?
 - Worden er wel eens specialisten aangetrokken van andere afdelingen?
 - Vindt er communicatie plaats tussen verschillende audit teams?

Flexibility

- Deviate from procedures
 - Gelden er procedures die gevolgd moeten worden tijdens uw werk?
 - Kunt u zelf bepalen hoe u uw taken uitvoert, of staan alle stappen die genomen moeten worden van tevoren vast in procedures?
 - Kunnen de vastgestelde procedures aangepast worden gedurende het audit proces?

- Controlling decisions
 - Hebt u controle over de programma's en software die gebruikt worden tijdens uw werk?
 - Maakt u zelf de uiteindelijke beslissingen of doen programma's dat voor u?

Appendix III – Code Manual

Code: ROUTINE

<i>Keyword</i>	Opdrachtaanvaarding
<i>Description</i>	The audit process consists of several stages. During the client and continuance stage is decided if the client is accepted.

<i>Keyword</i>	Planning
<i>Description</i>	In the planning stage a clear understanding of the client's business is established, and the risks of the client are identified and estimated.

<i>Keyword</i>	Interim
<i>Description</i>	During the interim, employees focus on the business processes of the client. Specifically on the design, existence, and functioning of processes, as well as the internal controls to mitigate possible risks.

<i>Keyword</i>	Eindejaarscontrole
<i>Description</i>	During the year-end audit auditors perform several checks to see if the financial statements give a true and fair view.

<i>Keyword</i>	Controleverklaring
<i>Description</i>	The auditor's report indicates if the financial statements give a true and fair view.

<i>Keyword</i>	Andere taken
<i>Description</i>	Beside the main tasks of the several audit stages, employees could also perform some other tasks

Repair

- Repair tasks

Code: REPAIR

<i>Keyword</i>	Review
<i>Description</i>	Another task of employees is to review the work of other employees to detect errors and mistakes.

<i>Keyword</i>	Review notes
<i>Description</i>	Review notes are created by the reviewer if he thinks the work of a particular item is not sufficient enough, and extra work has to be done.

<i>Keyword</i>	Feedback
<i>Description</i>	The reviewer provides feedback to the preparer about how he could repair his work.

<i>Keyword</i>	Leren
<i>Description</i>	Providing feedback and giving review notes back to the preparer should improve the learning process.

<i>Keyword</i>	Herstellen
<i>Description</i>	The reviewer is also able to repair the errors and mistakes himself.

<i>Keyword</i>	Tweede lezing
<i>Description</i>	A quality review takes place by an employee that is not part of the same audit team.

- Improvement opportunities

Code: IMPROVE

<i>Keyword</i>	Audit team
<i>Description</i>	If employees are dissatisfied and/or want to suggest any improvement points, communication with the audit team is important.

<i>Keyword</i>	Partner
<i>Description</i>	Employees could discuss problems, ideas, and suggestions with a partner or director as well.

<i>Keyword</i>	Aanspreekpunten
<i>Description</i>	Also other contact persons exist.

Internal transparency

- Visibility into equipment's status

Code: VISIBILITY

<i>Keyword</i>	Dashboard
<i>Description</i>	The dashboards in EMS show the engagement status of a particular client.

<i>Keyword</i>	Aftekenen
<i>Description</i>	Preparers sign off their work by placing their initials.

<i>Keyword</i>	Inhoud review notes
<i>Description</i>	The content of the review notes could differ. Some review notes require more work to finish than others.

<i>Keyword</i>	Overzicht manager
<i>Description</i>	In particular managers have an overall view of the engagement status of a particular client.

- Understand internal functioning of equipment

Code: UNDERSTAND

<i>Keyword</i>	COS
<i>Description</i>	Nadere Voorschriften Controle- en Overige Standaarden. The Dutch Auditing standards.

<i>Keyword</i>	Technical library
<i>Description</i>	Every employee has access to the technical library of Deloitte on the internet. This library contains auditing and reporting standards.

<i>Keyword</i>	Procedures
<i>Description</i>	Procedures in EMS show what activities must be performed for a specific item.

<i>Keyword</i>	Templates
<i>Description</i>	Standard templates are used for some items in EMS. These templates show how activities have to be performed.

<i>Keyword</i>	Overleg
<i>Description</i>	Employees could also ask team members when they are not sure.

<i>Keyword</i>	VTO's
<i>Description</i>	Vaktechnische Overleggen. In these meetings possible cases are discussed.

<i>Keyword</i>	Summer courses
<i>Description</i>	These courses take place at country level. Teams work on a case assignment for several days.

Global transparency

- Understand broader system

Code: BROADER SYSTEM

<i>Keyword</i>	Divers
<i>Description</i>	The audit department is one of the departments at Deloitte. More departments exist. They all provide their own services.

<i>Keyword</i>	Winst
<i>Description</i>	A common goal of all departments at Deloitte is maximizing profits.

<i>Keyword</i>	Buitenwereld
<i>Description</i>	Deloitte wants to add value to the society.

<i>Keyword</i>	Kwaliteit
<i>Description</i>	The audit department focuses on quality. The AFM plays a major role to maintain this quality.

<i>Keyword</i>	Scheiding
<i>Description</i>	The different services Deloitte provides are separated, because of laws and regulations.

- Interaction

Code: INTERACTION

<i>Keyword</i>	Specialist
<i>Description</i>	Experts are deployed if specialized skills or knowledge are needed.

<i>Keyword</i>	Teams
<i>Description</i>	Communication with other audit teams takes place when something is unclear.

Flexibility

- Deviate from procedures

Code: DEVIATE

<i>Keyword</i>	Strikt
<i>Description</i>	Some procedures are strictly followed by employees.

<i>Keyword</i>	Flexibel
<i>Description</i>	Employees also have opportunities to interpret some procedures, and choose the most efficient and effective approach.

<i>Keyword</i>	Omstandigheden
<i>Description</i>	If procedures are strictly or flexibly followed depends on the specific circumstances of the client.

<i>Keyword</i>	Aanpassen
<i>Description</i>	Procedures determined during the planning stage could be adjusted in the interim or year-end stage.

- Controlling decisions

Code: DECISIONS

<i>Keyword</i>	Programma's
<i>Description</i>	Employees use several programs, like EMS, Excel, and DataAnalytics.

<i>Keyword</i>	Hulpmiddel
<i>Description</i>	All programs are used as a tool to help employees doing their job.

<i>Keyword</i>	Werknemers
<i>Description</i>	Decisions are taken by employees themselves.

Appendix IV – Coded Interview Transcript

Details interview

Interviewer – Niek Bonekamp (Niek)

Interviewee – Manager (Manager 2)

Tuesday 17 May, 15:30 o'clock

Duration of interview 37:09

Repair

Niek: Ik weet dat er verschillende fases zijn hier van de Audit. Dus je hebt de planningsfase, en waar de risico's worden beoordeeld, interim, en eindejaarscontrole. Zou je mij kunnen vertellen wat de taken zijn die jij daarin vooral uitvoert?

Manager 2: Mijn taak?

Niek: Ja.

Manager 2: De planningsfase is meestal in samenspraak. Eerst krijg je een pre-audit overleg. Partner, Manager, Junior Manager, een beetje afhankelijk van de teamsamenstelling, spreken samen op hoofdlijnen door hoe de controle ingestoken moet worden. Dan gaat de Junior Manager en/of Manager samen aan de slag om de risico's echt te adresseren en op te nemen in het dossier. Vaak dan is het de Junior Manager die daar de eerste voorzet in geeft. Ik in mijn rol als Manager scherp ze aan. En dan. Ja, we werken alles op de juiste stappen door in het dossier, en dan geeft de Partner zijn feedback of ik iets gemist heb of iets aan moet scherpen.

Niek: Oké, ja. Dat is de planning?

Manager 2: Dat is planning.

Niek: Oké, ja. En dan bij de interim en de eindejaars?

Manager 2: Bij de interim en de eindejaars. Bij het starten van de controle geef ik buitenom de basis die natuurlijk in het dossier zit, kijk ik of die basis die in het dossier zit nog klopt. Of dat daar iets in de risico's aangepast/aangescherpt moet worden op basis van de kennis van de klant van dat moment. Schakel ik ook met de Partner of hij nog aanvullingen heeft. En dan zorg ik dat het team aan de slag kan. Dat iedereen weet wat die doen moet. Dan gaan zij controleren, en ik ben eigenlijk even in afwachting totdat zij komen met vragen. En ik ben natuurlijk ondertussen bezig met de posten die ik mijzelf toebedeeld heb en ik ga erachteraan om te reviewen. En zo werkt dat bij de interim en de jaarrekening. Dat is natuurlijk in dat hele proces.

ROUTINE (planning)

ROUTINE (interim +
eindejaarscontrole)

De communicatie met de klant, die loopt veel via mij. Dus eigenlijk op het moment dat het team bezig is met het verwerken van de posten, ben ik ook meer aan het communiceren met de klant en de voortgang aan het bewaken.

Niek: Oké, ja. Dus het zijn wel echt verschillende taken. Het hangt wel af van in welke fase je zit en wat er gebeurt.

Manager 2: Ja.

Niek: Staat dan uiteindelijk alles in het teken om te concluderen of je de accountantsverklaring kan afgeven, of niet?

Manager 2: Ja, de controleverklaring.

Niek: Ja, dat bedoel ik.

Manager 2: Ja, uiteindelijk hangt echt alles met als doelstelling om een controleverklaring bij een object, meestal is het object de jaarrekening, om de controleverklaring bij het object af te kunnen geven. Dus daar zijn ook die risico's op gebaseerd. Je kijkt eerst. Wat is mijn object? Wat moet ik nou doen om dat object te kunnen controleren? Want wat zijn de risico's die bij die specifieke klant gelopen worden? Er zitten natuurlijk een heleboel standaarden in.

Niek: Ja, dan heb je natuurlijk normale risico's en significante risico's en daar wordt dan op bepaald hoeveel testen je moet doen?

Manager 2: Werkzaamheden. Ja, dat klopt. Maar bij elke klant zijn de significante risico's net iets anders. Geen wereld van verschil, maar natuurlijk wel nuances.

Niek: Oké. Ja, dat zou ik dan even de hoofdtaken noemen die je zoal uitvoert. Zijn er dan ook nog andere taken die je kan uitvoeren als je denkt dat dat nodig is? Dan bedoel ik bijvoorbeeld van... Ik heb ook al gehoord dat iemand bijvoorbeeld nog naar inhouse dagen ging en zulk soort dingen.

Manager 2: Je hebt... Wat tussendoor loopt is de opleiding van de medewerkers. Dus iedereen moet zijn werk uitvoeren, maar heeft daar vragen bij. Iedereen groeit hier relatief snel door. Dus als je dit jaar post A doet, moet je volgend jaar wel een post doen die ietsjes moeilijker is. Daar heb je wel begeleiding bij nodig. Dus waarom ga je het zo doen? En hoe moet je het doen om het gewenste resultaat te halen? Daar probeer ik me altijd ook hard voor te maken om dat ook te blijven doen. En dan heb je natuurlijk als een assistent een post afgerond heeft, dan moet die gereviewd worden. Ik kan wel reviewen en het zelf corrigeren, maar ik kan ook zeggen van: Dit en dit moet je aanpassen, want je bent dus dat vergeten. Dan weet die ook wat die de volgende keer anders moet doen. Dat loopt er tussendoor. Coaching on the job is het eigenlijk. Ja, dat.

Niek: Oké.

ROUTINE (interim +
eindejaarscontrole)

ROUTINE
(controleverklaring)

ROUTINE (planning)
DEVIATE
(omstandigheden)

ROUTINE (andere taken)

Manager 2: En dan hebben we natuurlijk wel nog een overige taak. Wat ik dit jaar diverse keren heb gedaan is dat ik presentaties geef aan klanten, zodat ze wijzigingen in wet en regelgeving scherp hebben. En ja, presenteren.

ROUTINE (andere taken)

Niek: Dat zij ook weten waar ze rekening mee moeten houden.

Manager 2: Ja, en ook zo doen dat het voor de klant interessant is. Want wij kijken altijd vanuit de controlehoek ergens naar. Dan kijk je ook heel erg naar controlemethodieken. Maar voor de klant in zijn jaarrekening gaat het wel meer om: Hoe ga ik nou het getal bepalen?

ROUTINE (andere taken)

Niek: Ja, oké. Nou, dat is duidelijk.

Manager 2: Snap je wat ik bedoel?

Niek: Ja, dat de klant ook weet waar die rekening mee moet houden als die de...

Manager 2: Ja. Voorbeeldje om het even praktisch te houden is dat wat we afgelopen periode gedaan hebben. We zagen dat kasstroomoverzichten bij heel veel klanten fout gaan. Dus dat wij die in de controle aan het controleren zijn, en tegen de klant zeggen van: Nou, naar mijn mening moet ik 2 miljoen hebben, maar jij hebt 1,5 miljoen. En dan zeg ik: Ja, het verschil komt, omdat jij dat verkeerd geïnterpreteerd hebt. Dan hebben we in die presentatie dus eigenlijk weergegeven van: Wat zien wij nou veel fout gaan en waarom zien we dat nou veel fout gaan? Want ja dat nemen wij mee in het denkproces zeg maar om te zorgen dat ze het komend jaar beter doen. Dat hebben we ook gezien dat het wel beter ging.

ROUTINE (andere taken)

Niek: Ja, dat scheelt natuurlijk ook zelf met als je daarna weer die werkzaamheden doet. Dat hoop je dan natuurlijk minder te zien.

Manager 2: Ja. Maar dat is voor hun ook leuker natuurlijk. Het is voor hun leuker ook om te weten waarom iets anders moet, als dat wij het gewoon mededelen en dat ze dat dan ad hoc heel snel in één keer uit moeten gaan zoeken.

ROUTINE (andere taken)

Niek: Oké. En zijn dat dingen, zoals die presentaties aan klanten, wat je zelf kan voorstellen dat je dat ook leuk vind om te doen? Of wordt dat van iedereen verwacht? Bijvoorbeeld, wordt dat van elke Manager verwacht?

Manager 2: Nee. Ja, iedereen doet iets. De één doet meer sollicitatiegesprekken, de ander doet meer begeleiding in de zin van de echte coachingsgesprekken bij year-end, de ander doet meer die presentaties, de ander gaat meer klanten werven.

ROUTINE (andere taken)

Niek: O oké, ja.

Manager 2: Zo doet iedereen iets.

Niek: Oké, mm. Nou, dan zei je net ook al iets over de reviews die je zou doen. Dus als je dan fouten ontdekt van andere collega's in

die review. Is het dan zo dat je die soms ook al zelfstandig hersteld, of wordt het vooral teruggelegd en geef je feedback?

Manager 2: Ligt er aan. Ligt aan meerdere dingen. Simpele dingen corrigeer ik zelf. Als ik zie dat het helemaal netjes voor mekaar is. Alles zit er zo goed als in. Zeg maar, alles zit er voor 95% in en hij is op 3 punten vergeten een juiste referentie te maken, dan voeg ik dat toe. Dan ga ik er geen note op zetten, want hij weet ook wel dat dat er moet staan. Is die gewoon vergeten. Soms is er een bepaald stuk vergeten te controleren. Dat is heel logisch, want als je aan het controleren bent ben je heel erg gefocust. En dan kijk je soms ergens overheen. Daarom is dat de kracht van de review vind ik altijd. Als ik echt zo'n punt constateer, dan leg ik het terug: Kijk daar nog eens goed naar. Want dan is die persoon er ook wel weer een half uur of een uur mee bezig. En soms denk ik ook wel eens van: Ja, ik blijf niet bezig. Als ik dan een vraag heb gesteld: Je moet dat nog even toevoegen. En het gebeurt, maar het gebeurt maar half. Ja, dan denk ik op een gegeven moment ook: Nu ga ik het ook even zelf afmaken, want anders dan blijf ik ook zelf 3 keer met een post bezig.

Niek: Ja, dat is ook waar. Maar het wordt dan vaak, zulk soort dingen dus... Als die echt iets is vergeten of niet heeft gedaan waar je dus van denkt van: Dat weet die misschien niet. Dan wordt dat vaak wel teruggelegd, zodat die ander er ook weer wat van leert.

Manager 2: Ja, ja.

Niek: O ja. Ja. Zijn er hier binnen Deloitte, als je ziet dat je denkt dat er iets beter kan. Dus bijvoorbeeld, ik noem maar even een voorbeeldje. Je vindt dat er binnen een team niet genoeg wordt gecommuniceerd, of je vindt dat de planning niet helemaal goed loopt. Zijn er dan punten waar je naar toe kan gaan om te zeggen van: Ik vind dat dit beter kan?

Manager 2: Ja, je kunt altijd naar een Partner gaan. En als assistent kun je ook naar een Partner gaan, maar dan zou ik eerst naar een Manager gaan die ertussen zit. Dat kan altijd. Naar mijn ervaring is het altijd dat er iets mee gedaan wordt. Maar als je niks zegt dat er iets niet goed is, dan kan er niemand weten dat jij vindt dat iets niet goed gaat.

Niek: Nee. Nee, dat klopt. Maar ze staan overal wel voor open dus?

Manager 2: Ja, maar je moet wel natuurlijk zeggen waarom je iets vindt.

Niek: Ja, het is niet dat alles gelijk wordt gedaan natuurlijk.

Manager 2: Nee, je moet wel zeggen van: Ik vind dat wij... Jij noemt net planning bijvoorbeeld. Ik vind dat wij structureel voor die klant in de jaarrekeningcontrole te weinig uren hebben gepland. Dan kan ik wel lopen zeuren en klagen en alle avonden door gaan werken,

REPAIR (herstellen)

REPAIR (feedback + review)

REPAIR (herstellen)

IMPROVE (audit team + partner)

IMPROVE (audit team + partner)

maar als ik zorg dat ik het volgend jaar doorgeef en zorg dat ik mij hard maak voor meer uren. Dan hoef ik volgend jaar niet over hetzelfde punt te klagen.

Niek: Ja, ja. Ja, dat is waar.

Manager 2: Dat wil niet zeggen dat dat lukt, maar dan heb je er wel aan gedaan wat je kunt doen.

Niek: Ja, oké. Ja, duidelijk

Manager 2: Maar dan moet ik wel kunnen onderbouwen waarom ik vind dat ik meer uren nodig heb. Ik kan niet zeggen van: Ja, omdat ik eigenlijk 40 uur gepland had, maar ik had 16 uur vrij genomen dus moest ik vervolgens 2 avonden doorwerken. Nee, dat is geen argument.

Niek: Nee, precies. Oké.

Manager 2: Maar dan moet ik het wel onderbouwen.

Niek: Ja, snap ik.

Internal transparency

Niek: Dan bij het werk wat er gedaan wordt, dus bijvoorbeeld in de interim en de eindejaarscontrole, maar ook de planning. Is er dan inzicht in welke werkzaamheden al gedaan zijn tijdens die fases, en wat nog gedaan moet worden?

Manager 2: Ja, heb jij wel eens in het dossier gekeken/meegekeken?

Niek: Ja volgens mij is dat bij EMS geloof ik?

Manager 2: Ja.

Niek: Waar je eigenlijk in het begin al op komt. Ja.

Manager 2: Ja, en dan kun je ook nog één stap dieper en dan kun je gewoon echt kijken en je weet... Ik kan me voorstellen dat als jij nu het dossier in gaat dat je het niet meteen weet, maar als je een tijdje meeloopt dan weet je aan nummertjes duidelijk te onderscheiden wat planning, interim, jaarrekening en afronding is. En je kunt gewoon zien als die afgetekend is als preparer en als reviewer. Dat kun je aan de buitenkant zien.

Niek: Oké, en dat worden dan die kleurtjes geloof ik. Groen, geel of rood werd het dan.

Manager 2: Ja.

Niek: Ja. En betekent het dan... Als iets groen is, dan is het dus afgetekend.

Manager 2: Rood dan is er nog niks aan gedaan. Geel dan is die door de preparer afgetekend en groen dan is die geprepared en gereviewd.

IMPROVE (audit team + partner)

IMPROVE (audit team + partner)

IMPROVE (audit team + partner)

VISIBILITY (dashboard)

VISIBILITY (dashboard)

Niek: Oké, ja.

Manager 2: Maar dan heb je nog een tussenfase, want hij kan wel afgetekend zijn. Stel jij hebt hem geprepared en ik heb hem gereviewd. Maar als ik er nog 3 notes op heb hangen bij jou, moet het in ieder geval opgelost zijn voordat het afgerond is. Dan is die wel groen.

Niek: En dat kan je daar dan niet in zien? Of dat zie je ergens anders?

Manager 2: Ja, ander dossier.

Niek: Oké, daar staat ook in welke notes er zijn?

Manager 2: Ja. Hoeveel er zijn, en dan kun je er ook gewoon op klikken. Dus als je wilt, je hoeft niet alles door. Je kunt ook zeggen: Ik wil nu alleen de notes zien.

Niek: Ja, maar het is dus wel eigenlijk een duidelijk overzicht. Als je dus ziet van: Hij is groen en er zitten geen notes meer in, dan weet je van dat deel is klaar?

Manager 2: Ja klopt.

Niek: Oké, ja.

Manager 2: Per klant dan hè.

Niek: Ja, inderdaad. En in EMS worden dan als je de posten controleert, daar staan allemaal procedures die afgelopen worden. Die er in ieder geval in moeten zitten.

Manager 2: Ja.

Niek: Is er ook informatie waarin staat hoe die procedures moeten worden uitgevoerd? Dus bijvoorbeeld handleidingen?

Manager 2: Ja, die is er wel. De basis voor de assistenten. Maar uiteindelijk proberen wij de procedures altijd zo op te nemen dat die gewoon te begrijpen is. En dan zeg ik niet voor Jan en alleman, maar wel voor iemand die gewoon een basis accountancyachtergrond heeft.

Niek: Ja, precies.

Manager 2: Die moet kunnen begrijpen wat er in de uitvoering staat. En dan is het wel zo natuurlijk dat een assistent, die snapt dan de makkelijke posten. Kijk, als je een assistent in één keer de grondexploitatie laat controleren. Zou die ook denken: Ja, ik weet niet meer wat ik nou doen moet. Maar gewoon iemand op het niveau waar die door uitgevoerd moet worden, zo zijn ze wel geschreven dat die dat moet volgen.

Niek: Oké, maar staat er dan vooral wat er dan gedaan moet worden, of ook echt hoe?

VISIBILITY (aftekenen)

VISIBILITY (inhoud review notes)

VISIBILITY (dashboard)

UNDERSTAND (procedures)

UNDERSTAND (procedures)

Manager 2: Wat.

Niek: Oké, wat. En er is dus wel ruimte in. Je kan het op verschillende manieren doen en het hangt van de klant af misschien?

Manager 2: Ja, klopt. En we hebben er wel allemaal voorgeschreven templates voor, maar elke klant is anders en elke klant levert andere formatjes aan. Dus daar moet je echt gewoon per team wel kritisch over nadenken: Hoe gaan we het hier doen? Je kunt een bepaalde post wel op 5 verschillende manieren controleren, maar je hoeft het niet op 5 manieren te doen. Want als je al 1 keer tot de conclusie bent gekomen dat... Ligt er aan wat het risico is, stel schulden. Je hebt dan geconcludeerd dat die volledig is. Dan hoef je dat niet nog op een andere manier te gaan concluderen dat die volledig is.

Niek: Nee, oké.

Manager 2: En dat is wel het moeilijke. Maar daarom ben je ook als assistent nooit alleen bij een opdracht. Dan is er altijd iemand bij waar je eigenlijk voordat je start met een post moet zeggen van: Als ik het zus en zo doe, is het dan goed?

Niek: Ja, want het kan bijvoorbeeld bij de ene klant wel goed zijn. Maar als je dat ook zo zou doen bij een andere klant dat het dan misschien beter...

Manager 2: Kan het wel goed zijn, maar vaak zit het er meer in dat je dan niet de juiste documentatie hebt. Dus dat het document er wel op lijkt, maar dat het toch niet helemaal hetzelfde is.

Niek: Ja, oké. Want er zijn ook nog van die handleidingen zoals de COS geloof ik beschikbaar op de Technical Library. Wordt daar ook nog wel eens naar teruggegaan als je er bijvoorbeeld niet uit komt dat je dan daar naar terug kan gaan?

Manager 2: Ja, maar de COS is niet op een detailniveau van: Je moet bankafschriften aansluiten. De COS is meer: Let op wat voor schatting in die post zit. Dan moet je de schattingselementen controleren aan die en die voorwaarden.

Niek: Ja, oké. Dus daar staat dus zulk soort dingen in waar je op moet letten en wat je moet doen, maar niet hoe.

Manager 2: De wat, maar de hoe is dan weer voor jezelf.

Niek: Ja. Staat dat dan wel in die standaardtemplates die er zijn?

Manager 2: Ja, de standaardtemplates wel. Maar die standaardtemplates die zijn wel alleen weer voor de basisposten. Niet voor de moeilijkeren posten, zijn die er niet.

Niek: Nee, nee. En dat hangt ook weer af van de risico's en de soort post?

DEVIATE (strikt)

DEVIATE
(omstandigheden)

DEVIATE (flexibel)

DEVIATE (flexibel)

DEVIATE
(omstandigheden)

UNDERSTAND (COS)

UNDERSTAND (COS)

UNDERSTAND
(templates)

Manager 2: Nee, dat hangt denk ik meer af van het feit dat daarvoor gekozen is, om die... Uh, ik noemde net grondexploitatie. Weet je wat dat is?

Niek: Uh, ja dat is hier vooral bij de... Ja volgens mij is het toch van de... Ja, toch gewoon het kopen van grond, of niet?

Manager 2: Ja, het komt eigenlijk vooral bij gemeentes voor. Ook wel bij corporaties, en trouwens ook bij gewoon andere partijen die een grondpositie hebben en die gaan ontwikkelen. Die hebben ooit voor 10 miljoen grond gekocht en die hebben plannen om daar voor nog een keer 10 miljoen woningen op te bouwen. En dat simpel gezegd voor 25 miljoen te verkopen. Dat is het plan. Maar een plan moet nog uitgevoerd worden en daar gaat vaak heel veel jaar overheen over dat plan. Uiteindelijk staat er wel grond in je balans en moet je wel controleren of die grond ooit nog terugverdiend kan worden. Dat is een hele moeilijke, en die kan op een heleboel manieren. Daar is geen standaard voorbeeld van. Dat is eigenlijk eentje die wel minimaal op Junior Manager niveau gedaan wordt. Dus die weten gewoon wat de risico's zijn en die wegen iedere keer per risico af wat er gebeurt.

Niek: Die hebben dan ook iets meer ervaring van: Wat moet je nou echt bij die ene klant controleren.

Manager 2: Die hebben meer ervaring om specifiek op die risico's te gaan controleren, en wat is nou werkelijk het risico. Want soms kun je van tevoren wel een risico hebben bedacht, maar heb je vervolgens de post voor je en is het risico anders.

Niek: Oké. Ja, duidelijk.

Manager 2: Ja, en anders moet je het gewoon zeggen dan licht ik het nog allemaal toe.

Niek: Nee, ik vond het wel een duidelijk voorbeeld. Ja, dus er wordt ook soms nog wel naar een COS teruggedaan. Maar er wordt denk ik eerst meer overlegt binnen het team zelf dus?

Manager 2: Ja, maar uiteindelijk is de COS de controle en overige standaarden. Dus dat is eigenlijk de basis hoe een controle eruit moet zien. In de COS zit van voor tot achter ook je planningsfase, je interim. Ja, het zit er eigenlijk allemaal in. Je moet alleen wel weten waar het staat, maar uiteindelijk zit het er allemaal in. Uhm. Je bent natuurlijk ook allemaal als je hier werkt verplicht om studie te volgen. Dus die COS wordt ook, ik zeg niet dat ik hem op kan dreunen, maar dat wordt ook een soort van standaard. Zoals het al heet: Controle en overige standaard, die je voor jezelf hanteert in de uitvoering van je werk. En daar groei je in en je weet vervolgens: O ik heb hier fraude aan de hand. Mm, ik weet niet precies hoe het zit. Maar dan moet ik even kijken, COS 240. Je kijkt, en dan schrijf je specifiek over deze situatie. En ik denk dat dat van belang is, dat je altijd weet naar welk kader je terug moet grijpen en dat zit ook

UNDERSTAND
(templates)

ROUTINE (interim +
eindejaarscontrole)

ROUTINE (interim +
eindejaarscontrole)

UNDERSTAND (COS)

helemaal verwerkt in EMS. In EMS kun je hem ook vinden en we hebben natuurlijk de Technical Library waar je ook nog eens makkelijk in kunt zoeken. Dus ik denk dat gewoon de wetenschap, waar je aan moet voldoen, dat je daarmee altijd terug kunt grijpen van: Staat er iets geschreven wat ik nu moet doen? Een handvat. Ik denk dat dat het belangrijkste is.

Niek: Ja, oké. Want daar staat dus echt ook de regelgeving in van de planning en al die fases dus die je net zei. Maar worden er daarnaast ook nog wel eens informatiebijeenkomsten gehouden over weer actuele onderwerpen die extra aandacht nodig hebben?

Manager 2: Ja. Een paar keer per jaar.

Niek: Ja? Want ik heb ook hier één keer een VTO gezien. Dan zijn het volgens mij vooral punten waar weer nieuwe ontwikkelingen zijn?

Manager 2: Ja. Tweedelig. Nieuwe ontwikkelingen of dingen die we vaker zien dat fout gaan. Zoals, we hadden laatst een VTO, ging het ook een keer over IPE. Hoe moet je de IPE nou vastleggen? We kunnen allemaal wel van alles doen, maar laten we nou eens één keer weer met zijn allen er doorheen praten. Ja, de best practice. Laten we de best practice even delen en vervolgens geeft iedereen toch een beetje zijn eigen sausje eraan. Maar dat we weer even scherp hebben wat we moeten doen en dat proberen we dan ook te delen.

Niek: Oké. Dat ze toch weer even opgefrist worden met hoe het precies moet.

Manager 2: Ja. Dat is ook zo'n ding wat ik trouwens wel eens doe. Van die VTO's geven.

Niek: O oké, dat ook nog. Oké, en zijn er ook nog andere dingen? Want dit is bijvoorbeeld op kantooniveau van Arnhem.

Manager 2: Ja.

Niek: Wordt er ook nog wel eens in kleinere of weer op hoger niveau van landelijk gehouden?

Manager 2: Ja, op sectorniveau wordt het ook regelmatig gehouden, want je hebt natuurlijk... Ik werk in de zorg en in de gemeente, dan heb je ook specifieke punten. Kijk, die voor iemand die in de woningbouw zit helemaal niet interessant zijn. Dus dan kun je op een VTO algemeen wel iets specifiek gaan vertellen over zorg, en dan heeft driekwart er nooit iets mee te maken. Dus dan zijn er ook VTO's die weer op branchegroep zijn. En zo heb je ook VTO's die puur ingaan op: Wat moeten we in de planningsfase aanscherpen? Die dan alleen vanaf Junior Manager gehouden worden. Want dan zeggen we weer. Daar kunnen we iedereen tot en met Senior Staff wel bij zetten, maar het staat nog veel te ver bij hun vandaan. Die weten dan niet meer waar het over gaat. Dan kunnen we beter zorgen

UNDERSTAND (technical library)

UNDERSTAND (VTO's)

UNDERSTAND (VTO's)

ROUTINE (andere taken)

UNDERSTAND (VTO's)

dat zij de aandacht aan de VTO richten als ze er echt iets aan hebben en de rest moeten ze on the job meekrijgen.

Niek: Ja. In plaats van dat ze naar dingen kijken die ze eigenlijk pas over een aantal jaar zouden doen.

Manager 2: Ik denk dan maar zo. Dan zou je bijna denken dat je in één keer bij een college van het laatste vak van de Post-Master zit, terwijl je de Bachelor nog niet afgerond hebt.

Niek: Ja, dat werkt niet natuurlijk.

Manager 2: Dan denk je op een gegeven moment ook: Ik weet niet waar het over gaat. Ik ben hem kwijt. En dan kun je het eerste half uur volgen, maar dan op een gegeven moment komt er toch niks meer binnen.

Niek: Nee. Nee, dat klopt.

Manager 2: Ik denk dat je het zo moet vergelijken.

Niek: Ja. Dan stapelt het zich op.

Manager 2: Ja, en dat is dan zonde van de tijd. Ja, je bereikt er dan niet zo veel mee.

Niek: Nee. Nee, dat klopt. Ja, volgens mij waren er trouwens ook nog... Dat was ik ook nog tegenkomen op de mail laatst nog, dat er in de zomer ook nog voor een aantal dagen geloof ik...

Manager 2: Summer Course?

Niek: Was het niet Audit Experience?

Manager 2: Ja. Ja, ze noemen het ieder jaar anders.

Niek: O oké.

Manager 2: Ja, dat is ieder jaar een paar dagen. Er staan dan een aantal thema's centraal. Soms zeggen ze van: Je gaat op aantal jaar werkervaring, en dan ga je gewoon echt de diepte in. Je gaat workpapers voorbeelden maken, en dan krijg je echt een fictieve klant. En dan ga je aan deze fictieve klant met een fictief team, waar je gewoon met mensen van heel Deloitte Nederland aan gaat zitten werken. En dan zit jij in team A en ik in team B. Dan moeten we allebei ons workpaper crediteuren presenteren. Vorig jaar, dat schijnt dit jaar ook weer te gebeuren, is de opzet meer van wat is er nu veranderd in de controle en hoe gaan wij met Deloitte die verandering aanpakken. En dan krijg je dus meer sessies met alle functies door mekaar. En dan krijg je echt gewoon klaslokalen en een leraar.

Niek: Echt alle functies?

Manager 2: Nee, Audit en dan wel gewoon assistent tot Partner door mekaar.

UNDERSTAND (VTO's)

UNDERSTAND (VTO's)

UNDERSTAND (VTO's)

UNDERSTAND (summer courses)

UNDERSTAND (summer courses)

Niek: O ja. En dan ga je ook wel weer echt aan een soort van case bezig?

Manager 2: Ja.

Niek: O dan zie je het zelf dus ook inderdaad in de praktijk.

Manager 2: Kort praktijkvoorbeeld en dan zit je eigenlijk in zo'n klaslokaal waar alle kantoren gehusseld worden. Dus je kent er dan een paar. En vervolgens wordt je in dat klaslokaal ook weer gehusseld. Dus een Partner zit dan weer met een Manager en 3 assistenten aan tafel die waarschijnlijk elkaar allemaal niet kennen, en dan ga je er wel over brainstormen. En daar leer je heel veel van.

Niek: Ja. Oké, dan zijn er wel veel manieren waarop ze nog weer proberen om dus te laten zien hoe iets moet en waar de aandacht naar toe moet.

Manager 2: Ja, ja. Kijk, en dan zul je niet alles onthouden, maar je bent dan wel weer even scherp. Dat je de volgende keer op de klant zit dat je denkt van: Hé, maar dat doe ik niet altijd zo. Om dan dus te roepen misschien van: Hé, ik heb toen en toen gehoord dat het misschien helemaal niet zo moet. Waarom doe jij het hier zo?

Niek: Ja, dat je nog weer even denkt van: O eigenlijk kan ik dit nog veel beter doen.

Manager 2: Ja.

Global transparency

Niek: Ja, oké. Ja, dan hier in Deloitte zijn er eigenlijk naast de Audit nog meer afdelingen.

Manager 2: Ja.

Niek: Hier in Arnhem zit al Tax en Samenstel geloof ik. Nou, en er zijn er nog veel meer heb ik al gehoord.

Manager 2: Ja.

Niek: Is er dan met al die afdelingen ook een gemeenschappelijk doel wat Deloitte nog nastreeft?

Manager 2: Zo hoog mogelijke winst, haha.

Niek: Ja. Nou, dat lijkt mij wel.

Manager 2: Ja, uiteindelijk hebben we natuurlijk één missie en voor die Audit is die quote nu... Weet ik het wat precies. O wat slecht. In ieder geval dat we zoveel mogelijk klanten binnenhalen, maar wel de juiste kwaliteit blijven bedienen en voldoen aan de voorwaarden die er zijn.

UNDERSTAND (summer courses)

UNDERSTAND (VTO's + summer courses)

BROADER SYSTEM (winst)

BROADER SYSTEM (kwaliteit)

Niek: Ja, want dat was ook het volgende. Hoe past eigenlijk de Audit binnen het totaalplaatje? Dus wat voor focus heeft de Audit meer? Maar is dat dan die kwaliteit?

Manager 2: Kwaliteit.

Niek: En is dat wel verschillend met waar de andere afdelingen dan de focus op hebben?

Manager 2: Ja vind ik moeilijk, want ik ben natuurlijk hier begonnen met werken en ben nooit ergens anders geweest zullen we maar zeggen. Uh, kwaliteit is natuurlijk bij ons ingegeven vanuit de AFM reviews. Daar hebben ze bij Tax bijvoorbeeld geen last van tussen aanhalingstekens. Maar die hebben niet direct met die AFM te maken, zoals wij. Ook wel, maar op een andere manier. Uh, dus ja ik denk wel dat dat meer een vraag is die door een Partner beantwoord moet worden. Maar uh, ja kijk wij hebben natuurlijk wel allemaal met elkaar te maken. Want als je een OOB klant hebt, ja dan mag er geen andere dienstverlening door Deloitte geleverd worden. Dus ja, gaan we daar de Audit doen? Kunnen we daar met die Audit een ton verdienen, maar verdient Tax daar een half miljoen per jaar. Ja, dan is wel de afweging natuurlijk: Is het wel zo handig om die Audit te gaan doen? Want dan lopen we als Deloitte zijnde heel veel mis.

Niek: Dat is ook vooral echt een stuk strenger geworden ook met de scheiding van advies en Audit?

Manager 2: Ja, dat mag niet meer bij OOB.

Niek: Ja, oké.

Manager 2: Anders krijg je altijd de vraag: Heb je jezelf gecontroleerd? Ook al zitten ze op een hele andere afdeling, en van mijn part zitten ze in Rotterdam die fiscalisten bij klant A, maar wij in Arnhem te controleren. Maar uiteindelijk is het naar de buitenwereld toch één Deloitte.

Niek: Ja, dan kom dus je niet meer onafhankelijk over naar de buitenwereld.

Manager 2: Ja, als je dan bij wijze van helemal de fraude kent. Dat maakt niet uit, want je hebt altijd de schijn tegen, want er staat natuurlijk dezelfde naam op de loonstrook.

Niek: Ja. Maar dan bij die andere afdelingen zou dan denk ik ook wel een focus zijn op kwaliteit, maar doordat zij niet echt de AFM hebben zitten ze er zeg maar minder achteraan?

Manager 2: Ongetwijfeld zullen ze ook kwaliteit nastreven, want zo simpel is het ook weer. Als de kwaliteit niet goed is, dan raken je klanten op een gegeven moment ontevreden en dan komt er ook niemand meer terug.

Niek: Ja. Maar ze hebben misschien dus niet zo iemand als de AFM?

BROADER SYSTEM
(kwaliteit)

BROADER SYSTEM
(scheiding)

BROADER SYSTEM
(scheiding)

BROADER SYSTEM
(kwaliteit)

Manager 2: Nee, op een andere manier. De AFM valt natuurlijk allemaal onder de autoriteit financiële markten, maar zij hebben ons getoetst. Zij hebben gezegd: Op 53 punten, zijn het geloof ik, voldoen jullie niet en die moeten verbeterd worden. Dus wij zijn als het malle aan het werk om al die punten goed te hebben en dat hebben ze bij de fiscalisten naar mijn weten niet.

Niek: Ja. Ja, precies. En bij die verschillende afdelingen... Ja, of misschien moet ik disciplines zeggen. Dat is misschien wat duidelijker. Is daar ook dat echt alles op zichzelf staat of vindt er ook wel eens communicatie tussen plaats? Dus bijvoorbeeld dat er een specialist wordt aangetrokken binnen een team?

Manager 2: Ja. Wij hebben in de controles als het gaat over waardering vastgoed bijvoorbeeld. Nou, dan schakel je met FAS. Die hebben veel meer verstand van wat een bepaald gebouw nog op kan leveren of dat je het nog terug kunt verdienen. Ik heb daar niet zo veel verstand van. En dan ga ik gewoon op gesprek bij de klant met iemand van FAS mee. Eigenlijk heel simpel, hij voert het woord en ik zit er bij als contactpersoon van de klant. En hij levert aan mij aan. De klant zegt: Het staat voor 10 miljoen in de boeken en hij zegt oké, ik zal mijn berekening vervolgen. Die 10 miljoen levert het nog minimaal op, want we hebben een bedrijfswaardebeleid 15 miljoen. Dat rapporteert die aan mij en voor mij is dat de onderbouwing dat de balansposten niet afgewaardeerd hoeven te worden.

Niek: Ja. Dus als je dus ergens denkt dat je daar de kennis niet van hebt, dan kan je altijd naar een andere...

Manager 2: Als je zelf de kennis niet hebt, dan schakel je expertise in. En expertise hebben wij veel in huis.

Niek: Ja, en dat wordt eigenlijk vaak dan al in de planningsfase bepaald?

Manager 2: Ja.

Niek: Ja. Nu zei je dan ga je samen naar die klant en dan voer je gesprekken. Maar is het ook dat dan echt die specialist er bij komt in het team? Of hoe moet ik dat zien?

Manager 2: Ligt er aan hoe je dat inkleedt. Je kunt hem onderdeel uit laten maken van het controleteam. Ja, je kunt hem ook als deskundige inschakelen. Ligt er aan welke COS je volgt.

Niek: Ja, oké. Weer genoeg mogelijkheden.

Manager 2: Je moet het wel documenteren en vaststellen hoe deskundig die is.

Niek: Ja, en welke je afweging je hebt gemaakt is volgens mij ook heel belangrijk heb ik al gehoord.

Manager 2: Ja.

BROADER SYSTEM
(kwaliteit)

INTERACTION (specialist)

INTERACTION (specialist)

INTERACTION (specialist)

INTERACTION (specialist)

Niek: Ook vooral op die VTO merkte ik dat weer ja. Ja, dan binnen één Audit team daar moet natuurlijk ook veel communicatie plaatsvinden.

Manager 2: Ja.

Niek: Maar er zijn ook verschillende teams hier op verschillende klanten. Is het ook dat daar wel eens tussen wordt gecommuniceerd? Dus als één team er niet uit komt dat die naar een ander team toe kan gaan van: Hoe kijk jij hier naar?

Manager 2: Ja. Kijk, ik kom nou net bij een gemeente vandaan. Ik heb 2 gemeentes in mijn portefeuille. Die andere gemeente heeft deels een ander team. De assistenten zijn hetzelfde, maar de Junior Manager en Partner is anders. Als ik dan bij die klant iets heb wat ik niet weet hoe ik daarmee verder moet. Uh. En ik weet het niet samen met die Junior Manager niet. Misschien weet die ander het wel. Want die heeft bij een andere klant een andere Manager boven zich. Misschien komen we er dan uit of ik bel zelf met die andere Manager van: Hoe heb jij dat daar of daar gedaan? Hoe heb je dat toen gecontroleerd? Wat heb je eigenlijk gedaan? Je kunt beter gebruik maken van elkaar als dat ik hetzelfde wiel opnieuw ga uitvinden.

Niek: Ja, want dan weet je vaak van een ander wel waar die kennis van heeft door de klanten die die vaak heeft gedaan?

Manager 2: Ja. Je weet van elkaar wat voor klanten je doet. En als ik collega A bel en die vraag stel en die weet het ook niet. Dan kom je vaak nog wel samen tot de conclusie van: Je moet die en die eens bellen. Misschien weet die het wel.

Niek: O dan weet anders misschien die ander het wel weer wie het wel weet.

Manager 2: Ja. En als niemand het weet, zou je het toch echt zelf moeten gaan uitzoeken.

Niek: En dat komt misschien dan ook weer omdat de teams natuurlijk niet hetzelfde zijn elke keer. Die wisselen weer.

Manager 2: Ja klopt. Klopt.

Niek: Ja. Alleen tussen Profit/non-Profit vindt soms misschien niet zo veel communicatie tussen plaats? Of ook?

Manager 2: Ja, ook wel. Ja, minder. Ja kijk, laat ik het zo zeggen. Als ik een specifiek punt heb waar ik niet uit kom, dan kan ik het beter aan een collega vragen die in dezelfde branche zit. Kijk, een heleboel stukken zijn allemaal hetzelfde: De controle van de liquide middelen, crediteuren, debiteuren, maar daar heb ik geen vraag meer over. Als ik een vraag heb gaat het echt over mijn waarderingspunten of over een bijzondere verklaring hoe ik dat af moet wikkelen. En dan kan ik wel vragen aan iemand van de Profit, maar die heeft daar nooit mee te maken. Dus die kan gewoon met mij meedenken in de basis,

INTERACTION (teams)

INTERACTION (teams)

INTERACTION (teams)

INTERACTION (teams)

terug naar de basis: Heb je daar aan gedacht, heb je daar aan gedacht? Maar die specifieke elementen moet je toch bij iemand zijn die in die branche zit.

Niek: Ja. Vaak waar je dan vragen over hebt is dan juist van jouw branche.

Manager 2: Maar goed, soms heb je ook wel eens een praktische vraag: Hoe moet ik die ...?... aanvragen? En die praktische Deloitte dingen zijn voor iedereen hetzelfde. Dus ja, dan vraag je het gewoon aan de eerste die je toevallig ziet.

Niek: O ja dat zou je aan iedereen kunnen vragen.

Manager 2: Ja.

Niek: Ja, oké.

Flexibility

Niek: Dan even terug naar die procedures die dus in EMS staan, die uitgevoerd moeten worden.

Manager 2: Ja.

Niek: Daar staat dus allemaal in wat er allemaal gedaan moet worden. Volgens mij hebben we het daar ook al over gehad. Maar er staat nog niet helemaal vast hoe het wordt gedaan. Daar kan dus naar de omstandigheden gekeken worden.

Manager 2: Ja, er staat voer een voortgezette controle uit over januari en februari 2016. Maar hoe je dan een voortgezette controle uit moet voeren staat er niet.

Niek: Nee, oké. En die procedures die worden bepaald in de planningsfase denk ik. En als je er achter komt van: Er moeten nog meer procedures bij komen of dit klopt niet helemaal. Kan dat nog weer aangepast worden?

Manager 2: Ja, kun je altijd aanpassen. De planningsfase is een proces dat continu in ontwikkeling is. Dus iedere keer verandert er iets. Ik had er vanmorgen nog één. Dat leek helemaal geen risico te zijn bij die klant. Dus er was geen risico, er was ook geen procedure, er is helemaal niks in het dossier. En in één keer kom ik ergens achter en denk ik: Het is wel een risico! Dus ja, dan moet ik in één keer een risico toevoegen/procedures gaan toevoegen, terwijl we eigenlijk al in de jaarrekeningcontrole zitten.

Niek: O ja, ja. Dus dat kan eigenlijk in elke fase nog die er na komt aangepast worden?

Manager 2: Kan het nog steeds, maar de basis die staat.

INTERACTION (teams)

INTERACTION (teams)

DEVIATE (flexibel)

DEVIATE (aanpassen)

DEVIATE (aanpassen)

Niek: Alleen het kan bijvoorbeeld zijn dat je eerst denkt dat je niet veel detailcontroles moet doen, en dat je uiteindelijk meer moet doen?

Manager 2: Klopt, klopt.

Niek: Ja. Oké.

Manager 2: Voorbeeldje.

Niek: Ja. Dat is altijd handig.

Manager 2: Je kunt denken dat een klant geen voorraad heeft. In heel veel zorginstellingen. Je kunt denken dat die geen voorraad heeft. Kom je in één keer met de controle daar. Hebben ze in één keer omdat het goedkoop was een hoop injecties ingekocht. Dus staat er in één keer op de balans een miljoen aan voorraad. Vorig jaar was het 10.000 euro. Die 10.000 euro viel beneden de tolerantie, dus hoefde je niet naar te kijken. Nu is het een miljoen. Ja, dan kan ik moeilijk zeggen: Ja, in de planningsfase was er niks, dus ik doe er niks aan.

Niek: Nee, precies.

Manager 2: En vervolgens heb ik een risico, want het is ook bijzonder dat een klant in één keer zoiets doet. Dus daar moet ik iets mee. En aangezien die zo groot is, gaat die waarschijnlijk mijn materialiteit te boven, dus moet ik wel de juistheid controleren. Voordat ik af ga vragen van: Moet ik die aantallen niet gaan tellen? Moet ik niet een voorraadinventarisatie houden? En ik moet die prijzen controleren.

Niek: Ja, met zulk soort dingen inderdaad kan je dus niet zomaar blindelings afgaan op wat je dan al hebt gezegd.

Manager 2: Nee. Maar 95% blijft staan zoals het stond in augustus/september.

Niek: Ja, oké. Dan heb ik als laatste nog een vraag over de programma's en software wat gebruikt wordt. Want er wordt dus EMS en Excel enzo gebruikt. Is het zo dat in die programma's uiteindelijk de beslissingen nog door werknemers zeg maar worden genomen? Of is het zo dat je in die programma's wat invoert en de programma's eigenlijk verder de beslissingen nemen?

Manager 2: Het nadenken doe je zelf hoor.

Niek: Ja, want het is dus meer als hulpmiddel.

Manager 2: Hulpmiddel.

Niek: Ja, en je moet dus altijd controleren wat er uit komt?

Manager 2: Ja. Dus documenteren wat je er in stopt, dan kun je controleren wat er uit komt. Dus als een assistent iets er in stopt, dan

DEVIATE (aanpassen)

DEVIATE (aanpassen)

DEVIATE (aanpassen)

DECISIONS (werknemers)

DECISIONS (hulpmiddel)

DECISIONS (werknemers)

moet die wel documenteren waarom die het erin gestopt heeft. Want je hebt natuurlijk een steekproef bijvoorbeeld, dat rekt die wel automatisch door. Dan moet die opschrijven wat die erin gestopt heeft, dus wat eruit komt controleert die. En als ik ga reviewen ga ik eerst controleren wat die erin gestopt heeft. Klopt dat? En dan ga ik pas kijken wat eruit komt.

Niek: Ja, want als je dat al verkeerd doet komt er ook iets anders uit natuurlijk.

Manager 2: Ja.

Niek: Dus het wordt dan wel gebruikt bijvoorbeeld bij zo'n sample, wat je moet controleren. Maar uiteindelijk...

Manager 2: Als hij een bepaald sample heeft gedraaid en er komen er 20 uit. Dat is afhankelijk van de omvang van de post en de materialiteit die hij erin gegooid heeft. Dus de eerste twee dingen die ik controleer: Klopt die omvang en klopt die materialiteit? Want als die bij de omvang maar de helft van de post erin heeft gestopt, ja dan heeft die ook maar de helft gecontroleerd.

Niek: Ja, dus met zulk soort dingen kan je niet gelijk er vanuit gaan van dit klopt. Je moet altijd kijken van: Wat heb ik ingevoerd?

Manager 2: Ja, maar dat is reviewen.

Niek: Ja, dat is waar. Ook wat er uit komt, dat moet je ook weer zelf uitvoeren natuurlijk.

Manager 2: Want de assistent is heel lang bezig dan om de juiste knoppen in... om de documenten goed te krijgen enzo. En ik hoef uiteindelijk dus alleen maar naar het eindproduct te kijken. Klopt dat? Sluit dat aan en zit de juiste materialiteit erin? Heeft die dan met de juiste gegevens gewerkt?

Niek: Ja, oké. Nou, dat waren eigenlijk de vragen die ik had. Dus ik weet niet of er zelf nog vragen zijn?

Manager 2: Wanneer moet het af zijn?

Niek: ... (*Rest is niet meer relevant*)

DECISIONS (werknemers)

DECISIONS (werknemers)

REPAIR (review)

DECISIONS (werknemers)