Small and Medium Accounting Practice Business Model Response to Challenges: An Institutional Perspective

by

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List of Abbreviations

ACCA	Association of Chartered Certified Accountants
AI	Artificial Intelligence
AML	Anti-Money Laundering
ATOL	Air Travel Organisers Licence
BM	Business Model
CA	Companies Act
CAA	UK Civil Aviation Authority
CAANZ	Chartered Accountants Australia and New Zealand
CAI	Chartered Accountants Ireland
CBI	Central Bank of Ireland
CCAB	Consultative Committee of Accountancy Bodies
CIMA	Chartered Institute of Management Accountants
CJA	Criminal Justice Act
COVID-19	Coronavirus disease
CPA	Certified Public Accountants
CPAA	Certified Public Accountants Australia
CPD	Continuing Professional Development
CRO	Companies Registration Office
EU	European Union
FRC	Financial Reporting Council
GDPR	General Data Protection Regulation
GVA	Gross Value Add
HC	Human Capital
I/O	Industrial Organisation
IAASA	Irish Accounting and Auditing Supervisory Authority
IAR	Interpretative Accounting Research
IC	Intellectual Capital
ICAEW	Institute of Chartered Accountants England and Wales
ICBV	Intellectual Capital Based View
ICPAS	Institute of Certified Public Accountants of Singapore
IFAC	International Federation of Accountants
IL	Institutional Logics
IMA	Institute of Management Accountants
IO	Institutional Objective
ISQM	International Standard Quality Management
IT	Information Technology
IW	Institutional Work
KBV	Knowledge Based View
KI	Key Informant
KPI	Key Performance Indicators
MDP	Multidisciplinary Practice
MPB	Managed Professional Business
OECD	Organisation for Economic Co-operation and Development
PAYE	Pay As You Earn
P^2	Professional Partnership
PAB	Prescribed Accountancy Body
PIE	Public Interest Entity
PMS	Practice Management Systems
PPQ	Practice Profile Questionnaire
PQA	Procedures for Quality Audit
PSD	Professional Standards Department
PSF	Professional Services Firms

RAB	Recognised Accountancy Bodies
RBV	Resource Based View
RC	Relational Capital
RO	Research Objective
ROI	Republic of Ireland
RQ	Research Question
SC	Structural Capital
SME	Small and Medium Enterprises
SMP	Small and Medium Accounting Practice
SP	Strategy Process
UK	United Kingdom
USA	United States of America
WIP	Work-in-Progress

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Abstract

Aodhdín Casey

Small and Medium Accounting Practice Business Model Response to Challenges: An Institutional Perspective

Discourse within academic and professional literature emphasises the need for small and medium practices (SMPs) to re-evaluate their current services, requiring a review of their value proposition and an eventual change to their business model (IFAC, 2018a). This stems from a range of global challenges, including falling profit margins from compliance work, technological and regulatory developments, changing client needs, and competition for talent, pressuring their traditional service offering (Lander, Koene and Linssen, 2013; Street *et al.,* 2019). To remain viable, the Edinburgh Group called for SMPs to extend their services beyond compliance work (Street *et al.*, 2019). This involves adapting their business models (Hedman and Kalling, 2003) and leveraging their tangible and intangible knowledge-based resources therein, conceptualised as intellectual capital (Duff, 2018), to sustain competitive advantage (Petty and Guthrie, 2000; Fu *et al.,* 2017). Few studies have examined how SMPs adapt in practice (Lander, Koene and Linssen, 2013). This literature gap, coupled with a research agenda for the SMP (Ramirez, Stringfellow and Maclean, 2015; Ali and Mustafa, 2023), provides the motivation for this study, which specifically investigates the Chartered Accountancy SMP in Ireland. Adopting an interpretivist methodology, this 11 case-site study, supported by 33 semi-structured interviews, practice profile questionnaires and triangulation evidence investigates the interplay within the BM, between prevailing institutional logics (Thornton, Jones and Kury, 2005) and the institutional work (Lawrence and Suddaby, 2006) undertaken in response to challenges, thereby extending Hedman and Kalling's (2003) BM conceptualisation. It also develops a continuum-based scale for assessing SMP institutional logic, adapts Farooq and de Villiers' (2019) model for institutional work to incorporate actor reflexivity and agency, develops a novel Institutional Orientation Typology capturing the relative mix of institutional work undertaken, and proposes an archetypal-scoring framework (Greenwood and Suddaby, 2006) situating this study's case sites along an archetype continuum.

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Dedication

Anthony, Ciarán and Caoimhe

Chapter 1 Introduction

1.1 Introduction

This thesis examines the small and medium accounting practice (SMP), focusing on how its business model (BM) adapts to challenges through the lens of institutional theory. To set the context, this chapter first discusses the background and motivation for this study (Section 1.2), before proceeding to the overall research question (RQ) this thesis seeks to answer and its associated research objectives (ROs) (Section 1.3). A brief description of the research methodology adopted is then provided (Section 1.4), followed by an outline of the remaining chapters (Section 1.5), before concluding (Section 1.6).

1.2 Background and motivation

As the primary providers of advice to small and medium enterprises (SMEs), SMPs form the backbone of professional accountancy services worldwide (International Federation of Accountants (IFAC), 2026c), acting as trusted advisors influencing investment, financing and growth decisions. As SMEs typically account for most business and employment globally (Organisation for Economic Co-operation and Development (OECD), 2023), the SMP comes sharply into focus due to its advisory role in supporting the economically significant global SME sector. Despite their central role, the SMP faces challenges that differ fundamentally from Big 4 accountancy firms.

Several global professional reports, such as the Edinburgh Group[1] (Street, Albu, Albu and Webber, 2019) and the Association of Chartered Certified Accountants (ACCA, 2015), discuss a number of challenges impacting SMPs globally. These include a dependency on traditional revenue models heavily reliant on compliance services (tax returns, statutory accounts and payroll), which are price sensitive and becoming increasingly commoditised due to automation and standardisation, leaving them vulnerable to digital substitution (Ma, Fisher and Nesbit, 2021). Indeed, digital transformation is arguably the most disruptive force affecting SMPs globally, but it does not affect SMPs equally. Large SMPs have a greater capacity to amortise cost over a larger client base, with smaller firms often lacking the scale, capital and time to adapt. SMPs also face disproportionate regulative burdens, potentially reducing their participation in regulated markets (e.g., audit services), impacting SME clients who may face higher costs and reduced access to qualified accountants. There is a risk that this may lead to further concentration in the market and an evolution of a fragmented, two-tiered, SMP sector (Durocher, Gendron and Picard, 2016). The broader skills shortage and pressure in

[1] The Edinburgh Group is a coalition of 16 accountancy bodies from across the world: Africa, North America, Australia, Europe and Latin America. It called for research into the challenges facing SMPs-see Street *et al*. (2019).

securing staff/talent pipelines (Zaronina-Kirillova, 2020) further impact their ability to deliver quality services and sustain the scope of available services. This not only impacts SMPs but also reduces their capacity to support SME clients with the requisite competencies and expertise. This involves adapting their BMs (Hedman and Kalling, 2003) and leveraging their tangible and intangible knowledge-based resources to sustain competitive advantage (Fu, Flood, Bosak, Rousseau, Morris and O'Regan, 2017). Few studies have examined how SMPs adapt in practice (Lander, Koene and Linssen, 2013). This literature gap, coupled with an academic research agenda for the SMP (Ramirez, Stringfellow and Maclean, 2015), provides motivation for this study.

Having served her professional training articles in an SMP, this sector is very close to this researcher's heart. Subsequently gaining post-qualification experience in a Big 4 firm, she developed insights into both ends of the public accounting spectrum. This dual experience, together with a strong sense of community and appreciation of the role SMPs play in local economies, and academic interest in understanding the "*what, why, who and how"* of organisational practice, sparked her interest in exploring the SMP.

The convergence of the above literature gap, her professional experience and the SMPs' economic significance to the SME sector provides compelling justifications for examining SMPs as a worthy focus of academic inquiry and provides personal motivation to embark on this thesis journey.

1.3 Research question and research objectives

The overall RQ is:

What are the challenges facing Small and Medium Accounting Practices (SMPs) and how do these affect the business model?

To answer this RQ, ROs were developed following a review of academic and professional literature in the area of the SMP, public accounting practice and professional service firms, together with considerations from the findings of key informant (KI) interviews (see Section 6.5.4.3), a pilot study and mentor-informed revisions (Section 6.5.4.4) conducted in advance of the main empirical work. The theoretical frameworks adopted in this thesis also assisted in framing the ROs that were developed through an iterative research process, with the focus of the key areas of inquiry evolving and eventually distilling into three ROs:

RO1: To explore the prevailing rationale (**institutional logic**) underpinning the SMPs' business models. *(What?)*

RO2: To investigate the **key challenges** facing the SMPs and their **implications** for their business models, exploring how **key actors'** decision-making shapes the SMPs' business models as they navigate these challenges. *(What, Why and Who?)*

RO3: To understand and explain the SMPs' responses as reflected in their **business models** using concepts from **institutional work**. *(How?)*

These ROs unpacks the "*what, why, who and how"* of the SMP.

While this study contains descriptive and exploratory elements, including the BM configuration, identifying the key challenges and capturing key SMP actor(s)' perceptions and meanings, its principal objective is explanatory. This study seeks to offer theoretically grounded insights into the rationale underpinning the SMP BM, how challenges impact this model and how and why SMPs respond and how these responses affect their BMs. The study adapts Hedman and Kalling's (2003) BM conceptualisation, as a theoretically sound conceptualisation within which to situate this study's theoretical frameworks: Institutional Logics (IL) (Thornton, Ocasio and Lounsbury, 2012) is used as a lens to understand the prevailing rationale underpinning the SMP BM, and Institutional Work (IW) (Lawrence and Suddaby, 2006) is adopted as a lens to explore the purposive work undertaken in the firms, in response to challenges. The role of the actor, actors' agency and reflexivity are central to the core foundations of these theoretical frameworks. However, this study does not seek to develop a theoretical explanation of actor(s)' agency and reflexivity *per se*, but rather to gain a practical understanding of it in relation to decision-making and actors' reflexive understanding of the implications of key challenges for the BM. To address the above ROs, an appropriate research methodology was carefully chosen, which is next described.

1.4 Research methodology

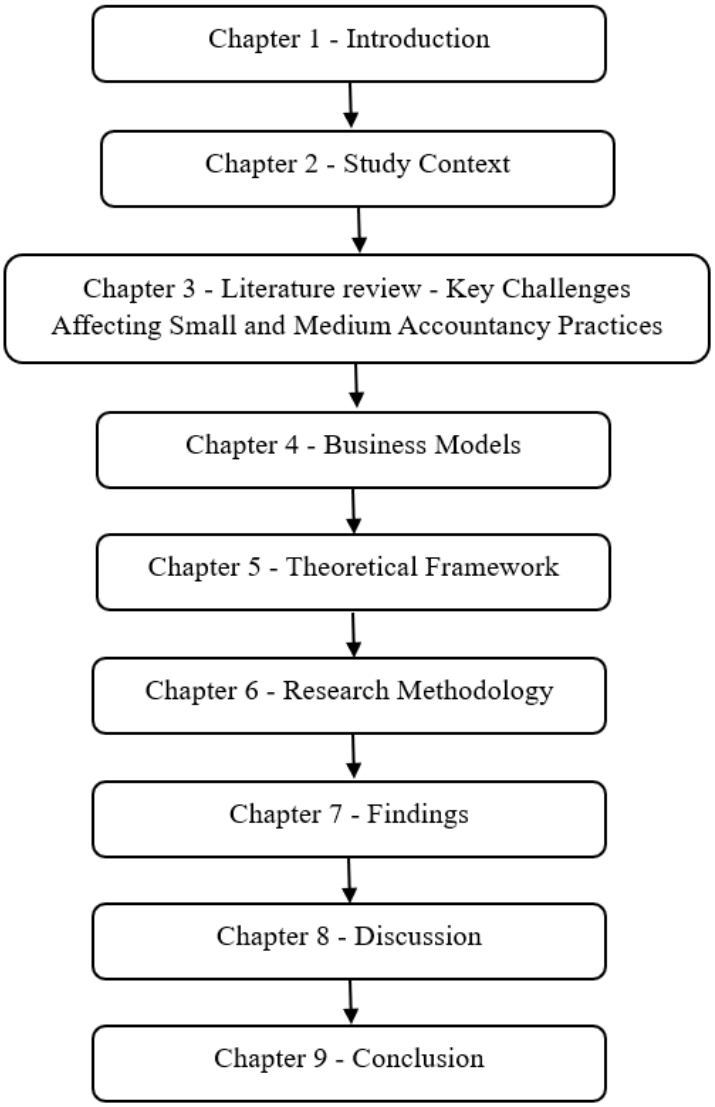
Positioned within the Interpretative Accounting Research (IAR) tradition, this study adopted an interpretivist methodological approach, consistent with its ontological and epistemological assumptions, regarding the socially constructed nature of reality and meaning. This involved a qualitative research design and case study method, ideal for examining the SMP cases holistically, and for exploring them and developing explanations. Using the SMP as the unit of analysis, a holistic multiple-case study (Yin, 2009) approach was adopted, with a sample of 11 case sites, differing in size, ownership structures, client mix, etc. As this study is situated in an Irish context, the case sites were selected from Chartered Accountants Ireland (CAI) member firms based in the Republic of Ireland (ROI). The research instruments comprised a semi-structured interview guide and Practice Profile Questionnaire (PPQ), developed *ab initio* by the researcher, and complemented by various forms of triangulation evidence. As mentioned in Section 1.3, preliminary research was undertaken

through KI interviews with three key senior representatives of CAI. The research design was further strengthened from feedback from a senior academic through the European Accounting Association PhD mentoring initiative, and testing of my research instruments in a pilot study. As this study seeks to deepen understanding of the SMP, starting with data and moving to the application of the putative theories of IL and IW and then moving iteratively back and forth between data and theory, within and across the cases, an abductive research approach was adopted. An iterative and non-linear process of data analysis was adopted, supported by the use of qualitative data management and analysis software (NVivo) to ensure a robust and rigorous analytical process. Measures were taken through the research design to ensure the integrity of this study in terms of its trustworthiness (Table 6.5).

1.5 Thesis outline

This thesis comprises nine chapters as outlined in Figure 1.1 and discussed in more detail below.

Figure 1.1: Thesis structure



Following this introductory chapter, Chapter 2 sets out the context for this study. It positions accounting as a social, organisational and institutional practice, essential for understanding SMPs, as their BMs and responses to challenges are shaped by contextual/social interactions, organisational realities and institutional pressures. The chapter then considers the concept of profession and being professional, before outlining how the profession is organised in Ireland and examining the legislative and regulative framework governing Irish SMPs. It then discusses SMPs within the public practice sector, highlights the importance of the SME clients, and explores the broad context of the SMPs' service offerings, professional competencies and the technological landscape within which they operate.

Chapter 3 reviews the literature on the key challenges affecting SMPs. Drawing on both academic and professional literature sources, it adopts a global perspective, before narrowing its focus to the Irish contexts. The chapter then considers the implications of these challenges for the SMPs' BMs.

Chapter 4 explores BMs, tracing the development of the BM concept and the evolution of its conceptualisations in the literature. The chapter considers BMs as dynamic activity systems that evolve over time. It then reviews the component-oriented view of an integrated BM, before justifying the selection of the BM conceptualisation adopted in this study (Hedman and Kalling, 2003). Finally, the chapter outlines the adaptations made to this latter BM conceptualisation in the context of the SMPs.

Chapter 5 outlines the theoretical lens, Institutional theory, adopted in this study. It commences with an overview of institutional theory across the economic and sociological traditions, before tracing the evolution of the sociological tradition from old institutionalism (first wave) through to neo-institutionalism (third wave), within which the two theoretical frameworks adopted in this thesis (IL and IW) are situated. The chapter establishes the theoretical foundations and core principles of IL, followed by a discussion of multiple logics, IL in the specific context of the accounting profession, and public accounting, and how logics influence organisational forms/archetypes. It then establishes the theoretical foundations of IW, discussing the key forms of IW and where it has been applied empirically, together with the relationship between IL and IW. The chapter concludes with this study's overarching theoretical framing.

Chapter 6 outlines this study's research methodology. It begins with an overview of the philosophical dimensions/assumptions and sociological paradigms that inform the methodological approach. The chapter then situates this study within the IAR tradition, before detailing this study's research design and method employed (also briefly discussed in Section 1.4 above). It further examines key methodological considerations, including the approach to sampling and data analysis, and concludes by addressing the biases and limitations associated with the approach taken in this study.

Chapter 7 presents the key empirical findings of this study. The chapter commences with RO1, empirically identifying the prevailing rationale underpinning the individual SMP case site's BM through the lens of IL, by developing a prevailing logic continuum along which the case site is located. It also reports the findings relating to each of the components of the adapted BM conceptualisation. The chapter then proceeds to RO2, identifying the key challenges facing SMPs and examining the reflexive understanding of key actors as they make sense of the implications of these challenges for their BMs, and exercise decision-making agency in their responses. The chapter

concludes with each SMP's response to key challenges through the lens of IW (RO3), describing in detail a myriad of practical institutional arrangements that embed these forms of IW (Appendix K).

Chapter 8 discusses the findings across each of the ROs. In relation to RO1, it examines how the prevailing logic of each case site has sedimented within the BM, articulated through organisational archetypal forms (Greenwood and Suddaby, 2006). To support this analysis, a BM archetypal assessment range was developed to evaluate the degree to which prevailing logics are embedded within each case site's BM. The chapter then addresses RO2 by discussing the key challenges facing each SMP and key actors' reflexive assessment of the implications of these for the BM and their decision-making agency. The chapter proceeds to discuss the response (RO3) to challenges by examining the objective of the IW and the relative engagement by each case site in the various forms of IW. To capture the variation in this engagement, a typology of the institutional orientation of this work was developed, reflecting the relative mix of IW forms undertaken by each case site in response to challenges. Together, these elements, prevailing IL, archetypal form, and institutional orientation of the IW undertaken, provide a multidimensional framework for understanding each SMP's response to key challenges in the BM. Finally, the chapter concludes with an adapted model (Farooq and de Villiers, 2019) for analysing IW in the BM.

Chapter 9 concludes this thesis by providing a brief overview of this study, followed by a discussion of its key theoretical, empirical and method contributions, alongside contributions to practice and policy. The chapter then outlines this study's limitations and identifies areas for further research, before finishing with some brief concluding remarks.

1.6 Conclusion

This chapter provides a brief introduction to this study. It began by describing the motivation for and background of this thesis, highlighting why the SMP is an important sector, worthy of examination. The overarching RQ and associated ROs were discussed, followed by an introduction to the interpretative approach adopted to achieve these objectives and answer the RQ. Finally, an outline of the remainder of this thesis was provided.

Chapter 2 Study Context

2.1 Introduction

This chapter provides the context for this study. Section 2.2 explores the evolution of accounting as a social, organisational and institutional practice, and Section 2.3 explores professionalism and the emergence of the commercialised profession. The chapter then outlines the organisation of the profession in Ireland (Section 2.4), including its legislative and regulative framework (Section 2.5). It also examines the profession's economic importance (Section 2.6), contextualising the role of the SMP, the global and local economic importance of its clients (Section 2.7), and the services the SMP provide to support them (Section 2.8). Finally, Section 2.9 considers evolving SMP competencies and recruitment practices, and the technological environment within which SMPs operate (Section 2.10).

2.2 Accounting as a social, organisational and institutional practice

This research investigates the challenges confronting SMPs and the work they undertake in response, and how this work affects SMP practices, competencies, and ways in which they meet clients' needs and fulfil their societal role. The SMP BM must accommodate the wider social and organisational context of accounting and its institutional environment[2], shaping how accounting and related services are provided to clients. This organisational and institutional environment is seen as "external" (Chapman, Cooper and Miller, 2009, p.2) to the SMP and its clients. Literature suggests that these three elements (social, organisational and institutional) are "interrelated and interdependent", describing accounting as "both shaped by, and shaping, wider social process" (Chapman, Cooper and Miller, 2009, p.2). Following Burchell, Clubb, Hopwood, Hughes and Nahapiet's (1980) identification of accounting's societal roles and their call to examine its social context, a body of literature has emerged that conceptualises accounting as a social and institutional practice (Miller, 1994; Potter, 2005). Scholars use this perspective to examine the social and organisational context of accounting practice, revealing it as "dynamic, socially constructed" (Potter, 2005, p.267) and constantly evolving. In his seminal work, Miller (1994) identified three aspects associated with viewing accounting as a social and institutional practice: accounting as a technique, the rationales of accounting and the domain of accounting.

[2] "…widespread social conceptions of appropriate organizational form and behaviour constitute the institutional environment of organizations" (Tolbert, 1985, p.2).

Accounting as a technique refers to financial quantification of activities and events, providing "intelligibility, meaning and understanding" (Potter, 2005, p.268), and a mechanism for "governing" (Miller, 1994, p.3) organisations and social affairs.

Miller's (1994) *rationales of accounting* refer to its "complex language and meaning" (p.3), associated with its specialised vocabulary and terminology. These rationales are linked to notions such as responsibility, efficiency, decision-making and competitiveness, which have come to "constitute truths" (p.4) considered important to the governance of social and economic life and embedded or institutionalised within organisations. Miller (1994, p.10) notes that by incorporating acceptable processes, procedures and norms, organisational structures are reshaped by "powerful institutional rules" that become binding and reflect institutional "myths". He identifies these institutionalising techniques as central to the adoption of environmental practices, enabling organisations to legitimise their actions and project images of modernity, responsibility and rationality. Researchers highlight how rhetorical construction of "economic reality" presents "accounting practice as objective, faithful and unbiased reflections of organisational reality" (Potter, 2005, p.270), thereby legitimising regulatory and accounting reforms and the adoption of specific accounting practices. Through their service provision, SMPs contribute to the legitimisation of accounting practice and the underpinning rhetoric. Acting as gatekeepers of accounting standards and regulations through its audit services, SMPs are relied upon to provide broader insights and interpretations beyond clients' economic performance. This role rests on an inherent trust and societal expectation that SMP professionals have the requisite competencies and act with professional integrity. In turn, clients engage SMPs to enhance perceptions of legitimacy through both compliance and non-compliance services.

Miller (1994, p.4) identifies the "constitute[ion] and reconstitute[ion]" of the *accounting "domain"* as a central feature of accounting as a social and institutional practice. He observes that via the translation of organisational activities into financial terms, accounting provides a basis for decision-making, policy formulation, and the justification and resolution of disputes, thereby "link[ing]… accounting …[to] economic reasoning" (Potter, 2005, p.272). Researchers view accounting's calculative regimes as mechanisms of governance, shaping organisational and individual behaviour through quantified objectives, designed to ensure "conformity with a given set of ideals" (Miller and O'Leary, 1994, p.99). So, the apparent objectivity and neutrality of accounting imparts an image of procedural legitimacy when addressing complex political and social problems (Miller and O'Leary, 1994). When practices are deemed ineffectual, alternative techniques are often introduced, extending the scope and influence of accounting. This continual redrawing of boundaries reflects the evolving nature of the accounting domain (Potter, 2005).

Scholars examine how accounting practices (domain) change across contexts by focusing on how problems are defined/framed. Potter (2005) notes that change typically occurs through the extension of existing accounting concepts to new organisational and social settings, rather than through the adoption of new calculative techniques. Understanding the evolving accounting domain provides a basis for examining how SMPs adapt their service offering to meet the changing client needs, with client perceptions of these services shaped by social and organisational dynamics.

As this thesis is situated within the accounting profession, the concepts of 'profession' and 'professional' are examined next to contextualise SMPs as professional organisations, employing professionals who deliver services to clients.

2.3 The concept of a profession and being professional

Drawing on Kimball (1995), Samuel, Covaleski and Dirsmith (2009) trace the concept of profession from its origins as a religious calling to its nineteenth-century, licenced occupational form. This development is exemplified by the legal profession's fee-based services, self-regulation, and monopolistic authority, grounded in an ethical notion of "selfless service" for the public good (Samuel, Covaleski and Dirsmith, 2009, p.378), which contributed to ideas such as "'professional character', 'professional business' and 'professional man'" (Samuel, Covaleski and Dirsmith, p.379).

Early sociological research focused on defining professional traits or attributes, e.g., credentials, professional expertise, code of ethics, which later extended into a functionalist perspective emphasising both societal benefits, such as authority, ethics and expertise, and also reciprocal privileges, including self-regulation and status (West, 1996, in Pierce, 2007; Muzio, Brock and Suddaby, 2013). This perspective underscores the collegial organisation of professions and the asymmetric expertise shaping client relationships through professional bodies, licencing and ethical codes (Abbott, 1988). Despite inconclusive attempts to agree a definitive taxonomy (Millerson, 1964, quoted in Muzio, Brock and Suddaby, 2013), there is consensus around the core characteristics of professions: a specialist or esoteric knowledge base acquired through formal training; admission to an exclusive occupational group; self-regulation; adherence to ethical codes; and a publicly spirited ethos (Pierce, 2007; Muzio, Brock and Suddaby, 2013).

As research progressed in the 1960s and 1970s, an interactionist and critical perspective of professions developed, focusing on power, self-interest and collective control over occupational domains (Abbott, 1988; Pierce, 2007; Leicht and Fennell, 2008). Professions came to be viewed as "institutionalised form[s] of control" (Bédard, 2001, quoted in Pierce, 2007, p.4), that pursue a "professional project" (Larson, 1977, quoted in Pierce, 2007, p.4) through "process of occupational

closure" (Muzio, Brock and Suddaby, 2013, p.702) by constructing monopolies, and restricting entry via credentials, licences and self-regulation. Partly, this process comprises the socialisation of individuals into professional norms, identities and culture, a process regarded as "crucial … to the success of the professionalization project" (Anderson-Gough, Grey and Robson, 1998, p.1).

The accounting profession in the British Isles emerged in the 19th century as a chartered profession[3] grounded in a "social contract" (Malsch and Gendron, 2013, p.878) of public interest, self-regulation in exchange for market privilege, financial reward and high social status.

2.3.1 The accounting profession

The accounting profession has flourished since the nineteenth century alongside increasing business scale and complexity, with growing private capital investment elevating the importance of audit as a public interest function. Through self-regulation, professional bodies, auditing systems and accounting standards developed, fostering a reputation for honesty, autonomy, objectivity and ethical conduct (Pierce, 2007; Sikka, 2009). Contemporary professional values of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour (International Ethics Standard Board for Accountants, 2025) reflect its historical foundation. As the profession grew, it was guided by a "social service professionalism" (Hanlon, 1997, p.843) or "professional/trustee logic" (Lounsbury, 2007) which shaped professional norms, behaviours, practices and rhetoric, particularly in the 1930s and 1940s (Malsch and Gendron, 2013). While the extent of commercial self-interest is debated, "wider social forces ensured that accountancy had to pay more heed to ethos of social service professionalism than it has today" (Hanlon, 1997, p.845). Hanlon (1994) explores the profession's shift from the traditional trustee logic to one of a more commercialised nature, marked by changes in "organisation, control and ideological outlook" (Willmott and Sikka, 1997, pp.831-832). He contends this transition marks a compromise in the profession's traditional social contract, with increased "scrutiny, market pressures and demands" (Hanlon, 1997, p.844) shaping service provision. Understanding this evolution provides important context for SMPs as a public practice, explaining how expansion beyond compliance services has become legitimised and expected as they become key business advisors for their clients.

[3] Institute of Chartered Accountants in Scotland was established by Royal Charter in 1854, England and Wales followed in 1880 and Ireland in 1888.

2.3.2 The emergence of the commercialised profession

From the 1930s to 1970s, audit and accountancy constituted the core business of public accounting firms, which typically operated as local or regional sole practices or partnerships serving a stable client base and were largely insulated from commercial pressures. (Zeff, 2003; Suddaby, Gendron and Lam, 2009). From the late 1950s, advances in transportation and communication enabled client organisations, and accounting firms themselves, to expand geographically, prompting mergers, national and international growth, and heightened competition in the audit market (Boyd, 2004). This rationalisation, combined with intensified price competition during the 1970s and 1980s, contributed to audit commodification (Zeff, 2003; Pierce, 2007), eroding client loyalty and the traditional auditor–client relationship through practices such as fee discounting and "opinion shopping" (Zeff, 2003, p.200; Boyd 2004). As technological change and globalisation accelerated in the late twentieth century, firms responded to declining audit profitability by leveraging their client proximity to expand into non-audit services, often cross subsidised by low-balling audit fees (Willmott and Sikka, 1997; Suddaby, Cooper and Greenwood, 2007; Malsch and Gendron, 2013). As a result, firms had to negotiate the growing tension between traditional professional values and their new commercial reality.

The commercialisation of accountancy has been described as "potentially dysfunctional" (Pierce, 2007, p.67), with client satisfaction and profit maximisation trumping professional standards and audit quality (Zeff, 2003; Boyd, 2004; Pierce, 2007). A series of high-profile corporate failures (e.g., Enron and Worldcom in the early 2000s, Lehman Brothers in 2008 and Carillion in 2018) have intensified scrutiny of auditor independence and conflicts of interest, with scholars linking the growing divide between trustee and commercial logic to the pursuit of non-auditing services and the rationalisation of large accounting firms since the 1990s (Zeff, 2003; Boyd, 2004; Malsch and Gendron, 2013).

2.3.3 The broad profile of accountancy firms – Big 4 and SMPs

The consolidation of the Big 8 into the Big 4 produced firms of unprecedented scale and influence that fundamentally re-shaped traditional boundaries of professional regulation, ideology, identity and power (Boyd, 2004; Suddaby, Cooper and Greenwood, 2007). Their multidisciplinary services and hierarchical structures created competing professional logics, managed through "Chinese walls" (Sikka, 2009, p.429) to maintain audit independence, while serving commercial client demands (Hinings, Greenwood and Cooper, 1999). Their increased use of low-cost trainees and junior staff, representing a "major transformation in the accounting profession" (Boyd, 2004, p.381), disrupted traditional professional/trustee logic (Anderson-Gough, Grey and Robson, 2002; Malsch and

Gendron, 2013), thereby legitimising a more commercially orientated professional identity (Hanlon, 1997), that became embedded in professional norms and routines over time (Suddaby, Gendron and Lam, 2009). Elite firms have used their dominant influence within professional bodies (Boyd, 2004) to shape policy, regulation and professional boundaries in line with commercial interests (Cooper and Robson, 2006). As their power has globalised (Arnold, 2009), national professional bodies have declined in relevance, with elite firms increasingly shaping international accounting standards (Cooper and Robson, 2006).

Appreciating the social, organisational and institutional nature of the accounting profession and the dominance of elite firms, helps explain the emergence of homogeneous professional conceptions. However, the extent to which changes in traditional professional boundaries permeate the SMP's operating environment varies by organisational context, work content and position within the professional field (Suddaby, Gendron and Lam, 2009). For example, not all SMPs operate internationally or extend services beyond their traditional jurisdiction. Suddaby, Gendron and Lam (2009) found that while commitment to professional ideals remains strong overall, professional attitudes vary by practice type: sole practitioners prioritise client and organisation commitment, mid-tier firms emphasise independence, and elite firms show weaker commitment across these dimensions. This variation challenges assumptions of a unified professional ideology, with SMPs not immune to the lure of higher profits or opportunistic behaviour (Sikka, 2009).

The SMPs' institutional environment encapsulates individuals, organisations and processes that are stabilised and legitimised by the norms, routines and conception of acceptability (Miller, 1994), where two inherently contradictory logics (trustee and commercial) are embedded and articulated differently (Suddaby, Gendron and Lam, 2009), across heterogeneous organisational, geographical and social contexts (Ramirez, 2009). This heterogeneity informs how SMPs in this study configure their BM in response to challenges, as they operate within a system of professional oversight by CAI, who are one of a number of professional bodies operating in the ROI (Ireland), who themselves are subject to the independent oversight of the Irish Accounting and Auditing Supervisory Authority (IAASA).

2.4 How the profession is organised in Ireland

IAASA's establishment as the profession's independent oversight body in 2006 was a significant change from the self-regulation model that previously underpinned the profession. Under company law, any professional accountancy body that falls under the supervisory remit of IAASA is designated as a Prescribed Accountancy Body (PAB) (Companies Act (CA), 2014, S900, S933-934), and may also be granted Recognised Accountancy Bodies (RAB) status under 2010 Audit

Regulations (CA, 2014, S900, S930), allowing them to act as public auditors under company law. CAI[4] is one of five professional bodies granted PAB[5] status and one of two granted RAB[6] status in Ireland by IAASA (IAASA, 2025b). While IAASA is responsible for oversight of the accounting and auditing profession in Ireland and sets Irish auditing standards, the Financial Reporting Council (FRC) sets accounting standards and issues related guidance on their application in Ireland. SMP professionals must adhere to these standards in discharging their professional duties. Under Irish legislation, CAI is responsible for supervising and monitoring its members and member firms, while IAASA supervises CAI in its role as a PAB. Ireland's professional accountancy body landscape is dominated by CAI and the ACCA. CAI is the largest professional body on the island of Ireland in terms of membership (60%, p.4), those authorised to practice (73%, p.15), statutory audit firms (74%, p.26) and statutory auditors approved to audit in Ireland (81%, p.27) (IAASA, 2025b). Independent standard-setting boards develop international professional standards adopted by the accounting profession, covering auditing and assurance, professional ethics, public sector accounting, sustainability accounting and accounting education. IFAC[7] supports the adoption and implementation of these standards through its Statement of Membership Obligations, which provides globally recognised frameworks[8] for member bodies, such as CAI and ACCA.

2.5 Legislative and Regulatory Framework

As this study is situated in CAI member SMPs, the legislative and regulative framework to which these firms are accountable, will now be discussed.

2.5.1 Chartered Accountants Ireland Principal Bye-Laws

The Principal Bye-Laws (Bye-Laws) of CAI (CAI, 2025c) set out the governance framework of the professional body, which, together with rules on professional and ethical conduct, govern both CAI's activities and those of its members. The Bye-Laws include provisions relating to membership, use of description (Chartered Accountant) and designatory letters (ACA, FCA), recognised training firms, examinations, general meetings, audit of the professional body and professional indemnity insurance. They also specify that the Governing Council (Council) is responsible for the regulation of service authorisations, professional competence and discipline and ethical standards. CAI-

[4] On 1 September 2024, CPA [Certified Public Accountants] Ireland incorporated into CAI (CAI, 2026a).
[5] At 31 December 2024, the PABs were ACCA, Association of International Accountants, CIMA (Chartered Institute of Management Accountants), Chartered Institute of Public Finance and Accountability and CAI (IAASA, 202a).
[6] At 31 December 2024, the RABs were ACCA and CAI (IAASA, 2025b).
[7] Founded in 1977, IFAC is the global organisation representing over 188 professional accountancy organisations, including CAI and ACCA (IFAC, 2026b).
[8] International standards on auditing, codes of ethics for professional accountants, international public sector accounting standards, international education standards, quality assurance, investigation and discipline and international financial reporting standards (IFAC, 2026a).

registered SMP firms must comply with these regulations, and CAI is legally responsible for the supervision and monitoring of both firm and individual member compliance. As an all-island professional body, the Council is obliged to carry out its functions and implement regulations in accordance with statutory requirements set out in both Irish and United Kingdom (UK) legislation, see Table 2.1 below.

Table 2.1: Overview of CAI statutory obligations

Regulated Activity	**Jurisdiction**	**Legislation**	**Competent Authority/ Oversight Body**
Statutory audit and accountancy services	ROI	The Companies Act 2014	IAASA
Statutory audit	UK	The Statutory Auditors and Third Country Auditors Regulations 2016 and Companies Act 2006	FRC
Air Travel Organisers Licence (ATOL)	UK	The Civil Aviation (ATOL) Regulations 2012	UK Civil Aviation Authority (CAA)
Investment business (limited scope)	ROI	Investment Intermediaries Act 1995 (as amended)	Central Bank of Ireland (CBI)
	UK	Financial Services and Markets Act 2000	Financial Conduct Authority
Insolvency services	UK	*Ceased 1 January 2025* Insolvency Act (1986) and Insolvency (Northern Ireland) Order 1989	Insolvency Services (Great Britain) and Insolvency Services (Northern Ireland)
	ROI	*From 1 January 2025* CAI no longer requires members to hold an Insolvency Practicing Certificate	
Sustainability assurance	ROI	*Commenced 11 October 2024* Companies Act 2014 (as amended) – Part 28; SI 336/2024 (European Union (Corporate Sustainability Reporting) Regulations 2024), SI 498/2024 (European Union (Corporate Sustainability Reporting) (No 2) Regulations 2024), SI 309/2025- Omnibus legislation.	IAASA
Anti-Money Laundering (AML)	ROI	Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended)	No oversight body: Institute engages with Department of Justice
	UK	The Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)	Office for Professional Body Anti-Money Laundering Supervision

Source: CAI, 2024, p.27; CAI, 2025d, p.3; CAI, 2025a, para 1

As this research is situated in SMPs operating in the ROI, the Irish regulative and legislative framework, which has evolved significantly over the past decade, will form the basis of the overview.

2.5.2 Companies Act 2014

Statutory accounting, auditing and financial reporting requirements in Ireland are set out in Irish company law. Ireland, as a European Union (EU) member, is obliged to incorporate EU directives and regulations into national law, normally by way of a statutory instrument. Company law in Ireland is consolidated in the Companies Act 2014 (CA, 2014). The Act sets out accounting and auditing legislation and provides a regulatory framework for the profession in Ireland. Its provisions include requirements on the preparation of financial statements, financial reporting thresholds and accounting and auditing standards to be applied.

Of particular salience for Irish SMPs is the introduction of the audit exemption for small private companies (Companies (Amendment) (No.2) Act 1999, S32), with the exemption threshold subsequently increased on a phased basis to the maximum allowable under EU law (see Table 2.2 below). Amendments to the Act include the introduction of an audit exemption for small groups (S359), dormant companies (S365) and companies limited by guarantee that do not have share capital (Part 18) of CA 2014 (as amended).

Table 2.2: Audit exemption threshold for small private companies-criteria

Year	2024	2017	2014	2006	2003	1999
Size company	*Does not exceed two or more of the following criteria for the current and preceding year*					
Micro company	Employees ≤10 Turnover €900k Balance sheet total €450k	Employees ≤10 Turnover €700k Balance sheet total €350k	Not applicable – micro company category introduced June 2017			
Small company	Employees ≤50 Turnover €15m Balance sheet total €7.5m	Employees ≤50 Turnover €12m Balance sheet total €6m	Employees ≤50 Turnover €12m Balance sheet total €6m	Employees ≤50 Turnover €7.3m Balance sheet total €3.65m	Employees ≤50 Turnover €1.5m Balance sheet total €1.9m	Employees ≤50 Turnover IRL£250k (€317k) Balance sheet total IRL£1.5m (€1.9m)
Source	SI 301/2024 European Union (Adjustments of Size Criteria for Certain Companies and Groups) Regulations 2024	Companies (Accounting) Act 2017	Companies Act 2014	Investment Fund, Companies and Miscellaneous Provisions Act 2006	Companies (Auditing and Accounting) Act 2003	The Companies (Amendment) (no.2) Act 1999

As a result of these amendments, a large proportion of small and micro-companies, which comprise the majority of the SMP client base, no longer require an audit and qualify for simplified financial accounting filing requirements with the Companies Registration Office (CRO) (CA 2014, S353). This has placed downward pressure on statutory audit fee and compliance income, resulting in a phased reduction in such SMP fee income. A similar audit exemption is available in the UK, where it is estimated that 90% of eligible companies availed of the exemption (Department for Business, Energy and Industrial Strategy, 2017). This has resulted in SMPs in the UK and Ireland supplementing this loss of income, with a reliance on tax and regulatory compliance engagement (ACCA, 2015). Also, a review of IAASA's annual 'Profile of the Profession' reports shows a significant decline in the number of registered auditors in Ireland since the introduction of the Act, with a 36% reduction in the period 2014 to 2023 and a haemorrhaging of sole practitioner registered auditors (43% reduction) in the same period (IAASA, 2024, p.28; IAASA, 2015, p.19).

2.5.3 Regulatory and disciplinary obligations of CAI

As a recognised PAB and RAB, CAI is responsible for the regulatory and disciplinary obligations of the profession. It must maintain formal compliance, investigative and disciplinary systems, and oversee the Continuing Professional Development (CPD) requirements of its members and firms. CAI's regulatory and disciplinary obligations derive from statute and its own Bye-Laws and Regulations. Regulatory policy is set by their Professional Standards Board, which also approves the rules governing regulation and discipline. SMPs, as CAI-registered firms, must comply with these requirements. Compliance is monitored by CAI's Professional Standards Department (PSD), with which registered SMPs engage, on quality, regulatory and disciplinary matters.

Professional Standards Department (PSD)

PSD work with relevant committees across three key functional areas: professional authorisations, professional conduct and quality assurance. Any CAI member wishing to engage in public practice must first hold a Practising Certificate and obtain authorisation from PSD to provide services in reserved areas. Each reserved service area is governed by specific legislation and regulation, with which practitioners must demonstrate compliance. Table 2.3 summarises the complex system of licencing authorities, legislation and regulation requirements and the monitoring and oversight bodies applying to firms offering reserved services.

Table 2.3: Overview of licencing, regulatory and oversight requirements

Authorisation	Licencing/ authorising authority	Key legislation /regulations	Key requirements to practice	Monitoring / oversight body
Public practice	CAI	CAI Public Practice Regulations (CAI, 2025e), CAI Bye-Laws and Code of Ethics (CAI, 2025c)	Practicing certificate, Member / affiliate member of CAI, Professional indemnity insurance, Ongoing CPD.	CAI PSD
Reserved service area				
ATOL	CAI	The Civil Aviation (ATOL) Regulations 2012	At least one ATOL reporting accountant	CAI PSD
Audit (statutory audit)	CAI as a RAB.	Companies Act 2014 (as amended), Companies (Statutory Audits) Act 2018.	Audit qualification, Registered statutory auditor, CAI Audit Regulations and Guidelines, Ethical Standards for Auditors (Ireland) issued by IAASA.	*Dual system:* IAASA supervises RABs and inspects audits of Public Interest Entities (PIE). CAI PSD (as RAB) inspects statutory audits of non-PIEs.
Investment Business	CBI CAI (as a professional body but with a limited authorisation scope IA1, IA2 and IB1)	Investment Intermediaries Act, 1995, CBI codes, CAI Investment Business Regulations and Guidelines.	CBI minimum competency code requirement, Minimum capital requirement.	CBI CAI PSD
Sustainability Assurance Service Provider (from 11 October 2024) (CAI 2025d)	CAI as a RAB.	Companies Act 2014 (as amended) – Part 28; SI 336/2024 (European Union (Corporate Sustainability Reporting) Regulations 2024), SI 498/2024 (European Union (Corporate Sustainability Reporting) (No 2) Regulations 2024), SI 309/2025- Omnibus legislation.	Registered statutory auditor, European Sustainability Reporting Standards, International Standard on Assurance Engagement (Ireland) 3000, CAI ethical and quality management standards.	*Dual system:* IAASA supervises RABs and inspects audits of PIEs. CAI PSD (as RAB) inspects statutory audits of non-PIEs
Specialised Practicing Certificate				
Insolvency Practice	From 1 January 2025, CAI no longer requires members to hold an Insolvency Practicing Certificate, the service now falls within the general definition of accountancy services, governed by Public Practice Regulations (CAI, 2025e).			

SMPs are obliged to keep up to date with regulatory developments, including Bye-Laws, codes and guidance (CAI, 2025c) associated with their service offering. They are also accountable under PSD's broader remit, which includes a *Code of Ethics* (CAI, 2025d) designed to assist professionals in making ethical decisions and CAI *Disciplinary Bye-Laws* (CAI, 2026c) designed to ensure systems dealing with complaints and discipline are in place for all stakeholders. SMPs are accountable under these standards of professional conduct aimed at protecting the public interest and promoting confidence in the profession. Notwithstanding, CAI members may also have to comply with additional standards of professional conduct applicable to their role. For example, those involved in statutory audits must comply with IAASA's Ethical Standards for Auditors (IAASA, 2025a), insolvency practitioners must comply with the insolvency code of ethics (Part D of CAI *Code of Ethics* (CAI, 2025d)), and those with additional professional qualifications must comply with the respective codes associated with their qualification (CAI, 2025d).

Quality assurance

CAI's PSD oversees the Quality Assurance programme, ensuring members and firm compliance with professional standards and services quality. Compliance with regulations, Bye-Laws, ethical codes and CPD rests with both individuals and firms. PSD monitors compliance through annual returns (individual and firm) and a risk-based inspection system. All member firms are subject to its Quality Review process that includes periodic monitoring visits, which may cover all areas of professional activity and may result in follow-up actions (CAI, 2025c). PSD communicates common issues arising from its reviews via its Regulatory Bulletin, which practitioners are obliged to consult.

Ethical standards for auditors (Ireland)

SMPs are subject to the Ethical Standards for Auditors (Ireland) 2020/2025[9] (IAASA, 2025a), which includes provisions in relation to auditor rotation (S3), economic dependence (the proportion of total fee income that can be generated from an audit client) (S4) and engagement quality control review (S6). These provisions particularly affect sole practitioners, who cannot rotate partners internally and must rely on quality control reviews or decline the audit engagement. While the standard permits limited non-audit services (e.g., tax and accounting services) to small companies subject to safeguards (IAASA, 2025a, S6), pressure on audit fees and rising compliance costs, often un-recoverable from clients, emphasises the need for SMPs to diversify their service offering and broaden their client base.

[9] Ethical standards for auditors (Ireland) 2025, becomes effective on 15 December 2026. (Early adoption is permitted) (IAASA, 2025a).

Anti-Money Laundering and Terrorist Financing Legislation

SMPs must also comply with other legislation not necessarily specific to the accountancy profession, but which impacts how they do business. SMPs are subject to AML and Terrorist Financing Laws, under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (as amended[10]) (Criminal Justice Act (CJA), 2010), which designates them as obligated entities (CJA, 2010, S25). This requires SMPs to undertake client due diligence, ongoing monitoring, suspicious transaction reporting, staff training, and establish internal policies and procedures, including the appointment of Money Laundering Reporting Officer (CJA, 2010, S42). While a risk-based approach is permitted, SMPs must evidence compliance through appropriate documentary evidence. In addition, SMPs are subject to other regulations such as General Data Protection Regulation (GDPR) (CAI, 2025e), which fall under the PSD quality review process, increasing the compliance burden and volume of non-chargeable, client-specific work, with little perceived client benefit.

2.6 The importance of the accountancy profession

Embedded globally throughout society, the accountancy profession plays an important role in strengthening organisations by promoting transparency, efficiency and productivity. IFAC (2015b) estimate the global accountancy ecology[11] contributed an estimated $575 billion annually in Gross Value Add (GVA) to the global economy. The profession acts as a vital pillar in a country's public sector "governance architecture" (IFAC, 2017a, p.6), working in partnership with governments and business leaders to enforce "transparency, accountability and the rule of law" (IFAC, 2017a, p.6). Accountants are embedded across all sectors of society, with the majority employed in business, industry, public sector or academia (IFAC, 2015a, p.9). These professionals serve as "value integrators" (IFAC, 2015a, p.5) by providing strategic advice, driving business performance in evolving regulatory and economic environments and adding value to the organisations and communities they serve.

Irish context

In their report to Consultative Committee of Accountancy Bodies (CCAB)[12], Oxford Economics (2024) estimates that the accountancy profession contributed €19.8 billion to Irish gross domestic

[10] The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 is amended by Part 2 of the Criminal Justice Act 2013 and by the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2018 (CBI, 2026, para 1).

[11] Ecology is the term used to refer to IFAC Professional Accountancy Organisations and "people who identify as accountants-but whose jurisdiction may not require professional training or qualification-and people who identify their role as an accountancy support function" (IFAC, 2015a, p.9).

[12] CCAB is the forum in which CAI "cooperates with other professional accountancy bodies on representational issues across the UK" (CAI, 2026b).

product in 2022, the equivalent of 4.1% of total economic activity. This comprised €3 billion from the accountancy services sector and €16.8 billion from accounting professionals employed across other sectors. During 2022, the profession employed approximately 83,600 individuals (3.3% of total employment), with just over 29,800[13] in the accountancy services sector. Demand for external accounting services accounted for 0.6% of all Business-to-Business expenditure, with Irish businesses purchasing €3.4 billion worth of external accountancy services, led by the information and communications technology sector (€0.8 billion).

2.6.1 Public practice and the small and medium accountancy practice

Public practice is the business of:

> . . providing or holding out to provide personally and directly *accountancy services* (for which the relevant skills have been acquired by a *member* by reason of his or her training and qualification) to persons other than his or her employer.
>
> (CAI, 2025e, p.14)

Generally, classified based on size, public practices fall into the following categories: Big 4, mid-tier firms, and SMPs (Blackburn and Jarvis, 2010; Lander, Koene and Linssen, 2013). Sitting below the Big 4 are mid-tier or medium-sized firms, which have an international presence, a smaller client base and a focus on working with middle-market companies. SMPs constitute "the vast majority of accountancy practices worldwide" (Webber and Street, 2017, p.7) and are defined as accounting practices whose "clients are mostly SMEs; they use external sources to supplement limited in-house technical resources; and they employ a limited number of professional staff" (IFAC, 2026c, para.3). Given the important contribution of the profession to the global and Irish economy, and the relative paucity of research into the SMPs (Ramirez, Stringfellow and Maclean, 2015), this thesis focuses on this cohort of the public practice community. SMPs are knowledge-intensive professional services firms (PSF) that possess "a specialist skill based on esoteric knowledge" (Pierce, 2007, p.2), and operate primarily by delivering customised, flexible, and quality focused services to SME clients (Fitzgerald, Johnston, Brignall, Silvestro and Voss, 1991). It is important to understand the economic contribution of their SME clients both globally and in the national context.

[13] "The accountancy profession is defined as all workers in the accountancy industry as well as employees in other sectors working as "in-house" accountants in accountancy and bookkeeping roles" (Oxford Economics, 2024, p.46).
Within this broader definition, the accountancy services sector (or accounting industry) refers specifically to firms and businesses that provide external accounting, audit and bookkeeping services, "including individuals in non-accounting roles…. Examples include employees in legal, IT, and administration positions" (Oxford Economics, 2024, p.16).

2.7 The importance of the SMP client

SMEs encompass micro, small and medium-sized enterprises, commonly defined by criteria such as turnover, asset levels and employee numbers (CA, 2014). They represent "99% of the [global] business population" and are critical drivers of economic growth, job creation, resilience and sustainability (OECD, 2023, p.64). Given that SMPs "continue to be the preferred advisors to SMEs" irrespective of jurisdiction (Webber and Street, 2017, p.4), they play a critical role in enabling SME[14] clients reach their full potential.

The Irish economy is heavily dependent on SMEs, which account for 99.8% of enterprises, 67.9% of employment, and contribute almost 40.6% of GVA in 2022 (Central Statistics Office, 2024). They are "embedded in local communities" (IFAC, 2018b, para. 4) and are recognised as an "important vehicle of social inclusion" (IFAC, 2018b, para 5). As a result, they are central to economic and social development and are a key focus of government policy. As integral actors within the SME ecosystem, SMPs play a critical role in helping SMEs navigate the complexities of an ever-changing business environment. Consequently, the SMP itself comes sharply into focus, both as an SME itself and by its pivotal advisory role to SME clients. The SMP is therefore a worthwhile sector to investigate from the perspective of how these practices respond to forces for change.

2.8 Professional competencies of SMP staff

Professional competencies extend beyond traditional technical competencies to provide more expansive business advisory services (ACCA, 2016). Recognising this need, PABs developed professional competency frameworks to assist stakeholders, including employers and educators, in responding to evolving professional demands, for example, ACCA's (2016) *Professional Quotients Framework* and Chartered Accountants Australia and New Zealand's (CAANZ) (2024) *Capability Model,* which combine technical, digital, interpersonal and cognitive competencies. SMPs typically build a talent pipeline through training contracts and increasingly use work placements/internships to link academic study with professional practice (Paisey and Paisey, 2010), often recruiting on an ad-hoc basis or later in the graduate recruitment cycle.

[14] For the remainder of this document, the acronym SME is understood to include micro firms.

2.9 Services provided by the SMP

Historically, the SMP BM has been built on the provision of mandatory, compliance-driven services, such as audit and assurance, bookkeeping, tax return preparation, compilation of financial statements and regulatory compliance (Blackburn and Jarvis, 2010; ACCA, 2015), with most of the sector's global income (80%) coming from 10 service offerings[15] (ACCA, 2015). Driven by factors such as market competition, automation/commodification of routine bookkeeping and deregulation, some SMPs are expanding their service portfolios to include higher-value business advisory and consultancy services (ACCA, 2015; Street *et al.,* 2019; Ma, Fisher and Nesbit, 2021). These advisory services encompass a wide and diverse range of disciplines: corporate advisory and strategy (e.g., restructuring, mergers and acquisitions, due diligence and insolvency); financial management and management accounting (e.g., cash flow forecasting, budgeting, internal control design, risk management); human resources and employment (e.g., employment legislation, contractual obligations, succession planning, business transfers); information technology (IT) consulting (e.g., software selection, cybersecurity, data analytics, software implementation); internationalisation (e.g., international taxation, regulation, exchange risks); and specialised and emerging niche services (e.g., forensic accounting, fraud investigations, corporate social responsibility reporting) (Jarvis and Rigby, 2012; Edinburgh Group, 2013; ACCA, 2015; Albu, Albu and Street, 2016; Webber and Street, 2016, 2017).

While the desire to expand into advisory services is influenced by factors such as size, location, client demands, level and availability of competencies and strategic intent (Albu, Albu and Street, 2016; Street *et al.,* 2019), literature reveals that between 60% and 90% of firms provide at least one type of advisory service (Street *et al.,* 2019), with larger more proactive firms offering more (Albu, Albu and Street, 2016). There are also distinct regional differences, for example, SMPs in the UK and Ireland, which are considered mature markets, offer a significantly broader range of services[16] compared to the global average, with firms in emerging markets remaining focused on traditional compliance (ACCA, 2015). Overall, ACCA (2015) finds that regional context has a stronger influence on the breadth of services provided than whether SMPs identify as specialists or generalists.

[15] Top ten services per ACCA (2015) include: statutory/voluntary audit, review, compilation (accounts, preparation) engagements, other assurance, bookkeeping, statutory financial reporting, ad hoc reporting (other than statutory filing of accounts), preparation of management accounts, business formation/registration/incorporation and tax planning.

[16] "…services related to business financing (including government funding), strategy and business planning, succession planning and business transfers, marketing, pensions advice, and efficiency improvement" (ACCA, 2015, p.13).

To support the delivery of a broader range of services, SMPs recognise professional competence as a strategic capability within the firm.

2.10 Technological landscape

Technology has "fundamentally transformed" (Clerkin, Murphy and Quinn, 2026, p.123) the accounting profession, driven by trends in robotics, artificial intelligence (AI), blockchain and big data, automating tasks and enhancing analysis. While SMPs are adapting (Rieg and Radeck, 2026) there is, however, a sense that SMPs are "lagging behind" (ACCA, 2019, p.6) and failing to capitalise on these "transformational shifts" (p.7), leading to strategic digitalisation initiatives by some PABs. For example, ACCA's (2019) roadmap for SMP digitisation outlined a phased adoption centred on people, processes and technology. Coronavirus disease (COVID-19) accelerated this shift, enabling more integrated, customer-focused operations and creating competitive advantage based on business processes' adaptability and organisational agility (Webb, 2020; Tighe, 2024).

2.11 Conclusion

This chapter contextualised this study by tracing the evolution of accounting from a technical craft to a complex social, organisational and institutional practice. It examined the development of the concept of profession and being professional, the rise of a commercialised profession, and the influence of the major accounting firms. The chapter also outlined the organisation and regulation of the profession in Ireland. It highlighted the economic significance of the accountancy profession, both globally and in Ireland, to contextualise the role of SMPs. The importance of their clients and the services they provide to support them was then examined. Finally, the chapter considers the evolving professional competencies, recruitment practices and technological landscape shaping SMPs.

Chapter 3 Literature Review: Key Challenges Affecting Small and Medium Accountancy Practices

3.1 Introduction

This chapter begins with a comprehensive review of both the academic and professional literatures (Section 3.2) to understand key challenges affecting SMPs internationally and in Ireland. Section 3.3 then explores the implications of these challenges for the SMPs' BMs and highlights current literature gaps.

3.2 Challenges facing SMPs – cues for change

Discourse around the changing nature of service provision in the SMP is evident in both professional and academic literature. For example, the challenges of falling profit margins from compliance work, developments in technology and regulation, changes in client needs, and competition for talent are putting significant pressure on global SMP traditional service offerings (Alam and Nandan, 2010; Lander, Koene and Linssen, 2013; Street *et al.,* 2019). In response, there are calls for SMPs to extend and deepen their relations with their SME clients beyond compliance services (Doran, 2006; Street *et al.*, 2019). This represents a strategic shift, which "…may be a matter of necessity rather than choice for SMPs, as the market for basic services becomes increasingly competitive in some jurisdictions" (Blackburn and Jarvis, 2010, p.9). Given this landscape of challenges, the SMP must respond to them to thrive in the long term, which may mean changing the SMP strategy and reflecting on how to adapt its BM. This, in turn, links to the SMP's ability to develop, deploy and utilise its tangible and intangible knowledge-based resources, referred to as IC, to maintain its competitive advantage (Petty and Guthrie, 2000; Fu *et al*., 2017).

However, few studies have explored how the SMP adapts to these challenges (Doran, 2006; Lander, Koene and Linssen, 2013). This gap in the literature, coupled with calls to revitalise the research agenda in the area (Cooper and Robson, 2006; Ali and Mustafa, 2023), provides the motivation for this study. Specifically, this research seeks to identify the challenges affecting SMPs registered with CAI, investigate and understand the rationale behind the SMP BM and explain how it responds to these challenges. To understand the challenges facing the SMP, insights from both academic and professional literature concerning SMPs and the SMP-SME relationship are now examined.

3.2.1 Academic perspective

SMPs have historically been marginalised in academic literature (Durocher, Gendron and Picard, 2016), which remains dominated by research on the Big 4 (Daoust, Fogarty, Hux and Zimmerman, 2024) and large multinational firms (Alam and Nandan, 2010). However, scholars are responding to calls to investigate the SMP, with a body of literature gradually emerging over the past two decades (Ali, 2023), as researchers acknowledge that phenomena observed in elite global firms cannot be extrapolated to local, smaller practices (Lander, Koene and Linssen, 2013). Many of these studies provide insights into the challenges impacting SMPs, a summary of which is presented in Table 3.1.

Table 3.1: Summary of key challenges facing SMPs - Academic perspective

Author	Empirical setting	Method and type of analysis	Challenges	Study
Bagchi-Sen and Kuechler (2000)	55 SMPs - Canadian border, Western New York State (United States of America (USA))	Quantitative Survey Analysed using a proactivity and functional diversification index	– Industrial decline – Changing client demands – Barriers to internationalisation o lack of expertise o risk aversion o lack of capital	The study confirms the local economic context of the SMP as a "major barrier to performance" (p.140). SMPs ranked internal constraints ahead of external constraints as barriers to growth and development, especially internationally orientated firms, who cite the lack of in-house expertise, risk, and lack of capital as significant barriers. The study highlights other SMPs as the most important group of collaborators for firms and establishing other networks (banks, legal, insurance) as essential for all firms. This study finds that firms that are proactive and functionally diverse, and/or internationally orientated, outperform those that are reactive, functionally concentrated and locally orientated. Competitive advantage relies on customisation, speed of delivery, specialised skills and informal networks rather than price.
Døving and Gooderham (2008)	254 SMPs - Norway	Quantitative Questionnaire Hierarchical linear regression	*Challenges associated with diversifying services:* – Human capital heterogeneity – Personnel development routines – Network of external service providers	This links the scope of service diversification to the SMP's dynamic capabilities. The SMP's dynamic capability is understood in terms of heterogeneity of human capital, internal personnel development routines and systems in place, together with developing an external network of complementary service providers - accounted for the variation in the scope of services provided. They suggest the investment required (financial and time) by SMPs may be perceived as too daunting, and accounts for the reason why a substantial number of SMPs have not diversified their service offering. Strategic positioning/intent to diversify is not sufficient without underlying capabilities.
Alam and Nandan (2010)	Six small accounting practices - regional and rural centres - North Queensland Australia	Qualitative Case study Semi-structured interviews	- Local economic decline - Professional skills shortage - Regulative and compliance burden	Firms adopt innovative strategies to adapt to local environments but are restricted by their available resources and capabilities. Organisational change is heavily influenced by owner-manager leadership style, and long-term survival depends on adopting strategies closely aligned to the contextual forces in which they operate, such as technology, deregulation, competition, regulation. Regional firms tend to consolidate and specialise to improve efficiency, while rural practices diversify their generalist service portfolios to survive in dynamic and declining local economies.
Jarvis and Rigby (2012)	19 SMPs -England	Qualitative Interviews	- Lack of in-house expertise - Navigating ethical and risks associated with providing non-traditional advice	SMPs are increasingly providing human resources and employment advice to SMEs. Even though this advice traditionally falls outside the SMPs' core competencies, SMEs sought their advice because of the deep, pre-existing trust established through traditional statutory accounting services. The study found that smaller firms were more cautious about getting deeply involved in this area and were more inclined to refer clients to external specialists.
Wines, Carr, Cooper, Ferguson,	13 rural and regional accounting	Quantitative Survey	- Professional skills shortage - Over-regulation - Client fee sensitivity	The provision of high-quality accounting services in rural and regional Australia is most inhibited by severe shortages of professional staff, with recruitment rather than retention identified as the most critical challenge. Other challenges include client fee

Hellier and Jackling (2013)	practices and 22 SME owners - Australia	Descriptive analysis	– Succession – Rural decline – Limited digital connectivity	sensitivity, succession planning and regulation. Firms are encouraged to develop strategies to deal with challenges appropriate to their local context, for example, establishing networks with other SMPs and financial services firms.
Lander, Koene and Linssen (2013)	11 mid-tier firms - Netherlands	Qualitative. Multiple case sites Semi-structured interviews	*Institutional complexity between professional and commercial logics*: – Regulative and legislative pressures – Economic and market conditions – Technology and automation – Client demands – Partner resistance to change – Pressure on fees	Embedded in their local context, mid-tier firms were selectively and independently responding to the tension between traditional professional values and the commercial pressures of running a firm. Attempts, albeit slow, to address the gap in knowledge and skills are required to provide non-compliance services through training and formal business development. However, internal resistance to commercialisation is driven by partners protecting their autonomy and staff defending established routines.
Massaro, Rossi and Bagnoli (2015)	960 SMPs - Italy	Quantitative Structured questionnaire	– Pressure to lower fees – Increasing competition – Effort required to develop 'unrelated' advisory services	This study explores the diversification of services within Italian SMPs. It found that market orientation (MO) impacts new service development differently based on service-relatedness to those already provided. MO and its components (customer and competitor orientation, and inter-functional coordination) foster different dynamics depending on whether the SMP is pursuing incremental innovations (related services) or radical innovations (unrelated services).
Sarens, Everaert, Verplancke and De Beelde (2015)	367 external accountants - Belgium	Quantitative Online questionnaire OLS regression	– Resource constraints – In-house expertise	Staff heterogeneity does not significantly influence service diversification. By contrast, homogeneous, accounting-specialised staff tend to diversify more particularly within accounting and tax services. The degree of service diversification in SMPs is strongly associated with collaboration with external service providers (e.g., lawyers, consultants) and marketing efforts, suggesting firms are diversifying through collaboration rather than through heterogeneous staff (contrary to Døving and Gooderham, 2008). In understanding service diversification in the SMP, a distinction must be made between self-employed accountants and accounting firms. Self-employed accountants with more micro-clients diversify within accounting and tax services; for accounting firms, more micro-clients are linked to non-accounting diversification, and larger firms are associated with a more diverse range of services.
Durocher, Gendron and Picard (2016)	26 SMP practitioners 3 standard-setters, 1 consultant, 1 financial statement user - Canada	Qualitative Semi-structured interviews	– Regulative – Ill-adapted global accounting standards – Constant practice inspections	SMPs view global accounting standards as ill-adapted to their circumstances, but cope through a 'logic of resilience' via support networks and selective application, instead of active resistance. Their perception of constant monitoring and mandatory quality reviews compounds the issue, which consequently has resulted in some firms exiting the audit market, and the fragmentation of the field where firms believe they become ""second class" accountants in a two-tier accounting regime" (p.67).
Blackburn, Carey and Tanewski (2018)	8 SME owners and 12 accountants	Qualitative Semi-structured interviews	– Convincing clients of expertise beyond compliance – Competition from non-accounting advisers	Relationships and trust function as necessary enabling and mediating conditions, rather than purely antecedents, to convert an SME's latent demand for Business Advisory Services (BAS) into an actual purchase. The expectation gap identified by Kirby and King (1997) remains, so firms must gain a reputation as business advisors based on

	- UK and Australia			industry knowledge, rather than relying on growing more business from existing compliance work. The report identified strategies to deal with this challenge, such as developing external networks, outsourcing and developing in-house expertise.
Malo, Fortin and Héroux (2020)	33 SMPs - Canada	Qualitative Field study Semi-structured interviews	– Normative constraints, regulatory burden – Material constraints, limited human and financial resources – Client constraints, fee sensitivity, unwilling or unable to absorb increased cost of compliance	This study examines the tensions between mandatory regulatory updates (normative constraints), limited resources (material constraints) and fee sensitivity (client constraints), through the lens of Oliver's (1991) typology of strategic responses. It finds that SMPs frequently 'avoid' – bypassing standard updates by replacing audit with review engagements or exiting the audit market. Some 'compromised' by asking clients to do more preparatory work or 'acquiesced', often resulting in disillusionment, or mechanical or superficial application of standards. Such coping mechanisms can result in loss of expertise among SMPs, exacerbating the fragmentation of the profession and the quality of audits. Also, banks (primary users of financial information) were found to be complicit in this change by accepting or proposing lower levels of assurance.
Ma, Fisher and Nesbit (2021)	14 SMPs - New Zealand	Qualitative	*Cloud adoption factors:* – Disruptive threat of commoditisation of accounting services – Cybersecurity/ data privacy *Organisational readiness*: – Financial resources, IT sophistication and client readiness *External pressures*: – Client pressures and competitive pressures to adopt technology	SMP adoption of cloud-based client accounting is driven by perceived benefits, IT vendor-driven partnership, organisational readiness and external pressures. Post adoption, SMPs experience a reduction in routine compliance work, but a compensating increase in higher-value advisory revenues. They also reported stronger client relationships and an increase in clients' perceived value of their services.
Ali (2023)	7 SMPs - Norway	Qualitative multiple case study Semi-structured interviews and document analysis	– Shift in demand from pure compliance to advisory / value-added services – Lack of internal expertise – Dynamic competitive environment	This study identifies three distinct positions (chameleons, turtles, bulls) reflecting the heterogeneity of SMPs making sense of and adapting to changing client demands from pure compliance to advisory services. Chameleons (larger firms, with more resources) interpret changing demand as an opportunity to generate value by building advisory services internally. Smaller firms (turtles and bulls) are reluctant to develop in-house advisory services and remain committed to compliance work. Turtles view in-house advisory services as outside their core competence and rely on external providers to serve specific industries, while bulls use networks only for ad hoc advisory needs,
Verplancke, De Bruyckere, Everaert, Coppens and Blondeel (2024)	126 SMPs - Belgium	Quantitative Survey Ordinary Least square regression	– Draws on critical challenges from existing literature	This study explains the determinants of financial performance in the SMP, based on human and organisational capital resources. It finds education, experience, CPD, external cooperation, and preference for direct phone communication of accountants drives SMP performance (sales per employee). Also, it notes the advantage of a specialisation degree diminishes with experience, and male-headed SMPs report significantly higher financial performance that female-headed ones.

Malo, Fortin and Héroux (2024)	33 SMPs - Canada	Qualitative Field study Semi-structured interviews	– Regulative: particularly sole practitioner firms experiencing information overload and dependence on external bodies for training/tools.	This study examines how SMPs acquire, interpret, distribute and store knowledge regarding new professional standards updates, revealing distinct organisational learning profiles linked to firm size and resources. Large firms (>10 partners) are "highly proactive" (p.708), using in-house committees to develop tailored training and audit programmes. Medium firms (2-9 partners) are "somewhat proactive" (p.708), choosing to blend internal efforts with external support. While sole practitioners are "slightly proactive" (p.708) and suffer from the "jack-of-all-trades phenomenon" (p.723), lacking time and resources to internally monitor complex regulatory changes. These firms rely on external providers for training and standardised tools, which can threaten audit quality and compliance if those resources are not properly tailored to client needs or are delayed.
Daoust, Fogarty, Hux and Zimmerman (2024)	Non-Big 4 partners: 18- international 9 - national 2 - regional 2 - local - USA	Qualitative Semi-structured interviews	– Perception as inferior to Big 4 – Recruitment and retention – Partner overloaded – Regulative burden and inspection – Broad competence pressure – Limited technical exposure – Insufficient internal expertise – Employee burnout – Growth-driven identity dilution	Non-Big 4 firms explicitly frame their identity as "not the Big 4" (p.2), with emphasis on their entrepreneurial mindset, autonomy, client-centred service, and hands-on talent mentorship. These firms are aware that, to maintain their ongoing success, they risk eroding the very qualities that currently define who they are.

The current empirical evidence is dominated by studies situated in major developed economies, such as the UK, USA, Australia and Canada, and some mainland European countries. Approximately one-third focus on a demand-side perspective, examining SMEs' use of external advisors, including the role of trust and relationships (Blackburn, Carey and Tanewski, 2018), and technology use. Supply-side studies examine SMPs in terms of dynamic capabilities (Døving and Gooderham, 2008), organisational change and innovation (Alam and Nandan, 2010), market orientation (Massaro, Rossi and Bagnoli, 2015), service diversification (Sarens *et al.,* 2015), adoption of cloud technologies (Ma, Fisher and Nesbit, 2021), financial performance (Verplancke *et al.,* 2023) and organisational identity (Daoust *et al.,* 2024). Nonetheless, a gap remains in studying the SMP itself, as "a business to run" (Verplancke *et al.,* 2023, p.71). Overall, the literature highlights that SMPs operate in a dynamic environment, facing a web of interconnected legislative and regulative, technology, staffing and client-related challenges that constrain capacity.

The legislative and regulative environment is consistently cited as a burden for SMPs (Verplancke *et al.,* 2023; Daoust *et al.,* 2024). Although SMPs rarely participate in the standard-setting process, Durocher, Gendron and Picard (2016) note that they must comply with global standards, often viewed as ill-adapted to the SMP client base. Requirements such as excessive disclosures and cumbersome internal control assessments are viewed as adding limited value for SMEs or their stakeholders and as of "dubious" (p.75) relevance. This reflects a perceived "one-way power relationship from standard setters" (p.75). Increasing regulatory demands have raised the cost of compliance, particularly in relation to audit, and created a barrier to entry (Lander, Koene and Linssen, 2013), with established firms subject to rigorous inspections by oversight bodies (Durocher, Gendron and Picard, 2016). Studies also highlight that increased deregulation in auditing and financial reporting, often designed to reduce the assurance burden on SMEs, creates significant challenges for SMPs (Ma, Fisher and Nesbit, 2021) by eroding protected boundaries and increasing competition from other providers (Alam and Nandan, 2010; Lander, Koene and Linssen, 2013).

Clerkin, Murphy and Quinn (2026) describe accounting as "a story of technological transformation" (p.97), noting that AI has since permeated SMPs "through software and cloud-based platforms" (p.118). While such technologies introduce efficiencies and reduce complexity and labour intensity (Lander, Koene and Linssen, 2013), they also present significant challenges. SME clients can internalise routine data-entry/bookkeeping tasks, putting downward pressure on billable hours and profit margins traditionally associated with "bread and butter" compliance services (Ma, Fisher and Nesbit, 2021, p.3). Wines *et al.* (2013) highlight infrastructural limitations, such as broadband deficits, may impede adoption. Ma, Fisher and Nesbit (2021) identify organisational readiness,

particularly IT capability, leadership support and in-house expertise, as shaping SMPs' ability to adopt technologies. Transitioning to cloud systems introduces risk, including data security, service interruptions and vendor lock-ins, sometimes exacerbated by SMPs' limited bargaining power when negotiating service agreements. Finally, as technology enables closer client collaboration/integration, "tighter coupling" (Ma, Fisher and Nesbit, 2021, p.16), there is an inherent competitive threat, enabling clients to bypass local accounting services (Wines *et al*., 2013) or access lower cost alternatives (Ma, Fisher and Nesbit, 2021).

SMPs operate under the same normative expectations to maintain professional knowledge as larger firms but operate with fewer resources or organisational structures (Malo, Fortin and Héroux, 2024). The ongoing "war on talent" (Verplancke *et al*., 2023, p.94), spanning recruitment, retention, and limited internal expertise, is considered a key constraint on operational capacity (Daoust *et al.,* 2024; Malo, Fortin and Héroux, 2024). A general shortage of qualified accountants is evident, particularly acute in regional and rural Australia (Alam and Nandan, 2010; Wines *et al.,* 2013). Firms also struggle to attract entry-level staff (Wines *et al.,* 2013), competing with larger firms. This, together with "declining student interest in accounting" (Daoust *et al.,* 2024, p.4), further intensifies pressures. At senior levels, voluntary retirements in response to increased audit-related regulations contribute to knowledge loss (Malo, Fortin and Héroux, 2020). Additionally, limited internal expertise continues to constrain diversification and internationalisation (Bagchi-Sen and Kuechler, 2000; Ali, 2023).

SME scepticism regarding the SMP's expertise, fee sensitivity and the management of close client relationships, creates a complex array of client-related challenges. Traditionally, SMPs focused on routine, compliance-related services (Bagchi-Sen and Kuechler, 2000; Ali, 2023), but increasingly dynamic and digitally-enabled business environments necessitate that SMPs expand into broader value-added services (Bagchi-Sen and Kuechler, 2000; Ali, 2023), often as a means to supplement stagnating compliance-related fee income (Anderson-Gough, Grey and Robinson, 2002). While a broader services offering is linked to higher revenue (Døving and Gooderham, 2008), the SMPs' business advisory role remains unsubstantiated (Ali and Mustafa, 2023). Navigating this transition to advisory services can be inhibited by a mismatch between SMP capabilities and client expectations, and a persistent gap in how expertise is perceived and valued (Wines *et al.,* 2013; Blackburn, Carey and Tanewski, 2018; Ali, 2023). Clients need first to be convinced of the SMP's industry-specific expertise and business acumen, before engaging advisory services (Blackburn, Carey and Tanewski, 2018), yet often undervalue them. SMPs frequently provide "business and personal intrinsic services" (p.370), acting as confidantes, where clients expect their accountant to

act like a "sounding board…[or even a] psychologist" (p.369), but often "don't see why they should pay for it" (Wines *et al.,* 2013, p.169). This undervaluation and ongoing fee sensitivity are persistent challenges (Malo, Fortin and Héroux, 2020; Verplancke *et al.,* 2023).

Research instigated by global professional organisations and representative bodies provides insights from an SMP and client perspective.

3.2.2 Professional accountancy body perspective

Professional accountancy representative bodies (e.g., IFAC, ACCA, the Edinburgh Group) and national organisations regularly conduct research to better understand and support the SMP sector. Much of the research takes the form of global surveys, with qualitative insights from interviews, focus groups and case sites. For example, IFAC captured snapshots and longitudinal global trends in their annual surveys 2014 to 2016, and 2018 (Keune and Keune, 2015; Webber and Street, 2016, 2017, 2018). Similarly, ACCA and the Edinburgh Group (Street *et al.,* 2019) commissioned more in-depth studies exploring changing BMs, talent management strategies and digital transformation within SMPs. Table 3.2 summarises the key challenges identified following a review of this literature.

Table 3.2: Summary of key challenges facing SMPs- Professional perspective

Author	Empirical setting	Research method and type of analysis	Top Challenges
Institute of Chartered Accountants England and Wales (2003) - ICAEW	SMP - UK	Qualitative Discussion groups Secondary data analysis (ICAEW inter-firm survey, Market and Opinion Research International (MORI) polls, SWAT inter-firm surveys)	– Profit stagnation and pressure on margins from compliance work – Failure to differentiate between firm administration and management – Recruitment and retention of staff – Succession – SMP market consolidations and integrations – Audit exemption limit – Technology – Risk assessment, management and mitigation – Poor marketing skills – Lack of differentiation
Devi and Samujh (2010) - ACCA	174 SMP practitioners - Malaysia	Mixed methods 11 Focus groups Survey	– Recruitment and retention of staff – Client expectation gap – Fee pressures – Competition from "unregulated, unlicenced, uncontrolled 'bogus accountants'" (p.50) – Poor client financial literacy and record keeping
Institute of Certified Public Accountants of Singapore (ICPAS) and Certified	130 SME respondents 108 SMP respondents - Singapore	Quantitative Survey	*SMEs' perspectives:* – Biggest barrier to advisory services was cost (74%) – SMPs lack sufficient skilled staff (37%) and international presence (35%) *SMPs' perspectives – challenges in growing advisory services:* – Attracting trained staff

Public Accountants Australia (CPAA) (2013)			– Existing staff- lack of relevant training and competencies – Available time to train staff – Low profit margins – Low demand for advisory services
ACCA (2015)	531 SMPs - Global	Quantitative Survey Factor analysis to create 12 broad themes Binary regression analysis to segment SMPs into 4 practice profiles	*Challenges experienced globally:* - Fee pressures (53.3%) - Attracting suitable professional staff (52.3%) - Difficulty finding and engaging clients (46.1%) - Intensifying competition (42.7%) - Rising cost of doing business (33.2%) - Regulatory compliance (29.3%) *Note:* variation in results by country
ACCA (2017)	1,278 professionals working in SMPs (aged 16-36) - Global	Mixed methods Survey Qualitative insights from interviews and roundtables	*SMP employees – barriers to career progression:* – Lack of available roles (41%) – Insufficient reward/remuneration (34%) – Insufficient formal training and learning opportunities (31%) *SMP employers* – Talent retention – Competition for staff from large corporates and Big 4
ACCA (2019)	SMPs Global – UK, Australia, South Africa, Barbados and the Netherlands	Case studies focusing on early adopters of digital accounting technology - consolidating their experience into an actionable roadmap	– Clients o Resistance to technology o Perceived cost of software subscriptions or broadband – Staff o Sourcing right hybrid of technical, digital and soft skills o Reskilling staff whose previous roles are now digitised – Environment: o Managing forced transition to government initiatives o Navigating software market dominated by vendor concentration
Street, Albu, Albu and Webber (2019) - Edinburgh Group	1,906 SMP practitioners across 52 countries. 14 Professional Accountancy Organisations (POA)	Mixed methods Survey Interviews Best practice case sites	*POA perspective:* – Regulation/Deregulation – Client expectation gap – Digitalisation – Globalisation *SMP perspective:* – Digitalisation (current impact 52%; future impact 70%) – Regulation (current impact 51%; future impact 60%) – Competition for clients – Attracting and retaining staff o Salary and compensation (34%) o Employment opportunities in other fields (27%) o Work-life balance (25%) o Quality of work at the SMP (24%) o Failure of staff to develop necessary skills (16%)
Certified Public Accountants Australia (CPAA) (2019)	641 public practice members 611 clients 400 SME clients - Australia	Mixed methods Survey Focus groups (4) Desktop research and analysis	*Regulatory-related challenges:* – Multiple licences to offer a full suite of services – Cost and time of regulatory obligations – Absorb additional costs – New education, professional and ethical, viewed as duplicative and burdensome for experienced staff – Conflicting regulations – Overlapping CPD
Zaronina-Kirillova (2020) - ACCA and Chartered Accountants Australia and New Zealand	60 SMP practice leaders and employees from 20 countries - Global	Qualitative Interviews Case studies Expert testimonials	*Careers in SMPs:* Critical challenges – Attracting, developing and retaining talent o Competition from Big 4 and corporate sector o Lack dedicated recruitment resources o Bridging the generation gap o Navigating rapid shift to remote working (accelerated by COVID-19 pandemic)

(CAANZ)			– Digital transformation
International Federation of Accountants (IFAC) – Annual Global SMP surveys (current challenges)			
2014 survey: Keune and Keune (2015)	5,083 practitioners across 135 countries	Quantitative Global online survey	– Attracting new clients (58%) – Regulations and standards (57%) * 1st – Pressure to lower fees (51%) – Differentiating from competition (50%) * 2nd – Rising costs (50%) – Technology developments (46%) * 3rd * *top challenges impacting the firm over next 5 years*
2015 survey: Webber and Street (2016)	6,725 practitioners across 169 countries	Quantitative Global online survey	– Attracting new clients (47%) – Regulations and standards (44%) * 1st – Differentiating from competition (43%) * 2nd – Pressure to lower fees (41%) – Technology developments (37%) * 3rd * *top challenges impacting the firm over next 5 years*
2016 survey: Webber and Street (2017)	5,060 practitioners across 164 countries	Quantitative Global online survey	– Attracting new clients (46%) – Regulations and standards (41%) * 1st – Pressure to lower fees (41%) – Differentiating from competition (39%) * 3rd – Attracting and retaining staff (39%) – Technology developments (35%) * 2nd * *top challenges impacting the firm over next 5 years*
2017 survey: Webber and Street (2018)	6,258 practitioners across 150 countries	Quantitative Global online survey	– Attracting and retaining staff (54%) – Pressure to lower fees (48%) – Differentiating from competition (46%) – Attracting new clients (46%) – Regulations and standards (45%) – Technology developments (38%) *Future sentiment regarding challenges not provided in this report*

This research is drawn from diverse empirical settings, ranging from national studies (e.g., UK, Malaysia and Singapore) to expansive global studies, where SMP challenges and business environments vary significantly, and are shaped by economic, regulatory and cultural norms. Nonetheless, "practices are running faster to stand still" (ICAEW, 2003, p.6), facing common challenges, revolving around the following categories: legislative and regulative, technology, staffing and client-related.

Legislative and regulative-related challenges, particularly keeping up with evolving standards, deregulation and compliance burdens, are consistently ranked among SMPs' top concern globally (Webber and Street, 2016, 2017; ACCA, 2015; Street *et al.,* 2019). Firms struggle with complex, ever-changing and overlapping regulatory requirements (ICPAS and CPAA, 2013; CPAA, 2019), including multiple licences, registrations and CPD obligations described as "restrictive and overwhelming", as well as "inefficient and ineffective" (CPAA, 2019, p.24). SMPs are also dealing with deregulation, such as the relaxing of statutory audit thresholds (ICAEW, 2003; ICPAS and CPAA, 2013), which has put pressure on margins from compliance work (ICAEW, 2003),

traditionally considered the “cash cow” (ACCA, 2015, p.8) of the sector, forcing firms to seek new opportunities and innovate (ACCA, 2015). These combined pressures limit SMPs’ ability to offer a “breadth and depth of accessible and affordable services demanded by clients” (CPAA, 2019, p.6) and raise concerns about declining client fee increases, further challenging the viability of SMPs’ BMs (CPAA, 2019).

Staff-related challenges, such as attracting, developing and retaining talent, remain a persistent global concern for SMPs. IFAC global survey data shows firms citing talent management as a 'high' or 'very high' challenge increased from 39% to 54% between 2016 and 2018. SMPs are often disadvantaged because of limited recruitment resources (Zaronina-Kirillova, 2020) and competition from the corporate sector and larger firms, including the Big 4 (ACCA, 2017; Street *et al.,* 2019), who have the “advantage of prestige, more attractive compensation and benefits, networking and future job opportunities” (Street *et al.,* 2019, p.49). The shortage of high-quality graduates, lacking fundamental competencies, further intensifies pressures (Devi and Samujh, 2010). Evolving BMs also require “hybrid specialists” (Zaronina-Kirillova, 2020, p.14), with technical accounting knowledge, digital fluency and soft skills that are very difficult to resource (Street *et al.,* 2019). While strong technical skills, ethics and integrity remain central to the SMP practitioner’s role, the profession is undergoing a reframing of what competencies mean. As routine tasks become automated and clients demand more interpretive, strategic and forward-looking insights, competency expectations are shifting from technical expertise towards critical and analytical thinking, adaptability and relationship management, which have emerged as integral to the SMP value proposition (ACCA, 2016; Zaronina-Kirillova, 2020). Indeed, staff must increasingly navigate digitally-enabled environments, evaluate risks and apply judgement in contexts shaped by automation and data-driven decision-making (Webb, 2020).

SMPs face significant challenges in developing and retaining talent due to limited financial and time resources, with approximately 31% of younger professionals citing a lack of formal training as a barrier to career development (ACCA, 2017). Staff attrition is driven by factors such as “salary and compensation”, “opportunities in other fields”, “work-life balance” and “quality of work” (Street *et al.,* 2019, p.25), together with a “lack of available roles…[and] insufficient reward” (ACCA, 2017, p.28). The SMPs’ flatter organisational structure and lack of senior roles fuel mobility, with many young professionals “want[ing] to leave the sector” (ACCA, 2017, p.21) for opportunities in larger firms or international markets. Additionally, SMPs must manage a “generation gap” (Zaronina-Kirillova, 2020, p.36), mentoring younger tech-savvy professionals while experienced professionals adapt to digital change.

ACCA (2019, p.7) notes that technology is recognised both as an "opportunity driver", enabling innovation, and a "compliance driver" (filing returns, collecting taxes), with far-reaching implications for SMPs' BMs, "transforming the structure and purpose of the practice itself" (Zaronina-Kirillova, 2020, p.13). However, despite technology's benefits, it remains a top long-term challenge in IFAC's global surveys, with firms citing difficulties in selecting, "investing in and staying current with software…[and] hardware" (Webber and Street, 2016, p.19). Resource-constrained firms and a "confusing [vendor] landscape" (ACCA, 2019, p.7) hinder adoption. As firms transition to the cloud and paperless systems (Webber and Street, 2018; Street *et al.,* 2019), managing cybersecurity risks and privacy has emerged as a day-to-day challenge (Webber and Street, 2018; ACCA, 2019).

SMPs must also navigate the impact of technologies on traditional accounting roles (Webber and Street, 2018), compliance and bookkeeping work (Street *et al.,* 2019). Automation is commoditising compliance services, pressurising fee income, and enabling clients to become self-reliant, eroding perceived SMP value, while simultaneously increasing expectations of rapid response times (Street *et al.,* 2019). SMPs must navigate the digital divide, balancing tech-savvy client needs with resistance among other, typically older, clients, while addressing the internal skills gap to fully leverage technological capabilities (ACCA, 2019; Zaronina-Kirillova, 2020).

As technology transforms SMPs' BMs and firms transition towards BAS, client-related challenges persist, such as an expectations gap (ICPAS and CPAA, 2013; Street *et al.,* 2019), where clients maintain traditional notions of SMPs' competencies in accountancy, tax and assurance, viewing consultants as "distinct and separate" (Devi and Samujh, 2010, p.3). Internationally-focused SMEs perceive SMPs as lacking expertise, international presence or strategic alliances to support their growth expansion plans (ICPAS and CPAA, 2013). Nonetheless, SMEs' own limitations, such as low financial literacy and poor record keeping, and mindset, are identified as "a significant barrier to enhancing the SMP role" (Devi and Samujh, 2010, p.36).

Fee pressure remains a consistent issue, with cost-conscious clients seeking discounts, free advice or switching to lower-cost providers (ACCA, 2015; Street *et al.,* 2019). In some regions, firms reported cash-flow management issues resulting from clients' unwillingness/delay in paying their invoices (Devi and Samujh, 2010; Webber and Street, 2016, 2017).

As this thesis is situated in an Irish context, this literature will now be reviewed.

3.2.3 Ireland: an overview

Irish SMPs, similar to their UK counterparts, operate in a dynamic environment where they face a multitude of evolving operational, regulatory and technological pressures. Contemporary academic research into challenges impacting the Irish SMP sector is limited, with most insights in Table 3.3 below, drawn from professional literature.

Table 3.3: Summary of key challenges facing the SMP - Irish perspective

Author	Empirical setting	Research method and type of analysis	Top Challenges
Doran (2006)	33 SMEs surveyed, 5 owner managers, CAI and CPAI practice advisory representatives - Ireland	Mixed methods Survey Interviews	*SME owners noted the following regarding their accountants:* – Heavy workloads contribute to a reactive approach – Poor marketing and communication – Growing expectation gap – Lack of specific industry knowledge Perception of being "all things to all people" (p.39) without effectively utilising external network
2018 survey: Webber and Street (2018) - IFAC	15 practitioners - Ireland (data given directly to researcher by IFAC)	Global online survey Quantitative descriptive analysis	– Regulation – Technology developments – Attracting and retaining staff – Rising costs and managing cash flow – Attracting and retaining clients – Pressure to lower fees – Competition (e.g., other practices or professionals)
Street, Albu, Albu and Webber (2019) - Edinburgh Group	89 SMP practitioners - Ireland Certified Public Accountants Ireland 2 Case sites	Mixed methods Survey plus descriptive analysis Interviews Case site exemplars	*CPA Ireland perspective:* – Regulation – Technology – Staffing *SMP perspective:* – Regulation (current impact 72%; future impact 80%) o Accounting standards, overhaul Companies Act, Pay As You Earn (PAYE) modernisation, iXBRL mandatory reporting, mandatory online filing, General Data Protection Regulation (GDPR). – Staffing turnover o Opportunities in other fields (35%) o Remuneration (29%) o Competition for from large multinationals – Client expectations – Erosion of fee base from compliance work – Competition (reported as high) o Other SMPs (41%) o Unregulated advisers (31%)
McEvoy (2023)	SMPs - UK and Ireland	Survey	*Challenges associated with digitisation*: – Client buy-in (81%) – Lack of planning (81%) – Lack of time (80%) – Identifying the best software from a wide array of disconnected options
CAI (2025b)	334 SMPs - Northern Ireland and the Republic of Ireland	Survey plus quantitative descriptive analysis	– Regulation (69%) – Attracting and retaining staff (59%) – Dealing with state agencies (51%) – Technological changes (40%)

Irish SMPs identify navigating the legislative and regulative challenge as their most critical concern (CAI, 2025b, p.2), reflecting longer-term trends highlighted by IFAC (Webber and Street, 2018) and the Edinburgh Group (Street *et al.,* 2019). The challenge is more pronounced for sole practitioners than their multi-partner counterparts (CAI, 2025b). Specifically, firms identified the "frequency of updates in tax law, financial reporting standards, and digital compliance mandates…[as] strain[ing] the operational efficiency of smaller practices" (CAI, 2025c, p.2), with PAYE modernisation, iXBRL and GDPR compliance highlighted as areas of concern (Street *et al.*, 2019). Additionally, 51% of firms reported difficulties dealing with Revenue and state agencies (CAI, 2025b), citing slow communication and bureaucratic processes as causes of operational strain (CAI, 2025c). Earlier research, Doran (2006), noted that expanded reporting obligations, introduced to police corporate fraud, places significant strain on their client relationships, with auditors effectively acting as "whistle blowers" (p.35).

Irish SMPs are not insulated from the war for talent, with 59% identifying challenges in attracting and retaining staff, particularly in multi-partner SMPs (CAI, 2025b). Street *et al.* (2019, p.26) found that staff attrition is driven by staff seeking opportunities in other fields (35%), including large multinationals such as "Google and Facebook" (p.71), and uncompetitive remuneration packages (29%) (p.26). At the same time, firms struggle "keeping up with the rapid pace of technological changes", with 40% citing difficulties in adapting (CAI, 2025b, p.2). Barriers to technological adoption, identified by McEvoy (2023, p.4), include limited "client buy-in–81%", a lack of planning (81%), time (80%) and financial resources (72%), together with managing cybersecurity and IT risks (Street *et al.,* 2019).

While firms recognise the benefits of digitisation, such as expanding services (89%) and increased productivity (81%) (McEvoy, 2023, p.3), they also face a widening expectation gap with clients increasingly expecting an "accountant on call" service (Street *et al.,* p.70), placing unreasonable demands on firms. Additionally, Street *et al.* (2019) noted clients were using software to replace compliance services, eroding fee income and lowering the perceived value of SMPs (Street *et al.,* 2019). Irish SMPs face strong competition from other SMPs (41%) and unregulated providers (31%) (Street *et al.,* 2019, p.22), restricting their ability to grow or raise fees. In response, firms are encouraged not to "be all things to all people" (Doran, 2006, p.39) but rather specialise, leverage external networks, carve out niche services and proactively market their advisory services to remain competitive (Street *et al.*, 2019; CAI, 2025c).

The above literature review reveals that certain characteristics of the SMP are apparent, such as being well established in their national setting in terms of client base and professional organisations (Alam and Nandan, 2010; Lander, Koene and Linssen, 2013). They are in a "unique position to identify the specific needs" (Collis and Jarvis, 2002, p.108) of their loyal clients. They operate in an industry which has "experienced a number of upheavals that challenge the traditional professional practice" (Lander, Koene and Linssen, 2013, p.132), such as technological and regulatory changes, together with competition for clients and staff (Webber and Street, 2018; Street *et al.,* 2019; CAI, 2025b). The implications of these challenges on the SMP BM will now be explored.

3.3 Implications of challenges on the SMP business model

The challenges in both the academic and professional literatures are categorised into four broad areas: legislative and regulative, technology, staffing and client-related challenges. The implications of these challenges on the SMP BM will now be discussed.

3.3.1 Legislative and regulative-related challenge

Keeping up with legislative and regulative requirements is consistently ranked as a significant day-to-day challenge facing SMPs and a key long-term constraint on efficiency (Webber and Street, 2016, 2017, 2018; CAI, 2025b). The challenge manifests in a series of interconnected pressures on the BM, as firms must balance the "normative constraints" imposed by complex compliance requirements, with limited human and financial resources, while meeting cost-sensitive client expectations and maintaining service quality (Malo, Fortin and Héroux, 2020, p.34).

Durocher, Gendron and Picard (2016) note that SMPs are experiencing an increasing inspection burden due to evolving oversight regimes, with many firms operating in a climate of "constant monitoring… [characterised by] practice inspections and mandatory quality control" (p.67). The rigidity of these processes and associated disciplinary mechanisms has created a climate of "surveillance and suspicion" (p.76) that some practitioners describe as paralysing, while others consider it a "natural part of professional work" (p.76). Continuous regulatory and legislative updates require ongoing organisational learning, but smaller firms suffer from the "jack-of-all-trades phenomenon" (Malo, Fortin and Héroux, 2024, p.723), leading to information overload and less proactive knowledge development. Reliance on external training and tools, not always tailored to their needs, increases the risk of non-compliance.

Limited client understanding of compliance requirements often results in SMPs absorbing increasing compliance-related costs internally (Street *et al.,* 2019), placing growing financial pressure on firms, given clients' reluctance to pay for compliance-related work perceived as low value (Durocher, Gendron and Picard, 2016; Malo, Fortin and Héroux, 2020). CPAA (2019) found that compliance demands consume significant practitioner time: over 60% report increased time commitment, with firms devoting the equivalent of 1.8 full-time staff to compliance, and a quarter spend at least 20% of revenue on compliance. These pressures strain client relationships and service provision, with over a third of firms considering withdrawing from certain services, particularly financial planning advice. Over half of firms reported increasing fees due to rising compliance costs, which many believe reduces affordability for SME clients.

Regulatory pressures are reshaping SMP's "internal organisation of the firm", with some SMPs creating separate audit entities (Lander, Koene and Linssen, 2013, p.139). As compliance becomes economically and practically less viable, some firms have exited the audit market (Durocher, Gendron and Picard, 2016), substituted audits with review engagements or changed their client base (Malo, Fortin and Héroux, 2020). This is fragmenting the profession, creating a "two-tier accounting regime" (Durocher, Gendron and Picard, 2016, p.67) where SMPs risk marginalisation and erosion of core auditing expertise (Malo, Fortin and Héroux, 2020). At the same time, the profession continues to prioritise its "traditional verification role, [of] providing assurance and independent judgement" amid rapid technological change (Clerkin, Murphy and Quinn, 2026, p.127), the implications of which are now discussed.

3.3.2 Technology-related challenge

Digital disruption triggered by emerging technologies (Ma, Fisher and Nesbit, 2021) is forcing a re-evaluation of business practices and the creation of new BMs (Chartered Accountants Worldwide, 2021) to drive growth (ACCA and Institute of Management Accountants (IMA), 2012; Lander, Koene and Linssen, 2013). While technology enables efficiencies by automating routine "'tick and bash' work" (ACCA, 2016, p.29) and reducing audit complexity (Lander, Koene and Linssen, 2013), it also requires investment in skills and education to build practitioners' confidence (ICAEW, 2003). SMPs do not require detailed IT-related technical knowledge *per se*, but a solid understanding of existing and emerging technologies to support a more "structured and analytical approach to audit and assurance engagements" (ACCA, 2016, p.29). Although technologies like AI do not replicate human intelligence (ICAEW, 2018), they can improve decision-making through high-speed, rules-based processing and intelligent algorithms (Clerkin, Murphy and Quinn, 2026). Technological developments, coupled with the strategic value of data, present an opportunity for SMPs to extend

service offerings, including access to advanced "business analytics…[once] available only to the largest…corporations" (Marston, Bandyopadhyay, Zhang, and Ghalsasi, 2011, p.178). By applying "technology to analysing, interpreting and presenting financial and non-financial data" (ACCA, 2016, p.35), SMPs can improve client decision-making.

Since the early 2000s, technology has supported SMPs' competitive advantage through service quality, responsiveness, customisation and specialisation (Bagchi-Sen and Kuechler, 2000). More recently, Ma, Fisher and Nesbit (2021) describe the SMPs' role as evolving towards that of an "overseer and trouble-shooter" (p.13) and "business advisor" (p.11), requiring a shift in skills from "producing to explaining figures" (Lander, Koene and Linssen, 2013, p.139). However, this transition may be constrained by internal resistance and skills gaps, particularly in communication and commercial capabilities (Lander, Koene and Linssen, 2013). These challenges are compounded by AI-driven disruption, which may reduce staffing needs and disrupt talent flows, further weakening SMPs' competitive position (Daoust *et al.*, 2024). Also, clients' resistance to digital adoption and errors arising from improper use of technology may result in complex, time-consuming, and costly data-correction work for SMPs (ACCA, 2019; McGuirk, 2023).

Although technologies are intended to alleviate regulatory, compliance and administrative burdens, and free resources for higher-value activities (ACCA and IMA, 2012; Lander, Koene and Linssen, 2013; Street et *al.,* 2019), this investment paradoxically coincides with growing pressure on fee income due to commoditisation of accounting services (Ma, Fisher and Nesbit, 2021). Automation of routine tasks is undermining traditional compliance services as the primary revenue generators of many SMPs (Ma, Fisher and Nesbit, 2021; ACCA, 2019), necessitating SMPs to pivot their BMs, leverage technology and offer higher-value advisory services (Lander, Koene and Linssen, 2013). However, this requires significant financial investment and scale to achieve the critical mass needed to remain competitive and benefit from economies of scale (Lander, Koene and Linssen 2013), presenting a challenge for resource-constrained firms. Ongoing investment and managing cybersecurity and data privacy risks further complicates adoption (Webber and Street, 2018; ACCA, 2019). Nonetheless, ACCA (2019) observes that SMPs must reconsider how they capture value, with firms moving from time-based billing towards fixed-fee, value-based pricing and subscription models that "create a solid and predictable year-round revenue stream" (p.10).

Webb (2020) finds the profession is comfortable with established technologies but is less confident with emergent technologies such as blockchain and AI. This digital shift is altering SMP competency requirements towards digital fluency and soft skills, including data interpretation, strategic thinking,

emotional intelligence, and client communication (ACCA, 2019; Zaronina-Kirillova, 2020). To bridge this gap, SMPs are recruiting non-accountants, such as IT specialists, software integrators and data scientists (Street *et al.,* 2019) or rely on outsourcing or offshoring arrangements (ACCA, 2019). Technology is also reshaping talent management within SMPs, supporting younger professionals' expectations for modern, technology-enabled, and flexible work environments, enabling higher-value activities and helping firms address persistent recruitment and retention challenges (ACCA, 2017; Zaronina-Kirillova, 2020).

3.3.3 Staffing-related challenge

Recruitment and retention are consistently reported as major challenges by SMPs (Street *et al.,* 2019), and are critical to long-term success (ICAEW, 2003; Zaronina-Kirillova, 2020). SMPs must ensure they have the knowledge, expertise and attitudes needed to successfully adapt to the increasingly complex business environment. As traditional employment models evolve and employee values and expectations change (Zaronina-Kirillova, 2020), SMPs need to progress recruitment, staff development, and retention strategies that align the firms' needs with a multi-generational workforce (Twenge, 2010; Zaronina-Kirillova, 2020).

The coexistence of Millennials[17] managers and Gen Z entry level staff presents a significant challenge for SMP, as differing expectations around work ethic, loyalty (Twenge, 2010), digital fluency (Francis and Hoefel, 2018), self-sufficiency and entrepreneurial orientation (Merriman and Valerio, 2016), valuing trust, fairness, respect and individual expression (Schweiger and Ladwig, 2018), and job security and stability (Zaronina-Kirillova, 2020), shape how employees engage with their roles. These generational distinctions influence managers' understanding of the social identity patterns of their employees and the changing nature of work and careers within the workplace (Lyons, Urick, Kuron and Schweitzer, 2015). Indeed, building and maintaining a team with the skills, competencies and shared values of the firm is vital for its future success (Zaronina-Kirillova, 2020).

Talent management in SMPs is highly strategic, as recruitment approaches, from "grow your own" models (Zaronina-Kirillova, 2020, p.27) to hiring graduates or experienced professionals, must align with the firm's BM. Poor recruitment decisions pose significant risks to client relationships and internal dynamics and consume scarce partner time (Zaronina-Kirillova, 2020). This places pressure

[17] Staff related literature describes the current workforce using monikers loosely defined by birth year: "Baby Boomers (Boomers; born 1946-1964), Generation X (GenX; born 1965-1981), Generation Me (GenMe, also known as GenY, Millennials, nGen and iGen; born 1982-1999)" (Twenge, Campbell, Hoffman and Lance, 2010, p.1118) and "Generation Z (GenZ; born 1996-2010)" (Brown, Shallcross and Stuebs, 2019, p.37).

on BM sustainability (Street *et al.,* 2019), forcing firms to strengthen their "recruitment brand" (Zaronina-Kirillova, 2020, p.6) and articulate their employer value proposition, considered as important as their client value proposition. SMPs must constantly counter market perceptions that they offer limited learning and career opportunities compared to the Big 4 (Daoust *et al.,* 2024), while conveying realistic representations to maintain recruitment integrity and credibility (Jeacle, 2008). Differentiation relies on promoting unique attributes such as work-life balance, flexible and remote working arrangements and a close-knit, collegiate culture (ACCA, 2017; Street *et al.,* 2019; Zaronina-Kirillova, 2020).

High attrition rates driven by intense competition from larger firms and the corporate sector (Street *et al.,* 2019), together with the perception among younger professionals of the SMP as a "stepping stone" (ACCA, 2017, p.21) in their careers, create a continuous financial and operational drain on resources through repeated recruitment and training costs. Limited resources constrain formal in-house training programmes, leading to reliance on time-intensive on-the-job learning and informal mentoring (ACCA, 2017). To address attrition issues, SMPs can no longer rely on uniform retention approaches (Zaronina-Kirillova, 2020); rather, firms must tailor retention strategies, including transparent communication, consistent policies, personalised development pathways, mentorship and flexibility. As a result, talent management has become a strategically complex and resource-intensive challenge for SMPs (Zaronina-Kirillova, 2020).

SMPs' reliance on a small number of experienced staff (Malo, Fortin and Héroux, 2024) creates workload pressures, increasing the risk of burnout and overextension of partners who are juggling multiple roles (Daoust *et al.,* 2024). Limited internal progression, particularly in rural and regional areas, further constrains long-term succession planning (Wines *et al.,* 2013) and talent pipelines, as firms struggle to attract and retain staff. Resource limitations also hinder in-house training, restricting the development of staff with the necessary "hybrid" mix of technical, digital and soft skills required to diversify their service offering into more complex, non-traditional advisory and consulting services (Wines *et al.,* 2013; Street *et al.,* 2019; Zaronina-Kirillova, 2020), increasingly demanded by clients. The implications of such client-related challenges will now be discussed.

3.3.4 Client-related challenge

Client-related challenges fundamentally disrupt the traditional SMP BM, forcing firms to re-evaluate how they price services, manage relationships and structure their operations. The implications of these challenges manifest in a number of critical ways.

Persistent fee pressure from cost-conscious SME clients, who frequently bargain, delay payments or move to the lowest-cost provider, undermines SMPs' profitability and ability to price services appropriately and consequently their financial capacity to recruit, retain and reward staff (Devi and Samujh, 2010; Wines *et al.,* 2013). To respond, firms are encouraged to adopt value-based (IFAC, 2017b) or fixed-fee pricing models (Street *et al.,* 2019) and actively manage their client base through "yield management" (IFAC, 2017b, p.7), focusing on profitable, well-aligned clients rather than price-driven engagements (Wines et *al.,* 2013; IFAC, 2017b).

Because SMP client relationships are often rooted in compliance services, clients may develop expectations regarding the scope of work, free ad hoc advice and high levels of accessibility that strain SMP time and resources (Devi and Samujh, 2010). Therefore, SMPs must actively manage expectations through clear delineation of boundaries between compliance and advisory services, formalising service tiers and payment terms through detailed engagement letters (Street *et al.,* 2019). Client perception also constrains advisory services uptake, as some SMEs adopt a ""fortress enterprise" mentality" (Blackburn and Jarvis, 2010, p.12), remaining reluctant to expose weaknesses and sceptical of SMPs' broader capabilities (Blackburn, Carey and Tanewski, 2018). As a result, established compliance-related relationships do not automatically translate into advisory engagements; SMPs must invest time, sometimes non-billable, to develop trust and empathy, demonstrate industry expertise, build a genuine understanding of the SME's business, and educate clients about the firm's broader value proposition (Blackburn, Carey and Tanewski, 2018). To meet increasingly complex client needs (e.g., internationalisation and regulatory complexity) (ICPAS and CPAA, 2013), resource-constrained SMPs must adapt their BMs, either by developing niche expertise or leveraging referral networks and strategic alliances (Street *et al.,* 2019), to extend their service offerings.

Despite the rise in digital communication, face-to-face interaction and personal attention remain critical to building client trust, promoting service and ensuring client retention (Bagchi-Sen and Kuechler, 2000). However, Daoust *et al.* (2014) note that providing such a "customised and high-touch" (p.17) service is resource-demanding and can place considerable strain on capacity, leading to burnout.

Effective communication, particularly timely and direct phone communication, is strongly linked to firm performance (Verplancke *et al.*, 2023), with competitive advantage stemming from how technology is used, rather than the technology itself. Indeed, client behaviour can hinder SMP digital transformation efforts, as untrained use of cloud-based software can frustrate the SMP's ability to

focus on higher-level advisory work, as anticipated efficiency gains are often undermined by time-consuming data-correction work and lack of client buy-in (Wines *et al.,* 2013; McGuirk, 2023).

3.4 Conclusion

This chapter examined the key challenges affecting SMPs, drawing on international and Irish perspectives in both academic and professional literature. The implications of these complex and interrelated challenges were discussed to provide a comprehensive understanding of how they impact the SMP BM. While an increase in research addressing this sector was evident, the existing literature remains fragmented and in an early stage of development. To fully understand the evolving SMP BM, further studies must move beyond the prescriptive advice often found in existing professional literature to empirically capture real-world dynamics.

Chapter 4 Business Models

4.1 Introduction

This chapter begins by examining the BM concept (Section 4.2), exploring its conceptualisations, clarifying the distinction between business strategy and the BM, and establishing the BM as a value process, where the organisation creates, delivers and captures value. Section 4.3 narrows the focus of the chapter to examine the BM as an activity system, prior to discussing it as a dynamic conceptualisation in Section 4.4, which must evolve and overcome barriers that constrain its development. Section 4.5 discusses the operationalisation of the BM concept, its components and rationale for selecting the Hedman and Kalling (2003) BM conceptualisation for this study. Section 4.6 details the necessary adaptations to this BM conceptualisation to situate the BM within the study's institutional theoretical lens (IL and IW–discussed in Chapter 5).

4.2 The business model concept

The importance of a BM as a "structured management tool" (Miller, McAdam, Spieth and Brady, 2021, p.619) for creating and maintaining competitive advantage is widely recognised (Magretta, 2002; Wirtz, Pistoia, Ullrich and Göttel, 2016). Despite considerable academic and practitioner interest (Zott, Amit and Massa, 2011; Wirtz *et al*., 2016), the literature reveals (i) an absence of a common theoretical framework, (ii) debate around its construct boundaries and (iii) considerable variation in definitional clarity (Zott, Amit and Massa, 2011; Wirtz *et al.,* 2016; Massa, Tucci and Afuah, 2017). Although early BM literature focused on taxonomy and e-business, subsequent scholarship conceptualises the BM as a holistic unit of analysis (Zott, Amid and Massa, 2011), representing the "logic of the firm-how it operates and creates value for stakeholders" (Casadesus-Masanell and Ricart, 2010, p.195). Magretta (2002) contends that a sound BM clearly explains customers, value creation and economic logic, and remains fundamental to organisational success. The following discussion on the development of the BM concept will help contextualise its application within this thesis.

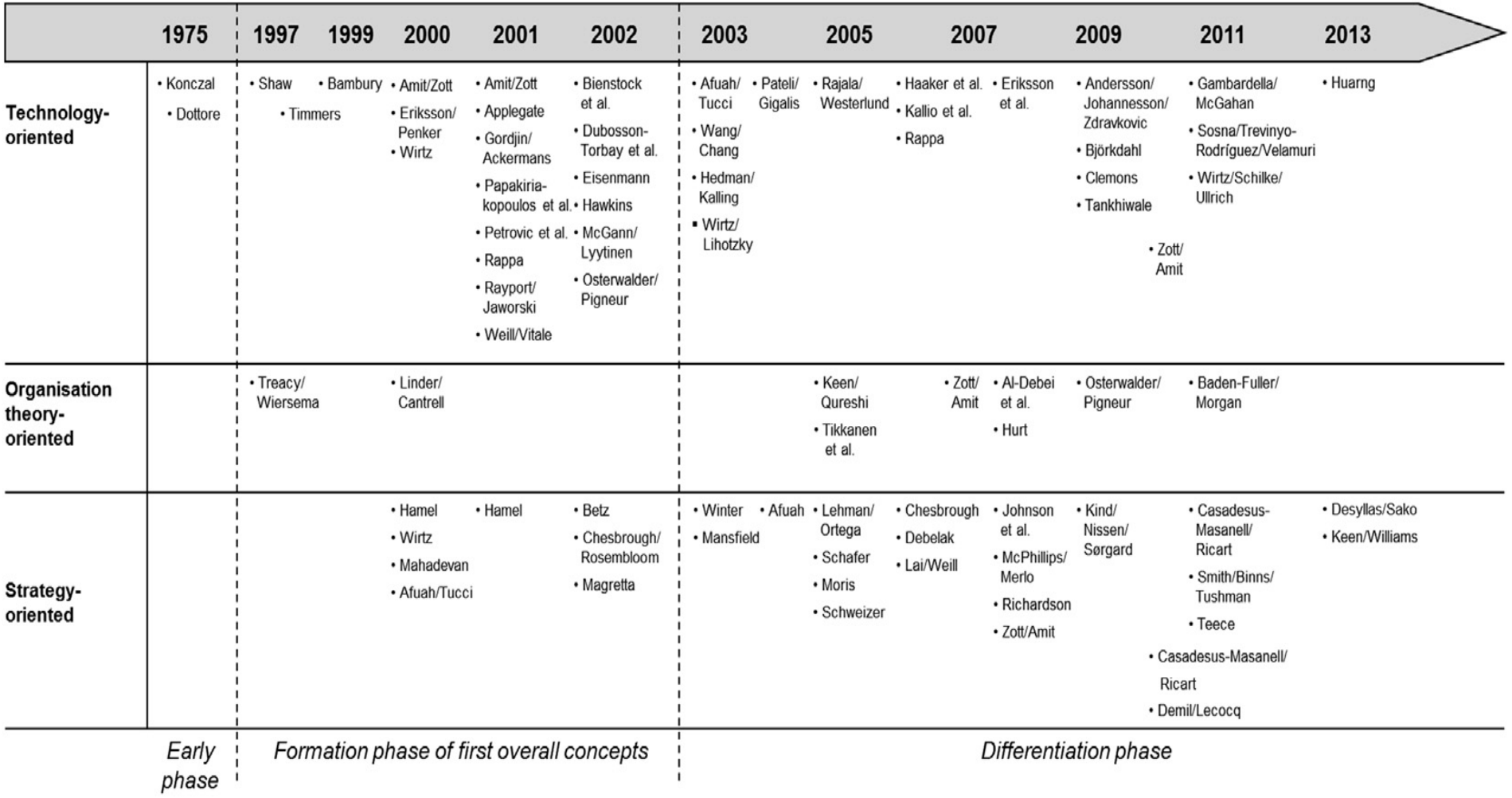
4.2.1 Development of the business model concept

The BM concept emerged 60 years ago (Osterwalder, Pigneur and Tucci, 2005) within the information technology discipline as a tool for process modelling and gained prominence with the proliferation of e-business, evolving into an integrated representation of an organisation for decision-making (Wirtz *et al.*, 2016). However, its rapid diffusion in the late 1990s created significant conceptual ambiguity, and it was criticised as "fuzzy and vague" (Al-Debei and Avison, 2010,

p.359). This lack of clarity stemmed partly from its fragmented adoption in disciplinary silos, including e-business, strategy and innovation (Zott, Amit and Massa, 2011). For example, organisational theory conceptualises a BM as an abstract representation of an organisation's structure (Hedman and Kalling, 2003; Al-Debei and Avison, 2010; Wirtz *et al.,* 2016), while strategy emphasises differentiation (Chesbrough and Rosenbloom, 2002), dynamic capabilities[18] and strategic innovation (Teece, 2010). The absence of a shared theoretical foundation hindered attempts to synthesise the fragmented BM literature (Teece, 2010). Figure 4.1 below provides an analysis of literature across three basic orientations (technology, organisation and strategy) over time.

[18] "Dynamic capabilities which are underpinned by organizational routines and managerial skills, are the firm's ability to integrate, build, and reconfigure internal competences to address, or in some cases to bring about, changes in the business environment" (Teece, 2018, p.40).

Figure 4.1: Overview of business model literature



Source: Wirtz *et al.*, 2016, p.38

Synthesising the literature in Figure 4.1, Wirtz *et al.* (2016) highlight blurred theoretical boundaries complicate in post-2000 studies, yet identify shift from narrow, process-oriented view of the BM to a broader, company-level and strategic perspective. Although an integrated view combining internal and competitive dimensions has become dominant (Osterwalder and Pigneur, 2010), convergence is not evident across disciplines and a universally accepted definition remains elusive (Wirtz *et al.*, 2016). This reflects the fragmented development of the BM concept and need for clearer theoretical conceptualisations. Accordingly, the following section examines four prominent BM conceptualisations and locates the conceptualisation used in this study.

4.2.2 Conceptualisations of business models

Prior research largely agrees that the BM represents an organisation's value process, and the interactions between its value elements (proposition, creation, delivery and capture) (Massa, Tucci and Afuah, 2017). However, definitions vary across theoretical perspectives. To organise this landscape, Massa, Tucci and Afuah (2017, p.73) identify three primary BM interpretations: (1) cognitive and linguistic schemas; (2) formal conceptualisation representations; and (3) attributes of real firms. In turn, Miller *et al*. (2021) identify "four prominent conceptualisations" (p.620–italicised in 4.2.2.1 to 4.2.2.3 for clarity) in the literature, which can be mapped onto these interpretations.

4.2.2.1 Business models as cognitive schemas

Some scholars conceptualise the BM as "*cognitive schema, structures and heuristics"* (Miller *et al.,* 2021, p.620), reflecting "managerial choices and their operational implications" (Martins, Rindova and Greenbaum, 2015, p.105). Chesbrough and Rosenbloom (2002) build on the "notion of a dominant logic" (p.531) and contend this logic shapes how BMs evolve, constraining management 'sense-making' based on existing beliefs rooted in the organisation's current BM.

4.2.2.2 Business models as formal conceptual representations

Miller *et al.'s* (2021) second and third conceptualisations align with Massa, Tucci and Afuah's (2017) interpretation of a BM as formal conceptual representations or models of the business. From this perspective, the BM is conceptualised as (1) *an abstract representation of an organisation's architecture*, distinct from, but linked to, strategy (Teece, 2010, 2018; Teece, Peteraf and Leih, 2016; Massa, Tucci and Afuah, 2017). Also, it is conceptualised through the (2) *specification of BM components as representations and interpretations of how organisations operate* (Osterwalder,

Pigneur and Tucci, 2005; Massa, Tucci and Afuah, 2017), providing a static blueprint of component coherence (Demil and Lecocq, 2010).

Such representations (model) abstract core BM elements, simplify complexity and support the articulation and transfer of tacit knowledge (Massa, Tucci and Afuah, 2017). These models vary in the level of abstraction, content and semantics, with meta-BM canvas representing higher-level abstraction (Osterwalder and Pigneur, 2010) popular among managers and practitioners.

4.2.2.3 Business models as attributes of real firms

Finally, BMs are interpreted as an "empirical phenomenon or attribute of real firms" (Massa, Tucci and Afuah, 2017, p.76), reflecting *systems of activities* performed by organisations and their partners (suppliers, customers, partners) to create, deliver and capture value (Zott and Amit, 2010; Zott, Amit and Massa, 2011; Miller *et al.,* 2021). This conceptualisation aligns with the practice-based IW theoretical lens of this study (Chapter 5) and is examined further in Section 4.3 below.

4.2.3 The strategy vs business model debate

Strategy concerns an organisation's vision, objectives and competitive positioning (Wirtz *et al.,* 2016), yet it is often conflated with the BM. Magretta (2002) challenges this, arguing that strategy focuses on differentiation, whereas the BM describes how business components align to create value. Casadesus-Masanell and Ricart (2010) clarified this relationship by defining strategy as a "high-order choice" (p.203) regarding BM selection, with the BM reflecting the organisation's "realized strategy" (p.204). Essentially, the BM operationalises strategic intent by translating competitive logic (Velu, 2017) into concrete operational and financial arrangements (Al-Debei and Avison, 2010). This emphasises that strategy development and execution are fundamental to BM design and evolution (Santos, Spector and Van der Heyden, 2015; Velu, 2017).

To understand how strategic objectives are operationalised in the BM, the following section discusses the BM as an architecture comprising value processes, and mechanisms of value proposition, creation, delivery and capture.

4.2.4 Business models as value processes

Prior research highlights that the BM represents an organisation's value processes: how it creates, delivers and captures value (Teece, 2010; Massa, Tucci and Afuah, 2017). Saebi, Lien and Foss

(2017) define the BM as: "the firm's value proposition…structure of the value chain…the mechanisms of value capture…and how these elements are linked" (p.567). While definitions vary, scholars agree on three core, interdependent elements: value proposition, value creation and value capture (Teece, 2010; Velu, 2017).

The *value proposition* is central to the BM, involving identification of key stakeholders and delivery of solutions that meet their needs (Chesbrough, 2010; Teece, 2010, 2017). In the context of the SMP, this moves beyond transaction-based offerings towards a relational, solutions-oriented process (Sjödin, Parida, Jovanovic and Visnjic, 2020). *Value creation* refers to the mechanisms through which organisations, often with partners, generate economic value (Zott and Amit, 2010), including the infrastructure (technological and organisational) (Al-Debei and Avison, 2010) and resources deployed (Beattie and Smith, 2013). In the context of services provision, recent literature discusses *value-in-use* (Chesbrough, Lettl and Ritter, 2018), viewing value creation as a collaborative process between provider and clients (Sjödin *et al.,* 2020). *Value capture* concerns how organisations convert value into profit (Teece, 2010), including revenue structures (Chesbrough and Rosenbloom, 2002) and the distribution of profits among stakeholders (Teece, 2010; Sjödin *et al.,* 2020). Collectively, these value processes form an interdependent system, where value proposition, creation, and capture mechanisms reinforce each other to maintain coherence over time (Amit and Zott, 2012; Velu, 2017; Sjödin *et al.,* 2020).

While the literature conceptualises the BM as interdependent value processes, it raises the question as to how such processes are operationalised in practice. Addressing this, Zott and Amit (2010) reconceptualise the BM as an activity system, shifting attention from abstract value flows to the interdependent set of activities through which value is created, delivered and captured.

4.3 Business models as activity systems

This study adopts the view of the business as a *system of activities*, conceptualising the BM "as a system of interdependent activities that transcends the focal firm and spans its boundaries[19]" (Zott and Amit, 2010, p.216). From this perspective, the BM represents a coordinated activity system, performed with partners to create, deliver and capture value (Zott, Amit and Massa, 2011), where success depends on system-level coordination, rather than individual components (Amit and Zott,

[19] "…boundary spanning…activities [are] performed for the focal firm but outside its boundaries by partners, suppliers or customers. This allows the focal firm to rely on the resources and capabilities of third parties, and harness external ideas and technologies through 'open business models'" (Zott and Amit, 2010, p.219).

2012). It reflects the "attributes of real firms" (Massa, Tucci and Afuah, 2017, p.6), describing how organisations function through the "purposeful weaving together of interdependent activities" (Zott and Amit, 2010, p.218), whose outcomes capture the 'how' of doing business (Massa, Tucci and Afuah, 2017). This perspective is pertinent for PSFs, which operate as "value shops" (Breunig, Kvålshaugen and Hydle, 2014, p.503) by solving client-specific problems, with BMs shaped by problem-solving activities rather than standard production processes. This conceptualisation facilitates understanding how SMPs configure their IC resources and client interactions to balance standardisation with customisation.

Zott and Amit (2010) frame the BM as a boundary-spanning, yet organisation-centric activity system, with interdependent activities linked by transactions, designed to shape value co-creation and appropriation (including bargaining power), within the organisation's "ecology" (p.218). The system comprises three independent and interdependent design elements: content (what activities), structure (how they are linked/sequenced), and governance (who performs/controls them) that determine value creation/capture (Amit and Zott, 2010; Casadesus-Masanell and Ricart, 2010). However, this view has been criticised for offering limited insight into how BMs evolve, prompting dynamic BM conceptualisations (Demil and Lecocq, 2010; Velu, 2017).

4.4 The dynamic business model: evolution and change

To understand how SMPs respond to challenges, the BM must be viewed as a dynamic system that adapts over time, rather than a static architecture (Demil and Lecocq, 2010). Responding to critiques of static BM research, Velu (2017) proposes systems thinking to conceptualise the BM as a complex system that evolves through continuous interaction with its environment. From this perspective, BM adaption involves reconfiguring activities to maintain coherence while responding to environmental change. While not adopted as a theoretical lens in this thesis, systems thinking elucidates how organisational value propositions evolve through the interaction and alignment of BM components and the perspective of agents who form part of the system (Velu, 2017, p.605).

4.4.1 Mechanisms of change: morphing and reconfiguring

The effectiveness of a dynamic BM conceptualisation relies on managers' ability to reconfigure a coherent set of activities in response to environmental change (Demil and Lecocq, 2010; Velu, 2017). In hypercompetitive contexts, this takes the form of "continuous morphing", involving ongoing "change[s to]…products, services, resources, capabilities, and modes of organizing…to regenerate competitive advantage" (Rindova and Kotha, 2001, p.1276). BM evolution is not abstract; it involves

specific structural modifications while maintaining overall coherence (Santos *et al.,* 2015). However, the degree to which the components of the BM are coupled influences this evolution: a tightly coupled BM, while efficient, may inhibit flexibility (associated with a loose coupling), and constrain adaptation when system components are misaligned with market requirements (Rindova and Kotha, 2001; Demil and Lecocq, 2010; Velu, 2017). Consequently, a dynamic perspective is essential to sustaining competitive advantage (Wirtz *et al.,* 2016).

4.4.2 Cognitive barriers to evolution

Cognitive barriers to BM evolution are recognised in the literature (Chesbrough, 2010; Martins, Rindova and Greenbaum, 2015; Velu, 2017). Martins, Rindova and Greenbaum (2015) posit that BMs function as managerial schemas that provide some coherence, but they can create inertia by screening out information that contradicts/challenges existing assumptions (Massa, Tucci and Afuah, 2017), reinforcing a "dominant logic" shaped by past successes (Chesbrough, 2010). Overcoming this requires "cognitive discretion" (Velu, 2017, p.615) to reframe mental models and perceive new ways for creating value. Also, organisations must have dynamic or higher-level capabilities to adapt their resource base strategically to changing conditions (Teece, 2014, 2017).

4.4.3 Dynamic capabilities in the SME context

Teece (2018) argues that executing BM change depends on an organisation's dynamic capabilities, which rely on its capacity to sense and seize opportunities and transform resources. Heider, Gerken, van Dinther and Hülsbeck (2021) highlight that these capabilities manifest differently in SMEs, which face resource constraints and lock-ins that often hinder their ability to reconfigure internal capabilities (Parida, Westerberg and Frishammar, 2012). While SMEs often collaborate with external stakeholders to access resources, they typically underinvest in the capabilities necessary to leverage them effectively (Parida, Westerberg and Frishammar, 2012). Consequently, SMEs may rely more on sensing and seizing capabilities to innovate their value proposition, while transformation (reconfigure assets) is constrained by size and weaker bargaining power (Heider *et al.*, 2021). Although dynamic capabilities are not a theoretical lens for this study, these insights are relevant to SMPs, as SMEs in their own right.

In summary, the literature establishes the BM as a dynamic activity system that must adapt/evolve through reconfiguring resources and activities in response to challenges. However, this evolution can be constrained by managerial cognitive inertia and is dependent on dynamic capabilities that enable organisations to sense, seize and transform resources. As this study examines SMP responses to

challenges through an IL and IW lens, it requires a BM conceptualisation that integrates both structural components and a longitudinal dimension, facilitating a dynamic view of the BM and its cognitive drivers. The following section reviews the component-based views of the BM, to justify the selection of a conceptualisation capable of capturing this duality.

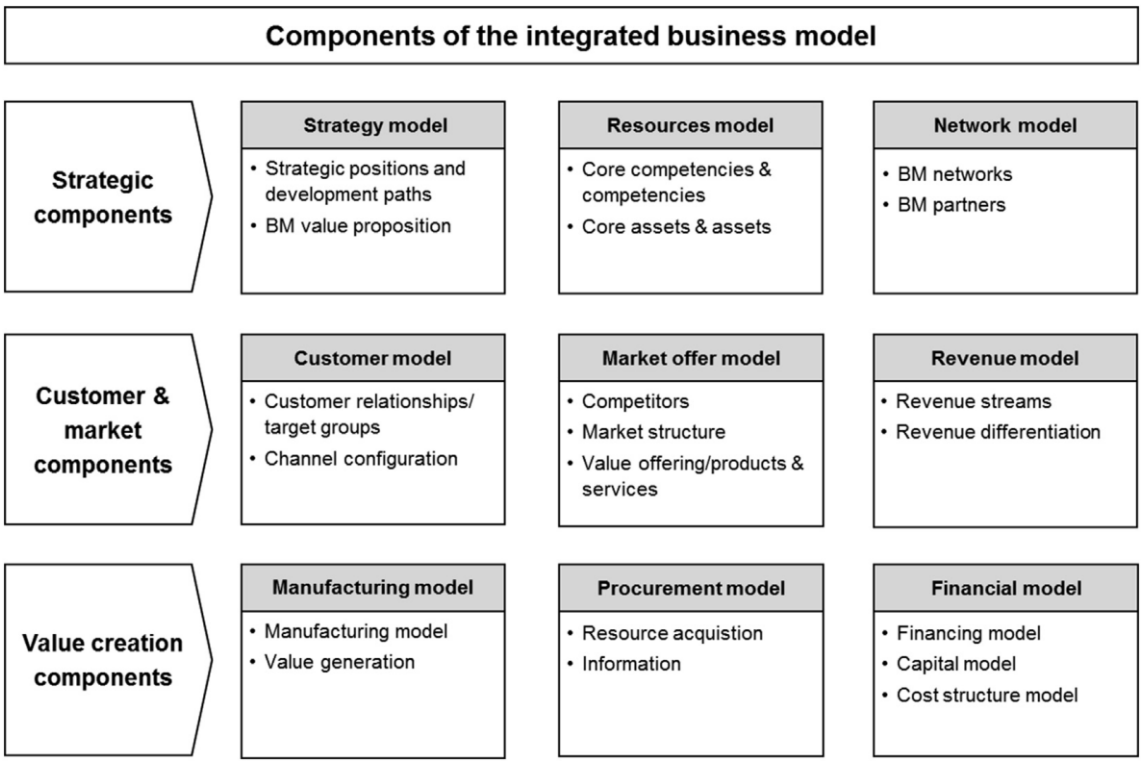
4.5 Business models components and conceptualisation selection

This section reviews the literature regarding the constituent components of the BM to establish a vocabulary for empirically investigating the SMP BM. It then justifies the selection of Hedman and Kalling (2003) as the BM conceptualisation as a frame within which to situate this study's theoretical frameworks, IL and IW, to explain the underlying logic of the SMP BM, and IW undertaken in response to challenges.

4.5.1 Components of the business model

A component-oriented view of the BM refers to components, interacting partial models and categorisation of BM parameters (Wirtz *et al.,* 2016). A cohesive representation of these as an integrated BM was devised by Wirtz *et al.* (2016), following their review of the fragmented literature in the area. Their schema, illustrated in Figure 4.2 below, identifies three key BM components, strategic, customer and market, and value creation, that together form a single, integrated BM. Each component or pillar comprises three partial models or sub-components that provide detailed building blocks for the component/pillar.

Figure 4.2: Components of the business model



Source: Wirtz *et al.*, 2016, p.44

The *strategic components* comprise a strategy, resource and network model. The strategy model articulates organisational mission/vision and associated strategic development plans. The resource model specifies internal and external resources, capabilities and competencies. The network model captures the role of external networks and partnerships in value creation. The *customer and market components* are differentiated by a customer, market and revenue model. The customer model encompasses all internally generated and co-created product/service offerings. The market offer model defines the value proposition relative to competitors and overall market structure. These culminate in the revenue model, which outlines revenue structure and streams supported by the BM. The final *value creation component*s consider how goods/services are configured into a valuable customer proposition (manufacturing model), and the input factors (resources and information) relevant for this and its cost-efficiency (procurement model). The final model encapsulates financial planning, flow of capital through the organisation and mechanisms for cost control (financial model).

Wirtz *et al.* (2016) analysed the literature relating to these components, and Figure 4.3 below illustrates the associated levels of abstraction and focus.

Figure 4.3: Summary of business model components

Compo-nent / Author	Strategy	Resources	Network	Customers	Market offering (value proposition)	Revenues	Service provision	Procure-ment	Finances	Spectrum of the Components
Hamel (2000)	Core Strategy, Strategic Resources		Value Network	Customer Interface						◔
Mahadevan (2000)			Logistic Stream		Value Stream	Revenue Stream				◔
Wirtz (2000)	Combination of production factors for strategy implementation	Core competencies & Core assets		Market & customer segmentation	Service offer & Value proposition	Systematization of revenue forms	Combination & transformation of goods & services	Production factors & Suppliers	Financing & Refinancing	◕
Hedman/Kalling (2002)	Managerial and organizational, longitudinal process component	Resources		Customers	Competitors, Offering		Activities & Organization	Factor & Production Input Suppliers		◕
Bouwman (2003)		Technical architecture		Customer Value of Service					Financial arrangements	◔
Afuah (2004)	Positions	Resources			Industry Factors		Activities		Costs	◑
Mahadevan (2004)				Target Customers	Value Proposition	Revenue Model	Value Delivery			◔
Voelpel/Leibold/ Tekie (2004)		Leadership capabilities	Value Network (Re)Configuration for the Value Creation		Customer Value Proposition					◔
Yip (2004)	Scope, Differentiation	Organization		Nature of Customers, Channels	Value Proposition, Nature of Outputs		How to transform inputs (including technology)	Nature of inputs		◕
Lehmann-Ortega/Schoettl (2005)					Value Proposition, Value Architecture	Revenue Model				◔
Osterwalder/ Pigneur/Tucci (2005)		Core Competency	Partner Network	Target Customer, Distribution Channel, Relationship	Value Proposition	Revenue Model	Value Configuration		Cost Structure	◕
Tikkanen et al. (2005)	Strategy & Structure		Network				Operations		Finance & Accounting	◑
Al-Debei/El-Haddadeh/Avison (2008a)			Value Network		Value Proposition, Value Architecture				Value Finance	◔
Demil/Lecocq (2010)		Resources & Competences, Organization			Value Proposition	Volume & Structure of Revenue Streams			Volume & Structure of Revenue costs	◑
Johnson (2010)		Key Resources			Customer Value Proposition	Profit Formula	Key Processes			◑
Osterwalder/ Pigneur (2010)		Key Resources	Key Partners	Customer Relationships, Channels, Customers Segments	Value Proposition	Revenue Streams	Key Activities		Cost Structure	◕
Intensity of use	◑	◕	◑	◑	◕	◑	◑	◔	◑	

○ Very low ◔ Low ◑ Moderate ◕ High ● Very high

Source: Wirtz *et al.*, 2016, p.43

Using the BM sub-components discussed above as an integrated spectrum, Wirtz *et al.* (2016) examined how extensively authors conceptualised the BM. They assessed the degree to which each sub-component was included (ranging from very low to very high), illustrated by the coloured circles on the right of Figure 4.3, and the intensity of sub-component use among authors shown at the bottom of figure. While not all approaches included the full range of sub-components, approximately 30% demonstrate a comprehensive BM conceptualisation, including Hedman and Kalling (2002) (fourth study from the top). Hedman and Kalling's (2002, 2003) conceptualisation is well established in the BM literature, offering a theoretically grounded, longitudinal conceptualisation that integrates BM components and their causal inter-relations. This model, discussed below, will be adapted in this study to conceptualise the SMP's BM.

4.5.2 Hedman and Kalling's BM conceptualisation

Selected by this researcher for its comprehensive nature, Hedman and Kalling's (2003) BM conceptualisation is theoretically underpinned by three dominant overarching strategic perspectives (Haling and Kalling, 2002, p.150), that explain organisational performance in competitive environments, namely the Industrial Organisation perspective (I/O), the Resource-Based View (RBV) and the Strategy Process (SP) perspective. Each of these perspectives differs in its explanation of competitive advantage, as discussed below.

4.5.2.1 Theoretical underpinnings

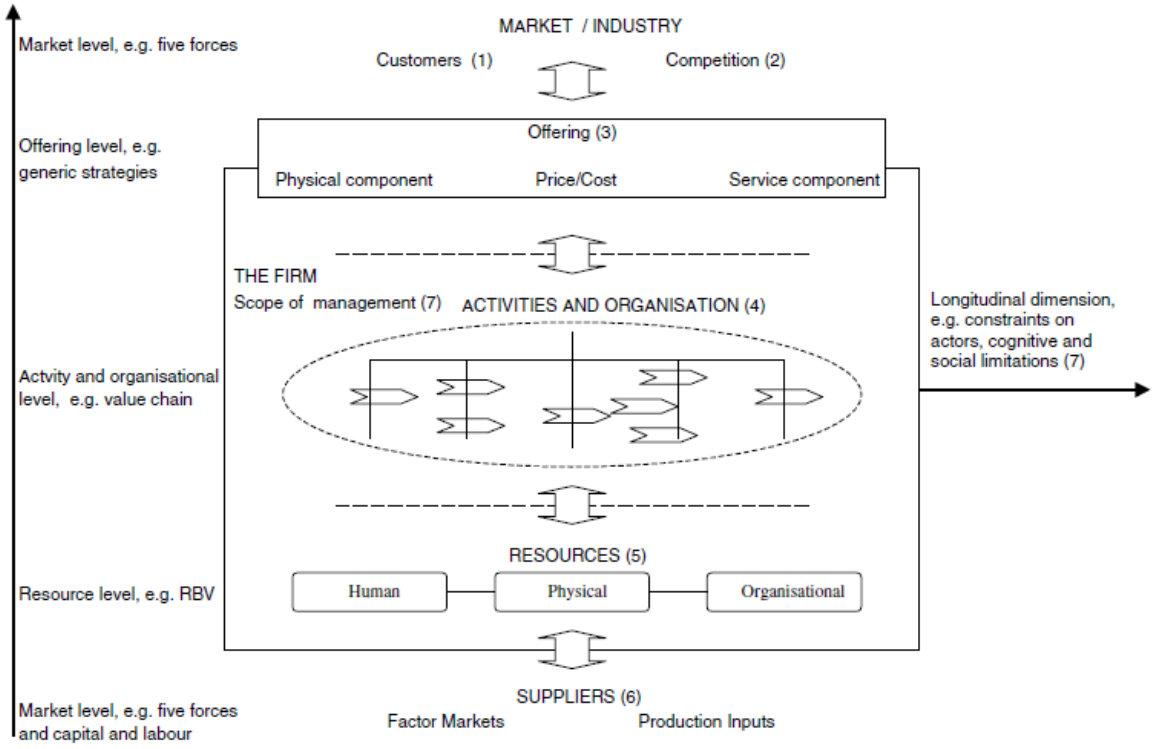
Hedman and Kalling (2002, 2003) argue that while I/O, RBV and SP perspectives are often viewed as separate/contradictory within strategy research, an effective BM must integrate all of them to fully account for how value is created and captured. Both I/O and RBV adopt a content-based approach to strategic management (what the strategy is). First introduced by Porter (1980), the I/O perspective focuses on the external environment, specifically industrial forces such as substitute products, customers, suppliers and competitors, which shape managerial decision-making and act as the primary determinants of strategic choice and performance. I/O provides a theoretical basis for customers and competitors in Hedman and Kalling's (2003) BM conceptualisation, as it emphasises the organisation's position within its competitive environment. It posits that organisational performance depends on managers' ability to deal with these forces through generic strategies, such as competing on price or quality (differentiation) (Hedman and Kalling, 2003). A RBV is adopted to explain competitive advantage from an internal perspective. This perspective posits that idiosyncratic, immobile and firm-specific resources, that are valuable, rare, imperfect, imitable and non-substitutable, drive organisational performance (Hedman and Kalling, 2002). This view underpins the resources and activities and organisation components of their BM, explaining how the organisation generates valuable outputs to meet market demands identified through the I/O perspective. The SP perspective concerns itself with the creation and management processes of strategy content (how). It specifically acknowledges bounded rationality and the cultural, cognitive and political constraints influencing decision-making (Hedman and Kalling, 2003). It views strategies as emerging from an organisation's actions: "they are what firms actually do" over time (Hedman and Kalling, 2002, p.150). This perspective is critical to Hedman and Kalling's BM conceptualisation, as it provides a basis for a longitudinal process component, referred to as the "scope of management". This dimension acknowledges that the BM is dynamic and evolves over time, as managers navigate cognitive and cultural barriers to adapt resources and activities to

changing environments. These theoretical pillars are integrated into a BM conceptualisation, comprising seven causally-related components.

4.5.2.2 Components of the business model

Based on theoretical foundations discussed above, Hedman and Kalling (2003) propose a "generic" (p.57) BM conceptualisation comprising seven related components that bridge the gap between factor market (inputs–supply-side) and product/offering market (outputs-demand-side), describing how internal resources are converted into value, as illustrated in Figure 4.4 below.

Figure 4.4: Hedman and Kalling (2003) business model conceptualisation



Source: Hedman and Kalling, 2003, p.53

The conceptualisation consists of six components that describe the architecture of the BM at a point in time (cross-sectional), and one longitudinal component that accounts for change:

External market components (from I/O): (1) customers and (2) competition
Internal/resource components (from RBV): (3) offering, (4) activities and organisation, (5) resources and (6) suppliers (factor markets and production inputs)
Evolutionary component (from SP): (7) Longitudinal dimension/Scope of management.

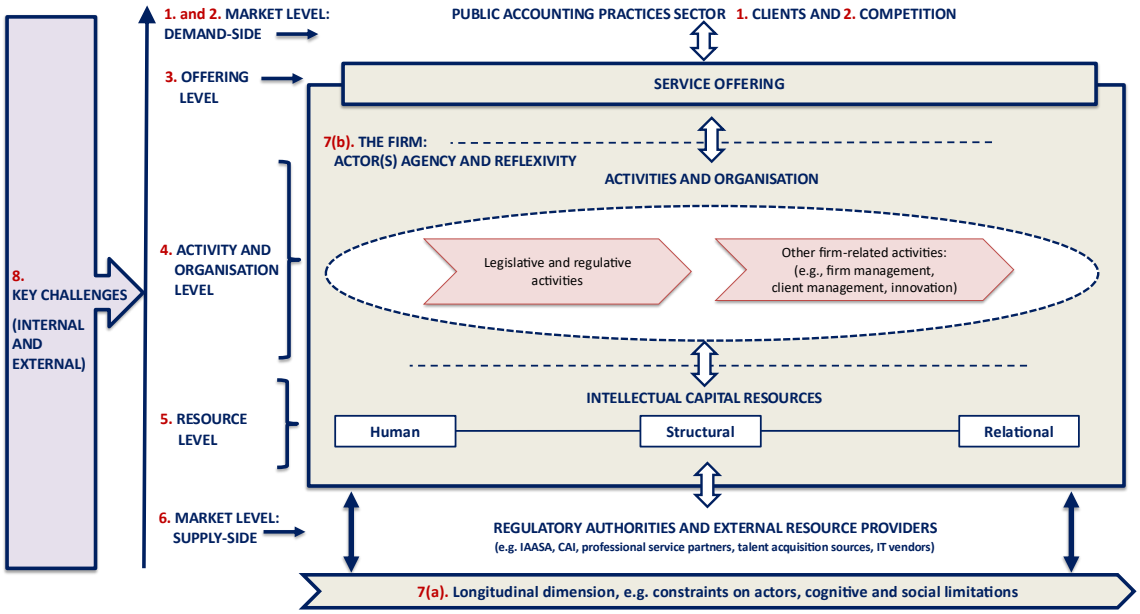
These components operate interdependently and are causally linked. To compete effectively and meet customer needs, an organisation must have a competitive offering (product/service). This offering is generated through particular activities and organisational arrangements that rely on specific resources, which are, in turn, sourced from factor markets. The longitudinal process dimension integrates these components, reflecting the scope of management required to maintain BM alignment and evolution in response to change.

While Hedman and Kalling (2003) offer a robust structural and theoretical foundation, this study adapts specific components (within their model) to better reflect the knowledge-intensive nature of the SMP and the specific mechanisms of their evolution.

4.6 Adapting the model: the SMP context

To operationalise Hedman and Kalling's (2003) BM conceptualisation for the SMP context, the model was adapted for a PSF operating in the highly regulated public accounting sector, as illustrated in Figure 4.5 below. At the market level: demand-side (1) customers are reframed as clients, while supply-side (6) factor markets and production inputs are represented as regulatory authorities and external resource providers. Competition (2) and the offering level (3) components required no adaptation, as they remain conceptually aligned. The remainder of this section explains how the selected components of this conceptualisation are adapted for the SMP context.

Figure 4.5: Adapted Hedman and Kalling (2003) business model conceptualisation



4.6.1 Longitudinal dimension and actor(s) agency and reflexivity

While the longitudinal dimension (7(a)) is still presented as a process component, it is now depicted as underpinning the BM, with recursive arrows to explicitly capture feedback loops discussed in the broader BM literature. For example, it is described as "virtuous cycles" (Casadesus-Masanell and Ricart, 2010, p.199), where consequences feed back into choices, and "dynamic consistency" (Demil and Lecocq, 2010), where interactions between components feed back into the model's evolution. Also, the firm: scope of management is conceptualised as, the firm: actor(s) agency and reflexivity (7(b)), and aligns with the cognitive view of the BM (Martins, Rindova and Greenbaum, 2015), where a change in the BM requires "cognitive discretion[20]" (Velu, 2017, p.604) and the ability to break from the "dominant logic" (Chesbrough, 2010, pp.358/359). This captures the recursive relationship where the BM structures the actors' reality, while the actors' reflexive work simultaneously maintains or reshapes the BM.

4.6.2 Activities and organisation

Through Hedman and Kalling's (2003) integration of I/O with RBV perspectives, they conceptualise activities and organisation (4) as mechanisms "that transform factors to resources … to products and offerings" (p.53), drawing on Porter's value-chain model. For PSFs such as the SMP, this must be

[20] "Cognitive discretion refers to the freedom to perceive and construct an idiosyncratic meaning" (Velu, 2017, p.604).

adapted to a "value shop" model (Breunig, Kvålshaugen and Hydle, 2014, p.503) where value is co-created with clients through addressing their specific needs. Accordingly, activities and organisation are configured around distinct types of work: legislative and regulative activities and other firm-related activities. The former addresses accounting and compliance-related work, where solutions are predetermined by expert knowledge and regulatory standards, and value is created through efficiency and reliability (Breunig, Kvålshaugen and Hydle, 2014). It also captures client-centric services (e.g., advisory, complex tax planning) that rely on tacit knowledge and are difficult to standardise, relying on personal/expert relationships and trust (Breunig, Kvålshaugen and Hydle, 2014). Other firm-related activities related to internal firm management/governance that involves the integration and alignment of resources to support the delivery of services, together with the organisational and managerial processes focused on creating and maintaining a sustainable business[21]. Furthermore, as SMEs/SMPs are often resource-constrained, they rely on external partners to innovate their value proposition (Heider *et al.,* 2021), requiring focus on boundary-spanning activities.

Given that PSFs are knowledge-intensive organisations, a re-evaluation of the appropriateness of Hedman and Kalling's (2003) resource based view (RBV) at the resource level (5) is required, particularly in light of the "significant recognition …given to the role of intellectual capital (IC)…in determining organisational strategy and value creation" (Duff, 2018, p.768) in accounting firms.

4.6.3 Limitations of Resource-based-view

Hedman and Kalling's model (2003) specifically grounds the resources component of their model, in the RBV, which posits competitive advantage as deriving from unique, firm-specific resources that are valuable, rare, inimitable and non-substitutable. However, it is criticised for its conceptual ambiguity, weakened by its "all-inclusive" (Ujwary-Gil, 2017, p.374) definitions encompassing assets, capabilities, people, culture, processes, firm attributes, knowledge and information, making it difficult to distinguish resources from capabilities (Beattie and Smith, 2013; Ujwary-Gil, 2017). It is also criticised for being tautological, because it defines resources by the success they produce. This circular reasoning makes it difficult to identify which resource a firm must invest in to generate competitive advantage (Beattie and Smith, 2013; Ujwary-Gil, 2017). Ujwary-Gil (2017) highlight that resources are not inherently valuable. They argue that RBV lacks a framework to explain the mechanics of how resources are transformed into value, and that while multiple resource

[21] Examples of organisational and managerial processes include workflow management, practice planning, budgeting, financial cycle-related processes, etc.

configurations are possible, RBV lacks the precision to assess/analyse such configurations effectively. Additionally, simple acquisition of resources without the managerial capability to utilise them successfully is not sufficient for sustained competitive advantage (Beattie and Smith, 2013). Finally, RBV focuses almost exclusively on the supply side, with a strong internal bias, thereby neglecting external environments where value is often co-created with customers, external partners and other stakeholders (Massa, Tucci and Afuah, 2017). To address the realities of knowledge-intensive organisations, scholars extended this perspective by emphasising knowledge as an organisation's most valuable strategic resource, leading to the development of a Knowledge-Based-View (KBV).

4.6.4 Knowledge-based-view (KBV)

A KBV posits that variation in organisational performance stems not only from its tangible assets, but from its distinct knowledge-based resources, the capabilities it employs, and its capacity to develop this knowledge (Ujwary-Gil, 2017). Furthermore, a KBV distinguishes between explicit, tacit and contextual knowledge (Ujwary-Gil, 2017). Explicit knowledge constitutes internal, static resources that are codified and formalised into blueprints, manuals, procedures, documents etc, that by their nature are easy to manage, utilise and trade. Tacit/contextual knowledge is deeply embedded within an organisation's social context, practices and routines. Due to its inimitability, it drives a higher level of productivity and is a powerful source of long-term competitive advantage. Within the KBV, organisations operate as social entities, accumulating and retaining both internal and external knowledge that is considered foundational for their survival and future success. While the perspective identifies knowledge as central to value creation, it considers knowledge in a static or passive form, as accumulated "stocks of knowledge" (p.375). The dynamic nature of knowledge is seen when it is transformed or applied; however, this perspective lacks a comprehensive framework to explain how these knowledge elements interact, connect and transfer over time, including boundary-spanning flows of knowledge (external networks and relationships), or the mechanisms of how knowledge is converted into value or improved organisational outcomes. Scholars, aware of these limitations, developed an intellectual capital-based view (ICBV) that supplements both the RBV and KBV perspectives (Reed, Lubatkin and Srinivasan, 2006).

4.6.5 Intellectual capital-based-view (ICBV)

Despite ongoing definitional debate in the literature, an IC perspective focuses on the intangible resources that create value in knowledge-intensive PSFs (Baima, Forliano, Santoro and Vrontis, 2021). It is commonly understood through its three-pronged classification of human (individual

level), structural (organisational level) and relational capital (RC) (inter-organisational level) (Guthrie, Ricceri and Dumay, 2012; Ujwary-Gil, 2017; Baima *et al.,* 2021), and defined as follows:

> Human capital is defined as the knowledge, skills and experiences that employees take with them when leaving a company…Structural capital is…[the] knowledge that will remain within the company…includ[ing] organisational routines, procedures, systems, cultures and databases…relational capital [is]…the source of capital driven by all the relationships of the company with external stakeholders
>
> (Baima *et al.,* 2021, p.655)

Replacing Hedman and Kalling's (2003) RBV with an ICBV perspective contributes to a superior conceptualisation of the SMP BM (Ujwary-Gil, 2017). Rather than treating knowledge as passive, accumulated stocks (KBV), the ICBV explicitly focuses on the flows of knowledge capital. It emphasises "resources in action" (p.376) by examining the dynamic inter-relationships and transformation between IC elements. For an SMP, value is not created merely by possessing knowledge, but through the active deployment and flow of human expertise into structural routines and relational networks. ICBV explicitly emphasises the organisation's external dimension, beyond its internal boundaries. By incorporating RC, it recognises the value of external networks, customer relationships and collaborative value creation with stakeholders. This perspective is essential for examining SMPs, as PSFs rely on intensive client engagement and external collaborations (e.g., audits, advisory, coaching, specialised tax advisory, technology vendor and implementation partner) as part of their daily operations. Through the classification of IC resources, human, structural and relational, it addresses RBV's inability to indicate in which resources firms ought to invest. The above classification enables researchers to identify which intangible resources should be accumulated, combined and configured to achieve competitive advantage. To support a nuanced understanding of IC for this study, a detailed mapping exercise was undertaken for each IC category, informing the development of the research instruments (discussed in Chapter 6).

4.6.5.1 Intellectual capital categories and elements

The mapping of IC categories (see Appendix A Panel A) demonstrates its evolution from the broad, seminal conceptualisation by Sveiby (1997) of the "invisible" (p.76) or intangible part of the balance sheet, categorised into three parts: internal structure, external structure and employee competence. It was initially adapted for corporate reporting in an Australian context (Guthrie and Petty, 2000; Guthrie, Petty, Yongvanich and Ricceri, 2004) and then evolved into its more streamlined structure by combining Guthrie and Petty's (2000) framework with Brookings (1996). The three categories remained, but now with 6 internal capital, 7 external capital and 5 human capital (HC) elements. These categories were subsequently adapted for a UK context by Striukove, Unerman and Guthrie

(2008), where multiple coders independently tested and amended the definitions to reflect their shared understanding, consistently grouping their analysis into the three categories. Building directly on this work, Duff (2018) adapted the framework for use with UK professional accountancy firms, devising 7 internal (structural), 8 external (relational) and 5 human (employee/partner) capital elements.

A further mapping exercise was undertaken to bridge the qualitative framework developed by Duff (2018) with a highly granular, 61-item quantitative content analysis checklist established by Li, Pike and Haniffa (2008) (see Appendix A Panel B). This mapping demonstrates how Duff's (2018) IC categories covered by specific questionnaire and interview questions (in the PPQ and interview guide) align with Li, Pike and Haniffa's (2008) defined elements, to ensure a comprehensive coverage of the IC spectrum in this study.

4.6.6 Key challenges (internal and external)

The final adaptation of Hedman and Kalling's (2003) BM conceptualisation involves the introduction of key challenges (internal and external) as a distinct component (8). While Hedman and Kalling (2003) capture cognitive, cultural and political constraints managers navigate over time through their seventh component 'scope of management', viewing challenges as a dynamic force impacting the BM allows for a clearer understanding of how an SMP's unique value proposition is tested across its various levels. For example, external staffing, legislative and regulative, client and technology-related challenges directly impact market and offering levels; internal challenges, such as driving efficiency and managing limited resources, impact the resource and activities and organisation levels.

4.6.7 Theoretical contribution of the adapted model

The cumulative adaptations of Hedman and Kalling's (2003) BM conceptualisation, discussed above and presented in Figure 4.5, constitute the development of a substantially new conceptual framework rather than an extension of the original conceptualisation. While the adaptation retains the architectural skeleton and causal linkages of the original BM, its underlying theoretical foundation has been fundamentally replaced and enhanced. Specifically, the traditional RBV is replaced by the ICBV (Li, Pike and Haniffa, 2008; Duff, 2018), Porter's industrial value chain is replaced by a professional "value shop" model (Breunig, Kvålshaugen and Hydle, 2014, p.503), and the scope of management component is reconceptualised as actors' agency and reflexivity to capture "cognitive discretion" (Velu, 2017, p.604). In addition, the associated longitudinal dimension is developed to include a recursive feedback loop. Furthermore, the addition of a distinct key challenges component

fundamentally alters the model's dynamics by explicitly introducing internal and external sources of disruption. These adaptations contribute to the BM literature in a number of ways.

This study answers Baima *et al.'s* (2021) call for "holistic and integrated frameworks" (p.668) that better explain the relationship between BMs and IC. It bridges two literatures that have largely developed in parallel, with a predominant emphasis on value capture rather than value creation (Baima *et al.,* 2021). By embedding the ICBV within the BM conceptualisation, the framework explains how dynamic knowledge flows and intangible assets operate across firm boundaries through networks and client relationships to drive both value creation and capture.

The framework also advances the BM's dynamic perspective (Demil and Lecocq, 2010; Velu, 2017), by providing a mechanism through which actors overcome cognitive barriers to BM evolution (Martins, Rindova and Greenbaum, 2015). The reconceptualisation of the longitudinal dimension as a recursive feedback loop, driven by actors' agency and reflexivity, explains how BMs are continuously interpreted, adapted and reshaped in response to external environmental challenges and internal constraints. Indeed, the introduction of key challenges as a distinct BM component extends BM literature by explicitly incorporating both endogenous and exogeneous drivers for change, moving beyond the predominant focus on externally driven BM adaptation found in much of the BM innovation literature (Martins, Rindova and Greenbaum, 2015).

Finally, the adaptation modifies the activities and organisation component of the BM to reflect a professional value shop model that captures the structural distinctions and tensions of operating coexisting BMs (standardisation and customisation) often found in PSFs (Breunig, Kvålshaugen and Hydle, 2014). By shifting the focus from Porter's value chain to customised problem-solving, it contextualises the BM professional services settings and explains how IC resources support both standardised and highly customised service value co-creation activities.

This thesis will draw upon this adapted BM conceptualisation to situate the theoretical frameworks of IL and IW, adopted in this thesis. The conceptualisation is developed further in Figure 5.7 to provide a theoretical explanation of the SMP BM.

4.7 Conclusion

This chapter traced the historical development of the BM concept, and its diverse conceptualisations in the literature. It delineated the boundaries between strategy and BMs and established the BM as a

value process that articulates how an organisation creates, delivers and captures value. Moving beyond static definitions, the chapter conceptualised the BM as a boundary-spanning activity system, that dynamically adapts to its changing operating environments. It highlighted the cognitive barriers that can obstruct its evolution and emphasised the importance of an organisation's dynamic capabilities in the context of the SME BM innovation. To operationalise these concepts, the chapter reviewed the component-based view of the BM and justified the selection of Hedman and Kalling's (2003) conceptualisation. It outlined the adaptations required to apply this framework in the context of the PSFs, and SMPs in particular, focusing on actors' agency and reflexivity, conceptualising value-creating activities and organisation, and justifying the appropriateness of ICBV in the model as a driver of competitive advantage in these firms. Drawing on the adapted BM conceptualisation (See Figure 4.5) the next chapter will discuss the theoretical frameworks that sit within the BM.

Chapter 5 Theoretical Framework

5.1 Introduction

This chapter outlines the development of and main strands of institutional theory, from its ideological traditions to its establishment as an accepted theoretical framework in the accounting field. This chapter begins by outlining two of the main traditions used in accounting research before justifying the chosen theoretical frameworks, selected for their capacity to provide a robust lens to answer the RQ and related ROs. ILs is employed to explain the rationale behind the SMP BM, and IW serves as the lens to examine the SMP response to challenges. The core principles underpinning these theories are discussed, together with empirical research applying these theories in accounting and non-accounting settings. The RQ and ROs are assessed to illustrate how these theoretical frameworks can effectively address them.

5.2 Overview of Institutional Theory

Institutional theory derives from economic, political and sociological traditions (Scott, 2008), wherein several theoretical approaches have been developed and sit under one umbrella holding 'institution(s)' at its core. This breadth of scholarly tradition has resulted some ambiguity around the definition of institutions and institutionalism. Indeed, "it is often easier to gain agreement about what it is *not* than what it *is*" (DiMaggio and Powell, 1991, p.1). "Whilst there is no universal definition of an *institution"* (Burns and Scapens, 2000, p.5), early economic academics define institutions as "settled habits of thought common to the generality of man" (Veblen, 1919, p.239) or "a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or the customs of a people" (Hamilton, 1932, p.84). So, through the production and reproduction of norms and routines, these institutions become habitual, widely accepted and "gradually achieve a taken-for-granted, or objectified status" (Modell, Vinnari and Lukka, 2017, p.64). Organisational sociologist Scott (2008) provides a more comprehensive conception of institutions, which he refers to as "regulative, normative and cultural-cognitive elements [pillars] that, together with associated activities and resources, provide stability and meaning to social life" (p.48). According to Scott (2008), institutions operate at multiple levels of jurisdiction (p.85), and are transmitted by various types of carriers, including "symbolic systems, relational systems, routines and artifact" (p.79). Scott's (2008) pillars are described as the "central building blocks of institutional structures" (p.49), which have since "become one of the most-cited contributions in the institutional literature" (Greenwood, Oliver, Sahlin and Suddaby, 2008, p.15).

Other definitions of institutions reflect the theoretical traditions from which they arise. Moll, Burns and Major (2018) observe that while institutional theory has "multiple theories and sub-theories" (p.225), it has been adopted as a framework to conceptualise and understand phenomena by a "significant number" (p.240) of accounting scholars. They note accounting research has probably been most influenced by the economic (Old Institutional Economics and New Institutional Economics) and sociological (New Institutional Sociology) traditions. A brief outline of the economic tradition is presented, followed by a more comprehensive overview of the sociological tradition in which this study is situated.

5.2.1 Economic tradition

Originating in the seminal works of Veblen (1919), Old Institutional Economics challenges neo-classical economic assumptions of rational actors, optimisation and efficient markets. It emphasises how institutions (structures, habits and social norms) shape economic behaviour and change over time. With a primarily intra-organisational focus, Old Institutional Economics posits that individuals' tastes and preferences are socially conditioned by institutions (formal rules and tacit knowledge) (Modell, Vinnari and Lukka, 2017).

New Institutional Economics derives from a collection of theories with no underlying common paradigm (Moll, Burns and Major, 2018). Adopting a neo-classical economic perspective, scholars focus on micro-level transactions, viewing institutions as emerging and enduring when the benefits exceed the transaction costs of creating and maintaining them (DiMaggio and Powell, 1991). In accounting research, New Institutional Economics typically explains practices in cost-efficiency and cost-minimising terms (Moll, Burns and Major, 2018).

As the economic tradition struggles to address external forces shaping SMP decisions about the BM, a sociological tradition is more appropriate for this study.

5.2.2 Sociological tradition

The well-established sociological tradition (DiMaggio and Powell, 1991) includes 'organisational institutionalism', a perspective that examines the causes ('how' and 'why') and consequences of organisational behaviour at the organisation and organisational field-level[22] (Greenwood *et al*.,

[22] The organisational field is defined as "those organizations that, in aggregate, constitute a recognized area of institutional life: key suppliers, resources and product consumers, regulatory agencies and other organizations that produce similar products" (DiMaggio and Powell, 1983, p.148).

2008). It explores organisational stability and change, by occupying the philosophical middle-ground between what Burrell and Morgan (1979, p.6) describe as *determinism,* where behaviour is shaped entirely by the "environment" and *voluntarism*, where actors are viewed as "completely autonomous and free-willed". Debate around actor-environment relationships has contributed to a rich stream of research and the development of what DiMaggio and Powell (1991) distinguish as 'old' and 'new' institutionalism.

5.2.2.1 Old Institutionalism (first wave)

Old institutionalism or the first wave of institutional theory (Johansen and Waldorff, 2015) is rooted in the work of Philip Selznick (1949; 1957) (DiMaggio and Powell, 1991). Selznick (1957) explores how actors' interests and informal relations shape organisational structures. He argues that while organisations have rational goals over time, structures adapt to environmental pressures (internal and external) and actors' interests and relations. Selznick (1957) describes institutionalisation as the process through which organisations become "infuse[d] with value" (p.17), embodying these values to the point that they become "ends in themselves" (Greenwood and Hinings, 1996, p.1031). Resonating with Parson's (1951) theory of action, old institutionalists explain organisational change in terms of intra-organisational dynamics such as power structures, competing values and vested interests (DiMaggio and Powell, 1991). In contrast, 'new' institutionalists reject this organisation-centric focus, looking instead to the wider institutional environment to explain organisational behaviour and technical inefficiencies (DiMaggio, 1988).

5.2.2.2 New Institutionalism (second wave)

In a bid to moderate an overly voluntarist/determinist perspective on organisational action (DiMaggio, 1988), new institutionalists attribute organisational change to the persistence of cultural norms (DiMaggio and Powell, 1991). Rooted in the seminal work of Meyer and Rowan (1977) and Zucker (1977) (Moll, Burns and Major 2018), this second wave of institutional theory (Johansen and Waldorff, 2015), underscores the role of culture and cognition (Thornton and Ocasio, 2008), arguing that organisations reflect what is perceived to be 'right' within their broader field (Greenwood *et al.,* 2008). Meyer and Rowan (1977) argue these institutional rules (prescriptions of appropriate conduct) function as rationalised myths, as they "take on a rule-like status" (p.341), while Zucker (1977) notes that once institutionalised, they are culturally transmitted across generations as taken-for-granted facts. Nevertheless, Meyer and Rowan (1977) contend that organisations are influenced by their

wider social environment (institutional context[23] and relational networks), and to appear rational, secure legitimacy and ensure survival, they become isomorphic by aligning their internal structures with these powerful myths. Because such conformity can conflict with organisational efficiency, Meyer and Rowan (1977) contend that organisations strategically manage the conflict by decoupling their symbolic, ceremonial practices from their technical core. These tactics imply foresight and choice, suggesting organisations actively shape their institutional environment.

Extending Meyer and Rowan's (1977) societal focus, DiMaggio and Powell (1983) sought to attribute organisational homogeneity to pressures within the organisational field. According to DiMaggio's (1982) earlier work, organisational fields do not exist *a priori* but emerge through a four-part process of institutional definition or 'structuration' (Giddens, 1979), increased interaction among organisations, the emergence of structures of domination and coalition, heavier information loads and mutual awareness among participants (DiMaggio and Powell, 1983). According to DiMaggio and Powell (1983), organisational homogeneity is driven by competitive (for resources and customers, i.e., the economic fit) and institutional (quest for power and legitimacy i.e., the social fit) isomorphism. This occurs via three mechanisms: normative (fulfilling social obligations rooted in professionalisation); mimetic (imitating successful peers to manage uncertainty); and coercive (avoiding sanctions through political influence and cultural expectation). DiMaggio and Powell (1983) contend that as a field becomes highly structured through alignment of the state, professions and market, organisations increasingly undergo isomorphic change to secure social legitimacy and survival, ultimately leading to widespread organisational homogeneity.

Fligstein (1987) identified corporations as the fourth institutional sector driving rationalisation and legitimacy. His research on corporate control[24] revealed that executives draw on their professional backgrounds to form "contending logics of action" (Thornton, Ocasio and Lounsbury, 2012, p.27) that dictate organisational power and practices (Fligstein, 1987). Indeed, Fligstein's insights are recognised as precursors to the ILs perspective (Thornton, Ocasio and Lounsbury, 2012) adopted in this thesis. This perspective represents institutional theory's "third wave" (Johansen and Waldorff, 2015, pp.14380-5), described as neo-institutionalism (Greenwood and Hinings, 1996), a term used interchangeably with new institutionalism in the literature.

[23] According to Greenwood *et al*. (2008), Meyer and Rowan (1977) "omitted to provide a formal definition of 'institutional context', other than that it contains rationalized myths…over the next two decades 'institutional context' would continue to prove a troublesome concept, partly because the terms was used to cover two very different ideas context as symbolic/cultural influences [Tolbert, 1985]…and context as the regulatory framework of state and professional agencies (e.g., Scott and Meyer, 1983)" (p.5).

[24] "For Fligstein, both intraorganizational power struggles (Fligstein, 1987) and field-level struggles to control market competition and contest state legislation shaped the formation of these competing conceptions" (Thornton, Ocasio and Lounsbury, 2012, p.27).

5.2.2.3 Neo-institutionalism (third wave)

Evolving since the 1990s, neo-institutionalism merges old and new institutionalism around various themes (Greenwood and Hinings, 1996; Johansen and Waldorff, 2015). It emerged in part to counter over-socialised views of organisational action that over-emphasise stability and homogeneity (DiMaggio, 1988; DiMaggio and Powell, 1991; Oliver, 1991). Neo-institutionalists examine how organisations in complex institutional environments respond to competing demands, and how actors' self-interest and agency shape organisational responses and institutional change. This thesis applies two neo-institutional theoretical lenses: Institutional Logics (IL) (Thornton and Ocasio, 1999; Thornton, Ocasio and Lounsbury, 2012) to explain the SMP BM rationale, and Institutional Work (IW) (Lawrence and Suddaby, 2006) to explain the work undertaken in the SMP BM in response to challenges. An overview of these perspectives will now follow.

5.3 Institutional logics

ILs are defined as "the socially constructed historical patterns of cultural symbols and material practices, assumptions, values, and beliefs, by which individuals produce and reproduce their material subsistence, organise time and space, and provide meaning to their daily activity" (Thornton and Ocasio, 1999, p.804). The perspective was developed as a meta-theoretical framework for analysing the inter-relationship between individuals, organisations and institutions in social systems by Thornton, Ocasio, and Lounsbury (2012). Essentially, IL helps to understand how individual and organisational heterogeneity, stability and change are shaped by institutions through their underlying logic of action (Thornton and Ocasio, 2008). It was established as a major research stream by the mid-2000s (Zilber, 2013, p.79) and is recognised as a core perspective in both sociology and organisational theory (Greenwood *et al.,* 2008). This study adopts the IL perspective to explain the rationale underpinning the SMP BM, as it reveals how competing demands influence the embedded rationale/logics that shape SMPs' structures and practices. The following sections provide an overview of the evolution of the IL perspective.

5.3.1 The foundations

Rooted in Friedland and Alford's (1991) effort to address long-standing issues in institutional theory, like agency, self-interest, bounded rationality and resources (Durand and Thornton, 2018), the IL perspective conceives Western society as an inter-institutional system of institutional orders ("capitalism, family, bureaucratic state, democracy and Christianity" (p.249)), that shape organisational fields (Thornton, Ocasio and Lounsbury, 2012, p.41). Each institutional order is guided by a "central logic, a set of material practices and symbolic constructions…[acting as]

organising principles" (p.248) that provides actors with vocabularies of motive and identity. Each logic consists of underlying symbols and practices that make the broader institutional order possible, e.g., 'participation' in the institution of democracy.

Friedland and Alford (1991) reconceptualise institutions as "supraorganizational patterns of human activity" (p.243) rooted in symbolic systems (ideation and meaning) and material practices (structure and practices), that "individuals and organizations continually produce and reproduce" (p.243). While institutions and their respective logics are interdependent, conflicting institutional orders create contradictory social arrangements that provide a basis for individual and organisational autonomy. As ILs are enacted and shaped by individual action, and because action can only be understood in a societal context, Friedland and Alford (1991) conceptualise society across three nested, interdependent levels: "individuals competing and negotiating, organisations in conflict and coordination, and institutions in contradiction and interdependency" (pp.240-241). At each level, "organisations and institutions [provide]… progressively higher levels of constraint and opportunity for individual action" (p.242). Because social situations offer "multiple meanings and motivations" (p.255), actors can strategically draw on several logics simultaneously to manipulate the social order for their own advantage (p.256).

Shifting Friedland and Alford's (1991) societal-level focus to industry/field-level, Thornton and Ocasio (1999) investigated higher education publishing and developed an analytical framework to investigate how "institutional logics shape power in organizations" (p.803). They empirically linked industry logics to the broader societal logics of the profession and market. Drawing on Jackall (1988), they emphasised how organisational attention mediates the effects of logics on decision-making (Ocasio, Thornton and Lounsbury, 2017). This underscores the perspective's suitability for understanding the SMP's ILs and their effect on its response to key challenges. This foundational research subsequently culminated in Thornton, Ocasio and Lounsbury's (2012) IL research agenda. The underlying principles of this theory are now briefly discussed.

5.3.2 The core principles

Thornton, Ocasio and Lounsbury (2012, p.6) ground the IL perspective in four foundational principles of institutions: "material and symbolic"; "historically contingent"; operating at "multiple levels of analysis"[25]; and "the duality of agency and structure". This duality, or embedded agency

[25] In order to theorise agency and sources of organisational heterogeneity, Thornton and Ocasio (2008) originally included "society as an interinstitutional system" as a fifth underlying principle (pp.104-105), which supports the fourth principle of institutions operating at multiple levels of analysis.

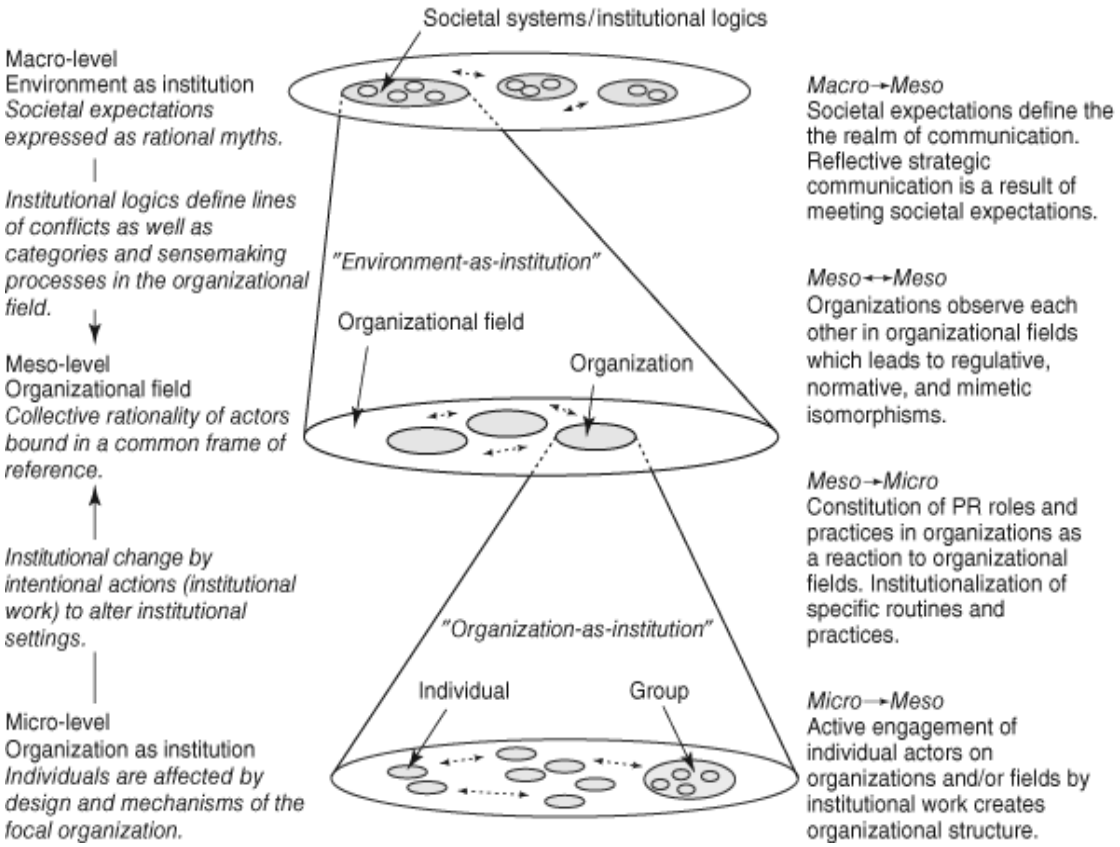
(Seo and Creed, 2002), suggests that socially constructed institutions shape the means and ends of individual/organisational self-interest by both enabling and constraining their partial autonomous action, while also possessing partial autonomy themselves (Friedland and Alford, 1991). The principle that the intertwined material and symbolic[26] aspects of institutions elucidate their social content, helping explain heterogeneous organisational behaviour (Thornton, Ocasio and Lounsbury, 2012, pp.10-11). For example, Thornton, Jones and Kury (2005) demonstrate how underlying fiduciary and corporate logics shaped public accounting governance since the mid-1800s.

In addition, viewing institutions as historically contingent shows how environmental factors (political, economic and social) impact individual and organisational behaviour, and alter the relative dominance of institutional orders over time (Thornton, Ocasio and Lounsbury, 2012, pp.12-13). Indeed, Thornton, Jones and Kury, 2005, show such institutional transformation is not necessarily evolutionary nor linear in form, instead exhibiting cyclical or punctuated equilibrium patterns, as seen in architecture and public accounting.

Operating at multiple levels of analysis, IL has developed around the concept of the inter-institutional system, illustrated in Figure 5.1 below.

[26] "Zilber (2008) defines symbols as embodied in structures and practices, while structures and practices express and affect meaning of symbols" (Thornton, Ocasio and Lounsbury, 2012, p.10).

Figure 5.1: Levels of analysis in neo-institutional theory



Source: Sandhu, 2018, p.3

As illustrated in Figure5.1, an inter-institutional system assumes that institutions can operate at multiple levels of analysis (individual-micro, organisation-meso, field-macro and society-macro), with organisational actors nested in higher order levels. Establishing the level of empirical investigation (the SMP) enables theorisation between cause and effect of the phenomenon being investigated (challenges), with potential for cross-level interaction effects (professional accounting field), allowing for the theorising of agency and heterogeneity (Thornton, Ocasio and Lounsbury, 2012, pp.13-14). This conceptualisation of the inter-institutional system is a central innovation of the perspective (Thornton, Ocasio and Lounsbury, 2012, p.18), which is now reviewed.

5.3.3 The inter-institutional system

Adapting Friedland and Alford's (1991) inter-institutional system, Thornton (2004) and Thornton, Ocasio and Lounsbury (2012) expanded the typology of institutional orders to include: markets, corporations, professions, states, families, community and religion. By refining Thornton and Ocasio's (1999) "ideal type" categories for interpreting cultural symbols and material practices (p.809), they developed a comprehensive theoretical and analytical framework for the IL perspective (see Table 5.1).

Table 5.1: Inter-institutional system "ideal types"

Interinstitutional system Ideal Types*

Y-axis:	X-axis : Institutional orders						
Categories	**Family 1**	**Community 2**	**Religion 3**	**State 4**	**Market 5**	**Profession 6**	**Corporation 7**
Root Metaphor 1	Family as a firm	Common boundary	Temple as bank	State as redistribution mecahanism	Transaction	Profession as relational network	Corporation as hierarchy
Source of legitimacy 2	Unconditional loyalty	Unity of will. Belief in trust & reciprocity	Importance of faith & sacredness in economy & society	Democratic participation	Share price	Personal experience	Market position of firm
Source of authority 3	Patriarchal domination	Commitment to community values & ideology	Priesthood charisma	Bureaucratic domination	Shareholder activism	Professional association	Board of directors. Top management
Source of identity 4	Family reputation	Emotional connection. Ego-satisfaction & reputation	Association with deities	Social & economic class	Faceless	Association with quality of craft. Personal reputation	Bureaucratic roles
Basis of norms 5	Membership of household	Group membership	Membership in congregation	Citizenship in nation	Self-interest	Membership in guild & association	Employment in firm
Basis of attention 6	Status in household	Personal investment in group	Relation to supernatural	Status of interest group	Status in market	Status in profession	Status in hierarchy
Basis of strategy 7	Increase family honour	Increase status & honor members & practices	Increase religious symbolism of natural events	Increase community good	Increase efficiency profit	Increase personal reputation	Increase size & diversification of firm
Informal control mechanisms 8	Family politics	Visibility of actions	Worship of calling	Backroom politics	Industry analysts	Celebrity professionals	Organisation culture
Economic system 9	Family capitalism	Coorporative capitalism	Occidental capitalism	Welfare capitalism	Market capitalism	Personal capitalism	Managerial capitalism

* - Abbreviated from Thornton (2004)

Source: Thornton, Ocasio and Lounsbury, 2012, p.73

The authors devised a two-dimensional system of "ideal types" that maps institutional orders (X-axis) against elemental categories (Y-axis) to define and identify the institutional order boundaries (p.53). By incorporating material and symbolic aspects of institutions across multiple analytical levels, this framework can help explain "embedded agency and … institutional emergence and change" (p.74). Nevertheless, the framework is not predetermined but depends on the specific research context (p.53). It is intended "that empirical research should qualify, verify and/or modify the elemental categories…strengthen[ing] the codes of each institutional order in terms of its logics' composition and associated micro-level expressions" (Johansen and Waldorff, 2017, p.10).

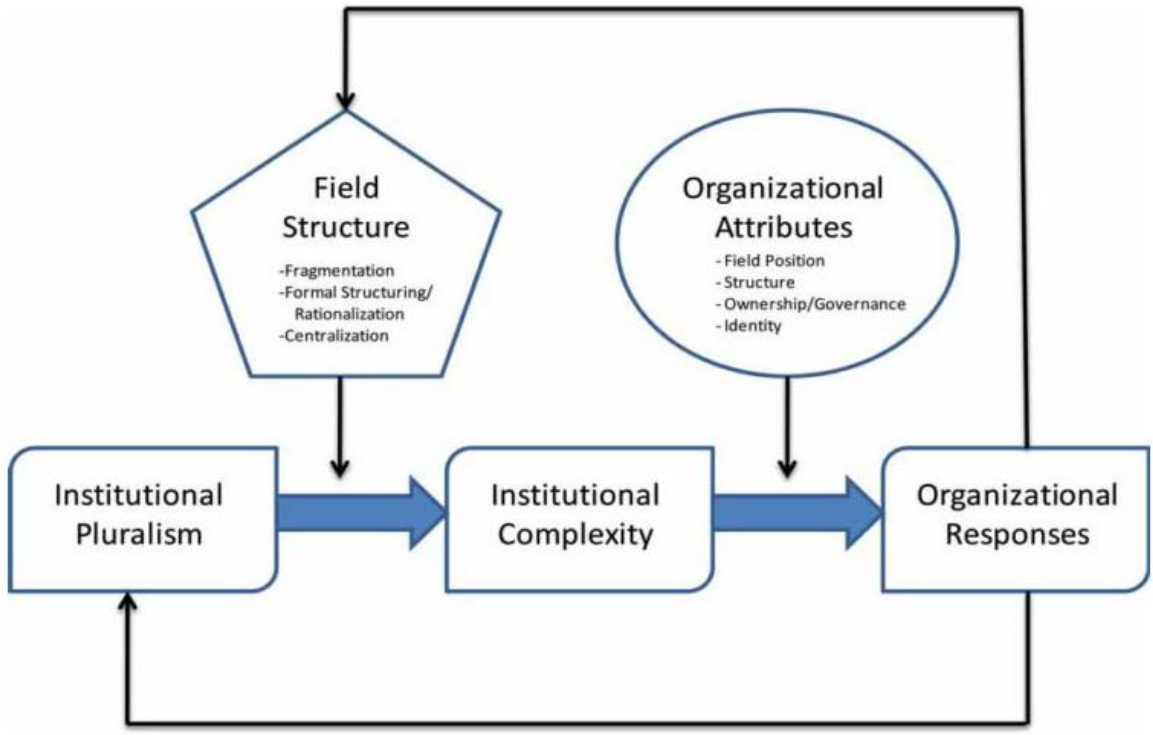
Applied across diverse settings, Thornton, Jones and Kury (2005) used the IL perspective to explain historical changes in public accounting driven by competing influences from the market, the profession, the corporation and the state over time (p.158). They developed an "ideal type" framework for public accounting that incorporates fiduciary and corporate logics. This framework has been used to examine audit-client acceptance decisions in Big 6 accountancy firms (Gendron, 2002) and has been extended to the study of pharmacists' professional work (Goodrick and Reay, 2011). Subsequent studies emphasise that actors do not rely on a single logic but instead navigate a "constellation of logics" (Goodrick and Reay 2011, p.374) or creatively employ them as a "toolkit" to achieve specific goals (McPhearson and Sauder, 2013, p.186). This thesis will apply IL to understand the prevailing rationale underpinning the SMP BM as it responds to the challenges. The logics and categorical elements for the SMP will be discussed in Section 5.3.5 below.

5.3.4 Multiple logics: pluralism, complexity and organisational responses

It is recognised that multiple logics operate simultaneously within any organisational field. Institutional pluralism occurs when "an organisation operates within multiple institutional spheres" (Kraatz and Block, 2008, p.243), each with its own logic, or "rules of the game", resulting in the organisation playing "two or more games at the same time" (p.243). It is suggested that institutional pluralism exists in all organisational fields, with the relative power of each logic and the number of available logics varying at any point in time (Ocasio and Radoynovska, 2016). Institutional complexity occurs when individuals/organisations are confronted with "incompatible prescriptions from multiple institutional logics" (Greenwood, Raynard, Kodeih, Micelotta and Lounsbury, 2011, p.318) and must cope with and respond to their differing demands. "Complexity is therefore latent-but not always manifest in pluralistic environments" (Ocasio and Radoynovska, 2016, p.289). The changing nature of institutional complexity is shaped by organisational fields (Scott, 2008), ranging from the contestation of logics in emerging fields to temporarily stabilised priorities between logics in mature fields (Greenwood *et al.,* 2011). The relationship between institutional plurality and complexity in organisational fields is mediated by the structural characteristics of the field, such as fragmentation (number of uncoordinated logics in the field), formal structuring (whether institutional

demands are formally organised) and centralisation (hierarchy of logics within the field) (Greenwood *et al.,* 2011). Greenwood *et al.* (2011) devised an analytical framework (see Figure 5.2) to help explain the variation in organisational responses to institutional complexity.

Figure 5.2: Institutional complexity and organisational responses



Source: Greenwood *et al.*, 2011, p.324

According to Greenwood *et al.* (2011), the degree to which organisations experience institutional complexity and their response to it is mediated by organisational characteristics, such as identity, ownership/governance, structure and field position. Their multi-level analytical framework enables the location of scholarly interest at both field level and organisational level, focusing on organisational structures and strategies. Examples of scholarly interest in the area, in empirical settings other than public accounting is presented in Table 5.2.

Table 5.2: Studies adopting an institutional logics perspective in non-accounting-related empirical settings

Level of analysis	Author(s)
Theory-level	Greenwood, Raynard, Kodeih, Micelotta and Lounsbury (2011)
Field-level	Thornton and Ocasio (1999) Lounsbury (2001) Goodrick and Reay (2011) Pahnke, Katila and Eisenhardt (2015) Hathaway and Askvik (2021)
Organisational response: structures	Kraatz and Block (2008) Battilana and Dorado (2010) Ocasio and Radoynovska (2016)
Organisational response: strategies	Oliver (1991) Pache and Santos (2010, 2013) McPherson and Sauder (2013) Sirris (2019)
Appendix B Panel A provides more detail on the empirical setting, methodology and analytical approach, theoretical framework, ideal type framework, institutional logic/ ideal type attributes and study detail.	

Field-level studies examine how multiple logics emerge, coexist or compete to create the complexity that organisations must navigate. These include studies exploring how dominant logics change over time and shape the determinants of power (Thornton and Ocasio, 1999); how fields can sustain multiple logics simultaneously (Goodrick and Reay, 2011); how the distinct IL of field-level funding partners influence the technical and commercial innovations of the startups they fund (Pahnke, Katila and Eisenhardt, 2015); and how field-level logics are identified in non-Western contexts (Hathaway and Askvik, 2021).

Studies exploring organisational responses often focus on structural elements, such as how organisations are designed, governed or internally modified to facilitate and manage competing field-level logics. Some studies develop typologies of structural adaption. For example, Kraatz and Block (2008) describe organisational responses in terms of loose coupling (creating sub-units for different logics), balancing institutional demands, and developing a new identity that itself becomes an institution in its own right. Other research highlights how institutional pluralism leads to structural heterogeneity in BM and governance strategies (Ocasio and Radoynovska, 2016). Structural responses also extend to recruitment and socialisation practices in sustaining hybrid identities in microfinance organisations (Battilana and Dorado, 2010).

Studies also examine organisational strategies, practices and sensemaking that actors use to navigate institutional complexity. High-level strategic responses to institutional pressure are theorised by Oliver (1991), who conceptualised a continuum of strategic responses: acquiescence, compromise, avoidance, defiance and manipulation. This framework was extended by Pache and Santos (2010), who showed how intra-organisational political processes and the internal representation of an

institutional demand determine an organisation's strategic response. In a later study, Pache and Santos (2013) propose that hybrid organisations selectively couple competing logics, as an alternative to decoupling (symbolic adoption), as a means to gain legitimacy. Other studies show how professional actors negotiate and even "hijack" logics to achieve their goals (McPherson and Sauder, 2013, p.165); and prioritise organisationally specific logics in their roles (Sirris, 2019).

Consensus exists in the literature that accounting firms experience institutional complexity, manifested in the tension between a professional logic and a commercial logic (Lander, Koene and Lissen, 2013; Coram and Robinson, 2017; Harber and Willows, 2022; Dunne, Brennan and Kirwan, 2023). This will now be explored.

5.3.5 Institutional logics and the accounting profession

The IL perspective explains tensions between the traditional professional and commercial values in accounting (Gou, 2016) and their effects on organisational structures and processes (Greenwood, Diaz, Li and Lorente, 2010). The literature characterises these as two distinct competing logics: professional and commercial (Suddaby, Gendron and Lam, 2009). Professional logic refers to a set of attributes considered in sociology as representative of "ideal professionals" (Gendron, 2002, p.664), emphasising public interest, ethical conduct and technical expertise (Spence and Carter, 2014). They encourage "widespread understandings of how professionals *ought* to act, how professionals *should* be organised and how professional norms are *best enforced*" (Suddaby, Gendron and Lam, 2009, p.425). Commercial logics contradict professional logics in many ways (Gendron, 2002), prioritising client relationships, services expansion and revenue generation (Spence and Carter, 2014). Professional logic dominated public accounting until the 1990s (Greenwood and Suddaby, 2006), and during this period, the largest accounting firms expanded into consultancy services and their reputations for commercial expertise led to an increasing pervasiveness of commercial logic (Hanlon, 1994; Cooper and Robson, 2006). The "ideal type" framework (Section 5.3.3) developed by Thornton, Jones and Kury (2005) delineates the key characteristics of each logic and demonstrates how these logics differ in how they attempt to guide and shape the behaviour of the accounting profession. This framework has been adopted and refined in the accounting studies of Big 4/6 firms (Bévort and Suddaby, 2016), large and medium audit firms (Anderson-Gough, Edgley, Robson and Sharma, 2022), and will form the basis for examining the rationale behind the SMP's response to key challenges in this thesis (see Table 5.3 below).

Table 5.3: Institutional logics in the accounting profession

Characteristic	Professional logic	Commercial logic
Governance mechanism	CPA partnership CPA ownership	Private corporation Majority CPA ownership
Source of authority	Government regulation Professional body membership and association	Government regulation Management committee Managing partner /senior management
Source of identity	Accounting as a profession Accredited by professional bodies Personal reputation	Accounting as an industry Firm brand Bureaucratic role in the firm hierarchy
Source of legitimacy	Reputation of CPAs Royal Charter privilege Professional knowledge and expertise Companies' Act Standardization and conservatism	Scale and scope of the firm Organizational market success
Basis of mission	Building legitimacy of public corporation Building prestige of partnership	Build seasonal stability of firm Build status position of firm through growth
Basis of strategy	Standardize and authenticate client financial statements Acting in the public interest and personal reputation	Growth through mergers and acquisition Differentiation on client service Corporate/managerial capitalism
Basis of attention	Selling legitimacy Commitment to professional body ethical codes	Selling services Generating profits Loyalty/commitment to firm success
Logic of investment	Building legitimacy of profession	Build wealth and career of partners

Source: Adapted from Thornton, Jones and Kury (2005) and Anderson-Gough *et al.* (2022)

As outlined in Table 5.3, the "ideal type" framework contrasts professional and commercial logics across eight characteristics within public accounting, illustrating how the two logics provide fundamentally different rationales on how an accounting firm may be structured, governed and operated. Under professional logic, *governance mechanism* is defined by a CPA/professional body equivalent partnership model, where ownership is restricted to fellow professionals emphasising peer control and democratic governance. Under commercial logic, firm governance mechanism resembles a private corporation, albeit with majority CPA or equivalent ownership. This structural difference directly impacts *source of authority*. While both logics acknowledge government regulation, professional logic authority is rooted in professional body membership, association, and peer networks. Commercial logic, however, centralises authority hierarchically within management committees, managing partners and senior management. The framework highlights a profound difference in how accountants view themselves and validate their work. Under professional logic, *source of identity* is derived from viewing accounting as a distinct profession, where identity is tied to personal reputation and accreditation by professional bodies. In contrast, under commercial logic, accounting is viewed as an industry where identity is tied to the firm's brand and role within the

firm's hierarchy. Consequently, commercial *source of legitimacy* is derived from scale, scope and market success of the firm, whereas professional legitimacy stems from the reputation of the professional body, professional knowledge and expertise, the use of standardised practices, a generally conservative orientation, and statutory privileges (under company law or Royal Charter). The firm's central aims and purpose vary substantially under each logic. The *basis of mission* under professional logic is to uphold the legitimacy of public corporation and elevate the partnership's prestige. This is pursued through a *strategy* that emphasises serving the public interest, safeguarding personal and professional reputation, and standardising and verifying clients' financial statements. In contrast, the basis of mission under commercial logic is concerned with enhancing the firm's competitive position through expansion and maintaining its seasonal stability. This is achieved by pursuing a strategy focused on corporate/managerial capitalism through, for example, growth via mergers and acquisitions and differentiation through client service. Finally, the day-to-day focus and financial rationales of the firm are dictated by its prevailing logic. A firm adhering to a professional logic directs its *basis of attention* toward selling legitimacy, i.e. making clients appear credible, trustworthy and compliant, and maintaining a commitment to high ethical and professional standards. In contrast, a commercial logic focuses firm attention on marketing its services, maximising returns and fostering a commitment to the firm's own success. A professional *logic of investment* deploys resources to augment the broader legitimacy of the accounting profession. This contrasts with the commercial logic of investment that prioritises the personal wealth and career development of the firm's partners.

The literature presents different views regarding how multiple logics co-exist within public accounting, which will now be discussed.

5.3.6 Multiple logics in public accounting firms

Some researchers treat both logics as distinct within accounting (Suddaby, Gendron and Lam, 2009), while Carrington, Johansson, Johed and Öhman (2013) found no empirical separation of them among Swedish auditors, but rather a tension between two sub-elements: independence enforcement and client commitment. Others criticise the framing of both logics as too binary, proposing a technical-professional versus commercial-professional characterisation as more appropriate (Spence and Carter, 2014).

The extent of a change in logics in accounting is contested. Much of the literature assumes that professional logic dominated until the 1970s (Zeff, 2003; Suddaby, Gendron and Lam, 2009), with commercial logic emerging through increasing regulation, automation and changing demands (Lander, Koene and Linssen, 2013) and becoming institutionalised (Guo, 2016). Other researchers

argue that a commercial logic has always been present (Malsch and Gendron, 2013), and the profession has always been commercially oriented (Anderson-Gough, Grey and Robson, 2000). Indeed, the literature is replete with references to the shift to commercial logic among Big 4 accountancy firms (Cooper and Robson, 2006; Suddaby, Gendron and Lam, 2009).

Organisations on the 'periphery' are less field-embedded and less exposed to multiple logics than central, highly embedded actors, such as Big Five firms, that are aware of alternative logics and have resources to initiate change and resist coercive pressures (Greenwood and Suddaby, 2006). The limited SMP literature indicates a strong identification with traditional professional logic (Suddaby, Gendron and Lam, 2009; Lander, Koene and Linssen, 2013). Yet SMPs are not passive receivers of logics, but can interpret (Greenwood *et al.,* 2011) and selectively draw on them pragmatically, using elements of commercial logic to resolve certain managerial and strategic issues (Lander, Koene and Linssen, 2013).

The extent to which actors give voice to IL (Pache and Santos, 2010) depends on "the thickness of ties" (Greenwood *et al.,* 2011, p.342) to the field, such as professional body membership and training programmes. The thicker the ties, the greater the chance that the logic is actively represented within organisations (Greenwood *et al.,* 2011). The penetration of a logic depends on field-level actors' capacity to police it (e.g., CAI PSD regulatory audits) and the extent to which organisational roles are buffered from external pressures, with technical core units (e.g., audit) often less exposed to commercial pressures than client-facing roles (Greenwood *et al.,* 2011). Finally, organisations (e.g., large or high-profile organisations) can use internal socialisation processes to buffer members from field pressures, weakening commitment to the wider professional-level logics and increasing organisational discretion in decision-making (Greenwood *et al.,* 2011). For example, Big 4 firms employ notions of client and client service in the socialisation of trainee accountants (Anderson-Gough, Grey and Robson, 2000). Therefore, organisation structures shape how firms experience and respond to institutional complexity (Greenwood *et al.,* 2011). Simultaneously, these structures and "managerial practices are manifestations of, and legitimated by" IL underpinning them (Greenwood *et al.,* 2010, p.521).

Scholarly interest in how multiple logics coexist in the public accounting domain occurs at both the field level and the organisational level, with research focusing on organisational structures and strategies. Examples of studies in public accounting are summarised in Table 5.4.

Table 5.4: Studies adopting an institutional logics perspective in public accounting

Level of analysis	Author(s)
Field-level	Suddaby and Greenwood (2005) Thornton, Jones and Kury (2005)
Organisational response: structure	Gendron (2002) Suddaby, Gendron and Lam (2009) Carrington, Johansson, Johed and Öhman (2013) Spence and Carter (2014) Coram and Robinson (2017)
Organisational response: strategies	Gendron (2001) Lander, Koene and Linssen (2013) Bévort and Suddaby (2016) Harber and Willows (2022)
Appendix B Panel B provides more detail on the empirical setting, methodology and analytical approach, theoretical framework, ideal type framework, institutional logic/ ideal type attributes and study detail.	

The studies summarised in Table 5.4. demonstrate that the IL perspective is an effective lens for understanding structural and cultural transformations within the public accounting profession. Field-level studies examine jurisdictional struggles between professions (Suddaby and Greenwood, 2005), and how field-level actors, such as professional associations, manage competing logics over time (Thornton, Jones and Kury, 2005). Organisational-level studies examine response strategies such as decision-making (Gendron, 2001; Lander, Koene and Linssen, 2013), and identity experimentation and sensemaking (Bévort and Suddaby, 2016; Harber and Willows, 2022). Other studies investigate how the organisational structural response that manifests in contextual features (e.g., firm size), internal hierarchies and formal governance mechanisms (like compensation schemes) filter and embody competing logics (Gendron, 2002; Suddaby, Gendron and Lam, 2009; Carrington *et al.,* 2013; Spence and Carter, 2014; Coram and Robinson, 2017). A dominant theme running through this literature is the ongoing tension between professional and commercial logics. Neo-institutionalists view organisational structure/form as an archetypal configuration of standard structures and practices, underpinned by a set of values that are considered appropriate within an institutional environment (Greenwood and Suddaby, 2006). A discussion exploring the relationship between IL and such archetype configurations will now follow.

5.3.7 Institutional logics and accounting firm archetypes

The tension and conflict arising from incompatible prescriptions of ILs in the field, created a "fragility and instability" (Malsch and Gendron, 2013, p.872) in the reproduction of dominant organisational forms or archetypes (Malsch and Gendron, 2013), defined as "a set of structures and

systems that reflect a single interpretive scheme" (Greenwood and Hinings, 1993, p.1052). Professional logics underscored the organisational P^2 (Greenwood, Hinings and Brown, 1990) or Cravath-Style form that dominated the profession until the 1990s (Powell, Brock and Hinings, 1999; Greenwood and Suddaby, 2006), until a new organisational form emerged that reflected the existence of a more commercially dominant BM of the largest accountancy firms (Powell, Block and Hinings, 1999; Greenwood and Suddaby, 2006) with a multidisciplinary practice (MDP). The characteristics of these organisational forms are set out in Table 5.5 below:

Table 5.5: Comparison of Cravath-Style organisational form with Multidisciplinary Practice

Elements	Traditional Cravath-Style Form	Multidisciplinary Practice
Strategy	Provision of narrow range of services	Provision and cross-selling of a diversified range of services
	Clients vary in size	Focus on large, especially global clients
	Professionals are generalists	Expertise in specific industries
		Professionals specialize by function *and* industry
Management	Division of labor based on services (e.g., audit, tax) focused on the local office	Division of labor based on service line *and* industry, focused on national/international scale
	Coordination primarily achieved via committees	Coordination achieved by formal hierarchy supplemented by project teams
	Few, if any, specialized or full-time management positions	Specialized and full-time management positions
	High partnership involvement in strategic decisions	Authoritative decision style
	Consensus decision style	Formal client management systems
Marketing	Advertising prohibited; emphasis upon personal networks	Formal marketing ("branding")
	No specialists	Professional marketers used
Human resource management	Unitary (one profession) workforce	Diverse (multiprofession) workforce
	Emphasis upon technical expertise as criterion for promotion and compensation	Emphasis upon commercial acumen as criterion for promotion and compensation
	No human resource management specialists	Professional human resource management specialists
	Decentralized profit pool	Centralized (global) profit pool
	Weak accountability for performance	Accountability linked to compensation
Knowledge management	Informal networks	Formal, centralized knowledge management systems
Underlying values	Professional services as a craft	Professional services as a business
	Collegiality, consensus, and professional autonomy	Accountability for performance
	Primary mission is to serve clients, but "objectivity" is critical	Primary mission is to serve very large clients

Source: Greenwood and Suddaby, 2006, p.36

As illustrated in Table 5.5, traditional partnership[27] (P^2/Cravath-Style) archetype is focused on providing a narrow range of services delivered by a single profession. It is defined by the "fusion of ownership and control" (Cooper, Hinings, Greenwood and Brown, 1996, p.627), where professional partners simultaneously own and govern the strategic direction of the firm and directly provide services. It operates as a "representative democracy" (Cooper *et al.,* 1996, p.626), characterised by collegial, consensus-based decision-making, peer control and minimal hierarchy (Cooper *et al.,* 1996; Greenwood and Suddaby, 2006). The firm does not engage in formal marketing, and rather than utilising structured knowledge management systems, there is an emphasis on technical expertise, with remuneration often based on seniority, following a "lockstep system… to promote collegiality and avoid giving undue emphasis to commercial criteria" (Greenwood and Suddaby, 2006, p.35). In contrast, Greenwood and Suddaby (2006) present the MDP as a highly commercialised organisational form, pioneered by elite, globally focused accounting firms. MDPs are characterised by the provision and cross-selling of highly diversified services across multiple professions (accounting, management consulting, law), and the development of formalised hierarchical management structures, specialised roles, active marketing and centralised global profit pools, prioritising commercial business values and individual accountability over the traditional professional craft.

Conceptually situated between the two extremes of P^2 and MDP archetypes is the Managed Professional Business (MPB) developed by Cooper *et al.* (1996) in their research on large law and accounting firms. The archetype emerged from their study of two Canadian law firms. The MPB explicitly views the firm as a "business" (p.630), emphasising effectiveness and efficiency. Structurally, this translates into more directive leadership, specialised functional roles (e.g., HR, marketing), increased levels of specialisation, and formalised performance-based controls. For example, while the P^2 relies on seniority-based remuneration and tolerant accountability, the MPB operates stricter financial and market targets, utilising performance-based compensation, with a lower tolerance for underperformance.

The literature debates how firms transition from the P^2 and MPB archetypes. Cooper *et al.* (1996) characterise this transition as a process of sedimentation or "layering of one archetype on another" (p.624), with "the persistence of values, ideas and practices" (p.624), despite change in formal structures and practices. This creates a competitive commitment to old and new practices, resulting in "archetype incoherence" (p.624), where commercial and professional logics coexist uneasily. Conversely, Pinnington and Morris (2003) contest the assertion of transformational or sedimented

[27] Greenwood and Suddaby (2006) identify "P^2" as the traditional "Cravath-Style" archetype, dominant in professional services; this thesis adopts the term P^2.

archetype change. They argue that organisational change reflects a pattern of continuity shaped by rising managerialism in the market-facing and operating areas, while retaining core P^2 interpretive elements such as managing by consensus, partner control over client relationships and strategic decision-making. Essentially, they argue that firms studied (UK law firms) had not transitioned to MPB but presented as "consciously managed and internally differentiated" (p.97) P^2 partnerships. This view is dismissed by Ackroyd and Muzio (2007) as "at best, rhetorical" (Malsch and Gendron, 2013, p.890). Addressing this debate, Empson (2012) distinguishes a "delegated phase" (pp.17-18) that captures early structural change from P^2, in which partners retain ultimate authority and accountability while delegating limited managerial authority to roles such as CEO or managing partner. The delegated phase involves the introduction of a centralised, managed leadership approach and "more explicit management systems and structures" (p.3), marking a shift from informal peer control.

Regardless of whether viewed as a sedimented archetype, enhanced managerialism or a delegated transition, the MPB conceptually pre-dates the MDP. Brock (2006) acknowledges the MPB archetype as useful in capturing the initial managerial tendencies in medium to large PSFs. However, it ultimately had "significant limitations as a general archetype" (p.164) because it failed to account for the global strategies and multidisciplinary tendencies of contemporary PSFs. This limitation served as a catalyst for the development of the MDP and the positioning of the MPB between the traditional P^2 and MDP archetypal forms.

Although the literature does not specify an organisational archetype that sits between the MPB and MDP forms, it explicitly links the evolution of these forms to powerful changes in the environment, such as globalisation, deregulation, increased competition, and changing client demands, that challenge existing interpretive schemes (Brock, 2006). Underlying IL directly influences organisational structures and processes, and they are mutually reinforcing (Greenwood *et al.,* 2010). As new values gain legitimacy, the firm must adopt new structures and systems, resulting in the evolution of its organisational form. The concept of hybridity is used in the literature to describe a firm in transition between archetype forms (Cooper *et al.,* 1996; Brock, 2006).

As each researcher must "justify the existence of logics and their relative dimensions" in their study (Ocasio, Thornton and Lounsbury, 2017, p.537), the "ideal type" framework (Table 5.3) will be used to identify the prevailing IL underpinning the SMP BM (RO1). To support this analysis, the characteristics of the case site's BM will be interpreted using the established organisational archetypes in professional accounting presented in Table 5.5, to determine the extent to which the prevailing logic of the case sites is reflected in its organisational form. IW will be adopted as a theoretical lens to examine the SMP's response to challenges, as reflected in its BM (RO3).

5.4 Institutional work

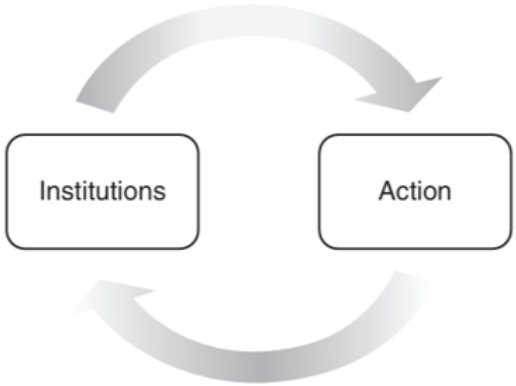
IW is defined as "the purposive action of individuals and organisations aimed at creating, maintaining and disrupting institutions" (Lawrence and Suddaby, 2006, p.215).

It has informed an extensive research programme conceptualising and exploring institutional dynamics and human agency and is considered "one of the main strands of thought" (Modell, 2020, p.33) in studies of management and organisations (Hampel, Lawrence and Tracey, 2017). This section will discuss the origins and core principles of IW and justify it as a theoretical lens to understand the work undertaken in the SMP BM as a direct result of the firm's strategic response to key challenges.

5.4.1 Origins and concept of institutional work

The concept of IW originated in Lawrence and Suddaby's (2006) piecing together of "previously disparate ideas" (Lawrence, Suddaby and Leca, 2009, p.1) arising in earlier empirical studies mapping work in institutional theory between 1990 and 2005. The concept developed in response to two schools of thought therein, around the process of institutionalisation: the structural approach to organisational form and conduct and isomorphic tendencies in institutional fields (DiMaggio and Powell, 1983), and those emphasising the role of actors in transforming institutions (DiMaggio, 1988; Oliver, 1991). Lawrence and Suddaby's (2006) conceptualisation of IW re-orients the conversation from one of "how institutions govern action" to "how action affect institutions" (Lawrence, Suddaby and Leca, 2009, p.1). This conceptualisation of institutions as "the product (intentional or otherwise) of purposive action" (p.216) draws on Jepperson's (1991) conceptualisation and contrasts with the new institutionalist (Section 5.2.2.2) focus on regulation and cognition. The nature of the relationship between institutions and action is recursive, as illustrated in Figure 5.3.

Figure 5.3: The recursive relationship between institutions and action



Source: Lawrence, Suddaby and Leca, 2009, p.7

Institutions may be understood as templates and regulative mechanisms for action, while action, in turn, has the capacity to reshape or reinforce institutions. IW concerns itself with the study of "how action and actors affect institutions" (Lawrence, Suddaby and Leca, 2009, p.7) - the bottom arrow in Figure 5.3 above. Drawing on the concept of agency, Lawrence and Suddaby (2006) developed a practice perspective to the study of IW, which they conceive as revolving around three key elements:

1. Highlighting "the awareness, skill and reflexivity of individual and collective actors" (p.219)
2. Providing "an understanding of institutions as constituted in the more or less conscious action of individuals and collective actors" (p.219)
3. Suggesting an approach that "we cannot step outside of action as practice – even action which is aimed at changing the institutional order of an organisational field, occurs within sets of institutionalized rules" (p.220)

SMP partners are professionally attuned to their institutional environment and competent professionals with the knowledge and strong practical skills to navigate and creatively adapt to challenges within their institutional field. SMP partners must maintain the day-to-day operations of the firm, while skilfully engaging in practices within their BM to adapt to these challenges. Indeed, the practices or innovations undertaken in adapting the BM are themselves institutionally embedded, relying on the skills and resources of the firm. Therefore, IW is an appropriate theoretical framework to understand how the SMP's strategic response to key challenges is reflected in the BM. The two foundational pillars of IW will now be discussed.

5.4.2 The foundations

Drawing on literature from two key areas, concepts of agency and a practice perspective, Lawrence and Suddaby (2006) developed the theoretical foundations of IW, which will now be examined.

5.4.2.1 The concept of agency

Rooted in a small set of articles that parallels the development of new institutionalism, Lawrence and Suddaby (2006) sought to develop an account of human agency that was neither deterministic[28] (that of actors trapped in the 'iron cage' of institutional arrangements (DiMaggio and Powell, 1983)), nor voluntaristic (that of the hyper-muscular institutional entrepreneur's influence on their institutional context (DiMaggio, 1988)) but instead recognised a more nuanced form of agency. They initially built on DiMaggio's (1988) theorising of the role of the individual, agency and power in institutional change, and also on Oliver's (1991, 1992) account of strategic responses to institutional processes

[28] See Section 5.2.2 for explanation of voluntarism and determinism (Burrell and Morgan, 1979).

and her examination of the antecedents of de-institutionalisation[29], that recognised the need to integrate a recognition that agency is varied and context-dependent. How individuals exercise agency in transforming or changing institutions or structures that enable or constrain their actions is referred to as the *paradox of embedded agency* (Seo and Creed, 2002). Recognising that agency and structure are inextricably linked, IW highlights the "intentional actions taken in relation to institutions" (Lawrence, Suddaby and Leca, 2009, p.1) and takes inspiration from the relational perspective developed in social science, e.g., Giddens (1984) structuration theory, Bourdieu's (1977) theory of practice. This relational perspective views actors as embedded in and responding to situations in their social context, rather than behaving in a solipsistic manner (self-contained and disconnected from external perspectives) or indeed, having behaviour dictated by institutional pressures (Battilana and D'Aunno, 2009).

Moving from the unidimensional approach to agency, Battilana and D'Aunno (2009) conceptualise IW as dynamic and context-dependent, defining agency as an "actor's engagement with the social world that, through the interplay of habit, imagination, and judgement, can both reproduce and transform environment's structures" (p.46). Drawing on Emirbayer and Mische (1998), they frame agency as relational, comprising iterational, projective and practical-evaluative dimensions, "the chordal triad of agency" (p.972) that can be found in varying degrees in any instance of action. Building on this, IW research conceptualises intentionality as a dynamic interplay between deeply embedded habits and reflexivity (Lawrence, Suddaby and Leca, 2011). Malsch and Gendron (2013) bridge habitual and reflexive agency through institutional experimentation that conceptualises change as "highly uncertain, trial and error process" (p.894) enacted by individuals. Rather than episodic reflexivity requiring dis-embedding from tradition, they argue that accountants develop hybrid identities that combine habitual and reflexive agency, oscillating between them as they maintain and adapt institutionalised accounting practices (Modell, 2020). Aleksandrov, Bourmistrov and Grossi's (2018) study on participatory budgeting shows how reflexivity can evolve over time, from "curiosity reflexivity" (p.1118) to a 'critical reflexivity' as "scepticism and critical attitudes" (p.1112) become apparent, with reflexivity ultimately stalling, producing a "reflexivity trap" (p.1118) in which actors become trapped in past assumptions and unable to see/define alternative institutional actions. Lawrence, Suddaby and Leca (2011) advanced the concept of distributed agency, described as "accomplished through the coordinated and uncoordinated efforts of a potentially large number of actors" (p.55), empirically illustrated in dyadic relationships (Empson, Cleaver and Allen, 2013), and hybridised professional group (Hayne and Free, 2014).

[29] "Deinstitutionalization refers here to the erosion or discontinuity of an institutionalized organizational activity or practice" (Oliver, 1992, p.563).

As IW involves purposive action and effort, determining the intentionality of action is key to understanding what constitutes this work, and how it is underpinned by different dimensions of agency (Battilana and D'Aunno, 2009). Indeed, work, the "application of mental or physical effort to a purpose" (Thompson, 1996, p.1069), is understood in a narrower sense than action and connects effort to a goal. Therefore, IW can be understood as *intentional effort* to achieve an effect on an institution(s) (Lawrence, Suddaby and Leca, 2011). This can be further understood from a practice perspective, the second foundational concept of IW, to understand how SMPs respond to challenges in their BM (RO3). This will now be discussed.

5.4.2.2 A practice perspective

The concept of IW is inspired by the literature on the sociology of practice (Bourdieu, 1977; Giddens, 1984) that applies a practice perspective to understand social phenomena and change. Studies in this tradition investigate the situated actions of individuals and organisations, and understand the practices undertaken in response to everyday challenges. IW is conceptualised as "intelligent, situated action" (Lawrence and Suddaby, 2006, p.219), carried out by knowledgeable and creative individuals engaging in the activities of creating, maintaining and disrupting institutions (Lawrence, Suddaby and Leca, 2009). The practice perspective links the individual's reflexive yet purposive action and the institutions that are the subject of this work. The approach differs from the process-based approaches of Greenwood and Hinings (1996) and Tolbert and Zucker (1996) that focus on processual accounts of institutionalisation and are concerned with a more granular 'micro' perspective of change, or the 'world inside the process" (Lawrence and Suddaby, 2006, p.219). The practice perspective highlights that IW may or may not achieve its desired outcome and may interact with existing institutions/structures in unexpected ways, resulting in unintended consequences (Lawrence and Suddaby, 2006).

The IW perspective is a suitable framework to understand how purposive action, taken by SMP partners in response to challenges, manifests in the BM. Some IW undertaken will be "visible and dynamic", but much of it is "nearly invisible and often mundane" (Lawrence, Suddaby and Leca, 2009, p.1) as they make daily adjustments and compromises to maintain their BM in response to these challenges. The various forms this work can take were first categorised by Lawrence and Suddaby (2006) in their review of extant literature, delineated below.

5.4.3 Forms of institutional work

A typology of the forms of work of creating, maintaining and disrupting institutions was developed by Lawrence and Suddaby (2006), see Table 5.6.

Table 5.6: Typology of institutional work

Emphasis of work	Form of institutional work	Definition
Creating institutions		
Political work	Advocacy	Mobilising political and regulatory support through direct and deliberate techniques of social suasion
	Defining	Constructing rule systems that confer status or identity, define boundaries of membership or create status hierarchies within a field.
	Vesting	Creating rule structures that confer property rights.
Reconfiguring existing norms and belief systems	Constructing identities	Defining the relationship between an actor and the field in which that actor operates.
	Changing normative associations	Re-making the connections between sets of practices and the moral and cultural foundations for those practices.
	Constructing normative networks	Constructing interorganizational connections through which practices become normatively sanctioned and which form the relevant peer group with respect to compliance, monitoring and evaluation
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	Associating new practices with existing sets of taken-for-granted practices, technologies and rules in order to ease adoption.
	Theorizing	Developing and specifying abstract categories and the elaboration of chains of cause and effect.
	Educating	Educating actors in skills and knowledge necessary to support the new institution.
Maintaining institutions		
Adherence to rules	Enabling work	Creating rules that facilitate, supplement and support institutions, such as the creation of authorizing agents or diverting resources
	Policing	Ensuring compliance through enforcement, auditing and monitoring.
	Deterring	Establishing coercive barriers to institutional change
Reproducing existing norms and belief systems	Valourizing and demonizing	Providing for public consumption positive and negative examples that illustrate the normative foundations of an institution.
	Mythologizing	Preserving the normative underpinnings of an institution by creating and sustaining myths regarding its history.
	Embedding and routinizing	Actively infusing the normative foundations of an institution into the participants' day-to-day routines and organizational practices
Disrupting institutions		
Disrupting work	Disconnecting sanctions-rewards	Working through state apparatus to disconnect rewards and sanctions from some set of practices, technologies or rules.
	Disassociating moral foundations	Disassociating the practice, rule or technology from its moral foundation as appropriate within a specific cultural context.
	Undermining assumptions and beliefs	Decreasing the perceived risks of innovation and differentiation by undermining core assumptions and beliefs

Source: Adapted from Lawrence and Suddaby, 2006, pp.221, 230, 235

Lawrence and Suddaby's (2006) typology is organised around three main categories of work: creating, maintaining and disrupting, reflecting the life cycle of institutional activity that "parallels the lifecycle of institutions described by Scott (2001) and Tolbert and Zucker (1996)" (Lawrence and Suddaby, 2006, p.220). Each category is organised according to the specific focus of the work, followed by descriptions of particular forms of work associated with that focus.

Nested within creating work is political work (advocacy, vesting and defining work), in which rules are established together with the mechanisms (rewards and sanctions) to enforce them. Actors engaged in this form of work "reconstruct rules, property rights and boundaries that define access to material resources" (Lawrence and Suddaby, 2006, p.221). Work associated with challenging and reconfiguring prevailing norms, values and taken-for-granted assumptions that guide behaviour, includes constructing identities, changing normative associations and constructing normative networks. By contrast, work that alters/reshapes the boundaries of meaning associated with key institutional concepts includes mimicry, theorising and educating work.

Maintaining work typically occurs when the status quo of existing institutional arrangements is threatened with potential change and is directed at neutralising these threats and preventing associated change (Micelotta and Washington, 2013). Maintaining work requires proactive effort to counter institutional entropy, the natural erosion of institutional structures over time. Maintaining institutions "involves supporting, repairing or recreating the social mechanisms that ensure compliance" (Lawrence and Suddaby, 2006, p.230). This includes work focused on adhering to institutional rules (enabling, policing and deterring work) and work that reinforces existing norms and belief systems (valourizing and demonizing, mythologising and embedding and routinising work). Together, this work preserves and strengthens current institutional arrangements, ensuring institutional persistence and stability.

The disruption of institutions by actor(s) has been of interest to institutional scholars since the early work of Selznick and gained further attention following Oliver's (1992) paper exploring the deinstitutionalisation process. Notwithstanding this, Lawrence and Suddaby's (2006) literature review found that concrete empirical descriptions of the practices associated with "attacking or undermining the mechanisms that lead members to comply with institutions" (p.235) were relatively rare. Despite this general scarcity of evidence, they identified three distinct forms of disrupting work. Disconnecting sanctions (or rewards) work involves severing links between practices and the consequences that justify or enforce them. This work typically requires cooperation with/working through state agencies or the legal system. Disassociating moral foundations work involves questioning or disconnecting an established practice from its moral foundation within a specific cultural context, and undermining assumptions and beliefs work challenges core assumptions and

beliefs that uphold institutional arrangements, thereby reducing the perceived risks associated with innovating. Although Lawrence and Suddaby's (2006) typology of IW is widely adopted by researchers (Hayne and Free, 2014; Canning and O'Dwyer, 2016; Farooq and de Villiers, 2019; Bertz, Quinn and Burns, 2023; Dunne, Brennan and Kirwan, 2023) and recognised as a "useful starting point" (Bertz, Quinn and Burns, 2023, p.3), it is not without critics.

5.4.3.1 Critique of Lawrence and Suddaby's (2006) typology of IW

Scholars have been criticised for an over-simplistic portrayal of IW as concerned with a singular form of IW (creating, maintaining or disrupting), singular subject (worker or collective workers as one entity) and singular object (the institution) (Empson, Cleaver and Allen, 2013), and not reflective of the reality that may reveal "muddles, misunderstandings, false starts and loose ends that often characterise relationships between institutions and action" (Lawrence, Suddaby and Leca, 2009, p.11). Currie, Lockett, Finn, Martin and Waring (2012) observe how various forms of IW interact with one another and how they "cross categories of creating and maintaining institutions" (p.956). Scholars agree that, in practice, IW is non-sequential (Hayne and Free, 2014); that multiple forms of IW can occur simultaneously (Empson, Cleaver and Allen, 2013; Canning and O'Dwyer, 2016); that forms of work can contradict and displace one another (Perkmann and Spicer, 2008; Canning and O'Dwyer, 2016); that forms of IW reinforce other forms, described by Canning and O'Dwyer (2016, p.7) as "supportive interactive work", and that while forms of IW "may be analytically distinct, they are not necessarily empirically distinct" (Empson and Cleaver, 2013, p.837). Other scholars critique the typology as incomplete or lacking vocabulary to fully explain a phenomenon, proposing additional forms of work (Micelotta and Washington, 2013; Canning and O'Dwyer, 2016; Lehmann, Graf-Vlachy and Köing, 2019; Farooq and de Villiers, 2020). Bertz, Quinn and Burns (2023) highlight a critique arising in the literature that points to Lawrence and Suddaby's (2006) lack of attention "to actors' reflexivity, cognitions and emotions…institutional embeddedness …intentionality, habits and power" (p.3). Finally, some academics propose an alternative typology that groups IW by the nature of the effort, rather than the lifecycle of institutions on which Lawrence and Suddaby's (2006) typology is predicated (Perkmann and Spicer, 2008; Meidell and Kaarböe 2017). These developments illustrate the breadth of scholarly engagement in IW, which will now be discussed.

5.4.4 Empirical applications of institutional work

IW is an established perspective within organisational studies and has "informed an expansive research program" (Modell, 2020, p.1), both in accounting and non-accounting settings. Examples of scholarly interest in IW situated in non-accounting empirical settings are summarised in Table 5.7.

Table 5.7: Studies adopting an institutional work perspective in non-accounting settings

Level of analysis	Author(s)
Field-level	Perkmann and Spicer (2008) Zietsma and Lawrence (2010) Currie, Lockett, Finn, Martin and Waring (2012) Micelotta and Washington (2013) Hayne and Free (2014) Clune and O'Dwyer (2020)
Organisation-level	Daudigeos (2013) Nyland, Morland and Burns (2017) Meidell and Kaarbøe (2017)
Theory-level	Lehmann, Graf-Vlachy and König (2019)
Appendix B Panel C provides more detail on the empirical setting, method and analytical approach and study detail.	

While some studies synthesise literature (Perkmann and Spicer, 2008) and/or build theoretical models (Lehmann, Graf-Vlachy and Köing, 2019), the majority are field-level studies exploring IW across industries and professions, with a small number of organisation-level studies that undertake a deep dive into IW (Daudigeos, 2013; Meidell and Kaarbøe, 2017). Studies in Table 5.7 can be synthesised thematically based on the objective of the IW. Specifically, studies focus on: (1) creating, diffusing and institutionalising practices; (2) maintaining and defending the status quo, or repairing institutions after a breakdown/threat; and (3) interaction between competing forces, boundaries or logics.

Studies in the first category emphasise diffusion of institutionalised practices as collective, multi-level work. Perkmann and Spicer (2008) conceptualise diffusion as decentralised "partaking" (p.826) of uncoordinated distributed actors. Similarly, Hayne and Free (2014) highlight the role of "hybridized professional groups" (p.310) in bridging practice creation and maintenance. At an organisational level, Meidell and Kaarbøe (2017) discuss how institutionalisation relies on developing a shared "collective action frame" (p.206), and at an individual level, Daudigeos (2013) finds that diffusion relies on "practical agency: relational legitimacy-building and unobtrusive influence tactics" (p.734).

Studies in the second category show that institutions persist only through active work to defend, stabilise and repair them. Currie *et al.* (2012) show how elite professionals adapt to policy reforms to preserve power. Extending this, Micelotta and Washington (2013) theorise institutional repair following disruption. The final category of studies examines how ongoing tensions between competing logics and boundaries are managed through IW. Zietsma and Lawrence (2010) show an interplay between boundary and practice

work to produce "cycles of institutional stability, conflict, innovation and re-stabilization" (p.189) at field level. Clune and O'Dwyer (2020) find that "discursive pragmatism" (p.3) enables conflicting value frames to co-exist productively without compromise. At the intra-organisational level, Nyland, Morland and Burns (2017) show how middle managers engage in institutional dirty work, "the creative balancing and navigation through…various influences" (p.486), to balance economic and medical logics strategically decoupling control mechanisms.

A body of empirical research within the accounting domain has also adopted the IW perspective, and key literature is summarised in Table 5.8.

Table 5.8: Studies adopting an institutional work perspective in accounting settings

Level of analysis	**Author(s)**
Field-level	Chiwamit, Modell and Yang (2014) Suddaby, Saxton and Gunz (2015) Canning & O'Dwyer (2016) Gibassier (2017) Farooq and de Villiers (2019, 2020)
Organisation-level	Aleksandrov, Bourmistrov and Grossi (2018) Bertz, Quinn and Burns (2023)
Theory-level	Malsch and Gendron (2013)
Appendix B Panel D provides more detail on the empirical setting, method and analytical approach and study detail.	

While studies in Table 5.8 span the accounting discipline, they can also be synthesised thematically based on the focus of the IW. Specifically, studies focus on (1) regulation, compliance and resistance, (2) identity construction and professional boundaries and (3) innovation and creation of new practices. Field-level studies in the first category examine how actors impose, negotiate, reinterpret or challenge regulatory and oversight structures. Canning and O'Dwyer (2016) demonstrate how Irish professional accounting bodies contested state-led oversight to defend self-regulation, advancing understanding of the "recursive relationship between different forms of IW and patterns of institutional change and stability" (p.1). In the public sector, Bertz, Quinn and Burns (2023) theorise how management reforms during austerity were shaped by actors' framing (reflexivity, situated logics and institutional embeddedness) and political work, using "austerity advocacy" (p.19) to overcome resistance by local councillors to centralised budget reforms.

Studies in the second category examine how actors use IW to redefine professional identity, establish professional jurisdiction, and claim legitimacy. At field-level, Malsch and Gendron (2013) theorise institutional change in public accounting as "a fragile and unpredictable process of institutional

experimentation" (p.875) where actors simultaneously extend and defend professional jurisdiction. Suddaby, Saxton and Gunz (2015) identified boundary, rhetorical and embedded agency work undertaken by Big 4 to extend professional identity on social media platforms. Similarly, Farooq and de Villiers (2019) show how actors contest professional boundaries through IW in the emerging and unregulated sustainability assurance market.

Finally, studies in the final category examine innovation and creation of new practices. These include Gibassier (2017), who shows how elites institutionalise an environmental accounting innovation/tool through "identity work" (p.52) mimicking professional consultancies and chartered accountancy, and "gate-keeping work" (p.52) to enforce entry barriers and preserve expertise exclusivity. Other studies highlight innovation as an experimental process shaped by broader interests. For example, Chiwamit, Modella and Yang (2014) show how management accounting innovation/tool becomes infused with broader societal and political interests. Alexsandrov, Bourmistorv and Grossi (2018) show how participatory budgeting emerged from a "curiosity reflexivity" (p.1108) but ultimately became a "monopsonistic quasi-market" (p.1116) with citizens competing for limited funds. The authors attribute this to a "reflexivity trap" (p.1098), where actors' initial critical reflexivity was overshadowed by a competitive drive to secure limited funds, ultimately constraining the budget further.

The final stream of literature in the area broadens the IW focus by combining it with IL, which will be discussed next.

5.4.5 Institutional work and institutional logics

A rich stream of research has developed that uses both the IL and IW perspective, offering insights into how organisations and individuals navigate complex and changing environments. Table 5.9 summarises some of this literature across a variety of empirical settings.

Table 5.9: Studies adopting an institutional work and institutional logic perspective

Level of analysis	**Author(s)**
Field-level	Lok (2010) Guo (2016)
Field-level / Organisation-level	Järvinen (2016)
Organisation-level	Tracey, Philips and Jarvis (2011) Smets and Jarzabkowski (2013) Gawer and Phillips (2013) Kurtmollaiev, Fjuk, Pedersen, Clatworthy and Kvale (2018) Dunne, Brennan and Kirwan (2023)
Appendix B Panel E provides more detail on the empirical setting, method and analytical approach and study detail	

The literature adopting both an IW and IL perspective in Table 5.9 encompasses a wide variety of empirical settings and can be categorised by the specific institutional phenomena and mechanisms that investigate: (1) identity work and role creation, (2) innovation, translation and practice creation, and (3) managing institutional complexity and competing logics. Studies in the first category explore the mechanisms through which actors navigate, reproduce and resist shifting logics. The studies show that professional identities and organisational roles are not static; rather, they are actively subject to contestation, negotiation and experimentation. For example, Guo (2016) theorises top-down "identity experimentation" (p.99) through which accounting associations institutionalise commercialism, by combining "boundary work…to redefine auditors [identity] as versatile experts…[and] practice work…[to recast auditing as] expert work" (p.100) aligned with this new identity. Gawer and Phillips (2013) note that organisations engage in "internal identity work" (p.1046) to resolve tensions from changing field-level logics into organisational identity claims. However, Lok (2010) found that individuals do not adopt prescribed roles passively; rather, they subtly reconstruct roles through "everyday identity work" (p.1331) to simultaneously accommodate and resist new logics.

Studies in the second category focus on innovation, translation and practice creation, illustrating how these are closely connected processes, shaped by IW occurring across micro, meso and macro levels. Instead of viewing innovation as simply a structural or technological change, these studies demonstrate how organisations and individuals actively experiment, reinterpret emerging logics for sceptical audiences, and embed new practices into everyday routines. For example, Tracey, Phillips and Jarvis (2011) demonstrate that innovation bridges conflicting logics by the creation of a new organisational form, underpinned by a hybrid logic. This is enabled by distinct, yet interdependent multi-level IW. Similarly, Kurtmollaiev *et al.* (2018) revealed how service design innovation can drive change in established organisational mindset and routines, rather than purely supporting new service development. For an innovation to take root, it must be successfully translated and made comprehensible to stakeholders. Tracey, Phillips and Jarvis (2011, p.72) highlight the importance of "theorising the organisational template" to distil hybrid logics in a way that "makes sense" to diverse stakeholders. The final stage in institutionalising innovation is creating and embedding new innovation or practice. Kurtmollaiev *et al.* (2018) show this requires overcoming "action inertia" (p.67) by aligning innovation with "corporate language…key performance indicators…and hands-on experimentation" (p.59).

The final category of studies that use both an IL and IW perspective are those focused on institutional complexity and managing competing logics. Studies highlight that managing such complexity requires dynamic and ongoing IW at the micro-level of everyday practice and the macro-level of organisational strategy. Smets and Jarabkowski (2013) illustrate that complexity is managed through

everyday practice and where actors use practical-evaluative agency (Emirbayer and Mische, 1998) to reconstruct relationships between competing logics, producing hybridised responses. At an organisational level, Dunne, Brennan and Kirwan (2023) show how fragile logic equilibrium[30] between professional and commercial logics is maintained through performative IW, with professional concepts strategically used as "sign-vehicles" (p.14) to advance commercial goals and to resist regulatory pressures. Firms "deploy professional-logic concepts to resist commercially damaging regulatory proposals" (p.13).

The review of the literature adopting an IL perspective (Section 5.3.4 and 5.3.6), IW perspective (Section 5.4.4) and studies integrating both perspectives (discussed above) demonstrates a rich and well-established body of scholarly work examining institutional dynamics. Across these multi-level analyses and diverse empirical settings, the research highlights the analytical power and versatility of both IL and IW as frameworks for understanding the complex interplay between agency, practice and institutional dynamics. However, the literature tends to favour macro-level actors (professional associations, corporates, state bodies, Big 4, etc.), with limited insight into how institutional pressures are experienced and managed at the field's periphery. This gap highlights the suitability of both IL and IW perspectives for investigating the SMP.

5.5 Thesis theoretical framing

Developing a strong theoretical foundation is crucial for understanding the forces that shape the SMP and how it responds to challenges. This thesis seeks to answer the following research question (RQ):

RQ: What are the challenges facing Small and Medium Accounting Practices (SMPs) and how do these affect the business model?

ROs were developed to bring clarity to the research process necessary to answer the RQ.

RO1: To explore the prevailing rationale (**institutional logic**) underpinning the SMPs' business models.

RO2: To investigate the **key challenges** facing the SMPs and their **implications** for their business models, exploring how **key actors'** decision-making shapes the SMPs' business models as they navigate these challenges.

RO3: To understand and explain the SMPs' responses as reflected in their **business models** using concepts from **institutional work**.

[30] "Logic equilibrium refers to the state of balance between the contradictory forces of the professional and commercial logics that allows organizational field actors to simultaneously leverage aspects of both logics" (Dunne, Brennan and Kirwan, 2023, p.2).

A series of visualisations or scoping diagrams was developed to clarify the relationship between empirical focus, concepts, and theoretical frameworks adopted in this study, to elucidate the logical structure underpinning the RQ. Figure 5.4 illustrates the overall conceptual framing or operationalisation of the RQ.

Figure 5.4: Conceptual framework (operationalisation of the research question)

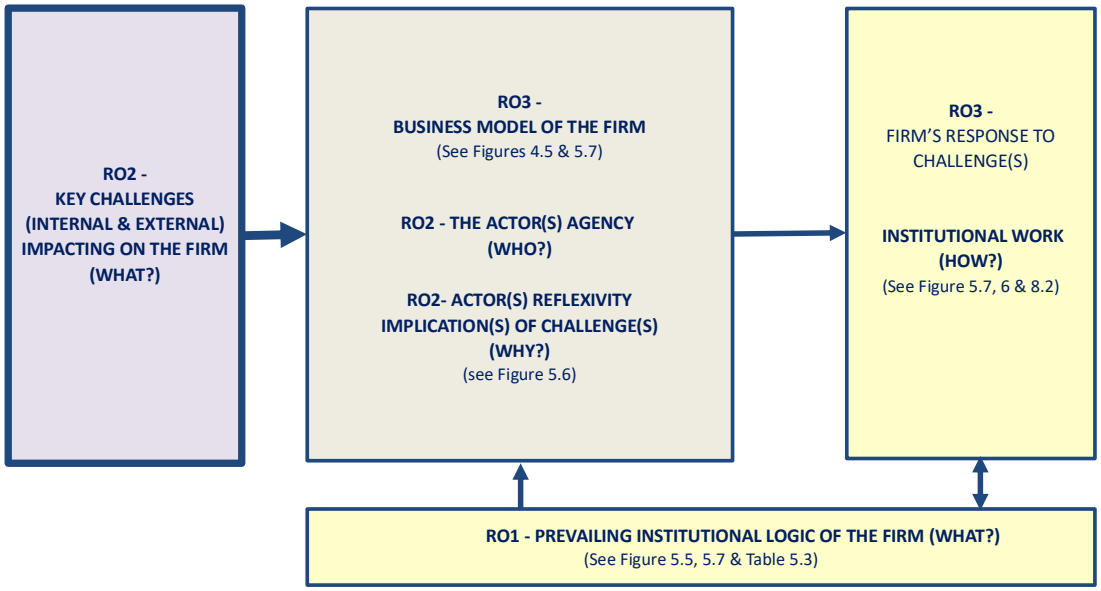


Figure 5.4 is an overarching illustration of the key elements that must be considered to answer the RQ: the prevailing logic underpinning the SMP BM (RO1); the key challenges impacting on the SMP, together with the actors involved, their agency and their reflexivity regarding the implication of these challenges (RO2); and the firm's response to these challenges, understood through the IW undertaken within the BM (RO3).

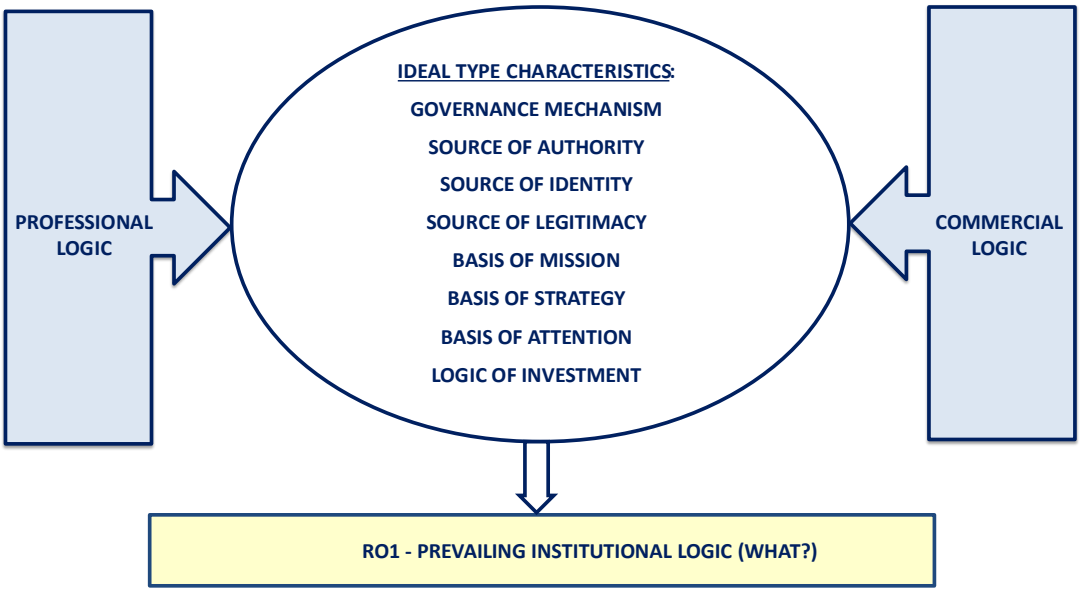
Each of these ROs is distilled further into more detailed diagrams that will be referred to throughout this thesis.

5.5.1 Prevailing institutional logic of the firm (RO1)

SMPs operate in the same multi-logic environment as their larger counterparts (Lander, Koene and Linssen, 2013), dealing with the tension between serving the public interest (professional logic) and ensuring the firms' profitability and long-term survival (commercial logic). RO1 seeks to identify the prevailing logic of the firm (what?). This will be done using Thornton, Jones and Kury's (2005) adapted "ideal type" framework (Table 5.3), to compare professional and commercial logic

characteristics across different elements such as governance, basis of attention, etc., as illustrated in Figure 5.5.

Figure 5.5: Prevailing institutional logic – "ideal type" mediation model

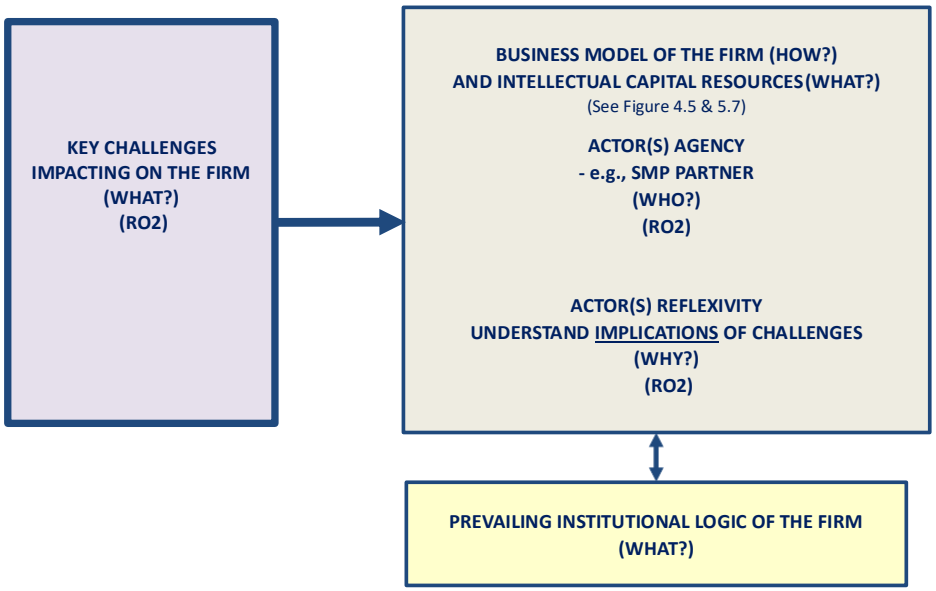


IL are the taken-for-granted social prescriptions, values and assumptions that shape cognition, identity and decision-making (Thornton and Ocasio, 2008) and the prevailing logic of the SMP reflects a blend of professional and commercial logic characteristics.

5.5.2 Key challenges, actor(s)' agency, reflexivity – implication(s) (RO2)

Within the IL perspective, SMP actors are viewed as "carriers" of IL (Battilana and Dorado, 2010, p.1420), shaped by their prior exposure, professional socialisation and training. Figure 5.6 depicts the actor(s) in the BM, their agency and reflexivity in understanding the implications of challenges for the BM.

Figure 5.6: The actor, actor(s)' agency and reflexivity

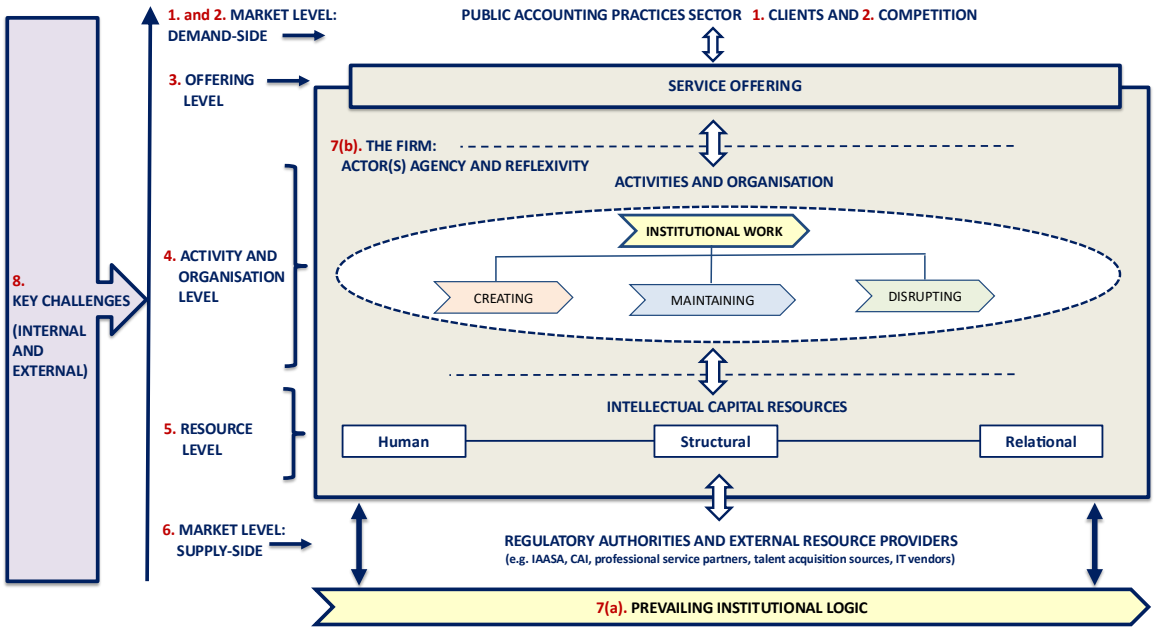


While SMP actors' interests and values are shaped by prevailing logics of the firm, their decision-making within the firm is the result of an interplay between their own agency and the institutional context in which they are embedded (Seo and Creed, 2002). Despite the institutional constraints imposed by the firm's prevailing logic, its impact on the firm's BM is mediated by the actor(s)' own agency and reflexivity. Their reflexive capacity enables them to understand the implications of key challenges (internal and external) for the BM, which they can ultimately translate into the firm's response (strategies, solutions, etc), which will be understood through concepts from IW (creating, maintaining and disrupting work).

5.5.3 Institutional work in response to challenges (RO3)

This study will explain the SMP's response to challenges using an IW theoretical perspective situated in the BM. Hedman and Kalling's (2003) adapted BM conceptualisation (Figure 4.5) is used to situate the theoretical frameworks of IL and IW adopted in this thesis, as depicted in Figure 5.7.

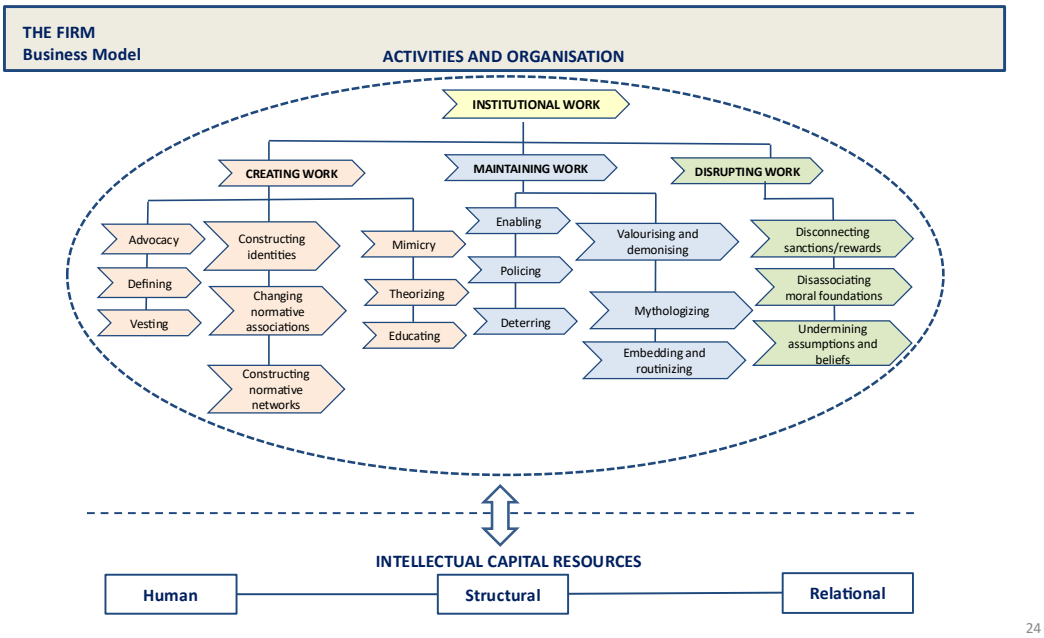
Figure 5.7: Theoretical explanation of the business model of the firm



Source: Adapted from Hedman and Kalling (2003)

By using the adapted Hedman and Kalling's (2003) conceptualisation (Section 4.6), this researcher acknowledges the BM as an activity system that is dynamic and evolving. This theoretical explanation of the firm's BM integrates all key elements of the thesis explanation. Key challenges (8) are introduced to the adapted BM conceptualisation, with prevailing IL (7(a)) used in place of Hedman and Kalling's longitudinal dimension (e.g., constraints on actors, cognitive and social limitations, Section 4.6.1), to theoretically ground the rationale underpinning the BM. As both IW and IL core principles recognise embedded agency (Section 5.3.2) and IW, the sociology of practice Section 5.4.2.1), they are theoretically aligned for understanding actor(s)' agency and their reflexivity (7(b)) as they engage in this work. Hedman and Kalling's (2003) 'activities and organisation' (4) (Section 4.6.2) are theoretically interpreted through an IW lens to understand the IW undertaken in the BM. This analysis draws on Lawrence and Suddaby's (2006) typology of IW, as depicted in Figure 5.8.

Figure 5.8: Theoretical explanation of institutional work in the business model



Source: Adapted from Hedman and Kalling (2003)

As PSFs, SMPs use their IC resources (Section 4.6.5), understood as dynamic and interrelated (Ujwary-Gil, 2017), to create value in the BM, a view which resonates with the practice-oriented, dynamic and interrelated nature of IW, further enhancing the theoretical coherence of this thesis.

5.5.4 Integrating business models and institutional theory: theoretical contributions

The theoretical explanation of the firm's BM (Figure 5.7 above) addresses several gaps in institutional theory literature. It explicitly links the macro-level field constraints, being the predominant focus of institutional theory research (Bévort and Suddaby, 2016), with micro-level actions. By using IL to explain the rationale underpinning the BM, and IW to explain its activities and organisation, the model effectively "'inhabits' institutions with people" (Bévort and Suddaby, 2016, p.18). It provides a framework for examining how ILs are translated into everyday business practices and decisions.

The BM operationalises embedded agency by conceptualising professionals not as passive recipients of institutional pressures or heroic disruptors (DiMaggio and Powell, 1983, 1988), but as reflexive actors who oscillate between habitual and reflexive agency (Modell, 2020). In doing so, it explains how actors negotiate the tension between professional and commercial logics (Lawrence and Suddaby, 2006; Gawer and Phillips, 2013), evaluate internal and external challenges, and actively engage in IW to adapt the BM. The recursive feedback loop provides a mechanism to examine how

actors past institutional embeddedness and the outcome of their IW (Aleksandrov, Bourmistrov and Grossi, 2018) shape future IW undertaken, capturing Malsch and Gendron's (2013) institutional experimentation.

Embedding the ICBV within the model demonstrates that BM evolution is a socially constructed process, where the deployment and flow of intangible assets (IC) are shaped by prevailing IL and enacted through purposive IW. RC, in particular, serves as a mechanism to explain distributed agency, through the coordination and collective boundary-spanning IW of multiple actors (Lawrence, Suddaby and Leca, 2011; Chiwamit, Modell and Yang, 2014).

This model also addresses a significant gap in the literature by examining how institutional pressures and complexity are experienced and managed by peripheral actors such as SMPs (Lander, Koene and Linssen, 2013). It is specifically tailored for the SMP context, providing an explanatory framework for examining how SMPs, and potentially PSFs, navigate institutional complexity and pragmatically engage in IW to maintain competitiveness and legitimacy.

5.6 Conclusion

This chapter commenced with an overview of institutional theory and its development across the economic and sociological traditions, to situate neo-institutionalism as an established research perspective in sociological and organisational studies. The chapter proceeded to elaborate on two established theoretical perspectives within neo-institutionalism: IL and IW. The IL perspective was discussed in Section 5.3, first tracing its theoretical foundations and core underlying principles, before exploring more complex issues of multiple logics (institutional pluralism and complexity), and organisational responses. The literature was examined from both a non-accounting and accounting perspective, before focusing on how logics manifest in an organisation's structures and processes (BM/archetypes). The chapter then examined IW in a similar way, delineating the core foundational concepts, Lawrence and Suddaby's (2006) typology, and exploring a critique of the perspective, before examining literature adopting the perspective. Given that both theoretical perspectives closely resonate, literature adopting both IL and IW was then reviewed prior to discussing the theoretical framing adopted in this thesis.

Chapter 6 Research Methodology

6.1 Introduction

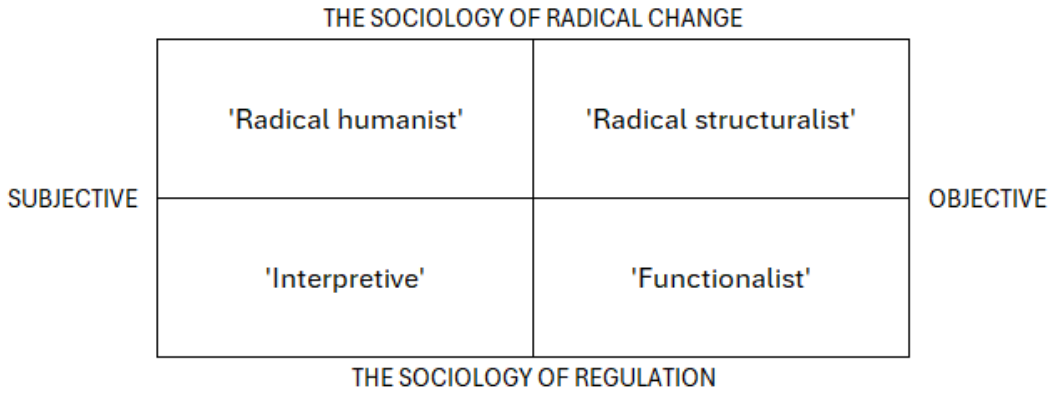
This chapter outlines this study's philosophical foundations and research methodology. Section 6.2 sets out the key characteristics of qualitative research, fundamental assumptions about knowledge and social phenomena, sociological research paradigms, and situates IAR within this broader paradigmatic landscape. Section 6.3 discusses the applicability of IAR for this study, the associated axiological considerations and the researcher's reflexive stance. Section 6.4 presents the RQ and research design, while Section 6.5 discusses the research method and instruments adopted for this study, and due diligence around their development. The role of KIs, the pilot study and mentored-informed revisions are also discussed. The approach to sampling is explained in Section 6.6, and the process of data analysis is presented in Section 6.7. Finally, the limitations of the research approach are discussed in Section 6.8, and the chapter concludes with a summary in Section 6.9.

6.2 Characteristics of qualitative research

A consensus definition of qualitative research has eluded academics (Denzin and Lincoln, 2017; Mason, 2018), due to its diverse methodologies and philosophical traditions (Major, Moll and Hoque, 2018). Despite this variation, qualitative research is widely understood as focusing on human, subjective experience and meaning within social contexts (Patton, 2015).

It is typically field based, with the researcher a key agent/instrument who must be reflexive about how his/her own values, beliefs and experiences shape the interpretation of emergent themes and the direction of the study (Saunders, Lewis and Thornhill, 2012; Creswell, 2014). As social science research is inherently value-laden, researchers must also reflect on their axiological assumptions, values and beliefs concerning the nature of the social sciences and society (Hopper and Powell, 1985). Researchers can draw on Burrell and Morgan's (1979) four-paradigm framework of social theory (functionalist, interpretivist, radical humanist and radical structuralist, see Figure 6.1), as a lens to situate research within accounting studies.

Figure 6.1: Four paradigms of the analysis of social theory



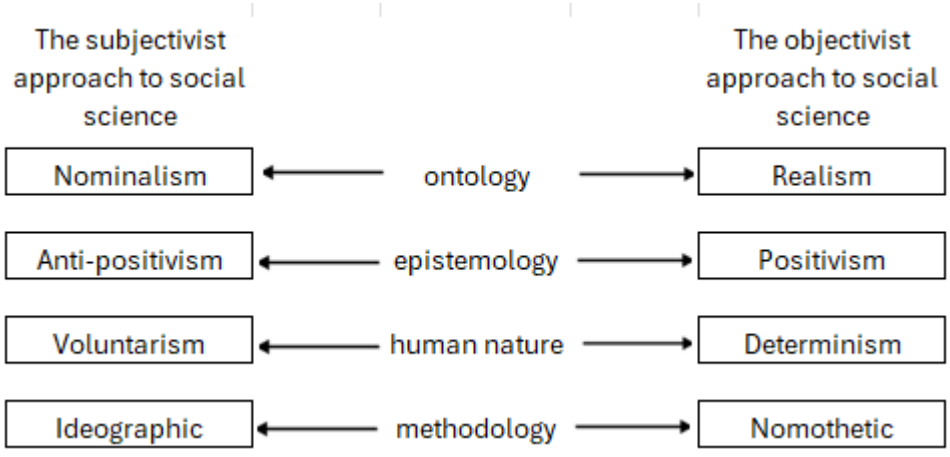
Source: Burrell and Morgan, 1979, p.22

The paradigms are based on assumptions about the nature of social science (subjective and objective) and the nature of society (sociology of regulation and radical change), which will now be discussed.

6.2.1 Fundamental assumptions: the nature of social science and society

Figure 6.1 above is underpinned by four philosophical assumptions/dimensions: ontology, epistemology and assumptions about human nature, which, in turn, influence the methodological approach taken in the research. The *subjective* and *objective* dimensions of each of the four assumptions underpinning the nature of social science are presented in Figure 6.2 and discussed below.

Figure 6.2: The subjective-objective dimension



Source: Burrell and Morgan, 1979, p.3

Ontology concerns the study of being (O'Gorman and MacIntosh, 2014) and the nature of reality (Saunders, Lewis and Thornhill, 2012), and whether reality exists independently of an individual or

whether it "is the product of one's mind" (Burrell and Morgan, 1979, p.1). To address this question, Burrell and Morgan (1979) differentiate between realism and nominalism. Realism (objectivist) assumes the social world exists independent of individuals, and consists of "hard, tangible and relatively immutable structures" (p.4), implying one shared reality across SMPs. Nominalism (subjectivist) assumes the social world external to the individual is "made up of nothing more than names, concepts and labels, which are used to structure reality" (p.4), implying social reality is constructed through individuals' (e.g., SMP partners) experiences and perceptions.

Epistemology concerns what constitutes acceptable knowledge, specifically the nature of that knowledge, and how its evidenced and communicated (Mason, 2018). Burrell and Morgan (1979, p.1) describe two extreme views: positivism (objectivist) which views knowledge as external to the individual and "is hard, real and capable of being transmitted in tangible form", and anti-positivism (subjectivist) that treats knowledge as being of a "softer, more subjective…kind, based on experience and insights of a unique and essentially personal nature". Positivist researchers adopt a natural science approach, focusing on observable phenomena, "regularities and causal relationships" and hypotheses testing (Saunders, Lewis and Thornhill, 2012, p.134). In contrast, an anti-positivist epistemology rejects this approach, emphasising that social phenomena can only be understood from participants' perspectives, achieved by the researcher "occupy[ing] the frame of reference of the participant in action" (Burrell and Morgan, 1979, p.5).

As all social science is predicated on human life (either the subject or object of inquiry), philosophical assumptions must be made regarding human nature and how individuals relate to their environment. Burrell and Morgan (1979) distinguish determinism (objectivist), where the environment determines (controls) human behaviour, and voluntarism (subjectivist), where humans are free-willed and controllers of their environment.

The philosophical positions adopted for ontology, epistemology and human nature have a direct bearing on the methodological approach adopted to investigate a phenomenon. According to Burrell and Morgan (1979), when the social world is considered a "hard, external, objective reality" (p.3), nomothetic methods, often associated with the natural sciences are adopted, e.g., questionnaires, statistical analysis, to generalise patterns of behaviour across large datasets. Alternatively, when the social world is understood subjectively, ideographic methods, such as participant observation and interviews, are adopted to provide insight into the participant's inner world. This ideographic approach (lower left quadrant of Figure 6.1) assumes accounting practices are context-dependent rather than universal and aims to understand how or why particular challenges are reflected in a particular SMP's BM in the way they are. Accounting is a socially constructed practice, interpreted subjectively, and is not a neutral, objective or mechanistic tool (i.e., functionalist perspective lower

right quadrant of Figure 6.1). In interpretivist ideographic studies, SMP actors interpret challenges in different ways that the researcher seeks to discover.

Burrell and Morgan (1979) present a second dimension in Figure 6.1, concerning the 'nature of society'–regulation and radical change, which are explored further in Figure 6.3.

Figure 6.3: The regulation-radical change dimension

The sociology of REGULATION is concerned with:	The sociology of RADICAL CHANGE is concerned with:
a) The status quo b) Social order c) Consensus d) Social integration and cohesion e) Solidarity f) Need satisfaction g) Actuality	h) Radical change i) Structural conflict j) Modes of domination k) Contradiction l) Emancipation m) Deprivation n) Potentiality

Source: Burrell and Morgan 1979, p.18

Burrell and Morgan's (1979) second dimension represents opposing interpretations about the 'nature of society', in their conceptualisation of the philosophical underpinnings of social science, distinguishing between the sociology of *regulation* (stability) and that of *radical change* (change). Combined with subjective/objective assumptions, this forms a four-quadrant framework (Figure 6.1), to describe the philosophical underpinnings of social theory (paradigms), which will now be discussed.

6.2.2 Sociological paradigms

Sociological paradigms developed by Burrell and Morgan (1979) consist of four mutually exclusive[31] frames for the analysis of social theories:

The *functionalist* perspective views the social world as consisting of concrete, immutable structures and relationships that can be studied using approaches derived from the natural sciences, as it seeks a rational explanation of the social world as ordered, stable and regulated.

[31] "They offer alternative views of social reality, and to understand the nature of all four is to understand four different views of society" (Burrell and Morgan, 1979, p.25).

The *interpretivist* perspective examines the social world from participants' subjective experiences and frame of references. It is typically nominalist, anti-positivist and voluntaristic in nature, using ideographic methodologies that quite often make "implicit rather than explicit" (Burrell and Morgan, 1979, p.28) interpretation of the social world.

The *radical humanist* (anti-positivist) perspective is similar to interpretivism in its subjective stance, focusing more explicitly on ideological influence, and the need to transcend social limitations and constraints that restrict human potential.

The *radical structuralist* (objectivist) perspective emphasises radical change and emancipation, focusing on structural relationships, conflicts and domination within society. Burrell and Morgan (1979) contend that radical change is interwoven with the very nature and structure of modern society.

Each paradigm defines a "range of intellectual territory" (p.24) that falls within its meta-theoretical assumptions, allowing for a variation of theories within it. This enables comparison across theories and theorists and the locating of the researcher's own sociological perspective.

6.2.3 Sociological paradigms and accounting research

Accounting research is a multi-paradigmatic discipline, (Hopper and Powell, 1985), with limited dialogue across paradigms (Lukka, 2010). Functionalist research, largely influenced by an economically driven North American agenda, has dominated the discipline and become regarded as 'mainstream' (Lukka, 2010). From the late 1970s, scholars increasingly engaged with sociology and political sciences to explore accounting in its wider organisational and social context, aligning with the interpretive and critical paradigms[32] (Major, Moll and Hoque, 2018). Critical research situates accounting in its broader cultural and socio-political context, examining its role in mediating power struggles, domination and conflict (Lukka and Model, 2017), while interpretivist research views accounting as socially constructed, and focuses on context-specific perceptions, meanings and shared realities (Hopper and Powell, 1985; Lukka and Modell, 2017). Dissatisfaction with the practical relevance of functionalist research led to calls for an interpretive approach to accounting research (IAR) by scholars in the late 1970s (Hopper and Powell, 1985). They advocated qualitative research methods to develop an emic[33] understanding of shared realities (Tomkins and Groves, 1983), to

[32] The critical paradigm was spread across two elements of Burrell and Morgan's (1979) taxonomy: radical humanism and radical structuralism-represented by the top left and top right quadrants in Figure 6.1 above. This is predicated on the re-conceptualisation of the objective-subjective dichotomy as one that operates on a continuum (Hopper and Powell, 1985).
[33] "…that of a native insider, in contrast to the more detached and neutral etic (outsider) perspective" (Lukka and Modell, 2010, p.464).

produce rich, multifaceted explanations of how accounting operates in practice (Lukka and Modell, 2017).

Table 6.1 below summarises the key philosophical assumptions, processes and outcomes of the major accounting research approaches. Interpretive and critical research are a vital component of the "sociological turn", contrasting with the mainstream, positivist and economically driven research agenda.

Table 6.1: Three alternative approaches to accounting research

	Positivist	Interpretive	Critical
What is the approach modelled on?	Classical investigation founded in the physical sciences.	Historical, literary and existential studies in which the subjective understanding of subjects are significant.	Marxist and interpretive studies which focus on the insights and judgements of the suppliers.
What does it assume about reality?	Reality is unitary and it can be understood by empirical and analytical methods, i.e., the scientific approach.	There are multiple realities which require multiple methods for understanding them.	There are multiple realities which are made problematic through distorted communications.
What is the foundation of data?	Disciplined rules for observation.	Meanings are the basis of data: meanings precede logic and fact.	Meanings are found in language and social behaviour, and they precede logic and fact.
How is observation done?	Through clear and unambiguous rules which are not the setting and are totally independent of it.	Through the social, linguistic and cognitive skills of the researcher.	Interpretive methods, plus critical self-reflection concerning the grounds of observation.
What is generated?	Evidence and generalizable laws which are not affected by concerns and have nothing to do with the way in which they were discovered in the first place. Objectivity depends upon the removal of error and bias which is related specifically to the logic of observation and measurement.	Knowledge which is dependent on the process of discovery. The integrity of the findings depends upon the quality of the social, linguistic and cognitive skills of the researcher in the production of data analysis and conclusions.	Knowledge which falls within the interpretive framework, but which also serves the purposes of assisting personal liberation and understanding, and emancipation from the forces constraining the rational independence of individuals.
What interests are inherent?	Prediction and control, technically, exploitable knowledge, and explanation.	Understanding at the levels of ordinary language and action. Discovering the meanings and beliefs underlying the actions of others.	Interpretive interests and those which underlie other forms of inquiry. Radically improving human existence. Practical and public involvement in knowledge formation and use.
What values are inherent?	Science and scientific knowledge and inherently value neutral.	Science and scientific knowledge have both to be interpreted in terms of values they represent.	Science and knowledge are never value-neutral: they always represent certain interests.

Source: Smith, 2003, p.5

A brief outline of how IAR developed and established itself as a distinctive field of research is now presented.

6.2.4 Interpretive accounting research (IAR)

Lukka and Modell (2017) note that IAR developed as a "distinct research tradition in the first half of the 1980s" (p.37), as accounting research moved away from 'mainstream' functionalist research and "armchair" theorising (p.37). This shift challenged views of accounting "as a purely technical exercise" (p.37) and opened space for empirical, 'naturalistic' studies that examined human behaviour and accounting phenomena "in its natural setting" (p.38). This positioned accounting research within a subjectivist ontology and an emic epistemology that "enabled researchers to gain in-depth understanding of the meanings attributed to accounting practices by those involved in or affected by their use" (Lukka and Modell, 2017, p.38). Scholars advocated qualitative/naturalistic research methods (Major, Moll and Hoque, 2018), such as case studies, ethnomethodology, and grounded theory to overcome the limitations of quantitative research and better understand accounting practice (Lukka, 2010; Parker, 2012). Over time, IAR has evolved into a diverse and distinctive research tradition, making "significant contributions to our understanding of accounting as an organisational and social practice" (Lukka and Modell, 2017, p.36).

Lukka and Modell (2017) note that social theories influence a variety of "method theories (theoretical lenses)" (p.40), such as structuration theory, institutional and organisational practice theories, used by IAR researchers to 'make sense' of accounting-related phenomenon. While the choice of theoretical lens both directs and constrains empirical analysis, IAR scholars debated the role of theory (etic perspective) within the discipline. The potential of using rich qualitative empirics (emic[34]) and to position data to contribute to theory (etic) (Ahrens and Chapman, 2006) inspired academics to advance theoretical problematisation in their work. Indeed, Lukka and Modell (2017) assert the value that combined etic and emic perspectives can contribute to knowledge development in IAR studies. The applicability of IAR to this thesis will now be discussed.

6.3 Applicability of IAR to the thesis

The positioning of this study within the IAR tradition was guided by the ROs. Ontologically, this study assumes that the SMP's reality (rationale, challenges, BM, etc.) is subjective, socially constructed and dynamic over time. Epistemologically, this study explores the world within the SMP, recognising that actors are institutionally embedded and possess agency in how they respond to challenges. The interpretivist methodological approach will provide rich, emic insights into how

[34] An emic perspective is the "…context-specific meanings of social actors through the adoption of a pronounced 'insider' or emic, view as opposed to…etic, theoretically informed insights" (Lukka and Modell, 2017, pp.38/39). An etic perspective "corresponds to observations made from an outsider perspective…describing how things are done and how this can affect other aspects of social life (Pike, 1997)" (de Lautour, 2017, p.465).

SMPs understand and respond to challenges, with strong emphasis on participants' meanings, narratives and practices, offering valuable empirical insights into an under-researched sector. Moving beyond a "descriptive catalogue of [SMPs'] subjective understanding" (Lukka and Modell, 2017, p.41), this study seeks to explain how institutional pressures (challenges) shape SMPs' responses and BMs, using the theoretical lenses of IL and IW. This integration of emic and etic perspectives aligns with Lukka and Modell's (2017) view that knowledge advancement in IAR extends beyond rich empirical analysis to the synergistic combination of both perspectives.

However, one fundamental assumption underlies any piece of research: "there is no such thing as a totally objective or value free investigation" (Hopper and Powell, 1985, p.429). The success of qualitative research is underpinned by the researcher understanding their own philosophical assumptions, to ensure the study employs an appropriate theoretical frame and research methods (Saunders, Lewis and Thornhill, 2012; Mason, 2018).

6.3.1 Axiology and reflexivity in qualitative research

Axiology is a branch of philosophy concerned with value judgements. In research, values are "arbiters of preference or choice" (Lincoln and Guba, 1985, p.160), that researchers draw on (consciously or unconsciously) throughout a study. Within research paradigms, a positivist approach is value-free and unbiased, with the researcher maintaining their independent objective position. Conversely, an interpretivist approach is inherently value-bound and subjective, recognising that the researcher is an inextricable part of what is being researched (Lincoln and Guba, 1985; Wahyuni, 2012). According to Lincoln and Guba (1985), values in interpretive research arise from the researcher, theoretical framework, methodological paradigm, and research setting, with value resonance occurring when the values underpinning these sources of influence are consistent and mutually reinforcing. When value resonance is evident, a study can proceed meaningfully and produce credible findings.

Value resonance is evident in this study, as the core principles and theoretical foundations of IL (see Section 5.3.2) and IW (see Section 5.4.2) align with an interpretivist axiology, that recognises that social reality is inextricably bound to human values, beliefs and cultural contexts. Both IL and IW perspectives are value-bound and therefore fit within an interpretivist lens for examining the complex, subjective motivations and shared practical understandings shaping how SMPs respond to challenges. Situating this study within IAR further strengthens the value resonance of this study.

Because axiology concerns the influence of the researcher's own values throughout the research process, interpretive studies require ongoing reflexivity (Saunders, Lewis and Thornhill, 2012;

O'Gorman and MacIntosh, 2014). As researchers are the key research agents in qualitative research, they must critically reflect on their role within the study, and how their background, culture, and experiences can influence the meaning and interpretation of data and emergent themes (Creswell 2014). As a professionally qualified member of CAI, SMP-trained with Big 4 post-qualification experience, this researcher holds certain values and beliefs about public practice accounting and CAI as the profession's regulatory body. Through this reflexive practice, the researcher's axiological stance becomes transparent, and the researcher can monitor its influence on this study. Axiology and reflexivity are integral and interconnected components of high-quality research. Just as axiology affects the way reality is investigated, methodology also does this, but in a practical sense, as it is "... a model for undertaking a research process, in the context of a particular paradigm" (Wayhuni, 2012, p.70).

A summary of the methodological decisions taken is set out in Section 6.3.2.

6.3.2 Methodological overview

A methodological overview, detailing core issues identified and considered, and decisions taken in the design of this study, is set out in Table 6.2.

Table 6.2: Methodological overview

Concept	Definitions	Examples of each element of a methodology	Choices made in this research design
Theory	A set of explanatory concepts	Institutional theory Structuration theory Sensemaking theory	Institutional theory: institutional logics and institutional work (*Chapter 5*)
Ontology	Concerns the nature of reality	Subjective Objective	The SMP's reality is subjective, socially constructed and may change (*Section 6.2.1*).
Epistemology	Concerned with the nature of knowledge	Objective and obtained through observation Subjective and obtained through personal interactions	Subjective and obtained through interviews and personal interaction with SMP actor(s) (*Section 6.3*2.1).
Axiology	The personal values and assumptions the researcher holds about the nature of science and the social sciences	Subjective Objective	Researcher is value-bound, is part of what is being researched and is subjective (*Section 6.3.1*).

The above overview provides clarity regarding the fundamental methodological decisions that underpin this study and shape the research design, which will now be discussed.

6.4 Research design

Research design is the overall strategy adopted to answer the RQ; it specifies the intended data source, proposes data collection and analysis techniques, presents ethical issues and acknowledges potential limitations or constraints associated with the research project (Saunders, Lewis and Thornhill, 2012). Guided by the nature of the RQ to explore the subjective reality of the actors inside the SMP, a *qualitative design* was selected. The fundamental characteristics of qualitative data, described by Graebner, Martin and Roundy (2012) as (i) open-ended, (ii) concrete and vivid, and (iii) rich and nuanced, enable researchers to capture details and underlying mechanisms that are often overlooked by quantitative data. They situate qualitative research as well-suited to understanding complex causal mechanisms (e.g., balanced tensions between competing logics or impact of challenges on the BM) and temporal dynamics (e.g., SMP response to challenges), enabling the researcher to unpack the multifaceted nature of phenomena that are often embedded in nuanced social interactions. While Graebner, Martin and Roundy (2012) note that qualitative data is appropriate for theory testing rather than theory building, they also highlight its use in bringing abstract, well-developed ideas or models to life, for example, using qualitative data to bring a "vividness, concreteness, and richness" (p.279) to understanding how the SMP BM operates. Qualitative research is ideal for examining phenomena holistically and in context, emphasising the specifics of individual cases, and facilitating an emic understanding of participants' meanings (Creswell, 2014). Therefore, a qualitative research design is particularly relevant to this study as it explores the rationale that underpins the SMP BM, and the work undertaken by the SMP in response to key challenges and how this shapes their BMs.

The role of theory in the research design also requires consideration. Theory may not always be initially explicit, but becomes clearly articulated through the presentation of the findings, discussion and conclusions (Saunders, Lewis and Thornhill, 2012). This has a direct bearing on the approach to the research, often portrayed as deductive or inductive. Saunders, Lewis and Thornhill (2012) describe a deductive approach as "the testing of a theoretical proposition" (p.669), where a hypothesis is developed from an existing theoretical framework and subsequently tested. They describe an inductive approach as "the development of a theory" (p.672) that usually begins with the data and subsequently attempts to propose/develop a new theory. In between these top-down (deductive) and bottom-up (inductive) approaches lie the abductive approach, which helps researchers identify unobserved patterns and generate explanations based on existing theories (Saunders, Lewis and Thornhill, 2012). These are summarised in Table 6.3 below.

Table 6.3: Summary of deductive, inductive and abductive approaches to research

Concept	Deduction	Induction	Abduction
Logic	In a deductive inference, when the premises are true, the conclusion must also be true.	In an inductive inference, known premises are used to generate untested conclusions.	In an abductive inference, known premises are used to generate testable conclusions.
Generalisability	Generalising from the general to the specific.	Generalising from the specific to the general.	Generalising from the interactions between the specific and the general.
Use of data	Data collection is used to evaluate propositions or hypotheses related to an existing theory.	Data collection is used to explore a phenomenon, identify themes and patterns and create a conceptual framework.	Data collection is used to explore a phenomenon, identify themes and patterns, locate these in a conceptual framework and test this through subsequent data collection and so forth.
Theory	Theory falsification or verification.	Theory generation and building.	Theory generation or modification; incorporating existing theory where appropriate to build new theory or modify existing theory.

Source: Saunders, Lewis and Thornhill, 2012, p.144

While both abductive and inductive reasoning start with empirical data, "abduction proceeds through a skilful development of theoretical explanations with the help of everything that is known empirically, and theoretically about the question being examined" (Lukka and Modell, 2017, p.43). Indeed, Lukka and Modell (2017) note that this combination of theoretical (etic) and empirical (emic) perspectives is consistent in many IAR studies, including studies that adopt an institutional theory as an explanatory lens (p.43). As this study does not seek to deductively test theory or inductively build theory, but rather to use existing theories to refine the data analysis and deepen understanding of the phenomenon being studied, an abductive approach is adopted, iteratively informed by emerging empirical insights.

The operationalisation of the research design is predicated on a clear, well-defined RQ (Creswell, 2014).

6.4.1 Research question (RQ) and research objectives (RQ)

A RQ calls for the exploration of a central phenomenon or concept of study (Creswell, 2014). In this study, the RQ was based on the researcher's interest in the topic, informed by her training in an SMP, and from the identification of a gap in the preliminary literature review regarding research on SMPs and BMs. The encouraging insights from both the KI interviews and the pilot site's execution and analysis reinforced the value of the RQ and the associated ROs. Following a period of reflexive

deliberation, this researcher adopted an interpretivist methodological approach using case studies with interviews to answer the RQ and ROs.

RQ: *What are the challenges facing Small and Medium Accounting Practices (SMPs) and how do these affect the business model?*

ROs were developed to operationalise the research process necessary to answer the RQ.

RO1: To explore the prevailing rationale (**institutional logic**) underpinning the SMPs' business models.

RO2: To investigate the **key challenges** facing the SMPs and their **implications** for their business models, exploring how **key actors'** decision-making shapes the SMPs' business models as they navigate these challenges.

RO3: To understand and explain the SMPs' responses as reflected in their **business models** using concepts from **institutional work**.

In tandem, scoping diagrams were developed to clarify the core phenomenon and boundaries of the study, discussed below.

6.4.2 Scoping diagrams

Scoping diagrams were developed for a number of purposes. The first diagram drew a visual map, operationalising the RQ. It made the relationship between concepts visually explicit, and by doing so, the researcher could visualise the logical structure underpinning the RQ. Further diagrams clarified the alignment between theory and empirical focus, particularly as this study employs two theoretical frameworks (IL and IW) and sets them within the BM conceptualisation, where relationships can be complex and multi-layered. Also, these diagrams enhanced coherence between the RQ, ROs and methodology, strengthening the methodological justification and supporting the empirical focus of this study.

Table 6.4 provides a summary of the scoping developed as part of the research design.

Table 6.4: Summary of scoping diagrams

Scoping Diagram	RQ /RO	Location in thesis
Conceptual framework (operationalisation of the research question)	RQ	Fig 5.4
Prevailing institutional logic – Ideal Type mediation model	RO1	Fig 5.5
The actor, actor(s)' agency and reflexivity	RO2	Fig 5.6
Adapted Hedman and Kalling (2003) BM conceptualisation	RO3	Fig 4.5
Theoretical explanation of the business model of the firm	RO1 and RO3	Fig 5.7
Theoretical explanation of institutional work in the business model	RO3	Fig 5.8
Adapted Farooq and de Villers' (2019) model for analysis of institutional work	RO3	Fig 8.2
Model for analysis of institutional work reflected in the business model	RO3	Fig 8.3

In summary, this study adopts a qualitative research methodology and an abductive research strategy to provide new insights into the rationale that underpins their BM(IL-what?), the challenges facing the firm (what?), their implications for the BM (why?), key actors (who?) and the SMP response to challenges (IW-how?). These ROs, together with understanding the nature of the research design, directly influence the research method adopted in this study.

6.4.3 Nature of the research design

The nature of a study's RQ and ROs will result in findings that are either exploratory, descriptive, or explanatory. Saunders, Lewis and Thornhill (2012) describe exploratory studies as exploring new insights, questions and perspectives, descriptive studies as portraying an accurate and detailed representation of a phenomenon, and explanatory studies as clarifying the causal (how and why) relationships within a phenomenon. While this study includes descriptive elements, such as outlining the BM configuration, identifying challenges, and capturing actors' perceptions and meanings, etc., the purpose of this study is primarily explanatory. It seeks to provide theoretically informed insights into the rationale underpinning the SMP BM (why?), how challenges impact the BM, and how and why SMPs respond to these challenges.

Having carefully considered the research design of this study, the next step is to select an appropriate research method. The research design must ensure that the chosen empirical method supports robust research quality, particularly in terms of trustworthiness, a central tenet of qualitative research inquiry (Lincoln and Guba, 1985).

6.5 Research method

Fundamental to research method are issues of validity and reliability that must first be understood to ensure the quality and rigour of research undertaken. These canons of good research design are now discussed.

6.5.1 Canons of good research design

Originating in quantitative research, concepts of validity and reliability are considered canons of good scientific inquiry. Validity is concerned with the accuracy or faithful representation of findings, and reliability refers to their replicability. Some quantitative researchers extended these to include construct validity (objectivity), internal validity, external validity and reliability (e.g., Yin, 2009). In qualitative research these are reframed as trustworthiness encompassing- confirmability, credibility, transferability and dependability (Lincoln and Guba, 1985, pp.289-331), as set out in Table 6.5 below.

Table 6.5: Mapping the positivist canons of good research to their qualitative trustworthiness equivalent

Quantitative canon	**Definition**	**Qualitative equivalent** (Lincoln and Guba, 1985)
Construct validity	"… the extent the questions asked actually collect data about what they are intended to measure" (Saunders and Lewis, 2012, p. 142)	Confirmability
Internal validity	Quality of causal inference "… established when your research demonstrates a causal relationship between two variables" (Saunders, Lewis and Thornhill, 2012, p.193). It "refers to the confidence we place in the cause-and -effect relationship" (Sekaran and Bougie, 2016, p.174)	Credibility
External validity	"… can the research findings be generalised to other relevant settings or groups?" (Saunders, Lewis and Thornhill, 2012, p.194)	Transferability
Reliability	"… whether data collection techniques and analytical procedures would produce consistent findings" (Saunders, Lewis and Thornhill, 2012, p.192)	Dependability

Confirmability is concerned with the quality of the operationalisation of the research measures and the extent to which the study investigates what it claims (Lincoln and Guba, 1985). Credibility is concerned with the internal logic and consistency of the research design and whether the findings represent reality. Transferability relates to the generalisability of the study's findings to a wider population, beyond the sometimes highly contextualised and idiosyncratic setting of studies (Mason, 2018). Finally, reliability is predicated on the dependability of the research methods and techniques and addresses whether a replication of the analysis by another researcher would yield the same results. Literature is replete with examples of threats to the validity and reliability of quantitative and

qualitative research and suggests ways to mitigate against such threats (Saunders, Lewis and Thornhill, 2012; Creswell, 2014; Sekaran and Bougie, 2016). The measures taken in this study to maximise validity and reliability of the research method, instruments and analysis are referred to throughout the remainder of this chapter.

The next section focuses on the case study method and its application to this study.

6.5.2 Case study

Given the nature of this explanatory study, a case study approach is considered the most appropriate research method, one commonly used within the IAR tradition (Lukka and Modell, 2017). It allows the researcher to develop a rich understanding of the SMP within its own real-world context, by addressing *why, what* and *how* questions (Saunders, Lewis and Thornhill, 2012), with minimal interference by the researcher (Sekaran and Bougie, 2016). This study adopts a multiple-case study approach, with a sample of 11 case sites. This method allows for literal replication, where case sites are chosen because they are sufficiently similar that comparable patterns are expected to emerge (Yin, 2009). For example, SMPs operate under similar institutional pressures, face common challenges and experience comparable tensions between professional and commercial logics. It also enables theoretical replication, where case sites are selected to "provide contrasting results but for anticipatable reasons" (Yin, 2009, p.54). For example, SMPs differing in size, ownership structures, and client portfolios may respond differently to challenges and/or exhibit varied manifestations of ILs.

Even though this is a multiple-site case study, the SMP is the unit of analysis, making it a holistic multiple-case study (Yin, 2009). As this study seeks to understand how the SMPs understand and respond to challenges at a point in time, a cross-sectional time horizon is appropriate, with data collection usually conducted once over a defined period (days/weeks), rather than longitudinally, where changes or causalities are tracked over an extended period (Sekaran and Bougie, 2016). Also, given the practical constraints on accessing multiple case sites and conducting the research within a manageable timeframe, a cross-sectional design is methodologically appropriate and operationally feasible.

Case study research is not without its limitations. Chowdhury and Shil (2021) highlight the generalisability (transferability) of the research findings as a commonly cited limitation, primarily because sample size may not be representative of the wider population. They note, however, that researchers can use theoretical generalisation to address such criticisms, where findings relate theoretically relevant characteristics to one another, rather than making claims about the wider

population. Also, access to case sites may be controlled by organisational "gatekeepers" (Saunders, Lewis and Thornhill, 2012, p.215), due to their concerns about the sensitivity of the research or a lack of perceived value in participating. Other limitations are concerned with the reliability and rigour of the data collection techniques employed (Saunders, Lewis and Thornhill, 2012), which is mitigated to some degree as multiple data collection techniques (face-to-face interviews and PPQs plus detailed triangulation of documentary and website evidence) were actioned at the case sites and data triangulation was achieved (Yin, 2009). Interviews were adopted as the primary data collection technique for this study.

6.5.3 Choice of interview type

A typology commonly used for research interviews relates to the level of formality and structure of the interview, where they are classified as structured, unstructured or semi-structured (Saunders, Lewis and Thornhill, 2012). A semi-structured interview approach was adopted, as it provided a balance between a systematic focus on specific themes and a flexibility to explore new, emergent ideas, and handled complexity by varying the order of questions or by asking probing questions based on the flow of conversation (Saunders, Lewis and Thornhill, 2012). This flexibility is essential in qualitative research, which is characteristically "fluid and flexible, data-driven, and context sensitive" (Chowdhury and Shil, 2021, p.193). A strength of the semi-structured format is the ability to explore participant meaning, allowing them to think aloud and talk freely, contributing to a "rich and detailed set of data" (Saunders, Lewis and Thornhill, 2012, p.378) that might be missed by adopting a more structured style of interview. This ability to probe and clarify participant responses from various angles increases the credibility/internal validity of the study (Saunders, Lewis and Thornhill, 2012). Also, credibility/internal validity can be increased by "within method triangulation" (Chowdhury and Shil, 2021, p.203), where interview data is triangulated with other data collection techniques (e.g., questionnaire). The research instruments used to collect data in this study will now be discussed.

6.5.4 Research instruments

As semi-structured interviews are the primary data collection technique employed in this thesis, an interview guide was developed to help the researcher conduct the interviews in a systematic way, ensuring that all relevant topics were covered. To establish a preliminary understanding of the SMP context, focus the subsequent interview(s) and support the credibility/internal validity of the findings through triangulation (Saunders, Lewis and Thornhill, 2012), a PPQ was developed. Given that the SMP is an under-researched sector, both research instruments were developed *ab initio* through a structured and iterative process. This entailed an extensive review of relevant literature pillars (IL,

BM, IW and SMP professional practice) to identify core themes and constructs relevant to this study and to inform the purpose and scope of each research instrument, which are now discussed.

6.5.4.1 Practice profile questionnaire (PPQ)

The purpose of the PPQ (Appendix C) is to provide the researcher with a preliminary "familiarisation" (Chowdhury and Shil, 2021, p.194) with the case site prior to the interviews. It was emailed in advance to the SMP and completed without the researcher being present. However, during the subsequent face-to-face interview, the researcher had the opportunity to discuss the PPQ for that case site and address any matters arising. The PPQ is structured into five sections, providing descriptive and attribute data about the SMP's BM, IC resources (staffing, management, information and communication systems, and firm networks), clients and services. Its use of closed questions, such as lists and categories, that require tick box responses, is acknowledged as an efficient method for collecting attribute data, together with ranking questions, that reveal the relative importance of the topic questions to the firm (Saunders, Lewis and Thornhill, 2012). This style was intentionally designed to promote engagement, particularly as the PPQ covered potentially sensitive information (e.g., fee income, staffing, etc). Questionnaires, such as the PPQ, can help identify salient issues or themes for further probing during the interview(s), and mitigate researcher bias by highlighting relationships or practices that may remain invisible, grounding and protecting the researcher from "vivid, but false, impressions in qualitative data" (Eisenhardt, 1989, p.538). While the rigidity and pre-determined focus of the PPQ risks producing surface-level information, with potential for brief or incomplete answers (Saunders, Lewis and Thornhill, 2012), this risk is mitigated by combining the PPQ with interview(s), moving the study from identifying *how many*, or *how much*, to understanding *why, what* and *how* of a phenomenon (Chowdhury and Shil, 2021). The primary research instrument, the interview guide, is discussed next.

Section A of the interview guide (Appendix D) was designed to build rapport and context with the participant, before proceeding to the main sections (B to G) covering the RQ and ROs. The guide was structured to ensure the main theoretical and conceptual themes were covered, while maintaining flexibility to probe specific firm contexts. To facilitate this, open-ended questions included a series of prompts that allowed this researcher to understand the *how* and *why* of the issue (Saunders, Lewis and Thornhill, 2012) and to ensure specific theoretical constructs (e.g., characteristics of ILs, types of IW) were addressed, if they did not emerge naturally during the interview (Eisenhardt, 1989). These prompts also served as a triangulation mechanism, prompting this researcher to follow up and verify participant accounts with copious triangulation evidence, including documentary evidence, websites, LinkedIn profiles, collaborative activities, and newsletters, at the time of the interview. This protected the integrity of the data from subsequent revisions, and, together with a detailed

catalogue of this triangulation evidence (example: Appendix E), grounded the subsequent data analysis in the firm's reality at the time of interview. Also, the concluding section of the guide (Section G) explicitly provided this researcher with the opportunity to cross-check evidence with the PPQ. This "within method triangulation" (Chowdhury and Shil, 2021, p.203) increased the confirmability and credibility of this study.

As there were no prior comparable questionnaires or interview guides in the literature to inform the development of the research instruments, they were designed and developed by this researcher, involving considerable dedicated time.

6.5.4.2 Due diligence around development of research instruments

As part of question-development due diligence, both research instruments were iteratively developed, with the range of questions in each part of the interview guide being cross-checked to the RQ and ROs. Table 6.6 below provides a high-level overview of the approach taken.

Table 6.6: Mapping of PPQ and interview guide questions to sources in the literature and scoping diagrams

PRACTICE PROFILE QUESTIONNAIRE	No Q's	Range		Source	Framework and conceptualisation fit (scoping diagrams)
Section A - Firm's Business Model	2	Q1	Q2	Hedman and Kalling (2003) and ACCA (2015)	Figure 4.5: Adapted Hedman and Kalling (2003) business model conceptualisation
Section B - Staffing	4	Q3	Q6	Hedman and Kalling (2003) Adapted: Villani, Greco and Phillips (2017) Lander *et al.,* (2013) Thornton, Jones and Kury (2005) Anderson-Gough *et al* . (2022)	Figure 4.5: Adapted Hedman and Kalling (2003) business model conceptualisation Figure 5.7: Theoretical explanation of the business model of the firm Figure 5.6: The actor, actor(s) agency and reflexivity
Section C - Management, Information and Communication Systems	7	Q7	Q13	Hedman and Kalling (2003)	Figure 4.5: Adapted Hedman and Kalling (2003) business model conceptualisation Figure 5.7: Theoretical explanation of the business model of the firm
Section D - Firm Networks	2	Q14	Q15	Hedman and Kalling (2003): Smets, Morris and Greenwood (2012) Thornton, Jones and Kury (2005) Anderson-Gough *et al.* (2022)	Figure 4.5: Adapted Hedman and Kalling (2003) business model conceptualisation Figure 5.7: Theoretical explanation of the business model of the firm
Section E - Clients and Services	6	Q16	Q21	Hedman and Kalling (2003) Greenwood and Suddaby (2006)	Figure 4.5: Adapted Hedman and Kalling (2003) business model conceptualisation Figure 5.7: Theoretical explanation of the business model of the firm
Time taken to complete	1	Q22	Q22		
Total questions	***22***				

SEMI-STRUCTURED INTERVIEW	No Q's	Range		Source	Framework and conceptualisation fit (scoping diagrams)
Section A -The Actor Who? (Biography)	1	Q1	Q1	Hayne and Free (2014) Adapted: Carrington *et al.* (2013) Adapted Hanlon (1994)	Figure 5.4: Conceptual framework (operationalisation of the research question) Figure 5.6: The actor, actor(s) agency and reflexivity
Section B - Logics of the Firm Logics of the Firm	9	Q2	Q10	Hackett (2018) Adapted: Smets, Morris and Greenwood (2012)	Figure 5.4: Conceptual framework (operationalisation of the research question) Figure 5.5: Prevailing institutional logic – "ideal type" mediation model Table 5.3: Institutional logics in the accounting profession Figure 5.6: The actor, actor(s) agency and reflexivity
Section C - Agency and Decision Making Agency	1	Q11	Q11	Adapted: Villani, Greco and Phillips (2017)	Figure 5.4: Conceptual framework (operationalisation of the research question) Figure 5.6: The actor, actor(s) agency and reflexivity Figure 4.5: Adapted Hedman and Kalling (2003) business model conceptualisation Figure 5.7: Theoretical explanation of the business model of the firm

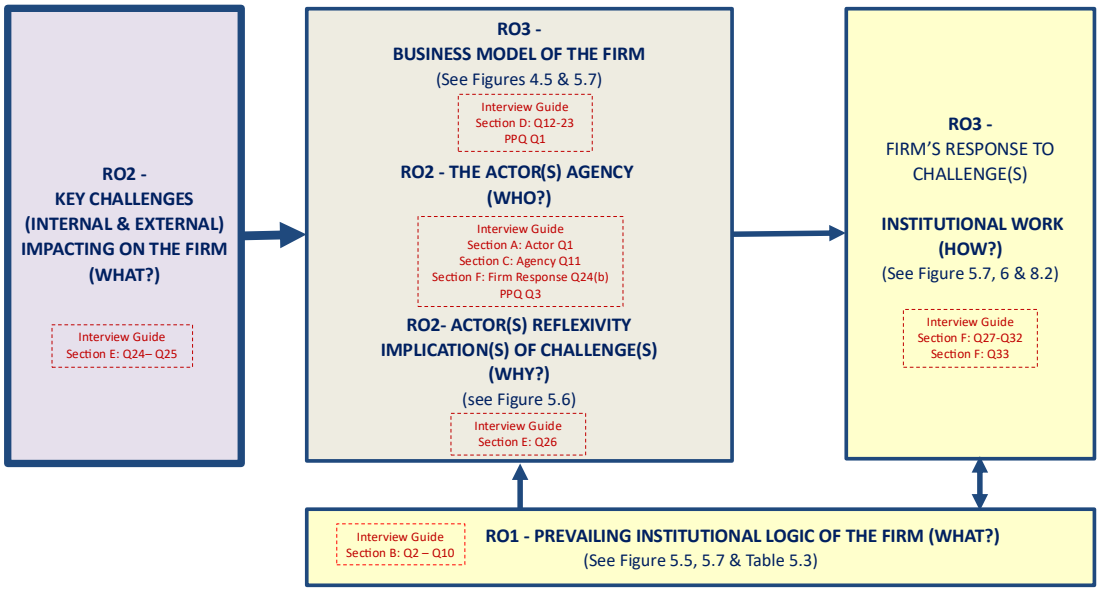
SEMI-STRUCTURED INTERVIEW	No Q's	Range	Source	Framework and conceptualisation fit (scoping diagrams)
Section D- The Business Model			Hedman and Kalling (2003)	
Clients	1	Q12 Q12	Adapted: Carrington *et al.* (2013) Smets, Morris and Greenwood (2012) Tagoe (2018)	
Outputs - Services	1	Q13 Q13	Hedman and Kalling (2003) Tagoe (2018)	
Operational Environment	1	Q14 Q14	Tagoe (2018)	
Competitors	1	Q15 Q15	Hedman and Kalling (2003) Tagoe (2018)	Figure 4.5: Adapted Hedman and Kalling (2003) business model conceptualisation Figure 5.7: Theoretical explanation of the business model of the firm
Other External Stakeholders	1	Q16 Q16	Adapted: Smets, Morris and Greenwood (2012) Hedman and Kalling (2003) Tagoe (2018)	
Resources	2	Q17 Q18	Hedman and Kalling (2003) Adapted: Villani, Greco and Phillips (2017) Adapted: Smets, Morris and Greenwood (2012)	
Activities and Organisation	5	Q19 Q23	Hedman and Kalling (2003 Tagoe (2018)	
Section E - Key Challenges and Implications of Challenges				
Key Challenges	2	Q24 Q25	Adapted from Villani, Greco and Phillips (2017) Lander *et al.* (2013) Adapted: Smets, Morris and Greenwood (2012)	Figure 5.4: Conceptual framework (operationalisation of the research question) Figure 5.6: The actor, actor(s) agency and reflexivity
Implication of Challenges	1	Q26 Q26	Lander *et al.* (2013)	Figure 5.4: Conceptual framework (operationalisation of the research question) Figure 5.6: The actor, actor(s) agency and reflexivity Figure 8.2: Adapted model for analysis of institutional work Figure 8.3: Model for analysis of institutional work reflected in the business model
Section F - Firm Response			Farooq and de Villers (2019)	Figure 5.7: Theoretical explanation of the business model of the firm
Firm Response - Institutional Work	6	Q27 Q32	Adapted: Villani, Greco and Phillips (2017) Lander *et al.* (2013) Currie *et al.* (2012)	Figure 6: Theoretical explanation of institutional work in the business model Figure 8.2: Adapted model for analysis of institutional work Figure 8.3: Model for analysis of institutional work reflected in the business model
Institutional response - reflexivity	1	Q33 Q33	Farooq and de Villers (2019) Emibayer and Mische (1998)	Figure 5.7: Theoretical explanation of the business model of the firm Figure 8.2: Adapted model for analysis of institutional work Figure 8.3: Model for analysis of institutional work reflected in the business model
Section G - Concluding Comments				
Discuss and probe PPQ	1	Q34 Q34		
Closing remarks	1	Q35 Q35		
Total questions	**35**			
TOTAL	**57**			

As part of the question-development process, an extensive review of the literature was undertaken to identify questions relating to the aspect being examined, or from comparable contexts, that could be adapted for the purposes of this study. Also, a clear mapping was undertaken to ensure conceptual (BM and IC resources) alignment and theoretical (IL and IW) fit. A clear audit trail was maintained (on Excel sheets) to record any amendments, additions or deletions therein, to enhance the credibility and confirmability of this study (Yin, 2009).

To ensure the understandability of academic terms and concepts in the research instruments, the researcher sought consensus-driven professional terminology, categorisations and parlance. For example, to understand SMPs' BM non-service-related activities and procedures, as conceptualised by Hedman and Kalling (2003), a detailed review of practice-management resources, products, and process maps from a global provider of practice-management solutions was undertaken to understand these in an SMP context (see Appendix F). Also, a review of service categories in pertinent literature, e.g., ACCA (2015), and SMP websites, revealed substantial variation in the terminology used for service lines and their constituent service elements. To overcome this, the researcher compiled a table that presents a reasonably grounded and recognisable list of service lines and categories from information published on the websites of seven CAI-registered SMPs (December 2022). These service-line and service categories were organised, manually sorted, and aligned to compile a consensus-based list for inclusion in the PPQ. A similar approach was undertaken with the same sample of SMP firms (above) to devise a table of sectors serviced and software solutions provided by Irish SMPs. Also, professional literature and other resources (websites, reports, etc) provided much of the detail that informed the terminology used in the research instruments.

Each question in the interview guide and PPQ was mapped onto the scoping diagrams to visually illustrate the extent to which each element is examined in this study. Figure 6.4 below shows an example of the mapping of questions to the overall operationalisation of the RQ.

Figure 6.4: Mapping of PPQ and interview guide questions onto the operationalisation of the RQ scoping diagram



Also, questions exploring IC resources were mapped to Duff's (2018) categorisations (see Appendix A Panel B).

All the above due diligence evidences the care taken to ensure the credibility and confirmability of the research instruments relied upon for this study. The development of the research instruments was initially informed by KI interviews, which are now discussed.

6.5.4.3 The role of key informant interviews

To understand the operating environment of the accountancy profession, and the SMP in particular, three KI interviews (3 hours 36 minutes) were conducted with senior representatives of CAI in Autumn 2020. The *role* of the KIs within CAI exposes them to the world of the SMP, where they can observe and gain specialist *knowledge* of how the profession operates and the challenges SMPs face. After selecting KIs based on the *role* criterion, the researcher confirmed their *willingness* to participate. Their representative and managerial positions within CAI rely on strong communication skills and professionalism, which provide confidence regarding their ability to *communicate* their views effectively and that these views should be *free from bias and objective* by nature. Therefore, as the selected KIs fulfilled the above five characteristics of an 'ideal' KI, described by Tremblay (1957), the researcher used the KI findings to help refine the RQ and inform the approach to case site sample selection. Further strengthening of the research design and instruments was achieved through a pilot study and engagement with the European Accounting Association PhD mentoring initiative.

6.5.4.4 Pilot study insights and mentor-informed revisions

A pilot study was undertaken in January 2023, serving as a trial run prior to the main empirical work. Conducted post-COVID-19, the participant firm opted for a Zoom meeting (1 hour 26 minutes) that required the development of protocols by this researcher, to ensure the safety of participants and integrity of the on-line interview process. This was very well received by Director of Doctoral Studies in Dublin City University, who subsequently requested a copy. Pilot interviews are considered "a crucial element" (Saunders, Lewis and Thornhill, 2012, p.415) in developing researcher competence. It provided the researcher with an opportunity to develop skills, such as questioning, listening, summarising, and observing behaviour cues, and to be self-reflexive about the interview process. At a practical level, it allowed for the evaluation of the confirmability and dependability of the data collection instruments in advance of the main empirical work. The flow and chronology of the questions and the time taken for the interview, together with the clarity of language of the questions, were assessed, with lessons learned and documented to inform the subsequent case work. Such early data collection provides opportunity for the researcher to refine the research design, identify potential problems, and adjust interview protocols (Eisenhardt, 1989; Saunders, Lewis and Thornhill, 2012). Specific feedback was received from the participant regarding the need to clarify certain questions in the PPQ, which were subsequently amended. A detailed case write-up and analysis of the findings was completed, ensuring a thorough grounding in all aspects of the research design and data analysis.

In May 2023, feedback from a comprehensive research proposal submitted to the European Accounting Association PhD mentoring initiative team was received. A senior academic professor advised that the professionally grounded conceptualisation of the SMP BM (Tagoe, 2018) be reconsidered in favour of an academic alternative to strengthen the research design. This recommendation was accepted, and following a detailed literature review, the researcher settled on Hedman and Kalling's (2003) conceptualisation as the basis for this study. This naturally resulted in some refinement of both the scoping diagrams and interview guide. Such refinements reflect the effort to ensure methodological rigour, which is inextricably linked to ethical considerations that now follow.

6.5.5 Ethical considerations

A number of steps were followed to ensure this study complied with Dublin City University's research ethical guidelines. Given the sensitive nature of this study, ethical approval was granted by the Research Ethics Committee for the KI interviews (09/06/2020) and case sites interviews (17/05/2022) (Appendix G Panel A and B). To comply with ethical guidelines, individual participant Informed Consent Forms (Appendix H), together with a Plain Language Statement (Appendix I), were circulated and explained to all participants in advance. Signed consent was received from all

participants prior to the interviews, confirming their understanding that, *inter alia*, participation was voluntary, they could withdraw at any time, confidentiality would be maintained, and interviews would be audio recorded. Prior to commencing the interviews, consent for audio recording was verbally given, and participants were given the opportunity to address any concerns around participation in the study.

6.6 Approach to sampling

As this research is situated in CAI member SMPs operating in ROI, the approach to sampling requires that the population of firms be defined in the national regulatory context. At 31 December 2021, CAI firms accounted for 57% of the firms approved by IAASA to engage in public practice, greater than the combined number for other professional bodies (IAASA, 2022). Therefore, it is necessary to identify CAI member firms operating in the ROI that hold valid practising certificates. Because no readily available database of such firms exists, the researcher compiled one specifically for this study. This was extremely time-consuming, but it greatly enhanced understanding of the SMP population and landscape in Ireland.

6.6.1 Database construction

A database of CAI-registered firms was constructed manually by the researcher (as CAI was unable to provide a soft copy due to data protection regulations) in 2020 and updated in 2023, sourced from CAI's online directory of registered member firms. Of the total 1,395 registered member firms in 2023 (1,342 in 2020) initially compiled, the following basic information was gathered:

- Firm Name
- Primary Address
- Telephone Number
- Fax Number
- E-mail
- Web-address
- Number of Principals[35]
- Name of Principals
- Authorisations (to practice in a reserved service area: audit, investment business and ATOL

A data cleansing exercise was completed to eliminate duplications (e.g., multiple locations, trading names, multi-entity practice structures). This consolidated the data to 1,085 firms. As the CAI

[35] A principal is defined as follows: "in relation to *firm* a person who is:
(a) where the *firm* comprises a sole practitioner, the sole practitioner;
(b) where the *firm* comprises a partnership, a partner in the *firm*;
(c) where the *firm* comprises a limited liability partnership, a member of the *firm*; or
(d) where the *firm* comprises a body corporate, a director of the *firm*; a director includes a *shadow director,*
or any person held out to be a principal howsoever called in any of the above".
(Chartered Accountants Ireland Public Practice Regulations - effective date 5 January 2025, (CAI, 2025e, p.13)).

database did not provide firm size metrics (e.g., fee income or number of employees), secondary data from other sources, including Finance Dublin 2018 Survey of top 20 firms in Ireland, Consultancy UK (2020), and Audit Watch 2020, was examined to enable exclusion of large firms. This facilitated the exclusion of the Big 4 and mid-tier firms based on the generally accepted SME definition of having more than 250 employees. Following these exclusions, the researcher was reasonably assured that the final refined database consisted of 1,078 SMP firms, summarised in Table 6.7 below:

Table 6.7: Summary of CAI member SMP firms by number of principals

Number of Principals	Total	Percent
Sole practitioners	697	65%
2 - 5 principals	359	33%
6 - 10 principals	15	1%
11 - 49 principals	7	1%
	1078	**100%**

This analysis reveals that the majority of SMPs operating in the ROI are sole practitioners (65%). As 33% of the population consists of firms with two-to-five principals, a further analysis of this group was undertaken to provide greater clarity for sample selection decisions. A summary of this analysis is in Table 6.8 below:

Table 6.8: Summary of 2-5 principal CAI member SMP firms by number of principals

Number of Principals	Total	Percentage of 2-5 principal category	Percentage of overall population
2-principal	258	72%	24%
3-principal	65	18%	6%
4-principal	27	8%	3%
5-principal	9	3%	1%
	359	100%	33%

This analysis reveals that two-principal firms represent just under a quarter of firms in ROI, with three principal firms representing 6% of the total population and the balance dwindling thereafter. By focusing this study on firms with up to five principals, it represents 98% of the total SMP population, ensuring the sample is broadly representative.

6.6.2 Sample selection

To inform sample selection, further understanding of the SMP population is necessary, particularly in terms of services offered and geographical distribution. As a RAB, CAI has delegated authority to

authorise and supervise member firms seeking to provide reserved services that are subject to additional regulatory requirements, see Table 6 .9 for details of reserved services at the time of database construction below.

Table 6.9: Reserved service areas - authorisations

Reserved Service Area	Licence	Jurisdiction	Legislation	Competent Authority/Oversight Body
Audit	Audit - Ireland only	ROI	Companies Act, 2014	IAASA
	Audit - UK Only	UK	Companies Act, 2006 and Statutory Audit and Third Country Audit Regulations, 2016	FRC
	Audit - UK and Ireland	UK and ROI	Companies Act, 2014 and Companies Act, 2006 and the Statutory Audit and Third Country Regulations, 2016	IAASA and FRC
Investment Business	Investment Business	ROI	Investment Intermediaries Act, 1995	CBI
	Designated Professional Body	UK	Financial Services & Markets Act, 2000	Financial Conduct Authority
ATOL	ATOL	UK	UK Civil Aviation Authority (CAA)	CAA

To facilitate analysis and interrogation of the database, descriptions of authorisations by reserved service areas were consolidated into Audit, Investment Business and ATOL[36], enabling extraction of the target SMP population by number of principals and by reserved service area authorisation, as summarised in Table 6.10 below.

.

Table 6.10: Analysis of SMP firms with up to 5 principals, offering reserved services

Number of Principals	No reserved service areas	Audit only	Investment business only	Audit and investment business	Total
Sole practitioners	63%	27%	3%	7%	100%
2-principal	45%	33%	3%	19%	100%
3-principal	18%	30%	18%	34%	100%
4-principal	22%	33%	0%	45%	100%
5-principal	43%	43%	0%	14%	100%

While this analysis reveals 63% of sole practitioners constitute the largest cohort choosing not to offer reserved services, reserved services (columns 3-5 across) feature strongly across all firm types. Table 6.11 further contextualises this by illustrating the geographical distribution of firms throughout the ROI.

[36] Reserved service areas at the time of database extraction. See Section 2.5.3 for details of reserved service areas effective at 31 March 2026.

Table 6.11: Geographical distribution of SMP firms with up to 5 principals in ROI

Number of Principals	Dublin and greater Dublin area	Leinster	Munster	Connaught	Ulster	Total
Sole practitioners	36%	24%	22%	12%	6%	100%
2-principal	34%	21%	29%	10%	6%	100%
3-principal	34%	20%	29%	9%	8%	100%
4-principal	23%	27%	38%	12%	0%	100%
5-principal	67%	22%	11%	0%	0%	100%
Total	36%	23%	25%	11%	5%	100%

While just over a third of firms are in Dublin and the greater Dublin area, Leinster and Munster feature strongly, with a notable reduced concentration of firms in Connacht and Ulster (ROI). The above analysis, coupled with advice from KIs, underscores the need for sample case site selection to reflect the geographical distribution of firms.

Case sites were carefully selected to represent a cross-section of the SMP population, to facilitate both literal (comparable patterns are expected) and theoretical replication (differing patterns are expected) (Yin, 2009), allowing for understating consistencies within firm-types and exploring variances across firm-types. A summary of case sites and interviewees is provided in Table 6.12 below.

Table 6.12 Summary of case sites: location, interview time, interviewee position within the firm and gender

Count	Case site	Province	Total number of interviews	Interview time	Interviewee position within the firm								Gender	
					Partner	Director of Operations, Director of Finance	Head of Audit and Small Business, Head of CoSec, Head of Operations	Head of Tax	Office Manager	Managers	Juniors newly qualified/ sitting FAE	Bookkeeper	Male	Female
1	SP-1	Leinster	1	02:07:33	1									1
2	SP-2	Munster	2	03:19:32	1				1					2
3	SP-3	Leinster	2	04:06:08	1				1 (ACA)				2	
4	SP-4	Ulster	4	06:58:53	1		3 (1 ACA)						1	3
5	2P-1	Dublin	4	07:00:57	2					1 (ACA)	1 (ACA)		2	2
6	2P-2	Dublin	3	06:49:31	2			1 (FCA)					3	
7	2P-3	Munster	2	02:26:32	1							1		2
8	3P-1	Munster	3	05:36:40	1				1	1 (CPA)			2	1
9	3P-2	Munster	2	03:23:29	2								2	
10	4P-1	Greater Dublin area	4	06:38:52	2	2							2	2
11	5P-1	Leinster	4	07:20:41	3						1 (sitting FAE)		3	1
11		**Total**	**31**	**55:48:48**	**17**	**2**	**3**	**1**	**3**	**2**	**2**	**1**	**17**	**14**
		Partners	**17**										**13**	**4**
		Others	**14**										**4**	**10**
			31										**17**	**14**

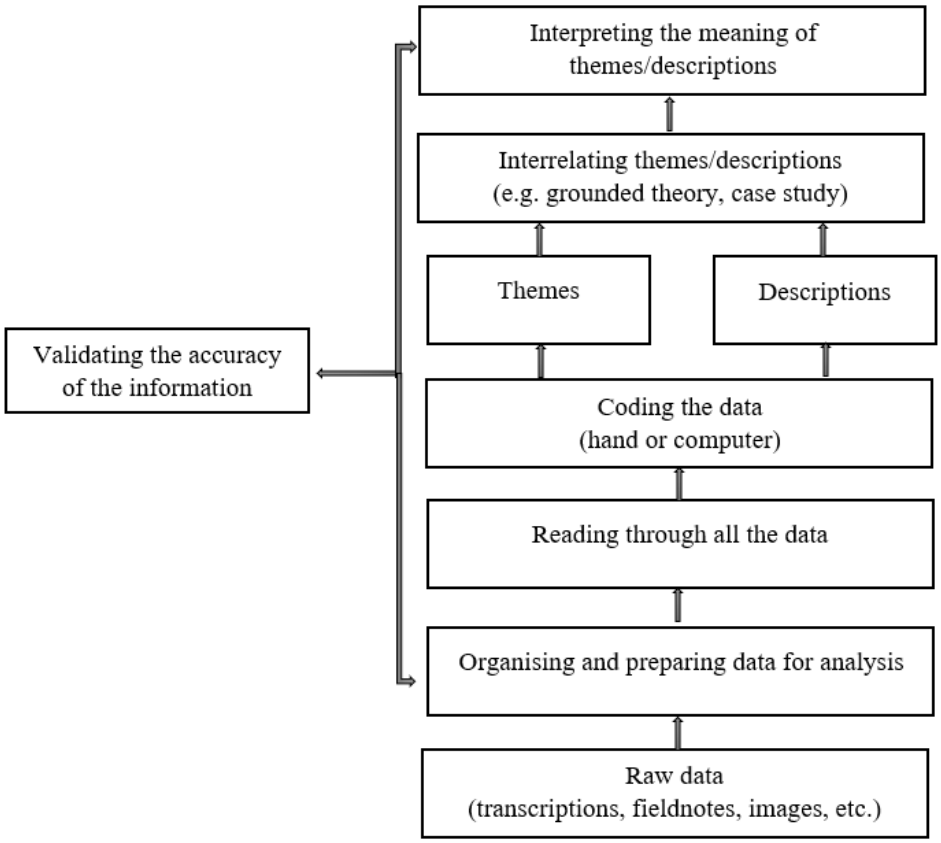
The 11 case sites comprised four sole practitioner firms (SP-1 to SP-4), three two-principal firms (2P-1 to 2P-3), two three-principal firms (3P-1 and 3P-2), one four-principal firm (4P-1) and one five-principal firm (5P-1). All firms, with the exception of SP-4, provide some reserved services. Of the 11 case sites, three were known to the researcher, although she did not have contact with them for over 20 years, three were introduced to her, and the remainder were identified through cold calling. Insofar as possible, multiple interviews with staff across different levels of responsibility within case sites were undertaken. This facilitates cross-checking of findings, capturing contextual nuance and divergent accounts of social reality from within the case sites (Chowdhury and Shil, 2021), preventing the researcher from relying solely on the official firm narrative and reaching theoretical saturation, the point at which new data yields little new insights (Saunders, Lewis and Thornhill, 2012).

Of the 31 interviews, 22 were conducted face-to-face, with the remainder, for logistical reasons or participant choice, conducted via Zoom using the protocols developed for the pilot. Triangulation evidence was gathered, catalogued and recorded. Detailed field notes were written directly after the interview to record preliminary thoughts and interpretations, which were then included in the initial case write-up to assist with data analysis, which is now discussed.

6.7 Data analysis

The approach to data analysis in this study involves a number of steps that are outlined in Figure 6.5 below (Creswell, 2014). While the process outlined below suggests a sequential process, it is in fact a non-linear, iterative process that "brings order, structure and meaning" (Chowdhury and Shil, 2021, p.199) to the volume of data collected.

Figure 6.5: Data analysis in qualitative research



Source: Creswell, 2014, p.197

The initial stage of Creswell's (2014) process is grounded in the structuring of raw data from the case sites, which commenced with the recording and transcription of interviews, and organisation of secondary data. The pilot site was manually analysed using Microsoft Excel. The interview was self-transcribed using Otter.ai. Due to regional accents, indistinct speech and other audio-quality limitations, Otter.ai is not always accurate, which resulted in reviewing and correcting the transcript to ensure its accuracy. The transcript was re-read a number of times for familiarisation, prior to being manually spliced and annotated to enable the collation of data into broad categories/codes, that are initially labelled in the participant's own colloquial language or "vivo" (Creswell, 2014, p.198). These categories or early codes extend not only to topics the researcher expected to find, but to surprising or unanticipated topics pertinent to the case site (Creswell, 2014). As this research was abductive in nature, these basic codes included codes that were developed theoretically from extant literature. The combination of these latter codes with those empirically derived, formed the basic coding structure, which was then set-up in NVivo 14[37], a qualitative data analysis software, in which the researcher was trained. Whether adopting manual analysis or NVivo software, data analysis is

[37] The pilot site interview data was not transferred to NVivo and does not form part of the empirical findings.

ultimately researcher-driven, where the researcher formulates the questions, interprets the data and determines how it should be coded. NVivo enables effective code management to ensure a high level of consistency when coding across multiple interviews and case sites.

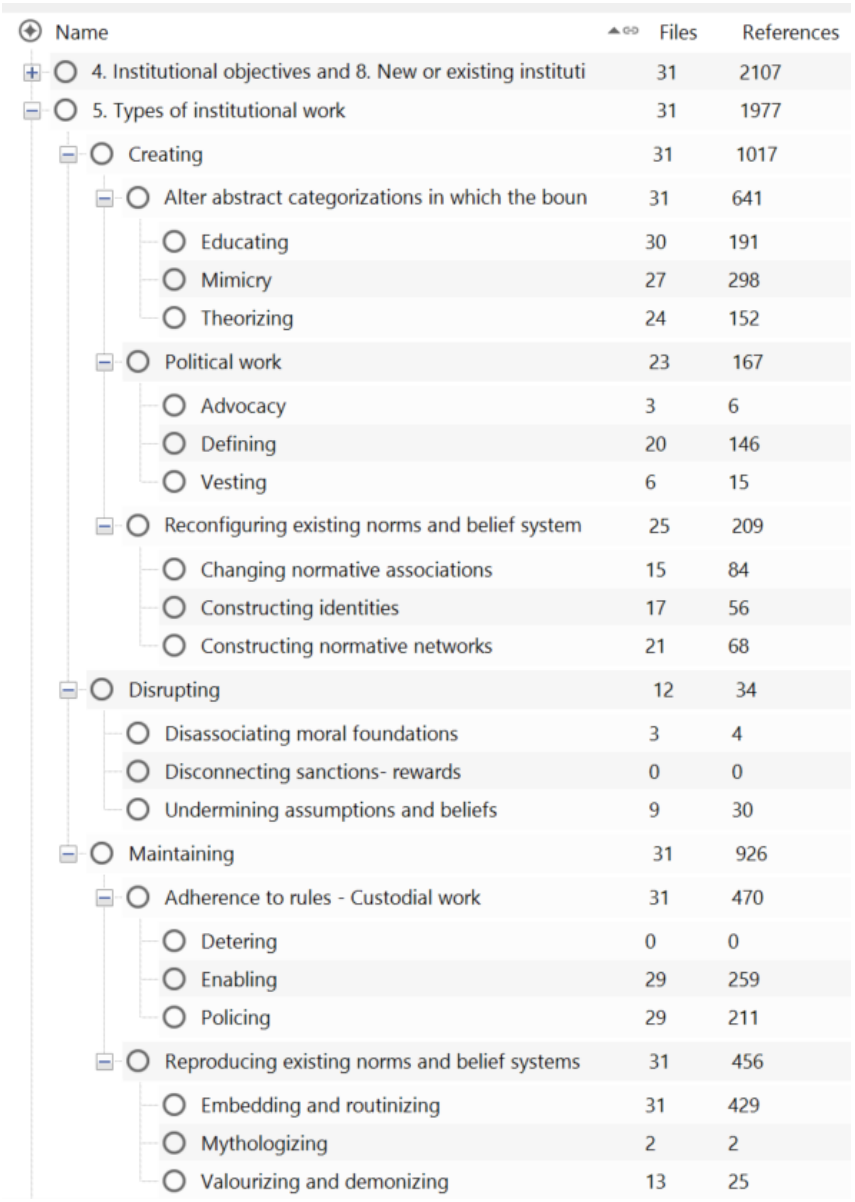
Even though NVivo 14 was used for the analysis of the 11 case sites, the interview transcripts went through a similar due diligence process. Thanks to the Irish Accounting and Finance Association Doctoral Funding Award (2022), 14 of the interviews were professionally transcribed, with the remaining 17 self-transcribed, using Otter.ai. Professionally transcribed interview transcripts were re-read and checked against the original recording, to ensure dependability of the transcription and to understand pauses, emphasis and unspoken cues. In addition, all transcripts were time-stamped to enable quick location of quoted segments in the recording for review and analysis. Prior to upload and analysis in NVivo, each transcript was read a number of times for familiarisation, clarification of interpretation and identification of broad categories/codes. As the research progressed, these categories or initial codes increased, developing into themes that are subsequently interpreted within the broader context of the research conceptual framework utilised in this study, as illustrated in Figure 6.6.

Figure 6.6: Summary of broad areas operationalised in the thesis from NVivo analysis

Name	Files	References
Section A - The Actor (Biography)	21	55
Section B - Logics of the Firm	31	2231
Section C - Agency and Decision Making	30	282
Section D - The Business Model	31	3458
Section E - Key challenges and Implication of challenges	31	1437
Section F - Institutional Work	31	4541

As an abductive study, some codes were theoretically developed from the literature, for example "ideal type" characteristics of IL, and typology of IW as illustrated in Figure 6.7 below.

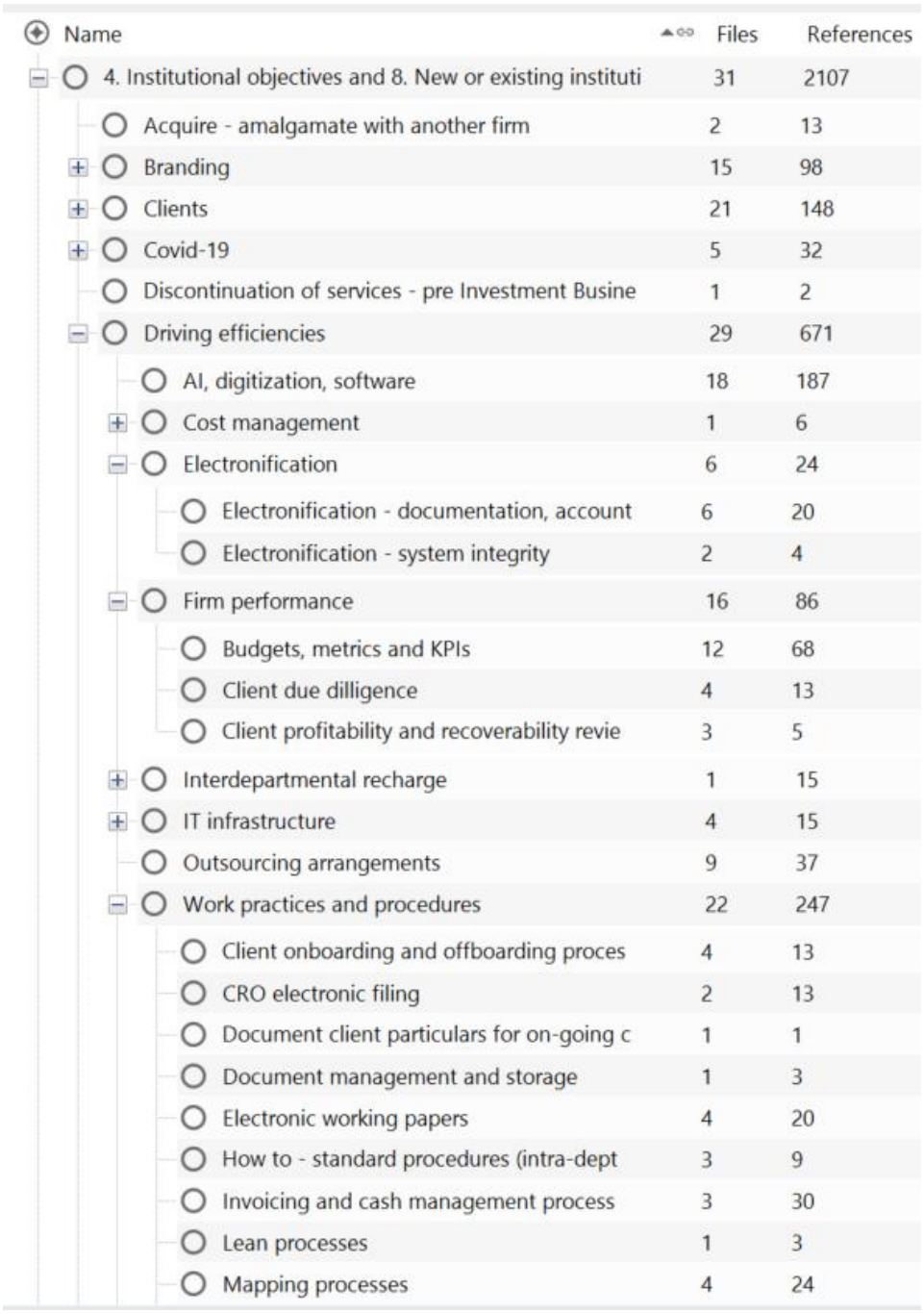
Figure 6.7: Illustrative example of abductive coding informed by Institutional work typology (Lawrence and Suddaby, 2006)



Name	Files	References
4. Institutional objectives and 8. New or existing instituti	31	2107
5. Types of institutional work	31	1977
Creating	31	1017
Alter abstract categorizations in which the boun	31	641
Educating	30	191
Mimicry	27	298
Theorizing	24	152
Political work	23	167
Advocacy	3	6
Defining	20	146
Vesting	6	15
Reconfiguring existing norms and belief system	25	209
Changing normative associations	15	84
Constructing identities	17	56
Constructing normative networks	21	68
Disrupting	12	34
Disassociating moral foundations	3	4
Disconnecting sanctions- rewards	0	0
Undermining assumptions and beliefs	9	30
Maintaining	31	926
Adherence to rules - Custodial work	31	470
Detering	0	0
Enabling	29	259
Policing	29	211
Reproducing existing norms and belief systems	31	456
Embedding and routinizing	31	429
Mythologizing	2	2
Valourizing and demonizing	13	25

The above coding structure is based on Lawrence and Suddaby's (2006) typology of IW (discussed in Section 5.4); these specific codes are theoretically informed, in contrast with the empirically derived codes as illustrated in Figure 6.8.

Figure 6.8: Illustrative example of abductive coding informed by empirical analysis of institutional objective(s) of institutional work



Name	Files	References
4. Institutional objectives and 8. New or existing instituti	31	2107
Acquire - amalgamate with another firm	2	13
Branding	15	98
Clients	21	148
Covid-19	5	32
Discontinuation of services - pre Investment Busine	1	2
Driving efficiencies	29	671
AI, digitization, software	18	187
Cost management	1	6
Electronification	6	24
Electronification - documentation, account	6	20
Electronification - system integrity	2	4
Firm performance	16	86
Budgets, metrics and KPIs	12	68
Client due dilligence	4	13
Client profitability and recoverability revie	3	5
Interdepartmental recharge	1	15
IT infrastructure	4	15
Outsourcing arrangements	9	37
Work practices and procedures	22	247
Client onboarding and offboarding proces	4	13
CRO electronic filing	2	13
Document client particulars for on-going c	1	1
Document management and storage	1	3
Electronic working papers	4	20
How to - standard procedures (intra-dept	3	9
Invoicing and cash management process	3	30
Lean processes	1	3
Mapping processes	4	24

In contrast to the typology of IW, which is theoretically defined, the codes associated with the institutional objective(s) of this work are empirically driven (Figure 6.8 above). A copy of the overall coding tree (runs to 22 pages) is available on request. These codes and themes were used to undertake a within-case and cross-case analysis.

As part of the research process, a within-case analysis for each case site, identified by Eisenhardt (1989), was carried out as a key part of data analysis. As an explanatory study, this consisted of codes, patterns and descriptions of each case site that contributed to a rich understanding of the prevailing IL of the firm, the challenges it is facing and implications of these for its BM, key actors and their agency, together with the IW work undertaken in the firm in response to challenges. Given the volume of data and the interrelated nature of the research, an individual case write-up was undertaken for each case, with the scoping diagrams serving as an organising framework. This within-case analysis enabled key themes to emerge before the search for more generalisable patterns across case sites began (Eisenhardt, 1989).

The cross-case analysis builds on the emerging findings from each case site. The replication logic (literal and theoretical) considered in the sample selection criteria (Section 6.6.2) allowed the researcher to examine similarities/consistencies and differences/inconsistencies in emerging patterns across case sites (Yin, 2009). These were then compared with the extant literature and research framing/scoping diagrams to understand how they fitted into the overall analysis, the outcome of which is elaborated upon in Chapter 7-Findings and Chapter 8-Discussion. This process provided comfort regarding this study's confirmability/replicability of the quality of the operationalisation of the research, credibility of the research design and its findings, and transferability of the theoretical aspects of the findings.

6.8 Biases and limitations

While significant effort was taken to ensure the integrity of this study, the chosen methodology is only one of many approaches that could successfully answer the RQ, and the research method adopted is not without its limitations. Although these are discussed throughout this chapter, this section will provide a brief overview of them. The lack of transferability/generalisability of the findings is a recognised limitation of a multi-case study design (Yin, 2009) (Section 6.5.2). The sampling frame (Section 6.6.2) covered 98% of the SMP population (sole practitioners to 5-principal firms), and the cross-section of firms selected mitigated against this lack of generalisability. Notwithstanding warnings in the literature against the use of case studies for theory building, as it results in "narrow and idiosyncratic theory" (Eisenhardt, 1989, p.547) that ascribes to specific phenomena in unique settings/context, it does allow for theoretical generalisation (Chowdhury and Shil, 2021). This study seeks to explain the mechanics of how (IW) and why (IL) the SMPs operate as they do in the face of challenges. This is bolstered by the use of replication logic, where repeating patterns are identified across different firms.

As an IAR study (Section 6.2.4) that acknowledges that reality is socially constructed, there are inherent limitations around objectivity and bias. Given the central role of the researcher in this study (axiology -Section 6.3.1), the data analysis is inherently shaped by the researcher's own interpretative lens (values-based assumptions, subjective views, prior knowledge, etc). Also, as semi-structured interviews (Section 6.5.3) were used, there is a risk that the researcher's behaviour/mannerisms during the interview affects the participant's response (interviewer bias), or that indeed, the participant chooses to present a rosy picture of the firm or cast themselves in a socially desirable way (response bias) (Saunders, Lewis and Thornhill, 2012).

Also, unlike a deductive study where hypotheses are tested to verify/disprove a theory, abductive research (Section 6.4) does not rely on such testing. Instead, the theoretical explanations produced are understood as the best explanation for the observed phenomena. As outlined in Sections 6.5, 6.6 and 6.7, the research approach adopted for this study has integrated a number of elements to mitigate against the risk of bias and limitations that can potentially influence the findings from this study. These help to ensure that the findings are credible and offer rich, theoretically grounded insights into the SMP that quantitative methods alone could not provide.

6.9 Conclusion

This chapter provided a detailed account of the research methodology adopted for this study. Situating this study within IAR and adopting a qualitative research strategy, together with a holistic multi-case study design, was considered the most appropriate approach given the explanatory nature of the RQ and the study's context in the SMP. Considerable deliberation and attention were devoted to the research methodology to ensure the integrity of the research findings. This included exploring the research topic with KIs, developing and refining the RQ and ROs, interview guide and PPQ. These instruments were subsequently tested and timed in the pilot case site and modified based on feedback from the pilot site and the European Accounting Association PhD mentoring initiative. Taken together, the KI, pilot study, and mentoring initiative enhanced the quality of research instruments and provided robust evidence supporting the database construction, selection of case sites, systematic data analysis, and the identification and interpretation of emergent themes. As with all qualitative research, acknowledging the limitations of this study provides a more grounded and realistic methodological foundation.

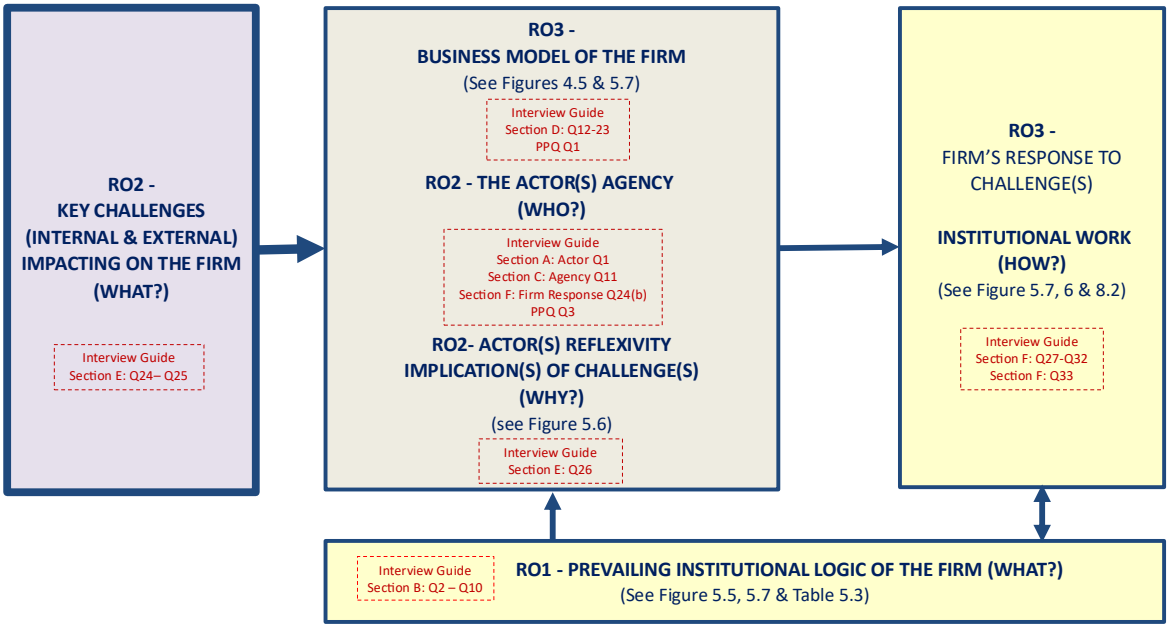
Chapter 7 Findings

7.1 Introduction

The empirical findings are provided in this chapter, drawing on the in-depth interviews conducted with 31 interviewees across 11 case sites. Data are supported by PPQ (Appendix C) and other triangulation evidence (example: Appendix E). Profile information relating to the case sites and interviewees are included in Table 6.12. Throughout this chapter, supporting quotations from interviews are used to illustrate specific points. When case sites are referred to, they are denoted as SP-1 (sole practitioner firm 1), 2P-1 (2-Principal firm 1) and each interviewee is uniquely identified by their job title and case site, e.g., Partner-B-SP-3, Staff-D-2P-1, DoF-4P-1 (Director of Finance). Sections 7.2 to 7.5 present the empirical findings using the conceptual framework (Figure 7.1, reproduced from Chapter 5) developed to operationalise this study's central RQ:

What are the challenges facing Small and Medium Accountancy Practices (SMPs) and how do these affect the business model?

Figure 7.1: Conceptual framework (operationalisation of the research question)



As indicated earlier, the above framework operationalises the three ROs of this study, namely:

RO1: To explore the prevailing rationale (institutional logic) underpinning the SMPs' business models *(Section 7.2 and Section 7.3);*

RO2: To investigate the key challenges facing the SMPs and their implications for their business models, exploring how key actors' decision-making shapes the SMPs' business models as they navigate these challenges *(Section 7.4);*

RO3: To understand and explain the SMPs' responses as reflected in their business models using concepts from institutional work *(Section 7.5).*

7.2 Prevailing rationale behind the firms' business model: IL

To answer RO1, an assessment of the prevailing IL (rationale) underpinning each case site's BM is derived from interview analysis across eight "ideal type" characteristics (Thornton, Jones and Kury, 2005, p.135; Anderson-Gough *et al.,* 2022, p.6). The "ideal type" characteristics were presented in Section 5.3.5 and reproduced in Table 7.1, below.

Table 7.1: "Ideal type" characteristics of institutional logics in public accounting

Characteristic	Professional logic	Commercial logic
Governance mechanism	CPA partnership CPA ownership	Private corporation Majority CPA ownership
Source of authority	Government regulation Professional body membership and association	Government regulation Management committee Managing partner /senior management
Source of identity	Accounting as a profession Accredited by professional bodies Personal reputation	Accounting as an industry Firm brand Bureaucratic role in the firm hierarchy
Source of legitimacy	Reputation of CPAs Royal Charter privilege Professional knowledge and expertise Companies' Act Standardization and conservatism	Scale and scope of the firm Organizational market success
Basis of mission	Building legitimacy of public corporation Building prestige of partnership	Build seasonal stability of firm Build status position of firm through growth
Basis of strategy	Standardize and authenticate client financial statements Acting in the public interest and personal reputation	Growth through mergers and acquisition Differentiation on client service Corporate/managerial capitalism
Basis of attention	Selling legitimacy Commitment to professional body ethical codes	Selling services Generating profits Loyalty/commitment to firm success
Logic of investment	Building legitimacy of profession	Build wealth and career of partners

To understand the prevailing rationale underpinning the BM, empirical findings on the prevalence of professional and commercial logic across case site (Table 7.2A) and case type (Table 7.2B) are presented below.

Table 7.2A: Prevailing institutional logic by case site

Institutional Logic	Sole practitioner firms				2 - Principal firms			3 - Principal firms		4 and 5 - Principal firms	
	Case site										
	SP-1	SP-2	SP-3	SP-4	2P-1	2P-2	2P-3	3P-1	3P-2	4P-1	5P-1
	Number of coding references (*)										
Professional Logic											
Commercial Logic											

(* Number of inductively coded NVivo references are based on relative instances of reference to the eight characteristics of each logic in case site interviews)

Table 7.2B: Prevailing institutional logic by case type

Institutional Logic	Case types			
	Sole practitioner firms	2 - Principal firms	3 - Principal firms	4 and 5 - Principal firms
	Number of coding references (*)			
Professional Logic				
Commercial Logic				

(* Number of inductively coded NVivo references are based on relative instances of reference to the eight characteristics of each logic in case site interviews)

The findings presented in these tables are derived from the inductive qualitative analysis of case site interviews (using NVivo software). This analysis is based on the number of coding references associated with each IL, serving as a proxy indicator of the relative salience or emphasis placed on each logic by interviewees. When interpreting the tables, it is more appropriate to interpret the relative lengths of the rows representing professional and commercial logics across case sites, because the case sites differed in terms of the number of interviews conducted and total interview hours within the SMP. This approach provides a visual impression of the dominant logic, whether professional, commercial or 'blended' logic. Building on the tables above, the researcher developed a five-point scale *(ab initio*) to position each case site along a continuum, reflecting varying emphasis on professional and commercial logic (see Table 7.3). It is based on the same inductively-coded interview data, where the number of references coded to commercial logic is expressed as a percentage of total references coded to both commercial and professional logics.

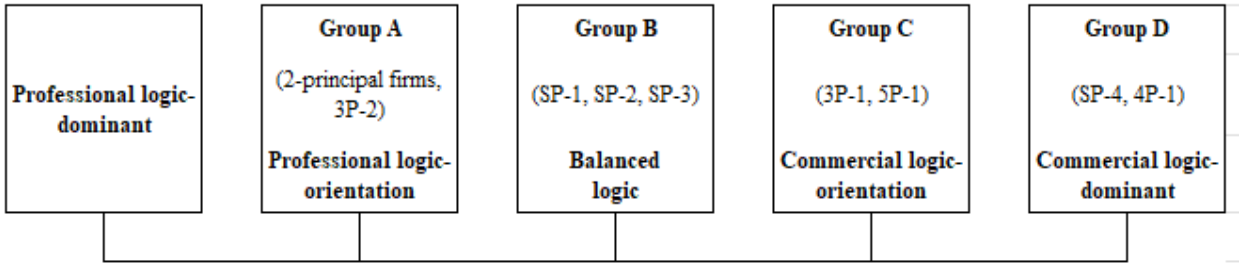
Table 7.3: Continuum-based five-point scale for assessing prevailing institutional logic(s)

Scale to capture prevailing institutional logics			
Assessment	**Characteristic**	**Points on scale**	**Commercial logic as a % of total logic**
Professional logic-dominant	Strong orientation towards professional logic	1	0 - 20%
Professional logic-orientation	Professional logic leaning, but acknowledges commercial imperatives	2	21- 40%
Balanced logic	Balances professional and commercial logics - neither dominates	3	41- 60%
Commercial logic-orientation	Commercial logic leaning, but acknowledges professional imperatives	4	61-80%
Commercial logic-dominant	Strong orientation towards commercial logic	5	81 -100%

As indicated above, a continuum exists, spanning from professional logic-dominant, where case sites demonstrate a strong orientation towards professional norms with minimal commercial influence, to commercial logic-dominant, where commercial imperatives that shape decision-making outweigh traditional professional norms. Between these extremes lies professional logic-orientation and commercial logic-orientation, where one logic is primary, but the other is acknowledged. For example, case sites with a professional logic-orientation prioritise serving the public interest, upholding ethical/professional principles, and applying expert technical knowledge and judgement in their practices, while also acknowledging and responding to commercial imperatives to remain viable and competitive. Those with a commercial logic-orientation place emphasis on business growth, revenue generation and efficiency, while continuing to recognise the need to adhere to professional norms such to professional/ethical standards and obligations. In the middle of the scale, balanced logic exists where neither logic dominates, with case sites simultaneously pursuing business growth and profitability while consistently upholding ethical and professional standards in the public interest and applying expert technical knowledge and judgement in their practices.

Using the above scale, each case site is located on the continuum, which provides an overview of the prevailing ILs (rationale) underpinning each case site's BM (see Figure 7.2).

Figure 7.2: Continuum of prevailing institutional logic by case site grouping



This study finds that SMPs firms are 'multi-logic', blending professional and commercial aspects in their values and practices, to varying degrees. As shown in Figure 7.2, their prevailing IL and location on the continuum reveal that the case sites can be understood in four groups, A to D[38]. To further probe the prevailing IL within each case site, the eight characteristics of the "ideal type" framework (Table 7.1 above) were analysed.

7.2.1 Characteristics of prevailing institutional logic of the firm

To assess the prevailing IL of the case sites, an analysis based on the eight 'ideal type' characteristics of professional and commercial logic yielded detailed findings: see Table 7.4 (by continuum grouping and by case site).

Table 7.4: Prevailing institutional logic and characteristics of institutional logic by continuum grouping and by case site

Continuum based scale of prevailing institutional logic	Professional logic-orientation				Balanced logic			Commercial logic-orientation		Commercial logic-dominant	
	Group A				Group B			Group C		Group D	
	Case site										
Prevailing Institutional Logic	2P-1	2P-2	2P-3	3P-2	SP-1	SP-2	SP-3	3P-1	5P-1	SP-4	4P-1
	Number of coding references (*)										
Professional Logic											
Commercial Logic											
Institutional Logic Characteristics											
Professional - Governance mechanism											
Commercial - Governance mechanism											
Professional - Source of authority											
Commercial - Source of authority											
Professional - Source of identity											
Commercial - Source of identity											
Professional - Source of legitimacy											
Commercial - Source of legitimacy											
Professional - Basis of mission											
Commercial - Basis of mission											
Professional - Basis of strategy											
Commercial - Basis of strategy											
Professional - Basis of attention											
Commercial - Basis of attention											
Professional - Logic of investment											
Commercial - Logic of investment											

(* Number of inductively coded NVivo references are based on relative instances of reference to the eight characteristics of each logic in case site interviews)

[38] Findings show that no case sites exhibit a dominant professional logic as the prevailing rationale underpinning their BM.

Table 7.4 illustrates the heterogeneity of the case sites in terms of their prevailing IL and associated IL characteristics. Each of the characteristics outlined in the table will now be discussed in detail.

The first two IL characteristics, governance mechanism and source of authority, refer to how control, authority and decision-making are structured and legitimised within the case sites. Table 7.5 summarises the legal structures of the case sites.

Table 7.5: Legal structures[39] by continuum grouping and case site

Prevailing institutional logic	Group A Professional logic-orientation				Group B Balanced logic			Group C Commercial logic-orientation		Group D Commercial logic-dominant	
Legal structure	Case site										
	2P-1	2P-2	2P-3	3P-2	SP-1	SP-2	SP-3	3P-1	5P-1	SP-4	4P-1
Sole practitioner						✓					
Limited company	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓

In assessing the underlying logic for the ***governance mechanism***, this study found that while firm ownership rests with professional CAI members (professional logic), the legal structure of this ownership is predominantly that of a limited company (commercial logic), rather than the historic partnership arrangement, as Partner-E-2P-2 explains:

> *We then transitioned to a limited company in 2016…My understanding, prior to that…you couldn't do it [audit work] through a limited company, but something changed in the regulations that allowed that…Now, it was largely tax driven reasons for it. It's easier to manage a business like this through a limited company anyway from the partner's point of view, because if nothing else, you're paying your tax once a month, rather than having to pay it in a big lump at the end of the year…so you're on the PAYE system…And you've limited liability, for what that's worth.*

This decline in the partnership model traditionally associated with professional logic implies a cultural and structural change among SMPs, towards a more commercial logic. Firms appear to be prioritising risk management by safeguarding their assets through limited company status, while also leveraging potential tax advantages. Governance mechanisms in accounting firms also refer to the type of organisational structures employed to coordinate work. These range from the professional partnership (P^2)/traditional Cravath-style models, with an emphasis on a flat organisational structure that involves more informal collegial partner decision-making and autonomy (professional logic), to a more hierarchical organisational structure that involves more formalised management structures and performance metrics (commercial logic). The data reveal that professional logic underpins the

[39] This table was compiled from responses to question 2 of the PPQ (Appendix C), which were completed independently by the questionnaire recipient using a tick box format, rather than from the qualitative interviews and inductive coding, hence the different presentation of this sub-aspect of governance characteristic. These findings were triangulated with CRO records, and other third-party sources of official company information.

governance mechanisms of Group A and B firms, with elements of more hierarchical and formalised control systems evident in Groups C and D situated towards the commercial end of the continuum. The practical functioning of these governance mechanisms is revealed through the firms' operational and strategic decision-making processes, which will be discussed in Section 7.3.6.

The findings in relation to ***sources of authority*** are understood in terms of *positional*[40] and *relational*[41] authority which reflect underlying IL. Under professional logic, positional authority refers to power and influence concentrated among partners or senior professionals whose legitimacy is derived from their professional credentials, peer recognition and their ownership stake. Decision-making is centralised among these professionals and reflects a collegial style of governance. Under commercial logic, positional authority is derived from formal hierarchy and organisational roles, whereas legitimacy stems from hierarchical position and control over resources. This style of governance emphasises efficiency, accountability and firm value. Relational authority is rooted in interpersonal relationships, demonstrated competence, trust and professional credibility. Under professional logic, it manifests through peer networks and mentorship, influence and ability to mobilise support among colleagues, which depend on professional reputation and credibility. Under commercial logic, relational authority within the hierarchy manifests in informal networks, alliances and interpersonal influence, and often complements positional authority by building support and securing commitment for key initiatives.

This study revealed that sources of authority are primarily rooted in professional logic in firms with a professional logic-orientation (Group A) and with balanced logics (Group B). Positional authority rests with partners/directors, who hold ultimate decision-making power. In Group A firms (>1 partner), this authority is distributed equally among partners and exercised through a collegial, consensus-based approach:

> *There wouldn't be a vote. We meet every Tuesday morning for maybe 30 minutes; it could be an hour some days. There are issues discussed, and we say this is the way we deal with it and this is the way we won't. It would be openly discussed. There would be no question of a 3 to 2 vote or anything like that.*
>
> (Partner-G-3P-2)

Relational authority in these groups (A and B) is heavily shaped by direct partner engagement and mentorship, strongly aligning with professional logic, though how it functions varies slightly: from informal, open and flat structure with daily interactions (2P-1), to more structured bi-weekly

[40] Positional authority refers to "determinants of power that are inherent in the actor's role or position, such as a founder or division executive" (Thornton and Ocasio, 1999, p.806).
[41] Relational authority refers to "determinants of power that derive from the structure of relationships among actors and groups of actors both intra- and interorganizationally" (Thornton and Ocasio, 1999, p.806).

meetings to manage workflow and key operational issues (2P-2), with ongoing informal communication facilitated by the small office size and proximity of staff and partners:

> *It is quite informal, yeah. We sit in open-plan offices because the ethos is that people learn as they hear us on the phone…I suppose myself and Partner O, you know, if there's a problem, we'll either go for a lunch, or we'll be in the kitchen. We wouldn't have like a weekly meeting, or a monthly meeting, or something like that.*
>
> (Partner-P-2P-1)

The shift to a blend of professional and commercial logic becomes apparent in Group C firms (commercial logic-orientation). Positional authority is concentrated at partner level, with a consensus approach to strategic decision-making consistent with an underlying professional logic. Operationally, commercial logic is apparent, as each partner has a hierarchical arrangement, where authority flows down through designated roles: '*I've a meeting with managers every Monday morning at 10 o'clock, just myself and a management team, I don't bring in all the partners, to try and get some of these things to happen'* (Partner-C-5P-1). Within this hierarchical structure, the importance of relational authority through internal professional networks, informal communication and collegiality for operational coordination was emphasised. As Staff-H-3P-1 explains, '*Partner AM will come to me…did I hear on the grapevine? …and then she'd be able to say, "Staff H just told me, is everything all right?" That kind of thing.'* A discernible dominance of commercial logic in terms of both sources of authority is evident in Group D. A clear formal hierarchical structure exists, where authority flows down through management roles, with clearly delineated responsibilities, '*the buck stops with me [for accounting and small business]. And then I would keep CEO regularly updated then on what she needs to know effectively*' (HoASB-SP-4). The structure of leadership team meetings in SP-4, for example, suggests that formal positions influence interactions, reflecting an underlying commercial logic:

> *I meet CEO-SP-4 once a week for my weekly meeting. And then we as a Management Team, Leadership Team, meet once a week also as a group. And then outside of that, if we're working on a project, we'd have that [meeting].*
>
> (HoCoSec-SP-4)

This clear commercial logic dominance in positional authority is softened by relational dynamics, with the managing partner/CEO/directors consulting and collaborating with the management teams across functional lines. These collaborative and potentially collegial relational elements suggest that authority or influence can arise from participation and expertise within these collaborative structures, indicating a blend or potential tension between professional and commercial logics. For example, Partner-L-4P-1 views his relationship with other partners as '*father/son relationship…rather than peer to peer'*, delegating authority and empowering them to make decisions, while relying on trust and adherence to professional conduct and communication.

Source of identity for Group A firms (professional logic-orientation) is firmly rooted in professional logic. A strong affiliation with CAI and a sense that '*we're all part of the same club'* (Partner-G-3P-2) is evident across all firms, through their contribution as past president (Partner-G-3P-2), ongoing involvement in sub-committees (3P-2), authoring core technical standards, such as Procedures for Quality Audit (PQA) (2P-1), and developing sample audit files (2P-2). This reflects both deep technical expertise and a strong source of professional identity. As Partner-F-2P-2 explains: '*Chartered Accountants Ireland had a sample audit file for small companies…[and] a sample audit file for micro companies– Staff A wrote the two of those. So, he's Mr Audit'*. Partner-G-3P-2's analogy comparing CAI accountants to a Mercedes conveys a perception of inherent quality, prestige, and justification for higher fees associated with the CAI designation. This professional identity provides foundational credibility and expertise that they can leverage for their commercial success and market positioning, reflected in their '*client-focused*' (Partner-Q-2P-3) emphasis on '*added value'* (Partner-E-2P-2) and delivery of '*very boutique type of services'* (Partner-P-2P-1) to their clients. Indeed, 2P-2 strategically retains audit services to maintain a strong '*profile…[and] technical expertise'* (Partner-E-2P-2), which in turn, enhances the value of other service offerings.

A balance between professional and commercial logic is apparent as a source of identity in Group B firms. For these sole practitioner firms, a strong reputation is critical. They wish to be perceived as committed to quality service, underpinned by personal expertise and professional competence, as exemplified by Partner-S-SP-2's distinctive '*pragmatic approach'*. Similar to Group A firms, Group B's affiliation with CAI and its associated core professional principles mitigate the risks associated with an unregulated accounting industry. As Partner-I-SP-1 explains: '*I put a lot of emphasis [new branding] on the fact that we're members of a professional body'*. These sole practitioner firms are acutely aware that to ensure their future sustainability, they must shape their identity as a modern and forward-thinking firm. For example, Partner-S-SP-2 opines that younger tech-savvy clients value professional credentials less and, as a result, SP-2 are pursuing its strategic technological innovation in an effort to be *'ahead of the curve'* (Partner-S-SP-2). This interplay between professional and commercial logic is also evident in SP-3, where the next generation is strategically building a digital presence, while preserving its commitment to professional ideals and the firm's family-run ethos, summed up by Staff-A-SP-3 as '*big firm mentality but with the country feel'*. This interplay is also evident in commercial logic-orientated case site 5P-1 (Group C). It has a strong sense of its professional historic roots, while framing its client proposition through the commercial lens of value and return on investment. Partner-C-5P-1 describes the firm as *'...a brand worth pushing. It's not a huge brand, but it has longevity'* and, over its history, has given '*the client bang for their buck [value for money]*' (Partner-D-5P-1). Indeed, fellow Group C firm, 3P-1 foregrounds its client value proposition as Partner-R-3P-1 explains, '…*we see ourselves as trusted business advisors. We don't even sell ourselves as accountants*', emphasising a strong commercial logic and focus on positioning

the firm as the '*first port of call'* (Partner-R-3P-1) for anything the client needs. The firm's branding and marketing promote the firm as '*niche and upper end',* so that it is perceived as '*market leaders'* (Partner-R-3P-1).

The prevalence of commercial logic becomes more pronounced in the identity of commercial logic-dominant firms (Group D). SP-4's identity is primarily articulated through a commercial lens. Being a fully remote firm is core to its identity, differentiating itself as '*tech driven…[and using] the best technology*' (HoO-SP-4), '*different*' and '*innovative*' and '*not afraid to try new things'* (HoCoSec-SP-4). To mark the *'maturing of the brand'* (CEO-SP-4), SP-4 has engaged in a rebranding exercise to change its name, logo, colours, '*tone of voice'* (CEO-SP-4), messaging and communication with clients and stakeholders. This evidence aligns with a commercial logic and a clear strategic ambition to be a market leader, '*number one...[and the]* '*most talked about'* (HoCoSec-SP-4) online accountancy firm. Equally, 4P-1 is '*absolutely market driven'* (Partner-L-4P-1), investing considerable time and resources in developing its client value proposition and marketing the firm. Its historic identity is deeply rooted in commercial logic: '*we didn't start as auditors and accountants, we started out as advisors'* (Partner-L-4P-1), focused on client decision-making and value. However, professional logic underpins the firm's identity with regard to its approach to regulated services, especially audit.

This study revealed that the ***source of legitimacy*** for both professional logic-orientation firms (Group A) and balanced logic firms (Group B) is derived from a strong foundation of professional logic. These sources of legitimacy are leveraged to achieve market success through, for example, their ability to attract and retain clients through referrals '*from other clients'* (Partner-S-SP-2) and '*from local solicitors'* (Partner-B-SP-3) and have resulted in '*a steady flow of new work coming through the door all the time'* (Partner-G-3P-2). Indeed, 3P-2 perceives itself as '*the largest practice'* (Partner-G-3P-2) in its local context. Emphasis on market validation and legitimacy grounded in commercial logic is often measured in terms of the client profile and scale. As Partner-P-2P-1 explains, 2P-1 '*definitely box[es] well above [its] weight…[and has] taken clients off the top ten practices, and off the Big Four as well'*. Such legitimacy is also derived from value-added service (3P-2), successful client outcomes (2P-1), client-centric service and accessibility (2P-2), all of which point to perceived client value and satisfaction. The salience of validation from external, trusted organisations is key to firm acceptance and success, and is evident in third-party endorsement (2P-3) and peer recognition:

> *we were the first to take them [Axon Outsourcing] on...some accountancy firms have rung up… and asked…about Axon, and we've pushed them [Axon] round here in the sense we have given [informal/unpublished] testimonials.*
>
> (Staff-G-3P-2)

Sources of legitimacy in commercial logic-orientated firms (Group C) present as a mutually reinforcing dynamic between professional and commercial logic. Professional logic underpins sources of legitimacy that are strongly anchored in professional ideals and the heritage of these firms. As Partner-R-3P-1 explains, legitimacy is derived from its accumulated experience, '*we have between us 100, 150 years' experience'* and technical knowledge in '*special niche area[s]*', demonstrating in-depth personal expertise, which is critical for building client trust. Indeed, 3P-1's explicit commitment to professional rules and norms as a source of legitimacy is reflected in its mission and values:

> *3P-1 Partners will provide a working environment that promotes a high-performance culture, observing the highest professional standards, with fulfilling and challenging work, where respect, trust, fair reward, clarity, communication and excellence in everything is the operational standard.*
>
> **Source: 3P-1 – Mission and Values, Staff Handbook (triangulation evidence)**

The synergies associated with commercial sources of legitimacy provide the foundations for market success in both firms: '*like my client lists has grown in the last five years…my fees figures have grown in the last five years. That's the same with all the managers'* (Staff-G-3P-1). This enables firms like 5P-1 to be considered '*a key player*' (Partner-J-5P-1) and benefit from the '*bit of a bounce off the consolidation [mergers/acquisitions] that's happening in the [SMP]sector*' (Partner-J-5P-1).

The relative dominance of professional versus commercial logic in sources of legitimacy characteristics varies among firms, presenting as commercial logic-dominant (Group D). 4P-1 presents a similar blend of mutually reinforcing sources of legitimacy to that of Group C discussed above. 4P-1's partners are keen to highlight the quality/status of its client book- '*Those guys that I gave you on that chart [top 10 clients by fee income], they're Big Four clients'* (Partner-L-4P-1), earning the firm a strong market position and financial success. As Partner M-4P-1 explained:

> *I compared our fees per partner with the top 20 UK…from number 6 to number 20. And our audit fees per partner were as good as the top 20…If I take fees per staff…including support staff…our turnover per staff was 39% higher than a company that had 20 times our turnover.*

The data revealed that commercial logic dominates SP-4's sources of legitimacy and is primarily derived from its focus on market success, growth, scale, and operating as a business, with professional expertise functioning as an enabler for its commercial success:

> *…between 2017 and today, we've growing massively over that time. We now have a team of about 80…and we work with about 2,500 clients. So, it has gone from the 300 or so it was, pre-investment, to 2,500…We're the best at delivering to small business without a doubt. We know exactly what they want, those startup businesses from a compliance perspective.*
>
> (CEO-SP-4)

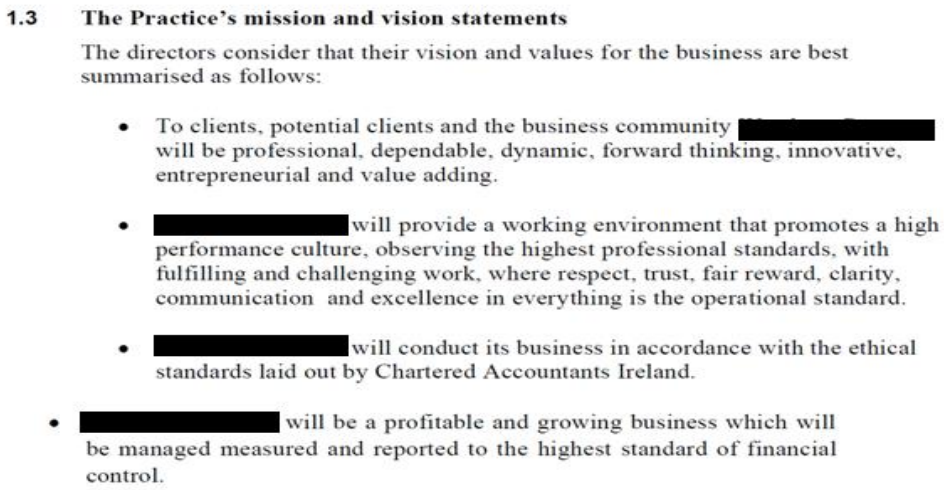
The findings on the ***basis of mission*** for most Group A firms (professional logic-orientation) reveal a foundation rooted in a commitment to professional ideals, standards and norms, emphasising integrity. These are captured by Partner-P-2P-1, '*doing it right or not at all',* and by an ethos articulated by 3P-2 on its website: '*A history of professional and prestige [and] refining a service, defining a profession*'. Concurrently, the pursuit of high standards and excellent service intersects with commercial goals of building a sustainable firm, as reflected by Partner-G-3P-2: '*The mission would be to stay in business and deliver a reasonable living to people who are here'*. This blending of logics is captured by Partner-F-2P-2, '*The mission is to provide top-class advice for clients in a manner that's going to work financially and timewise for the stakeholders.*' While themes of commercial logic, such as client-centricity (responsiveness and availability), value-add service offerings, and trusted client relationships, are recurring in Group A firms, they are most pronounced in 2P-1's basis of mission:

> *…we would have clients there that we would be an integral part of their management team…It is very much, for us, the core value is that you want to be part of that business.*
> (Partner-O-2P-1)

While Group B firms do not have a formal written mission statement, the data reveal that a blend of professional and commercial logic is evident in their basis of mission. Even though professional logic is most pronounced in SP-1, associated themes are evident across Group B firms. In particular, through their focus on personal relationships with clients, '*it's personal, it's not just business*' (Staff-F-SP-3), '*put[ting] a high emphasis on service and being very truthful with clients'* (Partner-S-SP-2), building trust and reputation through serving the local community (SP-1, SP-3), and '*client[s], to the best of [their] ability*' (Partner-S-SP-2). Summed up by Staff-A-SP-3, '*our clients are our bread and butter down here and…we will do everything that we can within the regulations to help them'*. Nonetheless, a commercial logic emphasis on operational efficiency is evident in both SP-2's and SP-3's strategic deployment of technology that empowers clients, while driving efficiencies in how the firms operate.

Data for Group C and D firms reveal a similar picture, with commercial logics dominating their basis of mission. Even though 5P-1's mission equally respects professional standards and is grounded in professional expertise, it differentiates its '*full end-to-end service…[as something]…most other firms can't do'* and its goal is for clients to '*avail of all…[our] services'* (Partner-J-5P-1), indicating a commercial focus on cross-selling and increasing revenue per client. While a similar commitment to professional ideals is demonstrated in 3P-1, its mission and vision statement are clearly rooted in commercial logic (Figure 7.3).

Figure 7.3: 3P-1 mission and vision statement



1.3 The Practice's mission and vision statements

The directors consider that their vision and values for the business are best summarised as follows:

- To clients, potential clients and the business community [redacted] will be professional, dependable, dynamic, forward thinking, innovative, entrepreneurial and value adding.
- [redacted] will provide a working environment that promotes a high performance culture, observing the highest professional standards, with fulfilling and challenging work, where respect, trust, fair reward, clarity, communication and excellence in everything is the operational standard.
- [redacted] will conduct its business in accordance with the ethical standards laid out by Chartered Accountants Ireland.
- [redacted] will be a profitable and growing business which will be managed measured and reported to the highest standard of financial control.

Source: Staff Handbook (3P-1) (triangulation evidence)

The prevalence of commercial logic is also evident in 4P-1's business platform, that centres around four pillars, designed to guide and influence behaviours that shape client perceptions over time. Partner-L-4P-1 explains the pillars are to help '*build client trust by keeping our promise, tone of voice, expert authoritative, open…that's our DNA*'. 4P-1's mission is framed around delivering valuable professional services in a manner that is commercially successful: prioritise client satisfaction, value delivery, growth and efficiency, while operating strictly within regulatory boundaries. SP-4's mission is also focused on efficiency, and provision of '*reliable, efficient and seamless services in a customer-centric way, using digital tools for small businesses and SMEs'* (CEO-SP-4). While its values, '*reliability, trust and efficiency*'(CEO-SP-4), are aligned to professional logic, its new, rebranded tone of voice is very much rooted in commercial logic. As CEO-SP-4 explained, *'it elevated us a little bit to make sure that, yes, we're focused on the client, but we're also focused on the business as well*'.

While professional logic influences ***basis of strategy*** for some firms on the continuum of prevailing IL, commercial logic dominates. This is particularly true for Group A firms that wish to maintain a professional focus on quality, standards and compliance, training and high-quality staff , while also focusing on their commercial strategy of growth (2P-1, 2P-2): '*We would try to grow ourselves…Annually we would always be trying to get our fee structure up, probably about 10 to 20% per annum*' (Partner-O-2P-1). Commercial strategies include increasing market presence (2P-1), ensuring client fit (2P-1, 2P-3), leveraging opportunities like mergers for expansion and stability (2P-1), while driving efficiency and systemisation of work practices (2P-1). Group A firms are also building professional capacity around staffing and skill specialisation, while simultaneously expanding the service offering and commercial potential, as Partner-F-2P-2 explains, the '*right*

person who is going to fit in and that we match the work around that'. Such initiatives are supported through commercial metrics (3P-2) and driving efficiencies through technological innovation:

> *you're providing more value add to the clients correctly and providing more value add back to the practice, if there's a piece of AI there that can do all the grunt work, and will do it every day of the week, and do it on Saturdays and Sundays, and it won't go on sick leave, it won't go on holidays, it won't be on paternity or maternity leave, and all the hundreds of leaves that are out there.*
>
> (Partner-G-3P-2)

The strategy of Group B firms is similarly focused on leveraging technology for efficiency, competitive positioning, improving client interaction and promoting commercial sustainability:

> *potential for the firm to utilise next-level advanced technology, including OCR (Optical Character Recognition) and Artificial Intelligence (AI), that would integrate with the existing software platform of Sage 50 Accounts used by the firm for clients' bookkeeping, VAT returns and bank reconciliations.*
>
> (Partner-I-SP-1)

SP-2's immediate focus is to build capacity (through investing in new premises) and scale the business. Additionally, a professional logic strategy focused on maintaining a quality client service (SP-1, SP-2), grounded in strong principles of serving the community, also illustrates SP-1's desire to rebalance its services towards compliance and quality audit services.

The strong commercial logic focus of the basis of strategy in Group C firms reflects their commitment to enhancing professional reputation and quality of service through education and training (5P-1). This enables them to focus on commercial priorities such as driving profitable growth, particularly through value-add services, leveraging strong client relationships through referrals, and maintaining their brand (3P-1). 5P-1 intends to utilise its additional capacity arising from investment in its new premises to develop specific sectors and drive efficiency through standardisation and more optimum use of technology (5P-1).

At the commercial dominant end of the IL continuum, strategy for Group D firms is driven by commercial logic. Firms are prioritising growth through leveraging existing client relationships, expanding and specialising services, and optimising resources for efficiency. Ultimately, this strategy enhances billing potential by leveraging professional attributes (e.g., reputation) for commercial gain, while maintaining a sharper focus on financial performance (profitability and revenue):

> *Bill them [clients] till they bleed....I hear people talking about partners, you know, maybe pricing stuff to the detriment of another department or whatever, that never happens here…our strategy is bill as much as possible.*
>
> (Partner-M-4P-1)

SP-4's formal 5-year strategic plan (Figure 7.4), focused on scaling, efficiency, revenue generation, growth and profitability, market positioning and branding, is very much rooted in commercial logic:

Figure 7.4: SP-4's 5-year strategic plan (2023-2028)



Source: SP-4 Strategic plan poster-March 2023 (triangulation evidence)

The study reveals that the ***basis of attention*** in case sites is shaped by a need to balance logics. This dynamic is most evident in Group A firms (professional logic-orientation) and, to a lesser extent, in firms located towards the commercial-dominant end of the prevailing IL continuum. Professional and commercial logics appear to be largely complementary and intertwined in Group A firms, with a shared emphasis on technical rigour, professional standards and compliance, coupled with a culture of strong client engagement that prioritises accessibility and responsiveness, as exemplified in 2P-1: '*Service is number one, it definitely, 100% is service'* (Partner-O-2P-1), '*…we wouldn't let it out the door unless I knew it was 100% correct. If I lost a client over holding it back until it was right, so be it*' (Partner-P-2P1). This demonstrates 2P-1's prioritisation of professional risk (related to quality and potential liability) over immediate commercial risk (e.g., loss of revenue). This focus on service naturally drives the need for workflow management and operational efficiency. In 2P-2, the process of reviewing audit files by qualified staff combines the professional stamp of assurance with the operational need for delegation and efficiency. A similar dynamic and integrated balance between the two logics is apparent in 3P-2, as clearly articulated by Partner-H-3P-2:

> *To do your work in an efficient manner as is possible. That's always a challenge. You're always striving for efficiency. So, you're trying to serve the client and provide them with the best quality service and best quality standards, the top, you know, the most professional standards. And you're trying to do that, and at the same time, make money on the back of it.*

The balance of the pendulum favours professional logic in Group B firm, SP-2, with commercial logic dominating the basis of attention in the remaining firms in the group. Basis of attention for Group B centres on balancing the demands of external regulatory compliance, strong client service and relationships and efficient operational management. Professional logic manifests through commitment to high professional standards, quality and compliance, with professional integrity and technical competence driving client selection and service delivery:

> *…if you add on a chunk of fees, you know, if you do that kind of thing, then you could easily be overtaken with the amount of work and the standards, like the quality wouldn't be what I wanted to be.*
>
> (Partner-I-SP-1)

These standards are strategically leveraged to meet commercial demands by offering value-added services, positioning the firm as a trusted advisor for clients' complex needs, and ensuring client responsiveness, while maintaining workflow efficiency to ensure firm success:

> *The clients would definitely drive how high I have to jump…Our response times and our turnaround times for the vast majority of things are no more than 24 hours.*
>
> (Partner-B-SP-3)

As the groups shift towards the commercial end of the continuum, priorities shift to profitability, efficiency, client service and business viability, as reflected in Staff-G-3P-1's remark, '*Core focus…client-one, two-efficiency, three-fees'*. The data for Group C firms reveal growing emphasis on internal efficiency and financial management through standardisation, time-cost efficiency, billing, and developing KPIs. For instance, 5P-1 illustrates this trend by promoting intra-partner accountability to strengthen commitment to firm success while maintaining a collegial culture. The need to balance this commercial focus with professionalism and strict compliance is understood by commercial logic-dominant Group D firms: '*[4P-1]is very commercial…[while also] cognisant of [its] compliance requirements*' (Partner-M-4P-1). These commercial priorities are supported by key metrics, such as *'How much it costs us to deliver to a client? What do we charge our clients? What is the cost of acquisition per client?'* (HoO-SP-4), that are actively measured and reviewed. Group D firms use key performance indicators (KPIs) to measure their progress against their strategic objectives, and these, in turn, feed into financial incentives that are distilled down the organisational hierarchy:

> *The turnover, the cash collection, the debtors, the work-in-progress. These all get reviewed on a regular enough basis…Each team has its own monthly targeting bill, each manager has*

their own client portfolio, has a value on it…There is a bonus scheme, yeah. There are bonus schemes for bringing in new clients and bonus schemes if they can find staff.

(Partner-L-4P-1)

These firms also nurture talent and foster strong internal relationships through investing in staff development (professional logic) and performance management, crucial for nurturing talent and contributing to productivity and profitability (commercial logic).

The data behind the ***logic of investment*** reveal a blend of motivations that resonate with both professional and commercial logic, but which lean strongly towards commercial logic on the prevailing IL continuum for Groups C and D. However, it is interesting to note that commercial logic dominates the logic of investment in half of Group A firms (professional logic-orientation). For example, 2P-3 has an explicit emphasis on financial benefit for the partners and the operational efficiency that supports it: '*its return to capital for us [partners] at the end of the day*' (Partner-Q-2P-3), and '*everything needs to be efficient, because…there's no point in wasting time'* (Staff-F-2P-3). This commercial focus is also reflected in 2P-2's emphasis on efficiency metrics, marketing and prioritisation of future investment in technology, contrasting with a professional emphasis on investment in staff and development of competencies. The underlying narrative in 2P-2 has a strong commercial orientation, as Partner-F-2P-2 explains:

Return on investment hadn't been an issue, but it is what we're looking at now…we do struggle with…super normal recovery on the jobs…we have a lot of expertise…we have no problem getting new clients in.

In contrast, 2P-1's approach reflects a conscious blending of commercial necessities (capacity, new business) with a more deeply rooted emphasis on professional values through investing in training, ensuring client satisfaction through strong client relationships, and partner satisfaction from non-monetary outcomes:

It's not money-focused. Everyone has to earn money, but for us money is not the be-all and end-all…The atmosphere has to be right in the office. When we see people in here enjoying themselves, and people learning, and our clients are happy, I think we get more of a kick out of that than we do out of the money you earn out of it.

(Partner-P-2P-2)

The history of 3P-2's decision to move from a sole practitioner model was fundamentally rooted in the professional logic of continuity and quality of service to clients, which resonates today with 3P-2 considering investment as essential to maintain the capability to deliver services effectively and efficiently:

we don't sit down and say we have to attain any particular percentage…we're trying to…do it within the parameters of who you want delivering the service, delivering the solutions…But

> *it is more client-focused and more about the service and the solutions than about you know, whether or not we are generating a 10% return on capital employed.*
>
> (Partner-H-3P-2)

Only one firm (SP-1) in Group B (balanced logics) exhibits a balanced blend of professional and commercial logics in its logic of investment. Professional logic resonated more strongly with the other two firms (SP-2 and SP-3), *'I never ran the practice to make money. I suppose, it's more, I look at the service'* (Partner-S-SP-2). As a collective, Group B is investing in building relationships and personal rapport through traditional means of word-of-mouth and referrals (SP-1, SP-2, SP-3) and investing in technological capabilities and physical environment (SP-2, SP-3), all of which are rooted deeply within the professional logic of trust-based client relationships. Simultaneously, commercial logic is evident in SP-1 through leveraging networks for client acquisition and practice development, together with an entrepreneurial mindset and strategy to reinvest retained earnings in its operational capacity. Partner-I-SP-1 explains: '*I've always left the money to invest. So, wherever it's needed, extra staff…I could hire the person now on the basis that in three or six months, the work will flow in'*. SP-3 reflects generational differences in priorities, with the next generation introducing commercially-influenced practices associated with a modern firm, while preserving the firm's core professional foundations. These changes are framed as a continuation rather than a departure from their father's success: '*we're not talking about a heart transplant here. It's just small subtle changes'* (Staff-A-SP-3).

Commercial logic dominates the 'logic of investment' in Group C and D firms. While partners' ambition in Group C firm 5P-1 is '*not to get riches'*, profitability remains as a core objective as they seek to *'[have] profitable business[es]…[and] make a decent living'* (Partner-D-5P-1). This commercial logic permeates their framing of investment in staff competencies and welfare and estimates that staff should *'be churning out two and a half, three times their salary in terms of fees*' (Partner-J-5P-1). 3P-1's investment across the firm is framed around enhancing operational capability and a return on investment, resonating with commercial logic, '*to make money, obviously, we are not in it here to be a charity'* (Partner-R-3P-1). Similarly, 5P-1's transition from a partnership to a limited company reflects a strategic commercial objective that not only facilitates partners' access to capital and tax advantages, but also aligns with its financial and operational goals:

> *From moving the partnership into…an unlimited company…give[s] us the benefit of the 19% corporation tax… to allow us fund debtors and WIP [work-in-progress]…a nice benefit for those [partners] that had capital accounts in the partnership on which you paid your tax. Gave that chance for that [capital] to be paid out to you.*
>
> (Partner-C-5P-1)

The dominance of a commercial logic persists in Group D firms. For example, SP-4 is investing in its capacity and growth, through implementing structures, policies and leadership, with an emphasis on efficiency and automation. As CEO-SP-4 explains:

> *…return on investment then starts to get very important because the reality is that in this industry, the company is measured on profit. So…you have to meet or exceed industry expectations and profit, otherwise, you're just not where you need to be.*

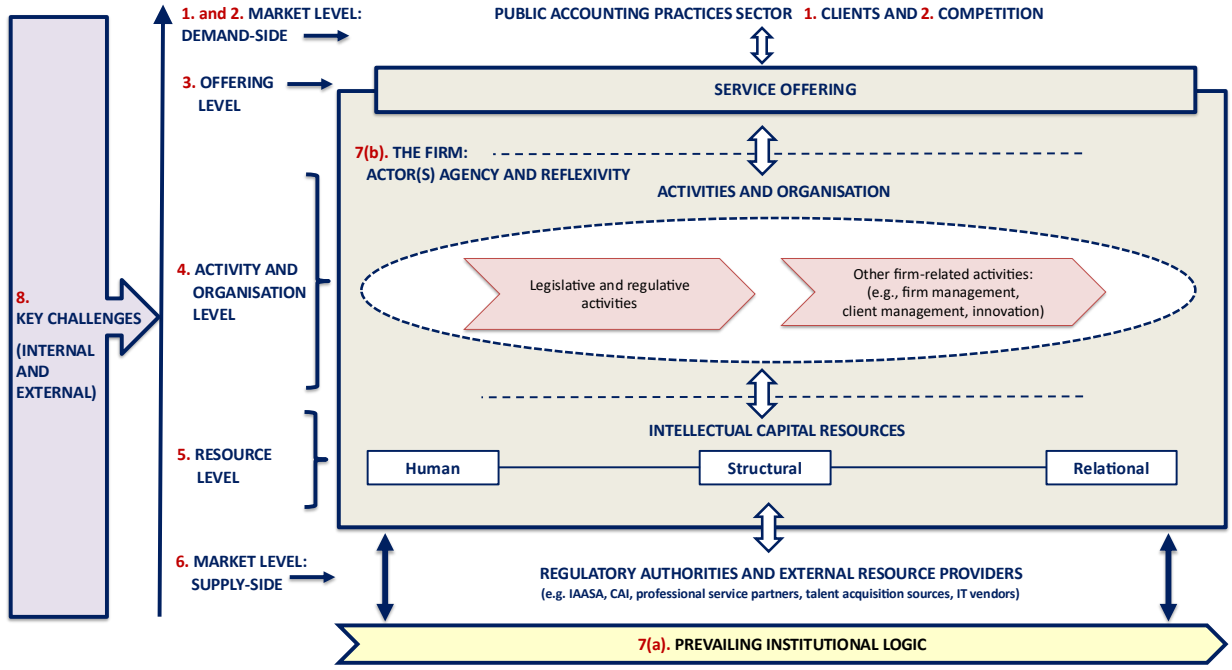
Similarly, 4P-1's primary objective for 2024 explicitly stated that it would continue its policy in relation to retained earnings, i.e. '*to withdraw profit to enhance [partners'] personal financial position [to ensure that] there is enough wealth retained in the company [while] maximis[ing] pension investment'* (2024 Strategic Objectives, 4P-1). This rationalises its emphasis on investing for operational efficiency and cost-effectiveness, adapting to trends and '*moving with the world'* (DoO-4P-1), particularly in relation to investment in technology, to manage risk and ensure operational continuity.

In this section, the findings with respect to RO1, i.e. the prevailing rationale (IL) underpinning the case sites' BMs, were presented. Drawing on the eight "ideal type" characteristics, this study identifies a mix of professional and commercial logics, positioning each case site along a continuum. The findings indicate that the prevailing rationale shaping the SMPs' BMs reflects a blend of both professional and commercial logics. The BM of the case sites in this study will now be discussed.

7.3 Business model

Understanding the SMP BM is fundamental to answering the thesis's overarching RQ. As indicated in Chapter 6, this study draws on an adapted version of Hedman and Kalling's (2003) BM conceptualisation, which integrates an SMP's internal and external components to explain how inputs are transformed into service offerings (see Section 4.6). The adapted conceptualisation is reproduced in Figure 7.5 below.

Figure 7.5: Theoretical explanation of the business model of the firm



This BM conceptualisation operates across multiple analytical levels, comprising six causally related, cross-sectional components that can be examined at any point in time. These include *market level: demand-side*: (1) clients and (2) competition, (3) *offering level*: service offering, (4) *activities and organisation level:* legislative and regulative activities and other firm activities (firm management, client management and innovation), (5) *resource level:* intellectual capital resources (human, structural and relational) and (6) *market level: supply-side: source of resources and service inputs* (e.g., regulatory authorities and external resource providers). Findings in relation to each of these are discussed in Sections 7.3.1 to 7.3.5.

To capture the dynamic nature of BM evolution over time, a seventh (7(a)) *longitudinal dimension* included in the original BM conceptualisation is now reconceptualised as prevailing IL (see Chapter 5). As the actor is central to both theoretical frameworks used in this thesis (IL and IW), the component associated with the longitudinal dimension (7(b)) *the firm: scope of management*, is reconceptualised as *the firm: actor(s)' agency and reflexivity* in the adapted BM. This study does not seek to develop a theoretical explanation of agency and reflexivity *per se*, but rather to gain a practical understanding of actor(s)' agency in operational and strategic decision-making and their reflexive understanding of the implications of key challenges for the BM (see Section 7.3.6) as they engage in purposive action/work in response to these *challenges (internal and external)* (8), discussed in Section 7.4.

The remainder of this section presents the findings, commencing with the market-level demand-side and progressing through the conceptualisation to the market-level supply side, concluding with an examination of key actor(s)' agency and reflexivity.

7.3.1 Market level: demand-side-clients and competition

This section will discuss the findings relating to clients and competition, which constitute the market level demand-side components of the BM that shape the SMP's value proposition.

Clients

The client component focuses on the market segments served by SMPs, shaping BM success through clients' evaluation of quality, scope and price. Table 7.6 presents the percentage breakdown of client type by fee income for the case sites, by prevailing IL group.

Table 7.6: Percentage breakdown of client type by fee income, prevailing institutional logic group and case site

Prevailing institutional logic	**Group A Professional logic-orientation**				**Group B Balanced logic**			**Group C Commercial logic-orientation**		**Group D Commercial logic-dominant**	
Case site	**2P-1**	**2P-2**	**2P-3**	**3P-2**	**SP-1**	**SP-2**	**SP-3**	**3P-1**	**5P-1**	**SP-4**	**4P-1**
Client type	**Percentage of fee income**										
Small and medium enterprises (SMEs)	**82%**	**75%**	**68%**	**35%**	**50%**	**31%**	**50%**	**60%**	**50%**	**20%**	**5%**
Sole traders		**22%**	**8%**	**20%**	**50%**	**16%**	**20%**	**20%**	**25%**	**80%**	**1%**
Large enterprises	16%		20%	20%					10%		**80%**
Individuals (private clients/individuals)	2%			14%		**49%**	20%	20%	10%		4%
Partnerships			2%	5%		3%	10%		1%		
Charities - not-for-profit		3%	2%	6%		1%			2%		
Public sector									2%		
Financial institutions											10%
Public listed entities											

This table presents the heterogeneous SMP client mix (based on % fee income), with sole traders and SME clients constituting the majority of case sites' client base. SMEs feature strongly across most groups and characterise a client type specialisation in most Group A firms. In contrast, commercially dominant Group D firms reveal a different pattern of specialisation, with 4P-1 mainly serving large enterprises and SP-4 focusing on sole traders and start-up enterprises. While Individual (private) clients are a constant feature among some firms, they are of particular importance in SP-2, accounting for 49% of its fee income: *'I suppose individuals with income tax returns…that would be our highest number of client type and sole traders, small to medium businesses'* (Partner-I-SP-2). The mixed composition across case sites reflects the heterogeneity of the SMP client base and highlights the importance of client fit, as articulated by the majority of firms:

> *I suppose we only take on clients that we can service and give them the best service we can give within the constraints of a small practice.*
>
> (Partner-Q-2P-3)

Interview data suggests that firms' emphasis on client fit is reflected in their reliance on referrals as the primary driver of client acquisition, with referred clients viewed as more desirable due to their pre-existing understanding of the firm's value proposition, service and pricing: '*we don't accept clients unless they're referred…when they're referred, they know the issue about quality and price*' (Partner-L-4P-1).

Competition

Competition, as a market-level demand side component of the BM, refers to rival forces operating within the same segment that shape SMPs' value proposition, primarily through competition for clients. Most firms perceive limited direct competition from other SMPs, larger firms or non-registered providers. However, 3P-1 (Group C) and SP-4 (Group D) view other SMPs as competitors, while other firms acknowledge there is sufficient work available, and that firms are operating at capacity; as Partner-Q-2P-3 explains, *'…we find that there's any amount of work for anybody. There's loads and loads of work. We don't look for work, you know, we're shying away from it.'* While firms recognise that clients may occasionally switch advisors for a fresh perspective or lower fees, the majority of firms cite cordial and collaborative relationships with other accounting firms, highlighting the presence of informal networks and mutual trust among SMPs. Firms choose not to compete on price as '*you're just devaluing the value of the work that you're doing'* (HoCoSec-SP-4), and differentiate themselves based on service and value, which engenders loyalty, insulating them from occasional speculative competition: *'Now that doesn't prevent the big boys knocking around like, and we have a couple of significant clients that they sniff around at, but the clients are loyal to here*' (Partner-G-3P-2).

Although professional logic-orientation firms (Group A) acknowledge non-registered providers (e.g., payroll, tax), they do not consider them as direct competitors; rather, they view them as indirect competitors and highlight the risks of using unqualified and unregulated practitioners:

> *You don't [compete]. But it's annoying when you see them popping up in places, you know. Most of them don't have insurance, they have no regulation of any kind. But yet that's just part of living in the pond.*
>
> (Partner-G-3P-2)

Competition from non-registered providers, particularly in payroll services and company secretarial services, is evident in commercial logic-orientated firm, 5P-1, and dominant firm, SP-4. As Partner-C-5P-1 notes, the firm operates in '*a bit of a hotbed for payrolls'*, prompting reassessment of its pricing strategy as the service is '*not as lucrative as we would like it to be'*.

Having addressed the external market-level components (clients and competition) of the adapted BM conceptualisation, the offering-level is now discussed.

7.3.2 Offering level – service offering

At the offering level, SMPs strategically balance quality and price in response to competition, with services differentiated by regulatory demands and specialisation. SMPs operate within a strict regulative framework, requiring additional authorisation to offer reserved services (see Table 2.3). With the exception of SP-4, all case sites offer audit services, with many offering multiple restricted services (investment business and/or insolvency). The top five services in terms of practice income are presented in Table 7.7[42].

Table 7.7: Top five service areas offered to clients by prevailing institutional logic group and case site - ranked in terms of share of practice income from highest (1) to lowest (5)

Services	Compliance services	Value-added services	Number of case sites offering the service	Group A Professional logic-orientation Ranking (*)					Group B Balanced logic Ranking					Group C Commercial logic-orientation Ranking					Group D Commercial logic-dominant Ranking				
				1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
				No of case sites					No of case sites					No of case sites					No of case sites				
Tax compliance	Yes	No	10		2		1			2		1			1			1			1		1
Business support services	No	No	9	2				2	3								1		1				
Audit - statutory audit services	Yes	No	9	1		3					1		1	1		1			1				
Business advisory	No	Yes	8	1	2			1				1	1	1						1			
Tax advisory	No	Yes	7			1	1	1					1		1	1						1	
Corporate compliance and governance	Yes	No	4							1	1	1								1			
Finance advisory	No	Yes	3				1										1				1		
Pension and financial services (authorised service and other)	No	Yes	2								1							1					
Business recovery and insolvency	No	Yes	1				1																
Total number of case sites in study			**11**	**4**					**3**					**2**					**2**				

* - SP-4 ranked services 1 to 3

Table 7.7 categorises services into compliance services and value-added services, ranking them by the number of firms that included each service in their top five, from highest to lowest. For example, tax compliance ranks first, cited by ten firms. While the table presents the top services across case sites, analysis by prevailing logic grouping provides further insight into the heterogeneity of the SMP BM. The service mix for Group A (professional logic-orientation) firms reveals a heavy reliance on traditional accounting services, with business support and audit services emerging as leading income generators. Although reliance on audit aligns with professional logic imperatives, all four firms rank business advisory services highly, indicating an orientation towards integrated value-added services. Group B (balanced logic) sole practitioner firms exhibit a unanimous reliance on business support and compliance services. Compared to Group A, audit declines in importance, with tax compliance and corporate compliance and governance emerging as key income generators, rather than higher-

[42] Table 7.7 is a summary extract of question 17 on the PPQ (Appendix C). The service area classification and the primary nature of each service is sourced from ACCA (2015) *The Global SMP Business Model Survey.*

margin advisory work. The service mix of Group C (commercial logic-orientation) firms reveals a distinct shift towards value-added services, with tax and business advisory services overtaking routine compliance services. While audit remains an important component of their service mix, there is clear evidence of a strategically commercial orientation towards higher-margin, specialised advisory services. Finally, despite the commercial logic-dominant nature of Group D firms, those within the group operate in distinct markets. While 4P-1 maintains core audit services as its primary income generator, it has a commercially focused service mix, with business, tax and finance advisory representing the next most significant revenue streams. By contrast, the fully remote firm, SP-4, strategically targets start-up and early-stage businesses through business support, corporate compliance, and governance and tax compliance services.

The design and delivery of the SMP service offerings are directly dependent on the configuration and effectiveness of their internal activities and organisations which are now examined.

7.3.3 Activities and organisation level

The activities and organisation level arrangements (Chapter 6, and Appendix F) relate to how SMPs organise legislative and regulative, and other firm-related activities to deliver services and meet client needs.

Legislative and regulative activities

While legislative and regulative activities require strict adherence to governance frameworks, the findings reveal that the degree of embeddedness and formality in SMP BMs reflects a delicate balance between operational integration and regulatory compliance, shaped by strategy, resources and technology.

Group B (balanced logic) sole practitioner firms rely on informal, experience-based approaches, *'It's very informal but I know what goes on the whole time.'* (Partner-B-SP-3). While paper-based work programmes remain common, firms are increasingly formalising and embedding regulatory activities through technology adoption (e.g., Surf Accounts Production and AML) to improve compliance, risk management, and operational efficiency. Consistent with this informal approach, documentation beyond that expected of firms offering audit services is generally low. A similar approach is evident in Group A (professional logic-orientation) firms, which employ systematic review processes to ensure quality and adherence to professional standards, particularly when dealing with regulatory bodies. However, resource constraints limit investment in advanced software solutions: '*we don't use a software per se because obviously we're a smaller firm…look at things like costs…we don't have as many large audit clients that software would be needed at this point'* (Staff-D-2P-1).

Nonetheless, a broader evolution towards lower-cost digital alternatives is apparent, such as Excel-based working papers, to support regulatory compliance, accessibility, collaboration, and efficiency.

In contrast, larger, more commercially focused firms (Group C and D) allocate resources to invest in more advanced and integrated software solutions that, while '*not cheap but…give process'* (Partner-L-4P-1) to help firms operate and manage risk. As DoF-4P-1 reflects, '*everything is a system; everything is software driven'*. These firms exhibit a high degree of formality and standardisation, with accessible procedures forming SC that supports risk management, service quality and operational efficiency. All case sites report that they undertake external quality reviews, with three case sites (SP-3, 4P-1 and 5P-1) undertaking voluntary internal audits. On-the-job training is central to compliance and a cornerstone of professional development across case sites, though the level of formality and knowledge-sharing practices varies. For example, commercial logic-orientation firm, 3P-1 (Group C) uses a detailed procedures manual as both a reference guide and induction tool, while commercial logic-dominant SP-4 firm (Group D) *'have a training plan for every new person'* (HoO-SP-4). This contrasts with Group A and B firms, where training is more informal and typically partner-led, relying on experiential learning and senior expertise rather than structured arrangements: *'sit down with the crew, I suppose make sure then, if they [external quality reviewers] find something, something that's for every audit file going forward'* (Partner-Q-2P-3).

While regulatory compliance and staff training are crucial aspects of SMPs' BMs, firms must also manage other firm-related activities to maintain their operational efficiency and sustainable growth.

Other firm-related activities: firm management

Findings related to the use of firm management mechanisms to monitor financial and operational performance are presented in Table 7.8.

Table 7.8: Financial and operational performance review by prevailing institutional logic group and case site

Prevailing institutional logic	Group A Professional logic-orientation				Group B Balanced logic			Group C Commercial logic-orientation		Group D Commercial logic-dominant	
Case site	**2P-1**	**2P-2**	**2P-3**	**3P-2**	**SP-1**	**SP-2**	**SP-3**	**3P-1**	**5P-1**	**SP-4**	**4P-1**
Budgets	None	Firm-level, Individual-level target billing	None	None	Firm-level headline numbers	None	None	Firm-level, Team-level monthly target billing and cash collection	Performance evaluated against prior year	Firm-level, department-level, team-level and individual-level	Firm-level, 10-12 week cash planning
Management reporting	None	Not produced in the traditional sense due to bi-weekly real-time operational reporting	None	None	None	None	None	Quarterly and annual (deep-dive)	Monthly	Monthly	Monthly and quarterly (deep dive)
Frequency of billing, WIP and cashflow-related KPI review meetings	Regular at less defined intervals	Bi-weekly and monthly	Weekly	Regular less defined intervals	Regular at less defined intervals	Weekly	Informal, intuitive approach	Weekly, monthly, quarterly and annual (deep dive)	Weekly and monthly - managed at partner-level where partners are informally accountable to one another	Weekly and monthly	Headline numbers reported 3 times a week and monthly (deep dive)
Additional KPIs	Client-related	Individual-level, 3-month rolling actual v budget billing	None	None	None	None	None	Team-level billing, and cash collection actual versus target	Firm-level. Developing department-level metrics	Comprehensive financial Client-related Individual-level	Individual-level performance against objectives (2024 onwards)
Approach to time management	Informal	Informal	Informal	Informal	Informal	Informal	n/a	Formal	Formal	Formal	Formal

Table 7.8 illustrates the various types of financial and operational performance mechanisms used across case sites. It reveals that management approaches among Group A and B firms are characterised by high levels of informality and limited structure. Five of the seven firms do not use formal budgets, and six firms do not produce management reports. In terms of WIP, billing reviews and monitoring-related KPIs, Group B firms tend to rely on informal, intuitive monitoring, whereas Group A firms adopt a comparatively more structured and formal approach. Across both groups, the frequency of review meetings varies from irregular, less-defined intervals to weekly meetings, with generally little/limited use of additional KPIs beyond core billing and WIP. Time management is informal across all firms in these groups.

In contrast, Group C and D firms have a highly formalised and structured management approach, with firms engaging in specific firm/team-level budgeting, with the degree of micro-level management more prevalent in Group D commercial logic-dominant firms. Management reporting in both groups is formalised, occurring monthly, quarterly and annually (deep dive), with the degree of analysis and accountability reflected in the use of comprehensive KPIs. Similarly, their approach to time management is unanimously formal.

Other firm-related activities: client management

Client management across case sites is a multifaceted activity focused on building strong client relationships that support client satisfaction and retention. The degree of formality in proposals, onboarding and communicating processes varies, with commercial logic-orientation and dominant firms adopting more structured and standardised approaches. Client acquisition is predominately partner-led across all case sites, except for SP-4, where dedicated Client Services and Client Experience teams manage prospective and existing client relationships. There is an emphasis on personal and proactive client communication, with partner accessibility a crucial aspect of relationship management.

Other firm-related activities: innovation

Firms must innovate to meet changing client needs and sustain competitive advantage. While innovation activities are reconceptualised using Lawrence and Suddaby's (2006) IW typology later (Section 7.5) to address RO3, they are first understood as activities in the BM using Hogan, McColl-Kennedy, Sweeney and Soutar's (2007) three dimensions of innovation[43]. The findings reveal a heterogeneity in innovation approaches across the case site BMs, with internal innovation detailed in Table 7.9.

[43] Hogan *et al.*'s (2007) dimensions of innovation comprise internal, external and bridging innovation. Internal dimension focuses on improving operations, resource management and employee behaviour, through behavioural and process innovation. External dimension targets client needs and market offerings through client-centric solutions, service and market innovations. Strategic and digital innovation bridge both dimensions.

Table 7.9: Internal dimensions of innovation[44]: behavioural and process innovation by prevailing institutional logic group and case site

Prevailing institutional logic	Case site	Behavioural - culture of continuous improvement	Process - non-technology based, best practice
Group A Professional logic-orientation	2P-1		
	2P-2	Formal: Staff asked once a year: two points for improvement, in their own work environment or the client and staff experience	
	2P-3	Informal: best practices for dealing with retail clients	
	3P-2		
Group B Balanced logic	SP-1	Actively encourages continuous improvement	
	SP-2	Seeking efficiencies in processes e.g. VAT returns	Introduce client follow-up calls one month after onboarding to assess their experience and address any emerging needs
	SP-3	Development of meeting room space	
Group C Commercial logic-orientation	3P-1	Seeking efficiencies in processes e.g. Axon spreadsheets	Establish a centralised knowledge repository that includes feedback from external audits, accessible to all staff to facilitate organisational learning
	5P-1	Learn from new employees that would have worked in other firm(s)	Improve data security protocols for sending confidential client information. Documenting key onboarding and offboarding processes in a Microsoft Visio workflow
Group D Commercial logic-dominant	SP-4	Remote working and management workshops. General culture of encourage efficiencies within each department	Implementing Lean process review, to identify and eliminate non value activities in Accounting and Small Business department
	4P-1		

Table 7.9 reveals that internal innovation in Group A and Group B firms is largely incremental and informal, focusing on shared insights and small operational improvements (e.g., VAT and client relations). As firms move towards commercial logics, innovation becomes more structured and systematic, with centralised knowledge repositories (3P-1, Group C), and formal lean-process review (SP-4, Group D). The influence of prevailing IL is also evident across Hogan *et al.'s* (2007) external dimensions of innovation presented in Table 7.10.

[44] Hogan *et al.'s* (2007) behavioural innovation is driven by shared internal culture and practices that fostering continuous improvement, while process innovation enhances operational efficiency through new practices, procedures, restructuring and resource allocation rather than new technology.

Table 7.10: External dimensions of innovation[45]: client-centred, service and market innovation by prevailing institutional logic group and case site

Prevailing institutional logic	Case site	Client centred - solutions in collaboration with the client	Service - introduce new services	Market - approach to entering or exploiting new markets
Group A Professional logic-orientation	2P-1			
	2P-2			
	2P-3	Including direct debit payments in list of payments for approval by retail managers, ensures comprehensive oversight of all transactions within the specified period, thereby enhancing transparency and financial control		
	3P-2			
Group B Balanced logic	SP-1	Incorporating clients into the testing of Dext, as part of the system implementation process		
	SP-2			
	SP-3	Implementing Surf Accounts Production with integrated bookkeeping software for clients	Developing expertise to service a Bitcoin cryptocurrency client	Active digital marketing strategy to increase client base
Group C Commercial logic-orientation	3P-1			
	5P-1			
Group D Commercial logic-dominant	SP-4	Collaborate with tech-enabled clients accounting systems to identify strategic improvements and potential savings	CoSec department introduced a service to open bank accounts on behalf of clients, which was subsequently withdrawn for commercial reasons	Rebranding exercise to coincide with additional service offering to SME sector
	4P-1			

[45] Client-centred innovation tailors solutions developed collaboratively with clients during service delivery. Service innovation focuses on new or enhanced offerings, while market innovation targets marketing practices and new market opportunities.

The findings presented in Table 7.10 reveal that Groups A and B are primarily concerned with client-centred solutions, with one firm developing new professional expertise and using digital marketing to attract new clients. In contrast, Group C firms reveal no external innovation, while SP-4 (Group D) actively pursues commercially oriented innovation across all three external innovations. The final dimension bridges internal and external innovation, strategically aligning them and sometimes leveraging digital innovation, with findings presented in Table 7.11.

Table 7.11: Bridging dimensions of innovation: strategic[46] and digital innovation by prevailing institutional logic group and case site

Prevailing institutional logic	Case site	Strategic - leveraging resources, create competitive advantage	Digital - improve service delivery
Group A Professional logic-orientation	2P-1		Implementing Circuit bank, legal and fund confirmation platform for auditors. introducing Dext application for clients. Digitssation and customisation of working papers in Excel
	2P-2		
	2P-3		
	3P-2		
Group B Balanced logic	SP-1	Utilise advanced technology, e.g. OCR and AI, that would integrate with the existing software platform of Sage 50 Accounts	Digital transformation project to a paperless office. Introducing Dext application for clients and BrightPay for payroll
	SP-2		Introducing the Dext application for clients and AML HQ to facilitate compliance with regulatory requirements
	SP-3		Implement an on-line payment portal and appointment booking facility on website. Digitising and emailing monthly client statements. Re-selling Surf Accounts Production software licences to clients. Automating client communication and AML compliance through Surf Practice Manager, and Surf Accounts Production cloud-based bank feeds and reconciliation software.
Group C Commercial logic-orientation	3P-1		Implementing Auto Rec cloud-based bank reconciliation software. Digitisation and customisation of working papers in Excel. Implementing DocuSign, a cloud-based electronic signature platform. Remote secured access to client information to enable real-time collaborative review of working papers and prospect advisory solutions
	5P-1		Implementing Auto Rec cloud-based bank reconciliation software. Introducing Dext application for clients
Group D Commercial logic-dominant	SP-4	Technology Project: audit of technologies used by the firm, to optimise its use and generate a blueprint of an overall end-to-end solution, that the firm could monitise in future	Introduction of Silverfin a cloud-based working papers
	4P-1		Collaborators with Microsoft to trial various experimental SME innovations and solutions

Table 7.11 shows that most firms are engaging in digital innovation, which relates to how a firm harnesses technology to improve efficiency and effectiveness. Group A and B firms focus on basic digitisation (e.g., Excel working papers, automated bookkeeping and paperless workflows), while

[46] Hogan *et al.'s* (2007) bridging dimension includes strategic innovation concerning the SMP's ability to leverage internal resources to exploit external opportunities, by developing strategies to gain a competitive advantage.

more commercial firms use technology more strategically, enabling real-time client collaboration (3P-1), positioning technological innovations as a distinct strategic asset (SP-4) and collaborating with tech-giant Microsoft to trial experimental SME innovations (4P-1). Overall, the findings reveal that professional logic-orientation and balanced logic firms operate similarly, with innovation in both groups (A and B) largely informal and focused on improving or simplifying accounting practice, rather than strategically market-driven, as observed in more commercially focused firms (Groups C and D), where innovation is oriented towards enhancing profitability. Also, interesting insights emerge in how technology is perceived across the prevailing logics. Groups A and B mostly view it as a supportive tool to drive efficiencies in traditional tasks (e.g., bank recs, invoice entry), while Group C and D firms view technology as a strategic asset shaping client engagement, as can be seen in SP-4's efforts to develop monetisable technology.

The above discussion traversed the nature of activities and organisation in the SMP case sites, a distinct level in the adapted BM conceptualisation. The effective configuration and execution of these activities and organisation structures, in turn, rely on the IC resources available in the SMP, which will now be discussed.

7.3.4 Resource level – intellectual capital resources

The final level of the adapted BM conceptualisation relates to the IC resources, which form the foundation for the SMP's activities and organisation arrangements, which, in turn, shape the client service offering and its competitive positioning. IC comprises three elements: HC, SC and RC (Section 4.6.5). The IC mix in each of the case sites and its role in the response to challenges are not foregrounded in this thesis but are noted for further research (Chapter 9).

7.3.4.1 Human capital

HC refers to the competencies, experience, knowledge and attributes of staff that drive value and performance, especially in expertise-dependent SMPs. Findings are supported by triangulation using evidence from websites and social media[47], where firms often communicate information about their HC (Duff, 2018). This analysis reveals that more commercially focused firms (Group C and D) disclose more extensive staff information, highlighting qualifications, specialisations, breadth of service and industry experience in the firm, while Group A and B firms focus primarily on partners and a select few long-term staff members. Also, data were available on individual staff members'

[47] Triangulation evidence is drawn from websites and social media platforms (e.g., LinkedIn), see example in Appendix J.

social media profiles, linked to case sites' social media pages. Findings presented in Table 7.12 are drawn from the PPQ, with additional insights from triangulation evidence.

Table 7.12: Staff mix by prevailing institutional logic group and case site

Prevailing institutional logics	Group A Professional logic-orientation				Group B Balanced logic			Group C Commercial logic-orientation		Group D Commercial logic-dominant	
Case site	**2P-1**	**2P-2**	**2P-3**	**3P-2**	**SP-1**	**SP-2**	**SP-3**	**3P-1**	**5P-1**	**SP-4**	**4P-1**
Staff mix											
Professional staff											
Partners	2	2	2	3	1	1	1	-	5	1	5
Directors	-	1	-	-	-	-	-	3	1	4	7
Managers	1	-	2	-	-	-	2	6	9	6	5
Seniors	1	7	2	7	1	2	1	2	10	18	6
Juniors	7	9	2	2	4	2	-	13	35	41	22
Support Staff											
Office manager	-	1	-	-	1	1	-	1	-		-
Administration staff	-	2.5	3	1	-	-	-	1	2	3	2
Juniors	-	-	-	-	-	-	1	-			-
Other specialist staff											
Information technology	-	-	1	-	-	-	-	-	1	1	-
Marketing	-	-	-	-	-	-	-	-	-	1	-
Other:	-	-	-	1	-	-	-	-	-	-	3
Please specify				Company secretarial							Finance Director, Operations Director, Working Capital Director
Total staff	***11***	***22.5***	***12***	***14***	***7***	***6***	***5***	***26***	***63***	***75***	***50***

As illustrated in Figure 7.12, Group A and B firms typically have partner-led structures, with many partners holding multiple professional qualifications (e.g., tax, forensic accounting, insolvency), supported by qualified/part-qualified staff and limited middle management support. Director and manager roles are more common in Group A firms. Specialist roles are rare, with support largely provided by general administrative staff or an office manager. As firm size increases, and commercial logic becomes more pronounced (Group C and D), the ratio of senior/junior staff to partners increases significantly, with more defined middle management, and broader professional expertise beyond accounting (e.g., tax, forensic accounting, financial advisory). Specialist roles, including IT, emerge, with commercial logic-dominant, Group D firms exhibiting a more stratified staff mix, employing non-accounting specialists at director level to support areas such as operations, working capital management, marketing and digital transformation.

Longer tenure builds firm-specific HC, deepening knowledge (client and internal operations) and supporting SC. This is evident across the case sites, but unevenly distributed: in Group A and B firms, it is concentrated among partners and a small number of long-tenured staff but extends to

director level in Group C and D firms. The combination of broad professional qualifications and long tenure points to a deep reservoir of institutional knowledge (HC) that underpins client relationships and operational stability.

Interestingly, commercial logic-orientation and dominant firms maintain HC through formal induction, bespoke learning and development, and mentoring programmes. While these practices enhance the individual HC, their codification through routines, procedures and systems transforms experiential knowledge into SC, strengthening the SMP's capability beyond individual actors.

7.3.4.2 Structural capital

Structural capital (SC) in SMPs comprises systems, processes/procedures and intellectual assets supporting operations and service delivery. This section presents findings on the use of online accounting software, client information access and practice management systems (PMS), that ensures efficiency, consistency and knowledge retention, summarised in Table 7.13 below.

Table 7.13: Use of online accounting software, client information access and practice management systems by prevailing institutional logic group and case site

Prevailing institutional logic	**Group A Professional logic-orientation**				**Group B Balanced logic**			**Group C Commercial logic-orientation**		**Group D Commercial logic-dominant**	
Case site	**2P-1**	**2P-2**	**2P-3**	**3P-2**	**SP-1**	**SP-2**	**SP-3**	**3P-1**	**5P-1**	**SP-4**	**4P-1**
Does the firm provide on-line accounting solutions to clients?	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	No
If the firm provides on-line accounting solutions to clients, what software does the firm use?	Quickbooks, Sage	Autoentry, Big red book, QuickBooks, Sage, Surf accounting, Thesaurus, Xero				Autoentry, Surf accounting, Xero	Surf accounting, Thesaurus	Autoentry, Big red book, Quickbooks, Sage, Surf accounting, Thesaurus, Xero	Autoentry, Big red book, Sage, Surf accounting, Dext	Autoentry, Quickbooks, Sage, Surf accounting, Xero	
Proportion of clients are served in this way?	40%	**90%**				**60%**	**60%**	**60%**	10%	**100%**	
Approximately what proportion of clients provide information to the firm via the following methods?											
Manually (loose invoices, bank statements, cheque books, tally rolls, etc)	10%	5%	5%	**40%**	**75%**	**40%**	**40%**	10%	25%	0%	5%
Excel /CSV files (downloaded/prepared by the client	0%	5%	**45%**	**45%**	5%	10%	**50%**	15%	**50%**	20%	25%
Digital access to client records	**90%**	**90%**	**50%**	15%	20%	**50%**	10%	15%	25%	**80%**	**70%**
Does the firm have a practice management system (PMS)?	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
If yes, what system?	Drive (Relate)	Zoho CRM / Excel	Drive (Relate)	Drive (Relate)	Sage Practice Solutions (SPS)	Drive (Relate)	Accountancy manager	Drive (Relate)	CCH Central	Senta, GoProposal	Sharefile, Caseware, Drive (Relate)
What is the PMS system used for?											
Client-related e.g., prospect management, relationship management (engagement letters, AML details, onboarding)		Yes			Yes	Yes	Yes	Yes		Yes	Yes
Firm-related e.g., workflows, task management, document storage, time recording, billing and invoicing, firm performance analytics, knowledge management etc.	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes
Employee services e.g., contracts, performance reviews, payroll etc.											Yes

Findings presented in Table 7.13 provide evidence that adoption of digital accounting solutions and related SC varies across prevailing IL groups. Within Group A, usage is polarised, with two firms relying heavily on digital systems, while the cluster spanning Groups A and B remains dependent on client-prepared Excel or manual records. Consistent with Section 7.3.3 (innovating activities), this reflects technology as a professional enabler, aimed at automating compliance work to support higher-value advisory services. As firms transition towards a more commercially dominant logic (Group C and D), investment becomes increasingly selective and BM-driven, ranging from heavy reliance on digital infrastructure (3P-1, SP-4) to more limited adoption, shaped by client scale (4P-1).

As a fully online firm, SP-4 relies on technology and codified processes as core SC, underpinning remote operations, efficiency and service delivery. Its technology-enabled service offering is central to its identity, with its legally protected *firm name* reinforcing its strategic importance as an intangible asset, strengthening its SC[48].

Adoption of PMS[49] is widespread, although usage and integration differ from basic to more advanced functionality. Commercially focused firms (Groups C and D) generally adopt more comprehensive PMS than some sole practitioner Group B firms:

> *…the main system…would be Drive…we have all of our fees, our quotations, engagement letters go into it, time and attendance goes into it…timesheets and everything, and our accounts come out of it...that's the one that runs the firm.*
>
> (DoO-4P-1)

Although some Group B firms (SP-2 and SP-3) are expanding PMS use, many case sites still rely on multiple tools for functions such as AML, time management, document and workflow management. Digital communication tools are increasingly used across case sites, including video conferencing, messaging apps, online booking and payment portals, streamlining workflows, improving efficiencies and compliance and promoting an increasingly paperless operational model.

Investment in SC provides case sites with the mechanisms through which RC, the knowledge and value derived from external relationships, can be effectively managed and leveraged. The role of RC in supporting SMP success is discussed next.

[48] Note: no other case site in this study indicated that they have a registered intangible /intellectual asset.
[49] PMS helps accounting firms manage and streamline core operations, e.g., workflows, capacity, documents, time tracking and billing, client information and communication, firm performance management.

7.3.4.3 Relational capital

RC in SMPs refers to the intrinsic value embedded in relationships with clients, suppliers and external stakeholders that influence firm performance, client retention and competitive advantage. Key RC findings are presented in Table 7.14.

Table 7.14: Summary of the importance of key relationships by prevailing institutional logic group and case site

Prevailing institutional logics	**Group A Professional logic-orientation**				**Group B Balanced logic**			**Group C Commercial logic-orientation**		**Group D Commercial logic-dominant**	
Case sites	**2P-1**	**2P-2**	**2P-3**	**3P-2**	**SP-1**	**SP-2**	**SP-3**	**3P-1**	**5P-1**	**SP-4**	**4P-1**
Key relationships	**Importance of relationship**										
Clients	Strong	Strong	Strong	Strong	Strong	Strong	Strong	Strong	Strong	Strong	Strong
Educational institutions	Strong	-	-	Growing	-	-	-	Strong	Strong	-	Strong
International professional accountancy network	-	-	-	-	-	-	-	-	-	-	Strong
Local organisations (e.g., Chamber of Commerce, Lyons Club, business networks)	-	Strong	Weak	Strong	-	Strong	Strong	not disclosed	Strong	Strong	Strong
Other professional relationships (e.g. solicitors, tax specialists)	Strong	Strong	Weak	Weak	Strong	-	Strong	Strong	Strong	Strong	Strong
Outsourcing relationships (India, South Africa, etc)	-	Strong	-	-	-	-	-	Strong	Strong	Strong	-
Professional body	Strong	Weak	-	Strong	-	-	-	Strong	-	-	Strong
Professional SMP networks (formal)	-	-	-	Strong	-	-	-	-	-	-	Strong
Professional SMP networks (informal)	Strong	Strong				-	-	Moderate	Moderate		Weak
Professional accountancy awards					Strong				Strong	Strong	

The data in Table 7.14 clearly demonstrates the critical importance of client relationships across all case sites.

> *It's down to relationships, and accessibility, and handholding, and trust and truth, and all that. You'll never take a single client out of this practice.*
>
> (Partner-P-2P-1)

Group A firms (except 2P-3) reveal strong professional ties, '*embedded in the local community…involved in local organisations and groups*'(Partner-G-3P-2) and informal SMP networks, reflecting a trust-based, collegial orientation, alongside some more strategic alliances, such as educational institutions (2P-1, 3P-2), outsourcing relationships (2P-2) and formal SMP networks (3P-2). Balanced logic, Group B sole practitioner firms have relatively limited external networks, focusing on strong client, community and professional relationships needed for their high-volume compliance work.

As firms orient towards commercial logics, RC becomes strategically focused, while traditional professional relationships endure. For example, Group C firms show moderate ties with informal SMP networks, and strong links with educational institutions and outsourcing providers, while SP-4 (Group D) strategically integrates outsourcing and employer of record relationships[50] into its competitive strategy:

> *…we have a company in India, who we outsource work to…prep work only…at a very reduced rate…Then I contracted with two South African companies last year. Again, from a cost of delivery…perspective…we currently have 7 out of 69 staff who would be outsourced [via employer of record arrangement with South Africa].*
>
> (HoO-SP-4)

Indeed, 4P-1 (Group D) relies on formal strategic relationships with international SMP networks and is '*heavily engaged with'* (Partner-L-4P-1) educational institutions, e.g., sponsoring academic prizes.

The discussion highlights three IC elements. HC, encompassing staff knowledge and skills, is intrinsically linked with SC, which provides the systems and processes necessary to utilise and retain knowledge. Both HC and SC are shaped by RC through insights from external stakeholders. Together, these interconnected elements form the SMP's IC mix, shaping its capabilities and potential for competitive advantage. Access to resources originates through interactions with external suppliers/providers of inputs, key components of the BM market-level supply side, which will now be discussed.

7.3.5 Market level: supply-side – regulatory and external resource providers

The market-level supply-side is concerned with where and how the SMP acquires the necessary resources for its operations, involving availability of, *inter alia*, qualified and trainee accountants, technological resources and the regulatory influences that shape their service delivery.

All SMPs face substantial competition for staff from '*everyone*' (Partner-L-4P-1), spanning public accounting firms, industry (multinationals and technology companies) and government organisations (state bodies and government agencies). This intense competition is captured by Staff-G-3P-1, who describes qualified and trainee accountants as '*a scarce commodity…[who they're] fighting for, [concluding] we are fighting for staff, it's big. We are competing*'. There is a strong perception among firms in Groups A and C, and 4P-1 (Group D) that it is '*next to impossible'* (Partner-E-2P-2) to compete against the established brands of the Big 4. Many SMPs feel they are *'down the pecking order'* (Partner-Q-2P-3) in terms of competing against Top 20 firms and larger SMPs:

[50] An employer of record is a third-party organisation that legally employs workers on behalf of another company (Lavelle Partners, 2026, para. 3).

> *I suppose you're PWC in 'City Name', you have EY in 'City Name'. Then you've 'SMP Name', probably the next biggest, then you have 'SMP Name and Company', again bigger than ourselves.*
>
> (Partner-Q-2P-3)

Interestingly, none of the balanced logic sole practitioner firms perceived themselves as competing with the Big 4 for staff. Proximity to multinationals, government organisations and industry heightens competition, with firms unable to match benefits such as '*family-friendly hours, pension, and all that type of stuff'* (Partner-C-5P-1). Indeed, many firms question their return on investment in training staff, who then are attractive targets for larger firms and industry, with SP-3 opting out of trainee employment altogether: '*Sole practitioners would be mad to be training staff to [then] be picked up by KPMG*' (Partner-B-SP-3).

Most case sites identified regulators (e.g., CAI, CBI, CRO, Revenue) as central to shaping resource supply through education, compliance and professional standards, permeating the SMP BM. Despite widespread reliance on external IT support, including, for example, key legislative and regulative updates, only three firms across the prevailing logic continuum (SP-3, 2P-2 and 4P-1) identified IT providers as key suppliers. Other key supply-side relationships reflect specific BM needs, including landlord (5P-1), banks (2P-2, 4P-1), insurance agencies (SP-3) and Big 4 referrals (SP-1).

The above discussion illuminates how the acquisition of resources is a fundamental aspect of the SMP BM, directly influencing the firm's activities, its ability to create a service offering, and ultimately its position in relation to customers and competitors. As part of the adapted BM conceptualisation and to answer RO2, it is necessary to identify key SMP actors and their decision-making agency in responding to the key challenges.

7.3.6 Actor(s)' agency and reflexivity

To gain a practical understanding of actor(s)' agency and their reflexive understanding of the implications of key challenges for the BM (see Section 7.4.6), this section focuses on key actors, and their day-to-day operational and longer-term strategic decision-making.

7.3.6.1 Strategic and operational decision-making: key actors and their agency

Summary findings relating to key actors, their agency and approach to strategic and operational decision-making together with reporting structures, are presented in Table 7.15. For the purposes of

identifying key actors and their agency in relation to operational decision-making, it is categorised into two broad areas: client service-related decisions[51] and firm management-related decisions[52].

Table 7.15: Key actors: agency, decision-making agency and reporting structures

	Total number of case sties	OPERATIONAL DECISIONS		STRATEGIC DECISIONS
		Client services-related	Firm managment-related	
REPORTING STRUCTURE	**Number of case sites**			
Flat	*11*	7		Partner-led/ Board-led
Hierarchical	*11*	4		
KEY ACTORS	**Number of case sites**			
Partner(s) / CEO	*11*	11	11	11
Board of non-executive directors	*11*	-	-	1
Independent non-executive chairman	*11*	-	-	1
Director(s), Senior leadership team, Professionally qualified successors	*11*	4	4	3
Manager(s) / Team leaders	*11*	7	-	-
Office manager	*11*	-	3	-
APPROACH TO DECISION-MAKING	**Number of case sites**			
Formal	*11*	2		6
Informal	*11*	3		5
Mix	*11*	6		-

Findings reveal that decision-making authority and agency across case sites are shaped by firm size, reporting structure, decision-making approaches and staff experience. Flat (Groups A and B) and hierarchical (Groups C and D) reporting structures reflect distinct management and employee dynamics.

Although partners retain ultimate responsibility for client services-related operational decisions, as Partner-J-5P-1 explain, '*...a job will never, ever go out to a client without the partner seeing it',* firms vary in the degree of agency delegated to staff. In some cases, managers and senior staff handle filings, client queries, operational decisions, and account finalisations under established protocols, with agency increasing by seniority:

> *they [managers] would respect that there are certain lines over which they won't go. And to say it's more about making operational calls rather than operational decisions in terms of the work, and how they might finalise work*
>
> (Partner-H-3P-2)

[51] Related to the work undertaken in delivering client services and associated chargeable time.
[52] Firm management relates to the operational activities of running a firm, such as workflow management, time recording and billing, staff management, profitability management.

Notably, SP-4 (Group D), reflecting its fully remote hierarchical BM, delegates substantial authority to its senior leadership team, which oversees those managers responsible for all aspects of client service delivery:

> *each accounting team manager would effectively, like the principal-in-charge in your traditional practice…they would sign the engagement letter with the client…overall, the thing is, they're responsible for managing the overall client relationship as well.*
>
> (HoASB-SP-4)

While formal firm-related operational decision-making occurs through scheduled meetings, often focused on work-in-progress, client reviews, and resource allocation, many firms also rely heavily on informal communication and digital tools (e.g., Microsoft Teams). Firm size, organisational structure and management styles influence the balance between these approaches. Generally, firm management-related decision-making practices in Group A and B firms range from highly informal and unstructured to mixed approaches:

> *It's a mixture of both [approaches]…Partner F's office is beside me, so we would be in and out quite a bit for different decisions that come up…Partner F and I meet separately once a week on our own. We meet staff twice a week for work-in-process. And we do a cash collection call once a week. So, they are the main operational meetings we have every week.*
>
> (Partner-E-2P-2)

Group C and 4P-1 (Group D) operate a combined approach: *'[top 14 management meet] once a month formally and all the time informally but not as a group, and at that meeting the month ahead is defined'* (Partner-L-4P-1). SP-4 (Group D) adopts a distinctly formal approach to firm management-related decision-making: '*because everything is virtual, we have to be very structured'* (HoCoSec-SP-4).

For the majority of case sites, strategic decision-making is the preserve of the SMP partners. Many firms, particularly those with multiple principals and the family-run case site (SP-3), emphasise consensus in their strategic decisions: '*Partner P always says it, you know, both of us know what is going on in the other's head. There's never a decision, we'd never veto'* (Partner-O-2P-1). A more collaborative approach is evident in commercial logic-dominant firms (Group D), involving directors/senior leadership teams in long-term strategic planning:

> *we've recently done a really good program through Go Global for Growth, where the whole senior leadership team were part of it. And that was to lay out our next five-year strategy for the business.*
>
> (HoO-SP-4)

CEO-SP-4 explains that SP-4's board of directors, comprising the CEO and three non-executive directors, provides '*structure*', '*high level of expertise'*, '*perspective*', and '*accountability*'

supporting decision-making. Although CEO-SP-4 holds veto power, this is not exercised, as doing so would render the board ineffective, a '*lame duck'*. Strategic decisions are reached through collaboration and consensus, rather than formal voting. Similarly, 5P-1 appointed an independent chairman to lead partner meetings, who brings a '*calmer independence*' (Partner-D-5P-1) and provides strategic guidance. While Group C and D firms develop formal strategic plans, Group A and B firms often rely on informal approaches: *'I suppose it's just the two of us. So, I wouldn't say we've any formal strategy in place*' (Partner-Q-2P-3). Such approaches typically lack documentation: '*I think in fairness, most firms have some strategy. In our case we wouldn't have a strategy that's written out'* (Partner-H-3P-2). Despite this, strategic planning involves due diligence, emerging through partner intuition, experience, and ad-hoc discussions, allowing for greater flexibility and adaptability:

> *…we're small enough, we can have a discussion without having to sit down and spend days preparing for a project meeting…then maybe at times we might say right, we need to be an hour or two hours here, to actually sit down and talk this out.*
>
> (Partner-H-3P-2)

This section identified key actors and their decision-making agency across case sites. Whether exercised through formal, collaborative processes or informal discussions, this agency shapes each firm's capacity to respond to key challenges.

Overall, findings in Section 7.3 outline the SMP BM using Hedman and Kalling's (2003) adapted conceptualisation. This explains how SMPs transform inputs into service offerings, across six interrelated components: client and competition; service offering; activities and organisation; IC resources; and regulatory authorities and external stakeholders. It also examines key actor(s) and their decision-making agency. While the findings revealed significant heterogeneity across case sites' BM, the prevailing IL lens reveals notable trends in how these BMs differentiate along the continuum.

7.4 Challenges and implications of key challenges

An analysis of the data reveals that SMPs are facing a myriad of challenges in today's business environment, with several overarching patterns emerging (Table 7.16). Tables in this section present findings by case type (e.g., sole practitioners, 2-principal firms), showing the total number of case sites in each category, and the number that reported the phenomenon.

Table 7.16: Summary of key challenges by case type

Case type: number of principals	Total number of case sites	Challenges				
		Staffing	Driving efficiency	Legislative and regulative	Client-related[1]	Work-life balance / Time constraint
	Number of case sites					
Sole Practitioners	4	4	4	3	3	3
2 - Principals	3	3	2	3	3	2
3 - Principals	2	2	2	2	1	2
4 - Principals and 5 - Principals	2	2	2	2	2	2
Total no. of case sites	11	11	10	10	9	9

Table 7.16 illustrates that staffing is the top challenge across all case sites, with driving efficiency[53], legislative and regulative pressures, client-related issues, and work-life balance/time constraints also emerging as pervasive across most firms. These top five challenges are now discussed.

7.4.1 Staffing challenge

Staff are fundamental to the SMP BM, and staffing emerged as the most significant challenge across all case sites. As Partner-L-4P-1 mentioned, *'My commodity is hours, I have to buy and sell hours'*. Described by HoO-SP-4 *'as probably our biggest obstacle'*, its significance speaks to Partner-G-3P-2's assessment of it as *'a national problem'*. The data reveals firms struggle in attracting and *'retaining capable people'* (Partner-C-5P-1), mostly due to larger firms absorbing a considerable number of trainees and qualified staff, pushing SMPs to *'the lower end of the food chain'* (Partner-G-3P-2). This challenge is compounded with staff attrition to more attractive employment propositions, particularly the *'multinationals and state'* (Partner-C-5P-1), including *'software and computer companies'* (Partner-M-4P-1). Despite benchmarking and offering above-market rates, case sites find it difficult to compete with salaries and terms of employment offered by these organisations, as *'there's so much choice, and the grass is very much greener'* (Partner-C-5P-1) elsewhere. Firms also report a perceived lack of interest in the accountancy profession among the current generation of potential employees and a change in attitude to work that is impacting them. As Partner-R-3P-1 noted, *'the staff of the current, the modern world, don't have an interest'*.

[53] Driving efficiency challenge includes digitization, electrification, billing, standardising work practices, etc.

7.4.2 Driving efficiency challenge

Driving efficiency was also identified as a major challenge. As staff are the *'machine'* (Partner-D-5P-1) of the SMP, they directly impact how a firm drives efficiency. The data revealed several aspects to this challenge; for example, the importance of improving staff efficiency by *'having people work on the right things…[as] you'll often find they don't delegate enough'* (HoASB-SP-4). Ineffective ways of working were reported in some firms, *'still quite reliant on the old print and post way to get information out to clients'* (Staff-A-SP-3), with others struggling to deal with the volume of paperwork, explaining that they are *'up to the ceilings in paperwork'* (Staff-I-SP-2). To address this challenge, it was recognised that firms need to streamline operations to ensure that there is a *'standardised way of doing things'* (Partner-J-5P-1), while also educating staff about time cost efficiency, so that *'they understand about practice that…time is money, and that they understand how to deal with clients'* (Partner-I-SP-1). Furthermore, driving efficiency challenges SMPs to manage their IC *'resources as efficiently as possible'* (Partner-H-3P-2). As Partner-F-2P-2 commented, *'we've no problem getting work in. It's getting it done profitably is the bigger issue'.*

7.4.3 Legislative and regulative challenge

As the nature of SMPs' work is highly regulated, it is unsurprising that case sites identified legislation and regulation as a constant challenge. Described as *'changing a lot and…changing very fast'* (Partner-S-SP-2), SMPs generally are frustrated with the increasing complexity, burden and equity of regulations around services (audit and company law), firm management (CPD, International Standard Quality Management (ISQM)), and also in their dealings with Revenue, CRO and banks. Indeed, the majority of firms indicated that they must deal with the working reality of this challenge, described by Partner-R-3P-1 as '*an absolute noose around the neck of people going forward'*, to ensure they remain competitive in the provision of services to their clients.

7.4.4 Client-related challenge

Client-related challenges emerged as another top challenge. As *'clients judge you by what they understand'* (Partner-E-2P-2), firms must balance the challenge of *'maintaining good service'* (Partner-B-SP-3) and *'meeting the client expectations'* (CEO-SP-4), with pressures on fee income recovery due to *'external factors that have brought huge inflationary [pressure]…labour costs, etc'* (Partner-R-3P-1). As Partner-E-2P-2 observed, '*the relationship with the client is everything, if you don't have that, you're goosed',* illustrating that retaining clients and the associated fees are crucial for maintaining profitability and stability within the firm. However, this comes with the added challenge of working within time constraints, which quite often impact partners' work-life balance.

7.4.5 Work-life balance and time constraint-related challenge

Persistent pressure faced by SMPs to manage heavy workloads and maintain a healthy work-life balance was also reported as a considerable concern by over 80% of the case sites. The data revealed that partners' time is often *'12-hour days, if not longer'* (Partner-S-SP-2), with the resultant risk of '*overextending*' (Staff-A-SP-3) themselves, which, if not addressed, can lead to reputational damage. Also, time constraints can impact the internal operations of the firm; for example, partners do not '*have three hours a week to look at everyone's timesheets*' (Partner-I-SP-1), and *'the staff isn't there to be able to monitor everything all the time'* (Partner-R-3P-1). Indeed, working within time constraints and the resulting strain on work-life balance can contribute to staff burnout and staff turnover, exacerbating the staffing challenges already faced by SMPs.

The data also revealed other challenges[54] impacting on the SMP, which are not featured in this write-up as they are not considered key challenges for the thesis.

Findings show SMPs must effectively navigate a complex and evolving set of challenges to ensure their long-term viability and continued success. To do so, firms must first understand the implications of these challenges for the BM.

7.4.6 Actor(s)' reflexivity: Implications of key challenges

Findings relating to actor(s) reflexive understanding of the implications of each of the key challenges for the BM are presented below.

7.4.6.1 Staffing challenge

Findings show the staffing challenge affects multiple aspects of the case sites' operations, which are summarised thematically in Table 7.17 below.

[54] Other less prominent challenges include technology, succession and other partner-related issues, unexpected events (COVID-19 and Brexit) and the historical integration of an acquired firm.

Table 7.17: Summary of implications of staffing challenge by case type

Case type: number of principals	Total number of case sites	Implications			
		Capacity, efficiency and growth	Recruitment and retention	Human resource management	Training and development
	Number of case sites				
Sole Practitioners	4	4	4	3	2
2 - Principals	3	3	3	3	1
3 - Principals	2	2	2	1	2
4 - Principals and 5 - Principals	2	2	2	2	2
Total no. of case sites	11	11	11	9	7

Table 7.17 illustrates that the staffing challenge affects all case sites' capacity, efficiency and growth, as well as staff recruitment and retention. A significant number of firms also reported human resource management issues, with training and development noted to a lesser extent.

This study revealed that staffing shortages are *'the biggest barrier to growth at the moment'* (Partner-P-2P-1), limiting firms' ability to pursue new clients, business development opportunities or expand services. These constraints are compounded by difficulties in sourcing competencies and experience, particularly in audit, taxation and bookkeeping. As a result, many firms report declining work and reduced '*capacity to serve'* (Partner-E-2P-2) clients, with understaffing causing delays, increased pressure and reliance on key individuals. Experienced staff are often diverted to lower-value/preparatory-type work, reducing their availability for more complex work, while partners frequently supplement capacity gaps by *'...doing a lot of the surplus work that staff can't do'* (Partner-S-SP-2) and undertaking junior-level work *'because they can't get the juniors'* (Partner-R-3P-1), placing further strain on partners and undermining the BM's financial viability.

This study reveals that *'the cost of staffing has escalated dramatically in the last 24 months'* (Partner-R-3P-1), driven by higher salaries, recruitment fees and training costs. Consequently, firms' profitability depends on recovering an ever-inflating cost base, which remains challenging as firms attempt to *'drive more income out of the existing clients'* (Partner-D-5P-1). Firms recognise the need to drive efficiencies to counter these rising pressures.

SMPs face significant recruitment challenges, as reliance on graduates/trainees is undermined by competition from larger firms, and low conversion of placement/intern staff to permanent hires. As Partner-O-2P-1 noted, *'when you do hire somebody, you can't rely on having hired them'*, with firms often missing the graduate recruitment window, leaving '*no student going into the Autumn'* (Partner-G-3P-2). Applicant quality has also declined, with SMPs '*...now down a division'* (Partner-L-4P-1),

receiving poor quality CVs while time constraints limit their ability to train recruits, *'…can't give the same time to somebody, to train them up, we need a certain level of hitting the ground running.'* (Staff-A-SP-3). Consequently, firms have '*reevaluate[d] the type of candidate*' (HoO-SP-4) they recruit, lowering entry standards, hiring mature or non-traditional candidates, or prioritising prior practice experience:

> *…that has changed our business…more hands-on management…more training…the limitation on human capital where we can actually recruit and what we recruit, is not as high quality. It means that my team of fourteen [managers] now becomes much more critical to me than it did before.*
>
> Partner-L-4P-1

Retaining staff is another major hurdle, with perceived staff loyalty described as low: *'on a radar of 1 to 10, it's down near 1*' (Partner-D-5P-1). Aspirations for better opportunities and travel drive high turnover rates, resulting in the loss of experienced staff and institutional knowledge, disrupting service delivery and morale: *'…[we] had a haemorrhage of staff. We probably had five, six people left in a couple of weeks. And to be honest, to say we were deflated was an understatement*' (Partner-J-5P-1).

Firms report shifting staff expectations towards one of '*what can you do for me? As opposed to what can I do for you?*' (Partner-Q-3P-1), and an increasing focus on work-life balance, flexibility and benefits. Partner-J-5P-1 reflected *'…they're expecting to be treated like God for the first week, and basically not do any work for the week',* with the firm having to invest *'…more and more time and effort to manage graduates*.' To retain staff, SMPs recognise that '*they needed to adapt'* (HoO-4P-1), by adopting flexible and hybrid working, necessitating adjustments to management styles and policies to accommodate these arrangements and support productivity: '*If we didn't… half of the staff we have today wouldn't be with us'* (Partner-R-3P-1). However, remote working can be difficult to manage, with instances of underperformance creating backlogs and pressure on partners: *'…he was too difficult to manage and when he was supposed to be working at home, he wasn't working…Work built up here. It put increased pressure*' (Partner-F-SP-3). Firms mitigate the risk of reputational damage caused by rogue and underperforming staff, either by '*com[ing] in on Saturday and Sunday'* (Partner-P-2P-1) and/or '*making sure that they [staff] are properly trained…that their needs are met*' (Staff-D-2P-1).

Declining availability and calibre of trainees and qualified accountants has impacted SMPs' staff mix. Firms contend with financial and resourcing implications of mid-contract departures, fluctuating exam success, and shifting expectations. As '*graduates coming in from college don't want to…be keying in invoices'* (Partner-J-5P-1), the traditional training model is changing. In response, firms are

seeking ways to '*fast-track the graduates away from the transaction entry…to value-add, consultancy, advisory type services*' (Partner-J-5P-1) through outsourcing and/or technology solutions, while maintaining core skills. Others are pivoting recruitment strategies towards motivated, tech-savvy and resilient candidates who are *'a lot hungrier...[and who] want to be qualified'* (Partner-L-4P-1), alongside increased investment in training to stabilise capacity.

7.4.6.2 Driving efficiency challenge

The implications of the driving efficiency challenge manifest in different ways across the case sites, with findings presented thematically in Table 7.18.

Table 7.18: Summary of implications of driving efficiency challenge by case type

Case type: number of principals	Total number of case sites	Implications				
		Staffing and capacity	Firm management, profitability measurement and KPIs	Service delivery	Technology	Work practices and procedures
	Number of case sites					
Sole Practitioners	4	3	4	2	2	2
2 - Principals	3	2	1	1	1	-
3 - Principals	2	-	1	2	2	2
4 - Principals and 5 - Principals	2	2	1	1	-	1
Total no. of case sites	11	7	7	6	5	5

Table 7.18 shows that the implications of driving efficiency challenge differ across firms. Staffing and capacity issues are reported across all case types except 3-principal firms. Firm management, profitability measurement and KPIs-related issues are most pronounced in sole practitioner firms. Service delivery implications affect roughly half of the firms in each case type. Technology-related implications are reported across all case types, except larger firms ≥4-principal firms, while work practice and procedural issues are evident in all case types except 2-principal firms.

Staffing and capacity constraints are central to the driving efficiency challenge. Reliance on key individuals creates workflow and management vulnerabilities, compounded by inefficient practices, such as poor delegation, conflicting priorities, and delayed identification of resourcing issues. The findings highlight the need for training in areas such as time management and client interaction. To supplement capacity constraints, some firms rely on partners/managers to '*roll their sleeves up and getting their hands wet'* (Partner-D-5P-1), representing a sub-optimal use of experienced staff time and highlighting the need for solutions such as outsourcing and automation of lower-value work.

Findings reveal considerable challenges in SMP management, profitability measurement and KPI use that impact efficiency. Firms are increasingly identifying hidden cross-subsidisation and untapped fees: *'…1,500-1,600 income tax returns that are effectively not being charged'* (Partner-J-5P-1). Underutilised and inconsistently administered time-recording systems limit effective management information and decision-making. Consequently, firms lack visibility over capacity, resource allocation and job profitability, leading to unbillable time, persistent write-offs and inaccurate WIP reports, resulting ultimately in unnecessary fee increases.

Driving efficiency challenges also shape how SMPs deliver services. Delays arising from incomplete or late client information, limited client understanding, and difficult and unresponsive clients disrupt workflow and productivity. Firms recognise the need to manage client expectations, particularly around the timely provision of accurate information. Approaches to improving efficiency vary: some firms consider outsourcing back/preparatory-end work but remain cautious that '*you would lose more time than you gained'* (Partner-H-3P-2), while others recognise the role of technology, '*…be as efficient as possible in how we deliver…how do we do that with the right…that is a huge focus as part of our strategic objectives. To have the technology in place'* (HoO-SP-4).

Cloud-based solutions are increasingly adopted by case sites, yet some firms consider them uneconomic given limited client uptake, with others regarding them as central to efficient service delivery. Operational inefficiencies are compounded by technological limitations, including systems operating *'…in different silos that don't talk to each other'* (Partner-E-2P-2), or poor integration with external systems, requiring manual data entry (e.g., CRO and Revenue). Inadequate broadband further constrains remote working efficiency. Firms therefore recognise the need to invest in integrated technology solutions that improve efficiency, particularly those that automate '*parts of the work…early-stage work…in a more efficient way'* (Partner-H-3P-2).

This study identifies inconsistencies in work practices and procedures, particularly within more structured firms. A lack of standardisation leads to inefficiencies, especially when staff work across teams or partners, with *'output…[becoming] a bit inconsistent'* (Partner-J-5P-1). This can also result in deviations from best practice, including unsystematic client onboarding, weak engagement documentation, and automatic roll-forward of prior year information without due consideration, exposing the firm unnecessarily to risk. Firms that outsource accounts preparation also report difficulties managing relationships, deciphering information and resolving queries, requiring workarounds and careful client selection for the service.

In conclusion, addressing the driving efficiency challenge requires SMPs to make substantial changes to operations, including profitability measurement, integrated information systems, service delivery, staffing, technology, and work practices. Addressing these issues is critical for improving profitability and sustainability but must be implemented within the constraints of operating in a highly regulated environment.

7.4.6.3 Legislative and regulative challenge

Findings related to the implications of the legislative and regulative challenge are presented thematically in Table 7.19.

Table 7.19: Summary of implications of legislative and regulative challenge by case type

Case type: number of principals	Total number of case sites	Implications					
		Regulatory burden, record keeping and inspection	Additional Cost	Service-related, fee income and economic size of SMP	Work practices and procedures	Staff-related	Change in relationship with regulators
	Number of case sites						
Sole Practitioners	4	3	3	3	3	2	2
2 - Principals	3	3	2	3	3	2	1
3 - Principals	2	2	1	2	-	-	1
4 - Principals and 5 - Principals	2	2	2	2	1	1	1
Total no. of case sites	11	10	8	8	7	5	5

Of the ten case sites that reported legislative and regulative issues as a key challenge, Table 7.19 shows that all experienced implications related to regulatory burden, record keeping and inspection. 80% of firms reported additional cost, and service-related, fee income and economic size of SMP implications. A majority cited work practices and procedures-related implications, except for 3-principal firms. Half of the firms reported staff-related implications (except for 3-principal firms) and change in their relationship with regulators.

All case sites providing reserved services consistently highlight the increasing regulatory burden as a considerable challenge. Expanded record-keeping requirements, regulatory inspections, and continual updates to processes and working papers place additional strain on already limited resources. For SMPs, the impact is disproportionately high, because they often lack the scale or capacity to dedicate staff solely to compliance, as Staff-A-SP-3 observes, in the context of the introduction of AML regulations:

> *I'd say 80% of the small firms around Ireland probably had to catch their tail when it came to AML and what they actually needed on file. It was a learning process, and we had to build files retrospectively and it took quite a long time.*
>
> (Staff-A-SP-3)

The regulatory burden is compounded by inconsistent messaging from regulatory bodies (CRO and Revenue), requiring firms to decipher rules and educate clients. Audit compliance is viewed as especially complex and onerous: *'just phenomenal*' (Partner-E-2P-2), and *'more geared towards the bigger…listed entities*' (Staff-E-2P-1). This increases workload, technical demands and accountability. Under strict record-keeping and inspection regimes, fear of non-compliance is evident, with frequent regulatory changes described as a major source of stress: '*…changes are constant. If you can't cope with change, you're screwed'* (Partner-E-2P-2), fostering a sense of '*self-doubt'* (Partner-P-2P-1).

Regulatory compliance imposes significant cost on SMPs, including hot file reviews, staff training, and maintaining up-to-date knowledge. These costs are often absorbed, as clients perceive little value in compliance activities, and related time is rarely recoverable: '*you can't charge them extra…ultimately you have to absorb it'* (Partner-E-2P2).

Legislative and regulative challenges have significant implications for SMP services across most case sites. Audit services are directly impacted by increased company thresholds and exemption criteria, with '*audit work…drop[ping] significantly*' (Staff-A-SP-3) and becoming '*much less profitable*' (Partner-E-2P-2). This has led some firms to consider exiting the market, judiciously evaluate prospective clients, or decline new engagements. The need for specialised expertise is *'forcing an economic size [of firm]'* (Partner-F-2P-2), reinforcing perceptions that regulation is driving smaller practices out of the market. In response, some case sites have increased audit fees. Partner-J-5P-1 noted a tension around payroll services professional boundaries, stressing the need to *'…stop [at] the line of turning into a quasi-HR function*'. Reflecting on emerging Environmental, Social, and Governance requirements, Partner-G-3P-2 observed:

> *I heard colleagues all weeping about it, and I said, why would you weep? It's more work, it has to be done and we're lucky it's going to us and not engineers or environmentalists. So, I said, grab it. I said, there's another source of work and you just say to the clients–this has to happen.*

Similarly, this study finds that legislative and regulative compliance is shaping firms' work practices and procedures, particularly in smaller firms (≤ 2-principals). To remain compliant, firms rely on compliance databases, CAI or specialist providers. There is a shift toward formalised and systemised processes, with greater emphasis on documentation and evidence rather than task completion alone. Firms are adapting audit procedures, producing detailed working papers and developing templates to

communicate regulatory changes to clients (e.g., Revenue's Enhanced Employer Reporting Requirements[55] (2P-2)).

For smaller firms (≤ 2 principals), meeting legislative and regulative requirements necessitates specialised staff with technical and compliance expertise. Some address this through strategic recruitment, while others rely on external specialists to triage technical queries, primarily for tax and legal advice. Ongoing staff training is important to maintain compliance. However, covering absences and additional role requirements (e.g., compliance, marketing, regulatory functions) places further strain on limited resources and reduces efficiency.

Just under half of case sites reported a noticeable change in their relationship with regulators. Changes to investment business regulations in 2019 directly affected licencing arrangements, with some firms required to register with the CBI through lengthy and resource-intensive processes. Partner-C-5P-1 described establishing a regulated entity as being '*treated the same way as if we were trying to open a bank*' (Partner-C-5P-1), with registration taking '*the bones of 12 months.'* For some, the impact was more disruptive: for example, Partner-B-SP-3 was required to complete the Qualified Financial Advisor qualification in his sixties, and *'...because [he] wasn't properly regulated…they basically put [his] agencies on hold for a period of 18* months'. Similar frustrations were evident with Revenue, once considered '*nice to deal with'* (Partner-S-SP-2), but now seen as a "*wolf in sheep's clothing*' (Staff-B-HoT-2P-2), reflecting a more adversarial relationship. This change is evident in the increased desk-based inquiries and more stringent compliance interventions since the introduction of the new Code of Practice in May 2022:

> *Since the new code of practice came in, they've changed to level ones, level two, level three, and they are actively now sending out…inquiries all the time… It's like anyone I'm talking to in practice, like the amount of Revenue queries that are coming in*.
>
> (Partner-S-SP-2)

This study finds that firms are spending considerably more time resolving issues with Revenue, which now places greater emphasis on formal written correspondence, with resultant implications for service delivery.

To remain viable amidst evolving industry standards and technological advancement, SMPs must embed efficiencies into how they navigate and adapt to the legislative and regulative challenge across daily operations. This is crucial to ensure their resilience, competitiveness and ability to capitalise on

[55] "The Finance Act 2022 introduced Section 897C which requires employers to report details of certain expenses or benefits made to employees and directors. Reporting the details of these expenses or benefits commenced on 1 January 2024" (Revenue, 2025).

emerging opportunities in the face of evolving client needs and expectations, which are discussed next.

7.4.6.4 Client-related challenge

A summary of the major themes emerging in relation to the implications of client-related challenges on the SMP BM is presented in Table 7.20.

Table 7.20: Summary of implications of client-related challenge by case type

Case type: number of principals	Total number of case sites	Implications			
		Client expectations	Client relationships	Client base: fit / lifecycle / consolidation	Scope of engagement, fees and cashflow
	Number of case sites				
Sole Practitioners	4	3	3	2	2
2 - Principals	3	2	1	1	1
3 - Principals	2	1	-	1	1
4 - Principals and 5 - Principals	2	1	2	2	2
Total no. of case sites	11	7	6	6	6

Findings (Table 7.20) illustrate that the implications of client-related challenge vary across firms. Managing client expectations is reported across case types. The complexity of client relationships is most pronounced for sole practitioners and large (≥ 4-principal) firms and is not reported by 3-principal firms. All case types also report implications related to changes in their client base, and issues concerning the scope of engagement, fees and cashflow.

While the maxim that the '*customer is always right'* (Staff-F-2P-3) remains central to SMPs' BMs, firms routinely manage impractical client expectations. Clients often perceive matters as urgent, necessitating firms to balance '*…what they feel is urgent…[with] what we know is urgent*' (Partner-S-SP-2). Many clients '*don't appreciate'* (Partner-B-SP-3) the full scope of work, valuing visible interactions over '*the hour prep for the meeting or…hour going back making the changes*' (Stagg G-3P-1), leading to fee dissatisfaction and *'disgruntled client without even realising it*' (Partner-S-SP-2). Demand for partner-level interaction on routine matters increases pressure on capacity and work-life balance. Firms therefore seek to '*train the client'* (Partner-O-2P-1) to engage more efficiently with staff. Some case sites report a change from retrospective/deadline-driven to more immediate, forward-looking expectations, requiring '*information quicker and quicker and faster and faster*'

(Partner-J-5P-1), moving away from '*working back from the deadline*' (Partner-J-5P-1) towards more reactive workflow management.

Client relationships implications are reported primarily by sole practitioner and large firms (≥ 4-principals). As a *'relationship business'* (Partner-P-2P-1), case sites differentiate their client value-proposition through partner accessibility and quality trust-based relationships, fostered by regular communication. However, this relational intensity can be a double-edged sword, where unmet expectations can lead to relationship breakdown: '*there are lots of reasons for somebody to get hurt.…[as] there's such reliance and such openness, if they feel let down, that's a big issue'* (Partner-L-4P-1). With most clients acquired through referrals, firms are highly sensitive to reputational risk with often-hidden, interconnected client networks: *'you can't just…shoot somebody [client] and say "good luck" because you don't know what their connections are, they could be the brother of a bigger client or something else'* (Partner-G-3P-2). Nonetheless, firms expect reciprocal respect and may terminate relationships if trust is broken. Generational differences in communication also pose a challenge, with younger staff favouring email rather than direct interaction, '*picking up the phone and…having a little chat'* (Staff-F-2P-3). However, strong firm-client bonds can mitigate risk as '*even if the manager left, the likelihood of that client going…isn't massive'* (Partner-D-5P-1).

Just over half of case sites reported client base implications, including lifecycle, client fit and SME market consolidation. Firms identified '*client lifecycle...[as] important'* (Staff-B-HoT-2P-2), noting that ageing client profiles often mirror those of partners, creating retention risk during succession and workload transition. Although client turnover is generally low, attrition risk arises from intergenerational change in family business clients, SME consolidation (e.g., tour operators, hotels and nursing homes) and clients moving to acquirers' preferred advisors following sale. To ensure a viable client base, some firms established sector specialisms, e.g., fishing and pharmacies, to build scale, while others abandoned such plans as uneconomic. SMPs' BMs must also manage the operational complexity of serving a diverse client base, ranging from paper-based to fully digital-enabled clients. Consequently, firms are increasingly aware of client fit, with some actively managing portfolios, either by referring unviable clients to another party (2P-1) or '*pric[ing] out a certain element of client'* (Partner-R-3P-1) to ensure a sustainable client base.

Implications for scope of engagement, fees and cashflow were evident in over half of the case sites. While firms strive for fair client relationships, they contend with unreliable and uncooperative clients, disrupting workflows, and increasing time and cost chasing information and payment. This creates a tension between maintaining responsiveness and protecting the firm's interests. Firms mitigate this through engagement letters, agreeing fees, payment plans, and, in some cases, seeking upfront payment. Also, firms are actively managing scope creep by clarifying service boundaries and

by charging for previously free ad-hoc services. However, firms recognise that '*there's a limit to what some…clients will be able to pay'* (Partner-C-5P-1), even as cost pressures intensify: '*invoicing and cash collection and margin…that is the difference…external factors that have brought huge inflationary [pressures]…Getting that onto the client has proven quite difficult'* (Partner-R-3P-1). Some clients dispute fees, become argumentative, delay payment, or renege on debts, directly affecting firms' cashflow and their ability to meet financial commitments.

The broad, pervasive and complex nature of the implications associated with the client-related challenge means that SMPs must strategically adapt their BM to address evolving client needs while ensuring the viability of their firms for the future. In addressing this, firms must also understand the implication of time constraints and work-life balance.

7.4.6.5 Work-life balance and time constraint-related challenge

Table 7.21 presents a summary of the major themes emerging from the data relating to the implication of work-life balance/time constraints challenge.

Table 7.21: Summary of implications of work-life balance/time constraint challenge by case type

Case type: number of principals	Total number of case sites	Implications		
		Firm management	Client expectations	Managing service-level / Tailor clients
	Number of case sites			
Sole Practitioners	4	2	1	2
2 - Principals	3	2	-	-
3 - Principals	2	1	1	1
4 - Principals and 5 - Principals	2	1	-	-
Total no. of case sites	11	6	2	3

Table 7.21 shows that over half of the case sites, across all case types, reported implications related to firm management. Client expectations and managing service level/tailor client-related concerns are reported by a minority of case sites (sole practitioner and 3-principal firms).

Findings reveal firms are struggling to balance client service demands with internal firm management. Partners often work long hours and undertake delegable work, reducing their availability for high-level/strategic responsibilities. Time constraints also lead to reactive professional development, *'all my CPD was done in December'* (Partner-Q-2P-3), and limit capacity

for structured staff training, resulting in inefficient partner-led training: *'I was walking the trainee through the file for a while until they learnt the ropes'* (Partner-O-2P-1). These pressures constrain case sites' ability to manage the operations and proactively develop the business, as chargeable work takes precedence over non-chargeable management activities. This study finds that increasing client accessibility expectations creates additional pressure on partners and staff, blurring work-life boundaries. Firms must manage client interruptions and expectations by communicating realistic turnaround times, managing perceptions of urgency, and setting boundaries around their availability. These expectations must be balanced with the difficulty of consistently providing high-quality service: Partner-S-SP-2, reflects '*maintaining good service…can be hard to do all the time*.' Slippage can occur if client requests go unmet, potentially leading to dissatisfaction, and to firms making hard choices between profitability and work-life balance: '*I've dropped about…four big clients that I was managing myself…purely because I just wanted a better work-life balance…that will definitely impact on the profitability'* (Partner I-SP-1).

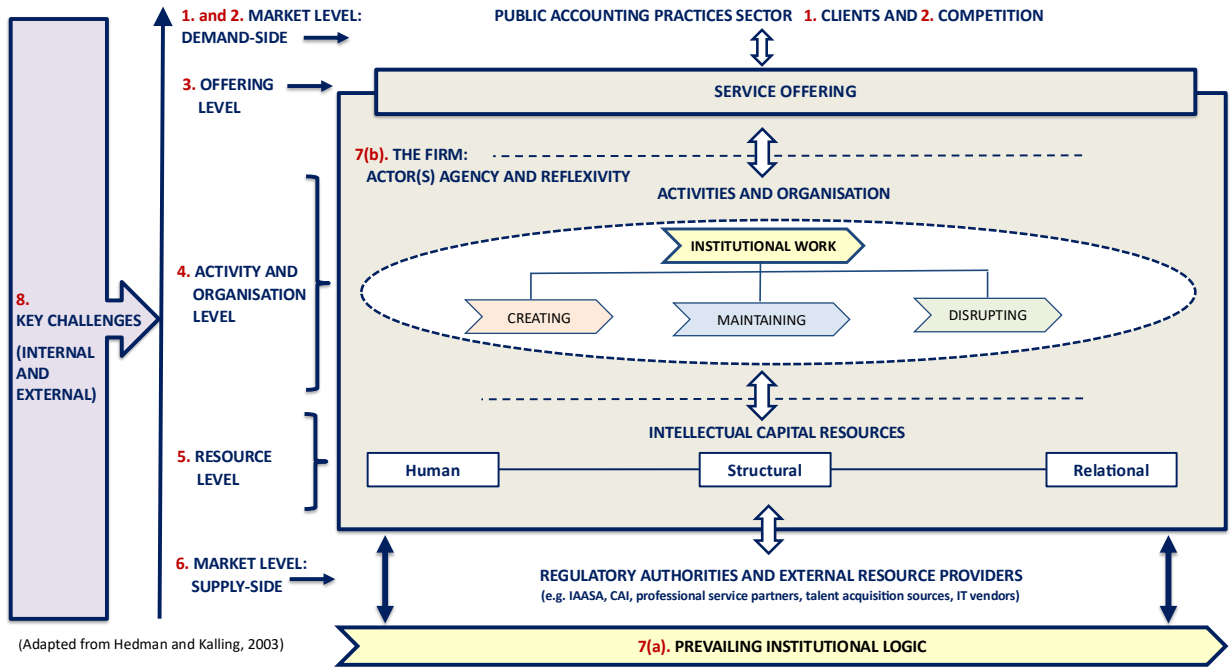
This study provided insight into the implications of the time constraint/work-life balance challenge on the SMP BM. In order to enhance operational efficiency, mitigate staff burnout and maintain quality of service, it is incumbent on the SMP to address the underlying issues. This will help to ensure long-term sustainability and competitiveness in an increasingly demanding professional environment.

Section 7.4 examined five key, interrelated challenges impacting case sites: staffing, driving efficiency, legislative and regulative, client-related and work-life balance. The implications of these challenges fundamentally strain the SMPs' BMs by constraining operational capacity, hindering growth, increasing the firms' cost base and creating vulnerabilities in service delivery. To ensure long-term survival, SMPs must reflexively respond to these challenges, as discussed below.

7.5 Firms' response to key challenges: Institutional work

To understand the SMP's response to challenges (RO3), a theoretical explanation is developed using Lawrence and Suddaby's (2006) IW concepts (Section 5.4). All IW is situated in the activity and organisation level (4) of the adapted BM conceptualisation, reproduced in Figure 7.6A below.

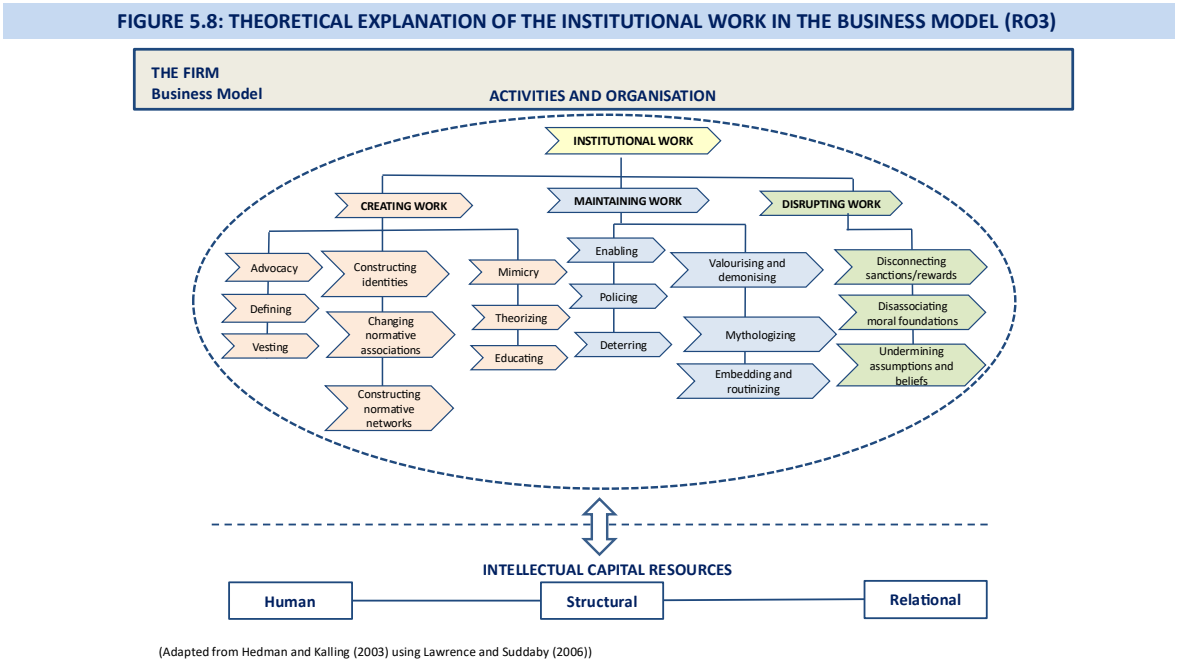
Figure 7.6A: Theoretical explanation of the business model of the firm



(Adapted from Hedman and Kalling, 2003)

Lawrence and Suddaby's (2006) typology of IW is organised around three categories of purposive work undertaken by actors in the SMP: creating, maintaining and disrupting work, central to understanding how institutions are shaped and evolve over time. Each category of work is further divided into forms of work (see also Table 5.6), according to the specific focus of the work. Figure 7.6B illustrates the forms of IW, situated within the SMP BM.

Figure 7.6B: Theoretical explanation of the institutional work in the business model



(Adapted from Hedman and Kalling (2003) using Lawrence and Suddaby (2006))

Creating work focuses on establishing new rules, norms and understandings, while maintaining work is concerned with upholding existing institutional arrangements by ensuring compliance with and reproduction of prevailing norms and beliefs. Finally, disrupting work challenges or undermines existing institutions. Nested within each category are various forms of IW (18 in total) according to their specific focus. For example, creating work, associated with challenging and reconfiguring prevailing norms, values and taken-for-granted assumptions that guide behaviour, includes constructing identities, changing normative associations and constructing normative networks work.

As previously outlined (Chapter 5), IW involves purposive action and effort. Therefore, to answer RO3, the intentionality behind or objective of IW undertaken in the SMP in response to challenges, referred to as the Institutional Objective (IO)[56], must be established before examining the forms of IW evident in the case sites.

7.5.1 Institutional objective of institutional work (IO)

Given the interrelated nature of the challenges and their implications for the BM, the IOs of the work undertaken to address these challenges were analysed across six key areas. In some cases, challenges such as work-life balance and time constraints are addressed indirectly through client-related and driving efficiency IOs, rather than through a distinct or standalone IO. Table 7.22 presents the findings in relation to the IO of the work.

[56] An institutional objective is the desired or intended outcome that actors aim to achieve in relation to institutions.

Table 7.22: Institutional work undertaken by institutional objective across all case sites

Emphasis of work	Form of Institutional Work	Total number of case sites in this study	Institutional objectives					
			Staff-related	Driving efficiency-related	Legislative & regulative-related	Client-related	Service-related	Brand-related
CREATING INSTITUTIONS		Number of case sites						
Political work	Advocacy	11	1	-	-	-	-	1
	Defining	11	8	4	1	4	5	1
	Vesting	11	-	-	2	-	-	-
Reconfiguring existing norms and belief systems	Constructing identities	11	5	1	-	3	4	5
	Changing normative associations	11	5	5	2	2	-	1
	Constructing normative networks	11	6	2	4	2	4	3
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	11	9	10	5	3	3	7
	Theorizing	11	10	6	-	6	3	3
	Educating	11	10	10	9	6	2	-
MAINTAINING INSTITUTIONS								
Adherence to rules - Custodial work	Enabling	11	10	9	9	5	3	4
	Policing	11	5	10	9	5	2	1
	Deterring	11	-	-	-	-	-	-
Reproducing existing norms and belief systems	Valourizing and demonizing	11	4	3	1	2	-	-
	Mythologizing	11	2	-	-	-	-	-
	Embedding and routinizing	11	10	10	9	9	5	4
DISRUPTING INSTITUTIONS								
Disrupting Work	Disconnecting sanctions/rewards	11	-	-	-	-	-	-
	Disassociating moral foundations	11	2	-	-	-	-	-
	Undermining assumptions and beliefs	11	1	4	-	-	2	-

When viewed as a collective, data reveals the IW undertaken by SMP case sites are primarily across six IOs[57]: staff, driving efficiency, legislative and regulative, client, service and brand. These are presented in descending order of engagement, with staff-related objectives receiving the greatest focus and brand-related objectives the least. This table also shows the forms of work firms engaged in within each IO.

Overall, there is a distinct emphasis on creating work, particularly work aimed at altering abstract categorisations in which boundaries of meaning are altered. Such work changes the way people define or think about broad ideas or key institutional concepts, by linking new practices to accepted and taken-for-granted routines to ease adoption (mimicry) and developing cause and effect explanations to justify changes (theorising) and training staff in new competencies to support new ways of working (educating). Firms also engage in reconfiguring existing norms and belief systems. In other words, they challenge existing norms and introduce new ones by redefining how the firm

[57] Other areas of focus of IW found in this study include scaling the business, post key partner retirement, COVID-19, governance mechanisms, firm's value proposition, networks, long-term projects, office refurbishment, historic amalgamation with another firm, succession planning and approaches by venture capital companies. The relative instance of IW in these cases is low and therefore deemed outside the scope of and not critical to answering the RQ.

(and staff) are perceived (constructing identities), shaping the moral or cultural foundations of their practice (changing normative associations), and building new peer groups to support these changes (constructing normative networks). They also engage in political work, but to a lesser extent. This work focuses on reconstructing access to material resources by establishing and enforcing new rules by mobilising political and regulatory support (advocacy), constructing rule systems that determine boundaries of membership/status (defining), and creating formal structures to confer property rights (vesting), with a particular emphasis on defining work.

There is also a noticeable distinct emphasis on particular forms of maintaining work. Within adherence to rules work, which ensures staff follow established procedures, regulations and standards, there is particular emphasis on diverting resources to create rules or roles that facilitate daily operations (enabling work) and regular monitoring to ensure compliance with established practices (policing), with no evidence of deterring work, that establishes coercive barriers/threats to discourage deviation from established practice. Work undertaken to actively preserve the firms' cultural and moral foundations (i.e., reproduce existing norms and belief systems) is predominantly focused on embedding and routinising work that actively infuses the firms' core values into operational routines and codified procedures. There is also some evidence of defending standards and value propositions through valourizing and demonizing work, which highlights publicly positive or negative examples of behaviour. There is negligible engagement in mythologising work, where firms sustain historical narratives to justify current practices.

There is very little evidence of disrupting work aimed at attacking or undermining the mechanisms of institutional compliance or upsetting the status quo. When engaging in this work, firms generally favour challenging core, taken-for-granted ideas to make new alternatives appear less risky (undermining assumptions and beliefs), with two firms questioning ethical/cultural legitimacy of established routines (disassociating moral foundations) and none working through legal or regulatory channels to remove penalties/rewards used to enforce existing practices (disconnecting sanctions/rewards).

Interestingly, when this work is examined across the IOs, variation in the mix of work across IOs and across case types emerged (Appendix K Panels A to F). Nested within each IO are the specific institutional arrangements targeted by the IW. For example, within staff-related IO, IW focuses on recruitment, retention strategies and performance management. These variations reflect firms' efforts to strengthen their IC resources, optimise activities and organisation and ultimately influence client service offering.

To provide perspective on the IW undertaken, this discussion primarily focuses on the IOs driving these efforts, rather than presenting a potentially fragmented account of individual action/forms of IW. Given the extensive dataset, a selected set of IOs is examined within each category of IW: creating work (staff and driving efficiency), maintaining work (legislative and regulative and client), and disrupting work (staff and driving efficiency). Also, given the breadth of institutional arrangements within each IO, findings focus on a selection of institutional arrangements to illustrate the range of IW undertaken across case sites. Insights into the nature and implications of engagement in IW are comprehensively examined in Chapter 8 and understood through a typology of Institutional Orientation, developed by the researcher, to reflect the relative mix of IW undertaken by case sites.

7.5.2 Creating work

The findings reveal a comprehensive set of creating work was undertaken across all case sites (Table 7.22), with a notable emphasis on work aimed at altering abstract categorisations in which boundaries of meaning are altered, i.e. changing the way people define or think about broad ideas or key institutional concepts. This is done through mimicry, theorising and educating, particularly for staff and driving efficiency-related IOs, which are presented below.

7.5.2.1 Staff-related creating work

All case sites engaged in creating work that focused on staff-related IOs (Table 7.23A).

Table 7.23A: Creating work focused on staff-related IOs by case type

CREATING WORK						
STAFF-RELATED IOs		**Number of case sites**	**Sole practitioner firms**	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
Total number of case sites in this study		**11**	**4**	**3**	**2**	**2**
Emphasis of work	**Forms of work**	**Number of case sites**				
Political work	Advocacy	1	-	-	-	1
	Defining	8	3	3	-	2
	Vesting	-	-	-	-	-
Reconfiguring existing norms and belief systems	Constructing identities	5	1	2	-	2
	Changing normative associations	5	1	2	1	1
	Constructing normative networks	6	-	2	2	2
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	9	3	2	2	2
	Theorizing	10	3	3	2	2
	Educating	10	3	3	2	2
Total case sites engaged in creating work		**11**	**4**	**3**	**2**	**2**

Evidence shows an almost universal emphasis on mimicry, theorising and educating work, with a majority of firms engaging in defining work, and approximately half in reconfiguring existing norms

and belief systems. Examining institutional arrangements associated with this work, presented in Table 7.23B, illuminates how firms are addressing key challenges.

Table 7.23B: Focus of creating work for staff-related IOs

CREATING WORK STAFF-RELATED IOs											
Emphasis of creating work	**Political work**			**Reconfiguring existing norms and belief systems**			**Alter abstract categorizations in which the boundaries of meaning are altered**			***Combined instances of all forms of creating work for staff-related IOs across all case sites***	**Total number of case sites engaged in creating work**
Form of institutional work	**Advocacy**	**Defining**	**Vesting**	**Constructing identities**	**Changing normative associations**	**Constructing normative networks**	**Mimicry**	**Theorizing**	**Educating**		
Total number of case sites in this study	11	11	11	11	11	11	11	11	11		
Institutional arrangements	**Number of case sites**										
Recruitment	-	**3**	-	-	**4**	**4**	**3**	**5**	**2**	*21*	**9**
Training and development	-	-	-	-	-	-	2	3	9	*14*	**9**
New positions	-	**3**	-	**3**	**1**	-	**1**	**2**	**1**	*11*	**3**
Working arrangements	-	-	-	-	**2**	-	**5**	**3**	-	*10*	**6**
Managing remote working	-	1	-	-	1	-	2	2	2	*8*	**2**
Performance management	-	1	-	-	1	1	2	1	-	*6*	**2**
Retention strategies	-	2	-	-	1	-	2	2	-	*7*	**3**
Outsourcing	-	-	-	-	**1**	**2**	**1**	**1**	-	*5*	**3**
Managing partner	1	-	-	1	1	-	-	-	1	*4*	**1**
Spare capacity and flexibility	-	-	-	-	-	-	1	2	-	*3*	**3**
Employer value proposition	-	1	-	1	-	-	1	-	-	*3*	**1**
Investing in new premises	-	-	-	-	-	-	1	1	-	*2*	**1**
Combined instances of this form of work across all case sites	*1*	*11*	-	*5*	*12*	*7*	*21*	*22*	*15*	*94*	
Total number of case sites engaged in this work	**1**	**8**	-	**5**	**5**	**6**	**9**	**10**	**10**	*cross and down check*	**11**

Table 7.23B reveals the focus of this creating work was, inter-alia, on recruitment, new positions and working arrangements. Other interesting insights into outsourcing are also discussed below. Work included in the discussion below is highlighted in green in Table 7.23B above.

Recruitment institutional arrangements encompass recruitment policy, internship and graduate placement programmes, and job advertising. Evidence shows that firms are engaging in ***defining work*** to restructure recruitment policies and specify new positions, prioritising '*practical experience'* (SP-2) and broader skills for effective remote working: *'dynamic…good at compartmentalising…[ability to] manage their own time properly…take ownership of their own work…work independently…[and a] a minimum requirement that they had to work from home before [previously]'* (HoO-SP-4). ***Changing normative associations work*** is evident as firms reassess assumptions about the ideal candidate, and loosen links between success and specific educational or professional background, indicating evolving recruitment norms:

> *…she had 500 plus points in her leaving cert, done a variety of things…didn't seem to like it...worked in a beautician since she was sixteen, and we looked at it and just saw the leaving cert, she has to have something. So, got her in and she's just been super. She's managing a team up there now*.
>
> (Partner-E-2P-2)

Through ***constructing normative networks work,*** firms strengthen relationships with third-level institutions to secure a talent pipeline, developing shared expectations around suitable graduate and internship profiles. Case site engaged with specific institutions, e.g., '*Institute of Technology, Tallaght*' (Partner-L-4P-1), '*Griffith College*' (Partner-R-3P-1) to formalise arrangements and ensure compliance with institutional requirements: *'We have a student lined up, but as we say to them [University of Limerick], we're not issuing you with a letter of offer until such time that we are sure that we can comply with everything the college expects of us'* (Partner-H-3P-2). ***Mimicry wor***k was evident in benchmarking of salaries, formalising job titles to mirror larger-firm hierarchies and support staff progression and legitimacy (5P-1) and extending placement/internship style opportunities to transition year students: *'we have taken on probably five different transition year students. So, it's not going to benefit us next year but the year after'* (Partner-O-2P-1). SP-4's mimicry work extended to their recruitment policy decision to outsource: '*figured out that, depending on the role and depending on the deliverables for the role, really determines where we could possibly recruit from, so for example, if we look at the Indian team, the Indian team are excellent at certain aspects of account production*' (CEO-SP-4). Internal ***theorising work*** aimed at reshaping recruitment-related cognitive frames was evident across case sites, with firms developing localised beliefs based on experience. For instance, part-time work experience was linked to smoother trainee transition to full-time professional employment (2P-2), while graduate motivation was associated with particular educational institutions shaping targeted recruitment efforts (4P-1).

Firms also invested in ***educating*** prospective graduates through the initial '*pitch*' (DoF-4P-1) at university open days, and placement experience:

> *when I came like I got to do a bit of everything…Audit…Same with Tax and every aspect of the job really…I did income tax and corporation tax. Like, I don't think I even thought that I'd be doing accounts.*
>
> (Staff-C-5P-1)

Defining work is evident in relation to **new positions** specifications (compliance manager (2P-1), office manager (SP-1)) and adapting reporting structures accordingly (senior portfolio manager (2P-2). Case sites engage in ***constructing identities*** work to establish the roles, responsibilities and relationship of these positions with existing staff:

> *…we have 2 or 3 people earmarked out there for him [new senior portfolio manager] to start supervising directly, rather than me and Partner F doing it…we've already introduced him [new manager] around the floor and all that. New shiny penny*.
>
> (Partner-E-2P-2)

2P-1's compliance manager engaged in ***changing normative associations work*** to establish her professional legitimacy, gradually defining and expanding her role/responsibilities, while adapting her Big 4 quality and risk management practices to the SMP context:

> *because previously I worked on big international clients, mostly listed entities, cross-border transactions, where your risk profile was very different. So, I had to…adapt myself, my own mindset…we are dealing with a different risk profile, so your procedures, and…your approach can be different.*
>
> (Staff-E-2P-1)

Mimicry work is evident in 2P-2's adoption of contemporary recruitment practices, including social media to attract younger generations. Indeed, partners in 2P-2 engaged in internal ***theorising*** about the merits of a more hierarchical reporting structure with the introduction of portfolio manager to relieve partners and the potential impact on client relationships:

> *[clients] don't want to know who this [manager] is, they only want to deal with you. Whereas some of the bigger clients understand you have to have this…even to do file reviews for us, this would be a huge relief.*
>
> (Partner-E-2P-2)

Insights on **working arrangements** reveal ***changing normative associations*** work in shaping flexible work norms, as firms adapt despite internal resistance: *'We've had to change even though we don't like having to, we've had to change ourselves'* (Partner-R-3P-1). ***Mimicry work*** is evident in the normalisation of flexible and hybrid working arrangements, reflecting industry norms: '*like the 9am to 5pm workday in a professional practice is gone'* (Partner-R-3P-1). Similarly, HoO-SP-4 ***theorised*** the importance of specific attributes for effective remote working, while others justified hybrid working arrangements (SP-2, 3P-1), accommodating staff needs (SP-2, 3P-2).

Constructing normative networks work is evident where some case sites develop relationships with well-established **outsourced** accounting providers, integrating into broader networks that normatively sanction outsourcing practices and enable peer-based compliance, monitoring, and evaluation:

> *The firm we use, they're Indian-based but they would have quite a lot of firms in Ireland. They're specialised in Irish firms, and they have set up an Irish company because from an insurance point of view, it makes them more attractive that they're actually an Irish company. And those guys [Indian outsourcing firm] actually come here every quarter for two weeks and go round and visit all their clients. They provide a real service, now we're in early days with them but so far, what I've seen with them, it's quite good.*
>
> (Partner-E-2P-2)

Evidence of ***mimicry work*** lies in firms integrating these services into taken-for-granted practices, technologies and rules (5P-1). In 3P-1, this involved treating outsourced staff '*as a staff member'* (Partner-R-3P-1), using familiar communication methods, and aligning digital work with internal procedures. The firm also ***theorised*** inefficiencies in prior outsourcing arrangements, justifying a restructured outsourcing model, and reframing ***normative associations*** towards '*modern ways and methodologies'* (Partner-R-3P-1) of working.

7.5.2.2 Driving efficiency-related creating work

Creating work aimed at driving efficiency in the case sites is presented in Table 7:24A.

Table 7.24A: Creating work focused on driving efficiency-related IOs by case type

CREATING WORK						
DRIVING EFFICIENCY-RELATED IOs		**Number of case sites**	**Sole practitioner firms**	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
Total number of case sites in this study		**11**	**4**	**3**	**2**	**2**
Emphasis of work	**Forms of work**	**Number of case sites**				
Political work	Advocacy	-	-	-	-	-
	Defining	4	2	1	1	-
	Vesting	-	-	-	-	-
Reconfiguring existing norms and belief systems	Constructing identities	1	1	-	-	-
	Changing normative associations	5	3	1	-	1
	Constructing normative networks	2	1	1	-	-
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	10	4	2	2	2
	Theorizing	6	3	1	1	1
	Educating	10	4	2	2	2
Total case sites engaged in creating work		**10***	**4**	**2***	**2**	**2**

* 2P-3 did not engage in creating work focused on driving efficiency-related IOs

While there is no evidence of advocacy and vesting work, the pattern of engagement in IW is similar to that of staff-related IOs, with a particular emphasis on changing the way people define or think

about broad ideas or key institutional concepts through mimicry, theorising and educating work. They engaged to a lesser extent in changing normative associations and defining work. Examining institutional arrangements associated with this work, presented in Table 7.24B, illuminates how firms are addressing key challenges.

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Table 7.24B: Focus of creating work for driving efficiency-related IOs

CREATING WORK DRIVING EFFICIENCY-RELATED IOs											
Emphasis of creating work	**Political work**			**Reconfiguring existing norms and belief systems**			**Alter abstract categorizations in which the boundaries of meaning are altered**			***Combined instances of all forms of creating work for driving efficiency-related IOs across all case sites***	**Total number of case sites engaged in creating work**
Type of institutional work	**Advocacy**	**Defining**	**Vesting**	**Constructing identities**	**Changing normative associations**	**Constructing normative networks**	**Mimicry**	**Theorizing**	**Educating**		
Total number of case sites in this study	11	11	11	11	11	11	11	11	11		
Institutional arrangements	**Number of case sites**										
Work practices and procedures	-	**3**	-	-	**3**	**1**	**5**	**2**	**7**	*21*	**8**
AI, digitization, software	-	**2**	-	**1**	**1**	-	**7**	**4**	**5**	*20*	**8**
Outsourcing arrangements	-	1	-	-	-	1	3	3	-	*8*	**4**
Firm performance	-	-	-	-	1	-	2	-	4	*7*	**4**
Workflow optimization practices					1		1		3	*5*	**4**
Electronification	-	-	-	-	-	-	**4**	-	1	*5*	**4**
Interdepartmental recharge	-	1	-	-	1	-	1	-	1	*4*	**1**
IT infrastructure	-	-	-	-	1	1	2	-	-	*4*	**2**
Cost management	-	-	-	-	-	**1**	**1**	**1**	-	*3*	**1**
Combined instances of this form of work across all case sites	-	*7*	-	*1*	*8*	*4*	*26*	*10*	*21*	*77*	
Total number of case sites engaged in this work	-	**4**	-	**1**	**5**	**2**	**10**	**6**	**10**	*cross and down check*	**10**

While Table 7.24B reveals a particular focus on institutional arrangements pertaining to work practices and procedures and AI, digitisation and software, other interesting insights into electronification and cost management are also discussed below.

In relation to **work practices and procedures**, the findings reveal extensive ***defining work*** to establish electronic working papers as a standard practice in SP-4, supported by infrastructure investment, staff training, standardised procedures, and assigning responsibilities to embed the system and realise efficiencies. Defining work was also evident in 3P-1's integration of an acquired firm, where existing procedures were imposed as standard, and in 2P-2's response to payroll modernisation[58] and Enhanced Employer Reporting Requirements through new templates, reporting practices and internal procedures. In 5P-1, ***changing normative associations work*** is evident in efforts to move away from partner-specific practices towards a firm-wide approach: '*the 5P-1 way, not the Partner J way, or the Partner C way, or the Partner D way*' (Partner-J-5P-1). Despite resistance, leadership responded by emphasising that '*everything is top level, is top level driven'* (Partner-J-5P-1), requiring collective agreement '*to pull together…[and] agree that that this is the way*' (Partner-J-5P-1). Related work is evident in SP-3, where informal, paper-heavy practices, '*was floor to ceiling of boxes without any sort of numbering system*' (Staff- A-SP-3), were replaced with more systematic approaches. Externally focused changing normative associations work is evident in SP-4's engagement with software providers (Silverfin) and consultants (Mercia) to align its electronic working papers with market norms and regulatory requirements:

> *when we worked with Silverfin…we noticed was it was very geared towards the UK market. So, we had to work with them to get the Irish piece…And they also then worked with Mercia…it's a bit of a process for them as well…when we started with Mercia there was you know a bit of tweaking.*
>
> (HoASB-SP-4)

SP-4's collaboration with Mercia and Silverfin constitutes ***constructing a normative network***, to gain legitimacy and align its system with Irish regulatory norms. Their adoption of electronic working papers represents ***mimicry work***, drawing on commercially available technologies used by larger firms to enhance efficiency through automation. Other case sites (2P-1, 3P-1) mimicked established technologies, such as Excel, leveraging taken-for-granted practices (e.g., PQAs) to improve efficiency and signal legitimacy. For example, post-COVID-19, 2P-1 extended Excel-based working papers to audit clients, developing a '*roadmap*' (Partner-O-2P-1) for self-teaching audit files supported by standardised approach and embedded verification documentation. Similarly, 5P-1 standardised audit processes, '*everything is standardisation, your PQAs, the way you…[and]…the*

[58] "In January 2019, Ireland's PAYE [Pay As You Earn] system was modernized, implementing a real-time reporting system where employers submit employee pay and deductions to Revenue as payments are made" (Thesaurus Software, 2025).

staff do stuff' (Partner-J-5P-1) and, like 3P-1, adopted digital HR systems to reflect industry norms. As Partner-R-3P-1 observed, '*my whole working methodologies today, compared to what they were 10 and 15 years ago, are changing all the time*', highlighting the role of mimicking established rules and technologies is sustaining organisational legitimacy and effectiveness.

Across case sites, firms engaged in mimicry by mapping and standardising internal processes. As part of SP-4's performance improvement strategy, internal processes were mapped to identify inefficiencies and drive technological solutions aligned with its fully remote BM, reflecting the mimicking of legitimised, digitalisation-driven management practices. Similarly, 5P-1 mapped and documented company secretarial and client on/offboarding processes to develop a training manual to support a more structured and standardised approach. SP-3 also mimicked client on/off-boarding processes and adopted industry-standard online CRO filing and online payment system (Stripe), similar to those used across service organisations and other SMPs.

Firm-level ***theorising work*** is evident in 2P-2's linking efficiency to restructuring of audit files into '*self-teaching*' (Partner-O-2P-2) formats, suggesting firm-level knowledge development and codification. Similarly, Partner-J-5P-1 highlights inconsistent work practices, described as '*monkey see, monkey do*' that lead to '*completely different'* partner-specific approaches, undermining intra-team mobility and potentially affecting staff retention.

Educating work across case sites highlights the importance of staff developing the knowledge and skills to support efficient work practices. In 2P-1, this involved investing in self-teaching audit files, through embedding educational guidance within workflows, with '*little boxes of extra guidance*' (Staff- E-2P-1) to support new staff, alongside direct training. Other firms (3P-1, SP-4) developed documented procedures and training videos, often repurposing outputs from process-mapping initiatives (SP-4 and 5P-1). Indeed, staff participation in mapping activities (SP-4) and ongoing development of educational material illustrate firms' investment in SC to ensure access to current knowledge and capabilities:

> *we have a video library of all of the training that is available, and it gets updated then regularly, we check it out quarterly to make sure that it's still accurate.*
>
> (HoCoSec-SP-4)

Indeed, SP-4 demonstrates multiple levels of educating work associated with its electronic working paper initiative, including initial training with the software provider (Silverfin) and the development of internal Silverfin 'Champions' to support ongoing learning and continuous training of new staff. Other educating work included documenting and training core administrative (4P-1) and company secretarial (SP-2) responsibilities to enable intra-team flexibility.

Defining work associated with **AI, digitisation and software** is evident in 3P-1's IT integration following an acquisition, where identified system incompatibilities meant client data was '*completely different and… wouldn't read…[3P-1's software]'* (Staff- H-3P-1). Similar defining work appears in SP-1's technology transformation, involving structured research and testing of alternative systems based on '*interface usability, document submission options, bank feed services, client communication features, and overall cost-benefit analysis*'(Partner-I-SP-1). ***Constructing identity work*** and ***changing normative associations work*** are evident in SP-2's positioning as technologically progressive, reframing automation as essential to competitiveness, distancing the firm from perceptions of being '*the old paper and all the rest of it'* (Partner-S-SP-2) and bringing staff and clients on the digitisation *'journey'*. The majority of firms recognise the potential of introducing AI-enabled technology, which has become '*commonly-based technology'* (Partner-S-SP-2) into their BM. Over 60% of firms engaged in ***mimicry work***, adopting industry-recognised software in core operational areas, including data capture, bank reconciliation, AML compliance, practice management, and cloud-based accounting. This also extends to **electronification** and the drive for a paperless office: '*we got everyone signed up to Adobe Professional licenses. So, the full accounts pack now goes out for digital signature…we don't have any more hardcopy working papers, everything is stored electronically*' (Partner-J-5P-1). Over half the firms engaged in internal ***theorising*** on the conditions for successful digital transition. This includes views on engaging clients with an adaptive mindset (SP-1), and on internal system administration: '*it's only as good as how you use it'* (Staff-A-SP-3). Partners also theorised the need to standardise practices before technological change, with Partner-J-5P-1 observing: *'talking about moving to a new system, and I said, we haven't even standardised the way we do things across the board.*'(Partner-J-5P-1). Theorising also extended to professional competence, particularly understanding systems in providing value-added services and exercising professional judgement: '*that's the big challenge, to understand what you're signing off on'* (Partner-G-3P-2). Adoption and implementation of technology is supported by ***educating*** staff and clients via software provider-led training, and shadowing internal champions/project manager, where staff '*shadowed him [project manager] to see how it works. And then also, he showed me how to do it'* (Partner-I-SP-1).

From a **cost management** perspective, HoO-SP-4 explains that the firm engaged two South African companies, to act as an '*Employer on Record'*, thereby ***constructing normative association*** where these companies take responsibility for local regulatory compliance and tax obligations for SP-4's South African-based trainee accountants. Through ***mimicry work,*** these trainees get the Irish trainee experience, '*that we can train in the firm, take them through their qualification. Once they qualify, they would have been trained by us, they would have had the experience'* and ***theorise*** the financial benefits of doing so, as *'they're half the rate of a qualified accountant in Ireland*'.

7.5.3 Maintaining work

The concept of IW, and in particular maintaining work, offers a critical lens through which to examine the everyday, ongoing activities that SMPs must engage with, to uphold professional norms, standards and legitimacy that underpin their BMs. The discussion on findings in relation to maintaining work undertaken in the case sites will take a similar form to the creating work discussion above. The subsequent sections will consider the *maintaining work* findings, commencing with work focused on legislative and regulative-related IOs.

7.5.3.1 Legislative and regulative-related maintaining work

Maintaining work sustains institutions by preserving existing norms, rules and belief systems. Table 7.25.A presents the findings relating to maintaining work focused on legislative and regulative-related IOs.

Table 7.25A: Maintaining work focused on legislative and regulative-related IOs by case type

MAINTAINING WORK						
LEGISLATIVE AND REGULATIVE-RELATED IOs		**Number of case sites**	**Sole practitioner firms**	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
Total number of case sites in this study		**11**	**4**	**3**	**2**	**2**
Emphasis of work	**Forms of work**	**Number of case sites**				
Adherence to rules - custodial work	Enabling	9	2	3	2	2
	Policing	9	2	3	2	2
	Deterring	-	-	-	-	-
Reproducing existing norms and belief systems	Valourizing and demonizing	-	-	-	-	-
	Mythologizing	-	-	-	-	-
	Embedding and routinizing	9	2	3	2	2
Total case sites engaged in maintaining work		**9***	**2***	**3**	**2**	**2**

* SP-1 and SP-4 did not engage in maintaining work focused on legislative and regulative-related IOs

Findings show that in cases engaging in legislative and regulative-related maintaining work, activity is evenly distributed across enabling, policing and embedding and routinising work. Table 7.25B presents the institutional arrangements that are the focus of this work.

Table 7.25B: Focus of maintaining work for legislative and regulative-related IOs

MAINTAINING WORK LEGISLATIVE AND REGULATIVE-RELATED IOs								
Emphasis of maintaining work	**Adherence to rules - custodial work**			**Reproducing existing norms and belief systems**			***Combined instances of all forms of maintaining work across all case sites***	**Total number of case sites engaged in maintaining work**
Type of institutional work	**Enabling**	**Policing**	**Deterring**	**Valourizing and demonizing**	**Mythologizing**	**Embedding and routinizing**		
Total number of case sites in this study	11	11	11	11	11	11		
Institutional arrangements	**Number of case sites**							
Quality control - internal and external	**5**	**9**	-	-	-	7	*21*	**9**
AML	**4**	**2**	-	-	-	**4**	*10*	**5**
CPD	**4**	-	-	-	-	**4**	*8*	**6**
Licences e.g., investment business (QFA)	1	1	-	-	-	2	*4*	**2**
Positions of regulatory responsibility	2	1	-	-	-	-	*3*	**3**
Taxation - legislation and dealing with Revenue	1	1	-	-	-	1	*3*	**1**
Supplement expertise externally	1		-	-	-	1	*2*	**1**
ISQM	-	-	-	-	-	1	*1*	**1**
Whistleblowing policy	1	-	-	-	-	-	*1*	**1**
Combined instances of this form of work across all case sites	*19*	*14*	-	*0*	-	*20*	*53*	
Total number of case sites engaged in this work	**9**	**9**	-	**1**	-	**9**	*cross and down check*	**9**

Table 7.25B shows that much of this work is focused on quality control and, to a lesser extent, AML and CPD institutional arrangements, amongst others. In this context, SMPs engage in maintaining work by constantly aligning their internal processes, reporting standards, and compliance practices with evolving legislative and regulatory obligations.

Enabling work in SMPs supports **quality control** by upholding quality standards and preserving institutional structures within a regulated professional environment. To manage risks, case sites strategically engage external consultants and allocate internal responsibility for compliance and quality. For example, 4P-1 engages external HR consultants to maintain its handbook and oversee employment contracts, codifying internal employment policies and procedures. 2P-1 supports internal compliance by enabling its compliance manager to undertake research with the assistance of external consultants. 5P-1 supports formal annual/biannual maintenance of procedures documents by appointing an internal individual (authorising agent) to undertake this task. 2P-2 's rule that '*only qualified accountants do audit files'* (Partner-F-2P-2) safeguards audit quality. This work is also reflected in the commitment of resources to appoint internal partners (3P-1) and external consultants (e.g., John McCarthy (3P-1), Mercia (4P-1)) to undertake *hot file*[59] reviews for quality assurance purposes.

Reviewing work, documenting findings and sharing knowledge directly support auditing, internal control and compliance, reinforcing shared understanding of quality standards. Such enabling work facilitates ***policing work*** to ensure regulatory compliance, with firms routinely using external consultants for *cold file*[60] reviews of audit files (evident across all case types), sometimes extending beyond regulated services: "*[Mercia undertake] the annual compliance reviews…investment business compliance review…money laundering compliance review. They helped with the new ISQM update"* (Partner-M-4P-1). Internal policing is also evident through peer *'hot file review'* (Staff-G-3P-1), to ensure procedures are followed:

> *…if you have a long association with the client, we get another partner within the firm…an engagement quality control review…the file… key risk areas, [if] they're happy that there are no issues, they sign off. So, there is independence.*
>
> (Partner-J-5P-1)

The explicit purpose of these reviews is to ensure files and procedures, including ISQM, meet required standards and '*could pass a [PSD] quality review'* (Staff-E-2P-1), to which all CAI member firms are subject. Additional internal policing practices include the review of *'all audit files'* (2P-2),

[59] "A hot file review features a detailed review of the accounts and audit working papers before the file has been fully signed off." (Mercia, 2025b).
[60] "A cold file review features a detailed review of the accounts and audit file(s) of assignments that have been fully completed and signed off" (Mercia, 2025a).

complex clients that require consolidation (2P-1), all Revenue-related queries (SP-2), administration around client engagement and recording of time (4P-1) and monthly monitoring of work programmes and checklists that feed into compliance processes (4P-1). The routine use of such programmes and checklists (SP-2, SP-3, 2P-1, 2P-2, 4P-1, 5P-1) demonstrates how normative foundations of quality control are ***embedded and routinised*** into the everyday practices. This embedding is further evident in 2P-1, where their external review is formally documented as part of their audit quality procedures, and aligned with CAI-imposed standards, essentially infusing the normative quality expectations directly into operational practices. Indeed, the mandatory process of conducting an audit and completing audit files is a fundamental routine practice through which quality control norms are institutionalised within auditors' work:

> *…there's an audit file up there and there's two lever arches full. And I have the accounts done for that client for 2023 already. Done. I finished the…set the format of the audit accounts yesterday but I have to do the audit. The fact that I posted everything in the accounts for throughout the course of the year is irrelevant, you still need an audit file. It's all up here.*
>
> (Partner-B-SP-3)

Enabling work relating to **AML** and **CPD** is evidenced through the allocation of resources and the designation of authorised personnel, including the appointment of firm-designated AML officers (SP-2, 3P-1, 4P-1), the use of external CPD providers (SP-2, 3P-1), and commitment of dedicated time and resources to support compliance, together with ongoing ***policing work*** and ***embedding and routinising work***.

Triennial PSD reviews reinforce quality control norms, their reproduction and stability within the firm. Adherence to professional standards underpins consistent high-quality service, which strengthens credibility and client trust. The following section examines client-related IW in the case sites.

7.5.3.2 Client-related maintaining work

Maintaining work focused on client-related IOs is presented in Table 7.26A.

Table 7.26A: Maintaining work focused on client-related IOs by case type

MAINTAINING WORK						
CLIENT-RELATED IOs		**Number of case sites**	**Sole practitioner firms**	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
Total number of case sites in this study		**11**	**4**	**3**	**2**	**2**
Emphasis of work	**Forms of work**	**Number of case sites**				
Adherence to rules - custodial work	Enabling	5	2	1	1	1
	Policing	5	3	1	-	1
	Deterring	-	-	-	-	-
Reproducing existing norms and belief systems	Valourizing and demonizing	2	-	1	-	1
	Mythologizing	-	-	-	-	-
	Embedding and routinizing	9	3	3	2	1
Total case sites engaged in maintaining work		**9***	**3***	**3**	**2**	**1***

* SP-1 and 5P-1 did not engage in maintaining work focused on client-related IOs

Table 7.26A shows that firms that engaged in client-related maintaining work engaged mostly in embedding and routinising work, over half of them undertook enabling and policing work, and two firms engaged in valourizing and demonizing work. Table 7.26B presents the focus of the work.

Table 7.26B: Focus of maintaining work for client-related IOs

MAINTAINING WORK CLIENT-RELATED IOs								
Emphasis of maintaining work	**Adherence to rules - custodial work**			**Reproducing existing norms and belief systems**			***Combined instances of all forms of maintaining work across all case sites***	**Total number of case sites engaged in maintaining work**
Type of institutional work	**Enabling**	**Policing**	**Deterring**	**Valourizing and demonizing**	**Mythologizing**	**Embedding and routinizing**		
Total number of case sites in this study	11	11	11	11	11	11		
Institutional arrangements	**Number of case sites**							
Client relationship management	**4**	**1**	-	-	-	**5**	*10*	**5**
Client fit - ideal client type	-	4	-	**1**	-	3	*8*	**5**
Value proposition - client engagement	**2**	**1**	-	**1**	-	**3**	*7*	**3**
Client expectations	1	-	-	-	-	2	*3*	**2**
Client books and systems	-	-	-	-	-	1	*1*	**1**
Direct debit payments	-	-	-	-	-	1	*1*	**1**
Combined instances of this form of work across all case sites	*7*	*6*	-	*2*	-	*15*	*30*	
Total number of case sites engaged in this work	**5**	**5**	-	**2**	-	**9**	*cross and down check*	**9**

The findings reveal that client-related maintaining work centres on sustaining client relationships and service expectations that underpin trust and long-term engagement. This is reflected in the number of firms engaged in this work (Table 7.26A), primarily focused client relationship management, client fit and client value proposition institutional arrangements (Table 7.26B).

Enabling work focused on **client relationship management** refers to intentional efforts by SMPs to create and reinforce structures, routines and norms that facilitate the development and maintenance of strong, trust-based client relationships. For example, 3P-1's investment (diverting resources) in a modern boardroom and digital technology enhances professionalism and the quality and perception of client interactions. Similarly, 2P-3 allocates staff to specific clients and structures internal processes to ensure effective relationship management. At SP-4, enabling work includes creating a dedicated Client Success Ambassador role (authorising agent) to manage client renewals and oversee client relationships:

> *…their role is to…make sure that the client is a success. So, they do a lot of relationship management, they renew the contracts, they assess the services, they deal with any feedback or any potential issues. They essentially go looking actually for issues…that's our major investment*.
>
> (CEO-SP-4)

SP-4 also introduced a practice process whereby a senior Company Secretarial team member contacts clients '*roughly three months after they've incorporated…to make sure that everything is going well'* (HoCoSec-SP-4). As part of their client relationship management process, 4P-1 engages a third-party market research firm to conduct confidential client feedback (authorising agent), directly supporting the firm's client relationship management process, with Partner-L-4P-1 observing that '*the best feedback…whether they like you or they don't, is at the time of writing the cheque'*.

Indeed, 4P-1's ***policing work*** focuses on maintaining the firm's internal norm regarding payment and interaction:

> *every cheque…the admin go into my phone…I will have given them a phrase for that month, and that phrase will go out and tell the client thank you for the cheque, and in it will have a little bit of a message about talking to me and interacting with me, and I get huge feedback at that point.*
>
> (Partner-L-4P-1)

Sending a personalised payment message reinforces payment norms while monitoring the health of the client relationships, helping maintain desired client behaviour and ***embed and routinise*** the firm's norms around client interaction, communication and feedback. Similarly, SP-4 enforces the practice that '*everyone signs their full name on an email*' (HoCoSec-SP-4), reinforcing transparency, personalisation and team visibility in client communications norms. Also, planned initiatives such as

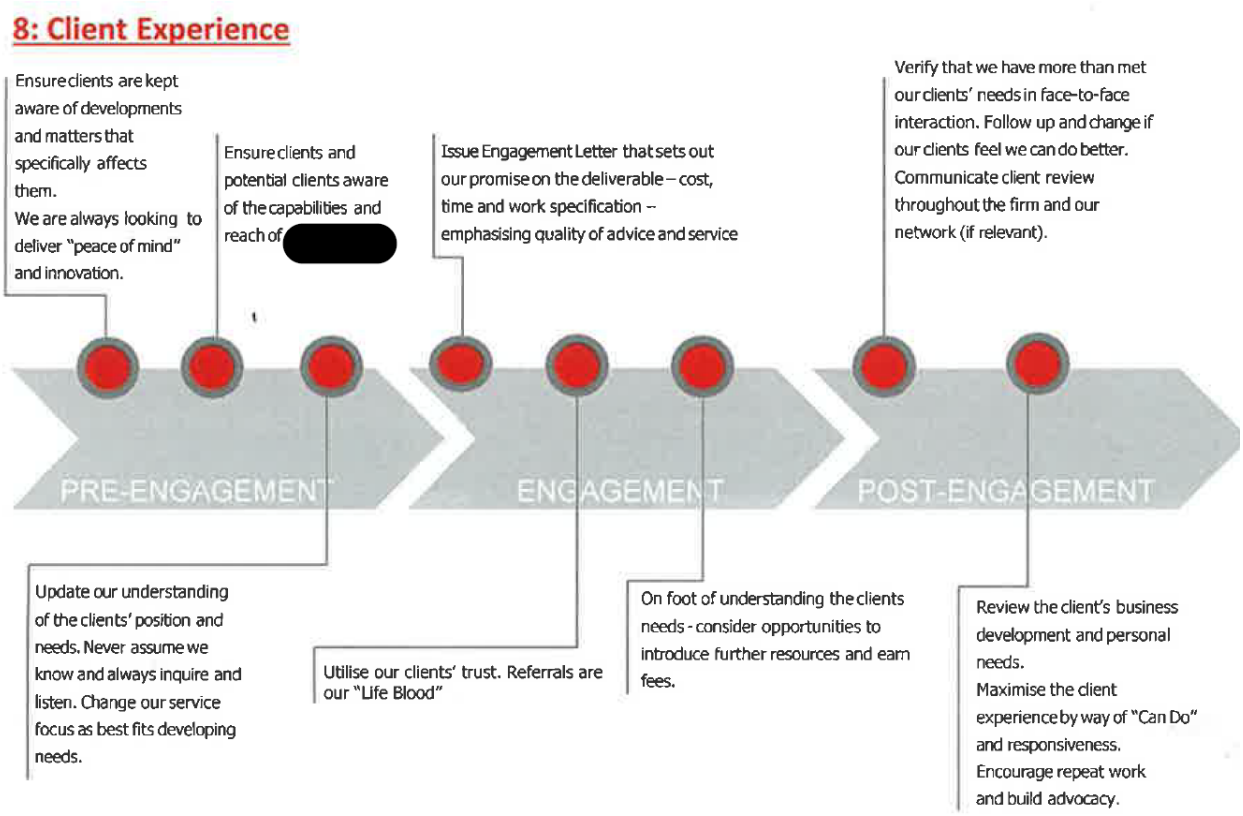
client-informed infographics and embedding Client Success Ambassadors within team structures further support and strengthen firm-client relationships. 3P-1 embeds clear, accessible financial communication through routine use of digital systems and tools, e.g., hyperlinks and pivot-tables '*by pressing a button',* enhancing transparency, efficiency and trust, and hailed as '*a huge improvement'* (Staff-G-3P-1). Similarly, 2P-1 and 2P-3 foster accessibility through daily practices such as answering phones personally, making calls and on-site engagement, with Partner-P-2P-1 emphasising that '*There's no answering machine and there's no receptionist. You can't leave messages on my phone. You have to speak to a human, and that's what I mean by accessible'*.

Enabling work aimed at maintaining **client value propositions** includes in-house technical updates and budget briefings (SP-2) and 4P-1's engagement of external client satisfaction surveys that ***police*** key indicators of client trust, service quality and client perceptions of value, with feedback guiding improvements:

> *The wordie had Expensive written in big writing the first time [2013]. And that's now disappeared [2021 wordie], and the word Value has been replaced. That's our client feedback. That's what we targeted. We saw expensive and we said how do we get rid of expensive.*
>
> (Partner-L-4P-1)

This quote also illustrates how 4P-1 engages in ***valourizing and demonizing work*** to defend their commercial legitimacy, eliminate negative perceptions of being expensive, with a stronger emphasis on the more desirable trait of 'value'. The centrality of 4P-1's client value proposition is described by Partner-L-4P-1 as '*culture [that] is interactive…[where] everyone knows all about the client'*. This emphasis on deep client knowledge is ***embedded and routinised*** through clearly identified touchpoints within the firm's daily practices (see Figure 7.7).

Figure 7.7: 4P-1 client value proposition – key client touchpoints



Source: 4P-1 Client presentation (triangulation evidence)

Embedding and routinising of client service where '*clients would definitely drive how high I have to jump'* (Partner-B-SP-3) is found in both SP-3 and SP-2, as Staff-I-SP-2 explains, '*we do pride ourselves on getting back to client queries straight away'.*

2P-2 illustrates the importance of **client fit** for maintaining professional standards through ***valourizing and demonizing*** work. It rejects/demonises unethical client behaviour by some solicitors and auctioneers seeking authorisation of licencing certification using unreconciled client accounts, to avoid serious professional risk. As Partner-O-2P-1 explains '*she just wants us to put our name on it…she was taking clients' money…she was struck off but we would have been struck off with her*'. These practices demonstrate how SMPs maintain professional integrity and client boundaries, shaping perceptions, trust and legitimacy.

The previous discussion highlights the various forms of maintaining work undertaken by the case sites to sustain institutional legitimacy and client relationships amid ongoing environmental pressures. It is also important to examine the instances of disrupting work, where firms challenge or reshape established norms, in response to evolving market demands and institutional constraints.

7.5.4 Disrupting work

Disrupting work is undertaken by actors who want to challenge existing institutional arrangements that do not serve their interests. This discussion will focus on staff and driving-efficiency-related institutional arrangements.

7.5.4.1 Staff-related disrupting work

Disrupting work focused on staff-related IOs is presented in Table 7.27A.

Table 7.27A: Disrupting work focused on staff-related IOs by case type

DISRUPTING WORK						
STAFF-RELATED IOs		**Number of case sites**	**Sole practitioner firms**	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
Total number of case sites in the study		**11**	**4**	**3**	**2**	**2**
Emphasis of work	**Forms of work**	**No of case sites**				
Disrupting work	Disconnecting sanctions/rewards	-	-	-	-	-
	Disassociating moral foundations	2	1	1	-	-
	Undermining assumptions and beliefs	1	-	-	1	-
Total case sites engaged in disrupting work		**3***	**1***	**1***	**1***	-

*SP-3, 2P-1 and 3P-2 engaged in disrupting work focused on staff-related IOs

Table 7.27A shows that disrupting work was carried out by three case sites, that engaged in disassociating moral foundations and undermining existing assumptions and beliefs work, the focus of which is presented in Table 7.27B below.

Table 7.27B: Focus of disrupting work for staff-related IOs

DISRUPTING WORK STAFF-RELATED IOs					
Emphasis of disrupting work	**Disrupting institutions**			***Combined instances of all forms of disrupting work across all case sites***	**Total number of case sites engaged in disrupting work**
Type of institutional work	**Disconnecting sanctions/rewards**	**Disassociating moral foundations**	**Undermining assumptions and beliefs**		
Total number of case sites in this study	11	11	11		
Institutional arrangements	**Number of case sites**				
Recruitment	-	**2**	-	*2*	**2**
Performance management	-	-	**1**	*1*	**1**
Combined instances of this form of work across all case sites	-	*2*	*1*	*3*	
Total number of case sites engaged in this work	-	**2**	**1**	*cross and down check*	**3**

Table 7.27B illustrates that disrupting work is primarily focused on recruitment and performance management institutional arrangements.

The data revealed that case sites challenged **recruitment**-related practices by engaging in ***disassociating moral foundations work***. SP-3 withdrew from the traditional training firm model, rejecting the value of professional body membership: '[don't] *want to bring on a Chartered Accountant into an Institute, that I don't have great faith in'* (Partner-B-SP-3), and dismissing established regulation and training generally considered necessary components of professional competence, integrity and ethical conduct, as *'rubbish'* (Partner-B-SP-3), undermining the perceived moral legitimacy of professional body's training system.

2P-1 withdrew from a university's student placement programme post COVID-19 following a negative experience, challenging the university's prioritisation of larger firms and its treatment as a '*second-class citizen'* (Partner-O-2P-1) as a violation of the principle of fairness and equitable access underpinning the institutionalised practice:

> *…they came back and asked us, why didn't you sign up to us?' I said, 'I didn't sign up because you were sending us shit. You were all about us in COVID when…the big guys didn't want anyone…I get that graduates all want to be in the Big Four,' I said, 'but as an institution you shouldn't be sending out the list to the Big Four…to take the cream before we get it. It should have gone out to everyone together.*
>
> (Partner-O-2P-1)

In **performance management**, 3P-2 illustrates ***undermining assumptions and belief work.*** Spurred by external pressure and perceived best practice, described by Partner-H-3P-2 as largely '*theoretical*', the firm unsuccessfully implemented a formal staff appraisal system. Its negative experience of the system's ineffectiveness challenged its suitability for a firm of its size:

> *I think everybody felt it wasn't working for them…[we] didn't get anything from it and I think most of the staff were saying it's far easier the old way…I think the expert didn't contribute a lot…ultimately everybody was happier with the informal appraisal…they learn more from that, than from we wait three months, and we'll sit down and go through it and do it job, by job and spend an hour on it. It's easier to address it in real time, than addressing it in historical terms*
>
> (Partner-H-3P-2)

These undermining assumptions and beliefs work is also evident in work that is focused on driving efficiency-related institutional arrangements in the case sites.

7.5.4.2 Driving efficiency-related disrupting work

Disrupting work focused on driving efficiency-related IOs is presented in Table 7.28A.

Table 7.28A: Disrupting work focused on driving efficiency-related IOs by case type

DISRUPTING WORK						
DRIVING EFFICIENCY-RELATED IOs		**Number of case sites**	**Sole practitioner firms**	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
Total number of case sites in the study		**11**	**4**	**3**	**2**	**2**
Emphasis of work	**Forms of work**	**No of case sites**				
Disrupting work	Disconnecting sanctions/rewards	-	-	-	-	-
	Disassociating moral foundations	-	-	-	-	
	Undermining assumptions and beliefs	4	2	-	-	2
Total case sites engaged in disrupting work		**4***	**2***	**-**	**-**	**2***

*SP-1, SP-4, 2P-1 and 5P-1 engaged in disrupting work focused on driving efficiency-related IOs

The data revealed that four case sites engaged in *undermining assumptions and beliefs* related to driving efficiency IOs. The focus of this work undertaken by two sole practitioners and two ≥4 principal firms, is presented in Table 7.28B below.

Table 7.28B: Focus of disrupting work for driving efficiency-related IOs

DISRUPTING WORK DRIVING EFFICIENCY-RELATED IOs					
Emphasis of disrupting work	**Disrupting institutions**			***Combined instances of all forms of disrupting work across all case sites***	**Total number of case sites engaged in disrupting work**
Type of institutional work	**Disconnecting sanctions/rewards**	**Disassociating moral foundations**	**Undermining assumptions and beliefs**		
Total number of case sites in this study	11	11	11		
Institutional arrangements	**Number of case sites**				
Work practices and procedures	-	-	**2**	*2*	**2**
AI, digitization, software	-	-	**1**	*1*	**1**
Outsourcing arrangements	-	-	**1**	*1*	**1**
Combined instances of this form of work across all case sites	-	-	*4*	*4*	
Total number of case sites engaged in this work	-	-	**4**	*cross and down check*	**4**

Data shows (Table 7.28B) the focus of ***undermining assumptions and beliefs*** work was on working practices and procedures, AI, digitisation and software, and outsourcing institutional arrangements.

Disruption of **work practice and procedures** includes 4P-1's moving away from engaging a debt collection agency for delinquent accounts, after identifying weaknesses in its internal processes. The introduction of improved communication, quoting, and engagement letters procedures made it '*easier…to collect the debt or [for it to] be alerted earlier, if there was a problem with a particular invoice'* (DoF-4P-1). This disruption was achieved by undermining assumptions about the need for a debt collection agency, critically reviewing internal processes, coupled with promoting the practical benefits of the new internal approach, including associated cost savings. Similarly, SP-4 disrupted the established use of Excel working papers, described by HoASB-SP-4 as '*a big move for*

accountants' in favour of a specialised software, SilverFin. Following an evaluation of alternatives, which were dismissed as '*light touch'* (HoASB-SP-4), SP-4 adopted SilverFin. Its automation and functional integration capabilities demonstrate its practical advantages over the manual Excel process. The newly established practice is successful as SP-4 '*don't use Excel anymore for the supporting files'* (HoASB-SP-4).

Disrupting work focused on **AI, digitisation and software** is illustrated by SP-1's challenge of its established manual invoice processing practices, seen as inherently flawed, error-prone and inconsistent. Partner-I-SP-1 presents Dext as a superior alternative that '*doesn't make mistakes*', reduces risk, and is considered *'a massive benefit'*, disrupting the institutionalised practice of manual invoice handling.

Finally, 5P-1 contests the core assumption that **outsourcing** is an effective solution to resource constraints. As Partner-C-5P-1 explains, what appeared to be a cost-effective solution, '*looked very cheap…€12 an hour for a qualified accountant*', was undermined by practical difficulties, including slow pace of work, uncertainty of timelines, and workflow management issues, leading to the conclusion that '*it's not the answer*'.

This section addresses RO3, by outlining the IW undertaken by case sites in response to key identified challenges. The findings summarise all IW undertaken across various IOs (staff, driving efficiency, legislative and regulative, client and service) to assess the relative balance of the forms of work firms engage in. Given the extensive data and word limitations of this thesis, a selection of IOs were chosen as a lens through which to discuss creating, maintaining and disrupting work. IW is examined more extensively in Chapter 8, understood through a typology of Institutional Orientation, developed by the researcher, to reflect the relative mix of IW undertaken by case sites.

7.6 Conclusion

This chapter presented the findings through which the overarching RQ of this thesis is addressed. Section 7.2 answered RO1 by identifying the prevailing IL underpinning each case sites' BM. The findings relating to the adapted BM conceptualisation were discussed in Section 7.3. Addressing RO2, Section 7.4 examined the key challenges faced and their implications for the case sites' BM. Section 7.5 addressed RO3 by analysing how firms respond to these challenges through IW within their BMs. The findings presented in this chapter are discussed within a broader institutional explanation of the SMP BM in Chapter 8.

Chapter 8 Discussion

8.1 Introduction

Building on the findings presented in Chapter 7, this chapter synthesises the key insights emerging from this study, informed by literature (Chapters 3 and 4) and its theoretical (Chapter 5) and methodological (Chapter 6) framing, which, taken together, highlight perspectives that provide distinct contributions to knowledge. The chapter begins by presenting an overview of the theoretical framework (IL and IW) and methodological approach (interpretivist) that guides the approach to this study (Section 8.2). A discussion on the key findings follows across each of the ROs follows (Section 8.3) before concluding in Section 8.4.

8.2 Overview of the theoretical and methodological framework

This interpretive study explored the multifaceted dynamics of the SMP, specifically focusing on a representative proportion of CAI member firms, to unpack the '*what, who, how and why'* behind the BM of these firms. The phenomena of interest are the prevailing rationales (logics) guiding the BMs, the key challenges the SMPs encounter, and the purposive actions undertaken to navigate these challenges. Designed as a case study, this study combines in-depth semi-structured interviews (just under 56 hours from 31 interviewees) with complementary data (PPQ and triangulation evidence) from 11 case sites to provide a comprehensive understanding of the phenomena. It integrates two theoretical lenses to provide a nuanced understanding of SMPs: IL (Thornton, Jones and Kury, 2005) and IW (Lawrence and Suddaby, 2006), framed within an adapted conceptualisation of the BM (Hedman and Kalling, 2003). IL "ideal type" analysis is adopted; a theoretical framework comprising eight characteristics which define the two extremes, professional and commercial logic. There is no neat separation of these logics in reality, and firms often navigate or reconcile competing demands from multiple logics, i.e. the prevailing rationale underpinning SMPs' BMs typically grapples with a tension between professional and commercial logics. The BM describes the key components of the SMP business, including actors and their roles and relationships within and outside the boundary of the firm, to help conceptualise how the firm creates, delivers and captures value. The BM is constantly evolving due to external pressures/challenges. The prevailing IL provides the interpretive framework through which SMPs evaluate challenges and their implications for the BM, recognising the embedded agency of key actors within it. IW provides a lens to examine how the SMP actively engages in 'work' to adapt its BM in response to these challenges, through creating, maintaining or disrupting IW. A discussion will follow on how this study addresses the core RQ: *What are the challenges facing Small and Medium Accounting Practices (SMPs) and how do these affect the business model?*

8.3 Discussion of key findings

This section will discuss the key findings in relation to each of the ROs, that collectively address the RQ:

RO1: To explore the prevailing rationale (**institutional logic**) underpinning the SMPs' business models.

RO2: To investigate the **key challenges** facing the SMPs and their **implications** for their business models, exploring how **key actors'** decision-making shapes the SMPs' business models as they navigate these challenges.

RO3: To understand and explain the SMPs' response as reflected in their **business models** using concepts from **institutional work**.

8.3.1 RO1 – Prevailing rationale behind the firms' business model: IL

ILs (comprising eight characteristics) shape an organisation's structures and practices, influencing its BM through the underlying assumptions, values, rules and beliefs that guide its operational and strategic choices (Greenwood and Suddaby, 2006; Ocasio and Radoynovska, 2016). The accounting field and public accounting in particular are shaped by institutional complexity (Greenwood *et al*., 2011), characterised by ongoing tensions between professional logic and commercial logic (Suddaby, Gendron and Lam, 2009) that create a "fragile logic equilibrium" (Dunne, Brennan and Kirwan, 2023, p.2). In the case of MDPs, this is maintained through the strategic integration of conflicting imperatives into their BM (Greenwood and Suddaby, 2006). Mid-tier accounting firms, while historically-embedded within local and national contexts (Ramirez, 2009) and aligned with professional logic (Lander, Koene and Linssen, 2013), have developed BMs that embody the defining characteristics of the P^2 archetype (Greenwood, Hinings and Brown, 1990), also described as the traditional Cravath-Style (Greenwood and Suddaby, 2006) organisational archetype/form. Confronted with similar institutional pressures to their Big 4 counterparts, they are selectively embracing aspects of commercial logic, while striving to maintain their core professional values (Lander, Koene and Linssen, 2013).

The findings from this study concur with extant literature, confirming that SMPs are institutionally embedded and operate within a pluralistic environment (Kraatz and Block, 2008). They rely on local associations and centres of professional development for formal staff training (Cooper and Robson, 2006; Ramirez, 2009) and navigate institutional complexity by blending professional and commercial IL within their BMs.

In this study, the underlying rationales of case sites' BMs were classified into four groups and situated on a five-point continuum-based scale of ***prevailing IL***, ranging from professional logic-dominant to commercial logic-dominant (see Table 7.4).

While no case sites were identified as professional logic-dominant, the findings suggest that professional logic continues to play an important role in the rationale of the SMP. The groupings on the continuum above illustrate that case sites exhibit a heterogeneous blend of logics, with commercial logic playing an increasingly significant role as firms shift towards commercial logic-dominant. This challenges Lander, Koene and Linssen's (2013) assertion that "professional logic seems to remain dominant" (p.143) in mid-tier accounting firms. It also speaks to assertions in the literature that some degree of commercial logic and interest in a "minimum profitability threshold" (Gendron, 2002, p.665) is essential for day-to-day operations and a firm's long-term survival (Gendron, 2002; Harber and Willow, 2022). Furthermore, effective blending of professional and commercial logics can support the reconfiguration of mid-tier firms into hybrid practices, organisational forms and identities, portraying them as highly complementary (Lander, Koene and Linssen, 2013; Harber and Willows, 2022).

This study offers empirical insight into what Harber and Willows (2022) coin as *commercial professionalism*[61], a concept that portrays professional and commercial logic as interdependent and mutually reinforcing. For example, case sites differentiate themselves from the Big 4 by crafting an identity described by Harber and Willows (2022) as "more devoted experts" (p.1803). They achieve this by highlighting their personalised service, greater partner involvement, and leveraging the firm's heritage to differentiate themselves competitively, while maintaining their credibility and legitimacy in the eyes of their clients and the public (Malsch and Gendron, 2013).

When the balance of logics across the eight "ideal type" characteristics (Table 7.4) are examined, interesting insights into case site commitment to and prioritisation of logics are revealed. For example, with the exception of SP-4 (Group D), professional logic emerges as dominant regarding the prevalence of the ***source of legitimacy*** characteristic across all case sites, even in those identified as having commercial logic-orientation and dominance. This highlights the continued importance of traditional professional values within the accounting profession and aligns with Malsch and Gendron's (2013) observation that the profession relies on these values to preserve its "cultural and

[61] *Commercial professionalism* refers to a form of logic hybridization (Glynn and Lounsbury, 2005; Binder, 2007; Greenwood *et al.,* 2011), where two logics are "internalized in a complementary not contradictory manner" (Harber and Willows, 2022, p.1805).

symbolic capital"[62] (p.880), considered foundational to its jurisdictional legitimacy and market authority.

Contrasting prevailing logics manifest in case sites regarding the prevalence of the ***logic of investment*** characteristic: in Group A, half of the case sites demonstrate a dominant professional and half a dominant commercial logic; while in Group B, professional logic is dominant in two of the three sole practitioner firms, apart from SP-1, which demonstrates balanced logics. In contrast, Groups C and D provide a more consistent picture, with commercial logic dominating. These findings suggest that SMPs are closing the "profit incentive gap" (Harber and Willows, 2022, p.1805) with their Big 4 counterparts, first suggested by Coram and Robinson[63] (2017). This also challenges Lander, Koene and Linssen's (2013) contention that SMPs may be less profit-driven and more committed to professional values (Greenwood and Suddaby, 2006).

Other interesting findings reveal the unique ways IL manifests in case sites. For example, while professional logic very much prevails across the majority of characteristics in Group A and B firms, commercial logic emerges as particularly dominant in their ***basis of strategy*** characteristics and, to varying degrees, in their ***basis of attention*** characteristics, except in 2P-1 and 3P-2 (Group A) and SP-2 (Group B). This demonstrates a delicate balance where professional logic is not only complementary to, but intertwined with, commercial logic. In contrast, the findings for Groups C and D provide a more consistent picture, with commercial logic prevailing across the vast majority of "ideal type" characteristics. However, two exceptions are highlighted where professional logic prevails: source of authority in 5P-1 (Group C), albeit marginally, and source of legitimacy discussed above.

This study revealed one outlier, SP-4 (fully online firm not offering any restricted services), that demonstrated a prevailing logic dominated by commercial considerations across all "ideal-type" characteristics, with relatively little or no evidence of professional logic. It challenges the generalised expectations that smaller firms, operating at the 'periphery' of the field (Malsch and Gendron, 2013; Guo, 2016), are inherently less commercially orientated (Greenwood and Suddaby, 2006; Lander, Koene and Linssen, 2013). SP-4 offers interesting insights into the heterogeneity of logics, adopting a distinctly commercial orientation, leveraging a technology-driven BM, representing a significant departure from other SMPs in the sample. Thus, among the SMP sole practitioner cohort in this sample, the firms are not all the same, exhibiting heterogeneity in firm logics.

[62] These capitals include professional training, formal interpretive guidance (e.g., audit) and regulations around auditor independence.
[63] Coram and Robinson's (2017) study into profit-sharing schemes and performance incentives in the Big 4 and four large-mid-tier accounting firms in Australia, suggested a trend in mid-tier firms toward similar schemes and initiatives as currently exist within the Big 4, indicating these firms are transitioning towards a commercial BM.

Gendron (2002) argues that institutional complexity is inevitable. This "complementarity within contradiction" (Gendron, 2002, p.681) creates opportunities to broaden decision-making perspectives and offers insight into the underlying rationale within case sites as they address challenges in their BM.

As IL underpins the rationale behind the SMP BM, it directly influences organisational structures and processes (Greenwood *et al.,* 2010), and is closely linked to cognitive frameworks that shape organisational forms/archetypes (Malsch and Grendon, 2013). This implies that IL and organisational form/archetypes ought to manifest as coherent, consistent and comparable configurations. Lander, Koene and Linssen (2013) contend that SMPs continue to rely on professional logic, adopting a more commercially oriented logic in a selective, gradual and incremental fashion. They also surmise that the SMP sector is in the early stages of archetype change, through a process of "*sedimentation"* (Cooper *et al.,* 1996, p.624), or layering of new structures, practices and logics on top of existing ones, rather than completely replacing them. However, they are unable to discern whether SMPs are within or between archetype change. While this study cannot speak directly to the nature of IL change in the SMP, as it is not a longitudinal study, it has, however, established commercial logic as distinctly present and prevalent in Irish SMPs. To assess the extent to which commercial logic has *sedimented* within case sites BM (structures and practices), this study evaluated characteristics underpinning P^2 and MDP organisational forms across the 17 key elements identified by Greenwood and Suddaby (2006) (see Chapter 5). Table 8.1 sets out the BM archetype assessment range identified in this study, with details of the basis of the assessment in Appendix L.

Table 8.1: Business model archetype assessment range

Business model archetype assessment	Individual characteristic assessment range	Overall assessment range (individual assessment range x number of characteristics)	Range boundaries
Professional Partnership (P^2)	1	17	≤ 17 to ≤ 25.5
Delegated Partnership	2	34	> 25.5 to ≤ 42.5
Managerial Professional Business (MPB)	3	51	> 42.5 to ≤ 59.5
Hybrid Professional Business	4	68	> 59.5 to ≤ 76.5
Multidisciplinary Practice (MDP)	5	85	> 76.5

This evaluation required measuring the degree to which the firm's structures and practices align with or between the two archetypal organisational forms: P^2 and MDP. The former, P^2, is characterised by the fusion of ownership and control, with collegial decision-making, peer control, strong professional identity and minimal hierarchy (Greenwood, Hinings and Brown, 1990). MDP is

pioneered by Big 4 firms to address global client demands, characterised by diversification of services, cross-selling, formal hierarchical management structures, and emphasis on business acumen over traditional professional autonomy (Greenwood and Suddaby, 2006). The characteristics underpinning these archetypal forms, defined by Greenwood and Suddaby (2006), include 17 key elements that were assessed on a range from 1 (P^2) to 5 (MDP). Thresholds were subsequently defined to position the case sites along a continuum demonstrating the extent to which these characteristics have sedimented in their BMs. A firm exhibiting purely P^2 characteristics would have a total assessment score of 17 (17 x 1), and a fully MDP firm would score 85 (17 x 5). The intermediate points on the range can be understood from extant literature on PSFs' archetypal forms. For example, the mid-point on the range, Cooper *et al.'s* (1996) *Managerial Professional Business* (MPB) archetypal form was developed to capture the impact of evolving dynamics within the BM of PSFs, as they navigated the challenges of deregulation, increasing competition and globalisation. It conceptually predates the MDP and is characterised by the sedimentation of commercial logics within the firms' BM. Key features include more directive leadership, specialised organisational structures, and formalised performance-based controls.

The position between P^2 and MPB is described by the researcher as a *Delegated Partnership*, taking inspiration from Empson's (2012) "delegated phase" (pp.17-18) that captures the emergence of managerial characteristics in the organisation's structures and practices as it transitions from one archetype to another. During this phase, partner governance remains dominant and is supported by a centralised/managed leadership approach that introduces some delegated authority and consensus-based decision-making. Services are customised, with a limited degree of service diversification. Management systems and structures are emerging, with early signs of performance measurement being introduced. While the literature does not identify a specific archetype form for accounting firms that fall between the MPB and MDP forms, the researcher refers to these firms as *Hybrid Professional Businesses.* This terminology reflects the concept of hybridity used in the literature to describe organisations in transition between archetypal forms (Cooper *et al.,* 1996; Brock, 2006).

Table 8.2 below sets out the findings of this evaluation by case site, together with the prevailing IL for the firm.

Table 8.2: Prevailing institutional logic and assessment of firm archetype by prevailing institutional logic and case site

Panel A - Prevailing Institutional Logics (Thornton, Jones and Kury, 2005; Anderson-Gough *et al.*, 2022)											
Position on continuum-based scale of prevailing IL	**Professional logic-orientation Group A**				**Balanced logic Group B**			**Commercial logic-orientation Group C**		**Commercial logic-dominant Group D**	
Case site	**2P-1**	**2P-2**	**2P-3**	**3P-2**	**SP-1**	**SP-2**	**SP-3**	**3P-1**	**4P-1**	**SP-4**	**5P-1**
Panel B - Assessment of Business Model Arhetype Form (Greenwood and Suddaby, 2006)											
Assessment across all business model archetype characteristics	23	26	25	20	18	22	21	36	59	64	49
Business Model Archetype	P[2]	Delegated Partnership	P[2]	P[2]	P[2]	P[2]	P[2]	Delegated Partnership	MPB	Hybrid Professional Business	MPB

This evaluation reveals varying degrees of commitment to and prioritisation of IL, manifesting in a unique blending of logics (Lander, Koene and Linssen, 2013) among the case sites. This interplay shapes the prevailing rationale of their BM, resulting in notable heterogeneity across these models (Malhotra and Morris, 2009; Ocasio and Radoynovska, 2016). Three Group A firms, characterised by a professional logic-orientation, exhibit P^2 BM traits, while 2P-2 shows features of a Delegated Partnership. Notably, two firms in this group (2P-2, 2P-3) straddle the P^2 and Delegated Partnership archetype range. All Group B firms (balanced logic) also fall within the P^2 archetype. In contrast, firms in Groups C and D, positioned at the commercial logic-orientation and dominant end of the IL continuum, display BM with varying degrees of sedimentation, with characteristics that range from Delegated Partnership to MPB and Hybrid Professional Business.

The alignment of core "ideal type" characteristics such as basis of strategy (how a firm competes), basis of attention (where leadership focuses its efforts and cognitive resources) and logic of investment (how capital is allocated and managed) with commercial logic propels commercial outcomes that, over time, permeate the firm's operations and culture (Hedman and Kalling's (2003) longitudinal dimension). This is evident in Groups C and D case sites, where commercial logic has permeated the prevailing logic, becoming sedimented in the BM to varying degrees.

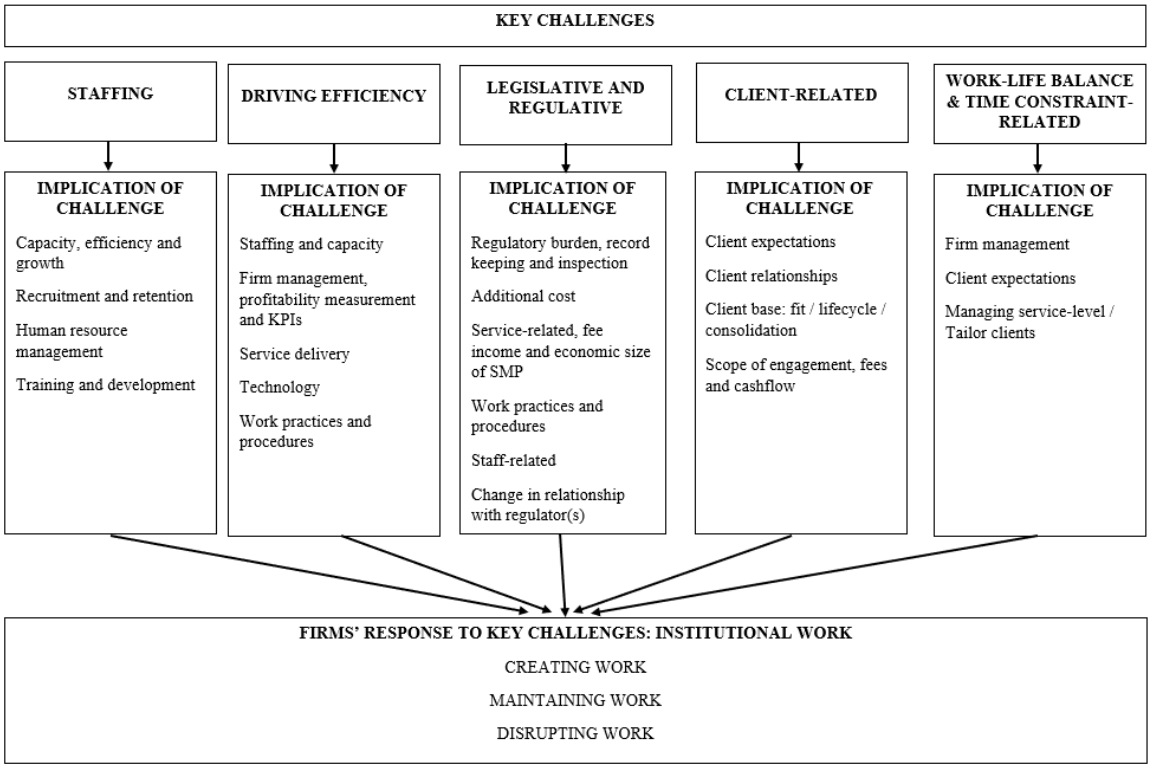
Indeed, the dominance of commercial logic in shaping strategy, attention and investment in 2P-2 and 2P-3, even while professional logic continues to dominate across the remaining "ideal type" characteristics of these two firms, may explain their position on the archetype range. Other P^2 case sites have a dominant professional logic of investment and/or basis of attention. This suggests that these characteristics (strategy, attention and investment) may determine the degree of sedimentation of commercial logic within their BMs. Interestingly, all case sites have a commercial logic-dominant basis of strategy, indicating they recognise the criticality of key challenges they are facing.

The above offers interesting insights into the heterogeneity of prevailing logics underpinning the SMP BM, and the degree to which these are sedimented in their BM (RO1). In essence, the SMP BM is not a static blueprint, but an ongoing, fluid construction, constantly negotiating the tensions between professional ideals and commercial ambitions, as it navigates and responds to challenges in its environment, while ensuring its future competitiveness and legitimacy. These challenges and assessments by key actor(s) of their implications will now be discussed.

8.3.2 RO2 – Challenges and actor(s)' reflexivity: implications

This study examined the key challenges affecting SMPs and the reflexive assessments of actors regarding their implications for the BM, summarised in Table 8.3. This table demonstrates the interrelated nature of these challenges and their implications, forming a complex ecosystem that shapes SMPs' operational capacity and strategic direction.

Table 8.3: Summary of key challenges and implications of key challenges for the business model



8.3.2.1 Staffing challenge

The criticality of the staffing challenge on SMPs' HC, service delivery and operational efficiency is evident in this study and widely supported by the academic and professional literatures. The most significant issue identified is difficulty in attracting and retaining staff, intensified by competition from Big 4 firms, larger practices, industry and government organisations (Wines *et al.,* 2013; Webber and Street, 2018; Street *et al.,* 2019; CAI, 2025b).

This study identified reduced staff loyalty and limited perceived long-term career prospects among younger generations. Unlike quantitative studies to date, this study provides qualitative evidence of workforce instability, including contract breaches, mid-contract departures, fluctuating exam success and movement to higher-paying positions or travel opportunities (Webber and Street, 2018). Fluctuations and scarcity in HC constrain growth, service capacity (Wines *et al.,* 2013; Daoust *et al.,*

2024) and client retention, with potential negative impacts on market position and RC. Case sites respond by strengthening SC, particularly through technology investment that automates lower-value preparatory and data-entry tasks, a recognised trend that contributes to improved quality, efficiency, and service delivery models (Street *et al.,* 2019; Daoust *et al.,* 2024; CAI, 2025b). Such investment also serves as a mechanism for progressing trainees from transaction processing to value-enhancing responsibilities, supporting staff retention by aligning with their professional expectations and fostering ongoing professional engagement.

Some case sites have withdrawn from CAI training roles, while others adopt more creative recruitment practices. These include expanding HC to include staff from diverse and non-accountancy backgrounds (Street *et al.,* 2019), leveraging social media (SC) (Street *et al.*, 2019), partnering with universities (RC) (Alam and Nandan, 2010; Lander Koene and Linssen, 2013), and offering secondary-level students work experience (RC). Firms offer flexible working arrangements (CAI, 2025b), invest in HC through staff development and career progression (Daoust *et al.*, 2024) and competitive remuneration packages. However, staffing and capacity challenges contribute to complex operations and drive efficiency challenges. Adapting to changes such as flexible working arrangements can create internal tensions, frustrations and resistance, highlighting the human dimension of organisational change often overlooked in quantitative analysis.

Initiatives to address staffing challenges reflect a sector actively seeking solutions to the contraction of its traditional talent pipeline. The findings suggest a shift in the career aspirations of new entrants that extends beyond a general 'skills gap', requiring firms to reconsider training approaches and strategically realign with evolving perceptions of accounting work.

These pressures have financial implications, increasing costs which are difficult to recover from fee-sensitive clients, thereby eroding profitability, potentially constraining investment in other critical areas and putting a spotlight on operational efficiency (Lander, Koene and Linssen, 2013; Wines *et al.,* 2013; Street *et al.,* 2019).

8.3.2.2 Driving efficiency challenge

Both academic and professional literature emphasise the importance of operational efficiency, highlighting *inter alia*, challenges related to cost management and recovery (ACCA, 2015; Street *et al.,* 2019; Daoust *et al.,* 2024), technological advancement (Lander, Koene and Linssen, 2013; Wines *et al.,* 2013; Daoust *et al.*, 2024), and achieving competitive advantage through service speed and customisation (Bagchi-Sen and Kuechler, 2000).

Operational efficiency is impacted by reliance on key personnel (Wines *et al.,* 2013; Daoust *et al.,* 2024) and the erosion of HC, through loss of experienced staff and associated knowledge and know-how. Partners and senior staff/managers regularly supplement capacity constraints, leading to sub-optimal use of expertise (Wines *et al.,* 2013). Other issues identified, such as reluctance to delegate, conflicting priorities (Lander, Koene and Linssen, 2013; Daoust *et al.,* 2024), and weak resource planning, drive inefficiencies in leveraging staff capabilities (Webber and Street, 2016). Literature emphasising investment in HC (Webber and Street, 2016, 2018; Street *et al.,* 2019; Verplancke *et al.,* 2024), particularly in time cost efficiency management and client relationship skills, resonated with case sites. Indeed, Verplancke *et al*. (2024) found that ongoing investment in HC (education and experience) is essential for staff to maintain expertise and operational efficiency and is positively correlated with sales/fees per employee.

RC through external networks and leveraging third-party expertise to augment in-house capabilities and service offerings is evident in the case sites. Such cooperation is positively associated with a greater scope of services (Døving and Gooderham, 2008), improved financial performance (Sarens *et al.,* 2015), enabling SMPs to position themselves within referral networks for their SME clients (Jarvis and Rigby, 2012). This study highlights the prevalence of strategic outsourcing of routine, labour-intensive work to lower-cost jurisdictions, primarily to drive efficiency and scalability, rather than augment expertise. Nevertheless, this study reveals that these arrangements introduce operational challenges, including coordination, communication, data interpretation, and developing workarounds, with literature in the context of adopting cloud technologies (Ma, Fisher and Nesbitt, 2021) providing some support for these operational challenges. While prior literature examines SME demand (Blackburn, Carey and Tanewski, 2018) and service diversification (Døving and Gooderham, 2008; Massaro and Rossi, 2014; Sarens *et al.,* 2015), it gives little attention to firms' internal decisions on client suitability for outsourcing. This study, therefore, presents novel and nuanced insight into the risks and decision-making complexities associated with outsourcing in SMPs.

Given SMPs' limited resources (Street *et al.,* 2019), effective financial and operational management necessitates robust SC, including internal control systems to monitor efficiency and profitability. This study supports existing literature highlighting constant fee and cost pressures (ACCA, 2015; Street and Webber, 2016, 2018; Street *et al.,* 2019) and how weak systems may lead to process inefficiencies (Alam and Nandan, 2010), recurrent time write-offs, and hidden cross-subsidisation and untapped fees. It also provides granular insights into SC deficiencies, such as fragmented technological infrastructure, flawed management processes and information systems, which contribute to an inability to generate accurate KPIs and operational workarounds. Additionally, infrastructural constraints (e.g., poor internet/broadband connectivity) emerge as a current practical,

but often overlooked, barrier to efficiency and remote working, extending prior literature with contemporary empirical evidence.

SMPs are compelled to adapt their strategies and operations in response to persistent challenges and evolving client demands (Alam and Nandan, 2010; Wines *et al.,* 2013; Daoust *et al.,* 2024). This study observes a coherent and established trend toward technology adoption. This investment in SC includes a shift towards paperless and digitised operations, widely recognised in the literature (Lander, Koene and Linssen, 2013; Street *et al.,* 2019; Ma, Fisher and Nesbit, 2021).

8.3.2.3 Legislative and regulative challenge

The pervasive nature of the legislative and regulative challenge for the SMP has been identified as a top concern across academic and professional literature (ACCA, 2015; Street *et al.,* 2019; Daoust *et al*., 2024). In this study, case sites report increasing compliance burdens, requiring extensive record-keeping, technical expertise, and ongoing investment in CPD to maintain the skills needed to meet the evolving regulatory demands, consistent with the literature (Døving and Gooderham, 2008; ACCA, 2015; Street *et al.,* 2019; Daoust *et al.,* 2024; Verplancke *et al.,* 2024). This challenge is also closely linked to attracting and retaining staff (Section 8.3.2.1) to sustain HC. To cope, case sites strengthen SC, through standardisation, quality control systems (Lander, Koene and Linssen, 2013; Duff, 2018), and investment in compliance software and cloud accounting solutions that drive efficiency by automating routine tasks (Ma, Fisher and Nesbit, 2021; Daoust *et al.,* 2024). Firms are also increasingly reliant on third-party compliance services providers (RC) (Malo, Fortin and Héroux, 2024) and software (SC) to support compliance-related issues, demonstrating a practical, operational response to internal knowledge management for compliance purposes. Regulatory costs are often difficult to recover from clients (Wines *et al.,* 2013), leading some case sites to increase audit fees or become more judicious in evaluating prospective audit clients. The pressure is so intense that some case sites believe regulation is forcing an economic size of firm, *'driving practices …out of business'* (Partner-M-4P-1).

This study reveals a new dimension to the dynamics of the SMP/regulator relationship. Case sites highlight changes in investment business licencing (SP-3 and 5P-1) and challenges in dealing with Revenue and other state bodies (CAI, 2025c), where more stringent oversight, particularly Revenue's desk-based inquiries, risk reviews, and policy on formal written correspondence, complicate and prolong SMPs' service delivery processes. Frequent regulatory changes, often accompanied by mixed messaging, further complicate these relationships, adding to operational complexity and challenging the maintenance of client trust (RC).

The literature suggests that trust established through compliance-related engagements can enable advisory services provision (Jarvis and Rigby, 2012; Blackburn, Carey and Tanewski, 2018; Street *et al.,* 2019), as part of a service diversification strategy (Daoust *et al.,* 2024) in direct response to declining traditional compliance work (Døving and Gooderham, 2008; ACCA, 2015; Street *et al.,* 2019). Technology-driven commoditisation (Ma, Fisher and Nesbitt, 2021) and increased audit exemption thresholds effectively compel SMPs to diversify into value-added services (Jarvis and Rigby, 2012; Street *et al.,* 2019). This study provides empirical evidence of how service offerings vary by firm size (Section 7.3.2), showing a progression from business support and compliance services in sole practitioners, to increasing reliance on audit services as firm size increases, coupled with the growing prevalence of advisory services, which have become established in 4 and 5-principal firms. It demonstrates a broader transition from traditional compliance-focused "facilitator role" (Street *et al.,* 2019, p.55) to that of a trusted business advisor (Lander, Koene and Linssen, 2013; Daoust *et al.,* 2025), with firms cultivating specialised competencies and expertise in niche areas. These findings directly contribute to filling the gap in the literature identified by Ali and Mustafa (2023) regarding the unsubstantiated role of SMPs as business advisors, the detailed nature of services provided, and the SMP transition to a business advisor role.

8.3.2.4 Client-related challenge

The multifaceted nature of client-related challenges is well recognised in the academic and professional literatures, such as managing client expectations (Jarvis and Rigby, 2012; ACCA, 2015; Blackburn, Carey and Tanewski, 2018; Street *et al*., 2019), shifting client demands (Lander *et al.*, 2013), navigating the complexities of client relationships (Jarvis and Rigby, 2012; Sarens *et al*., 2015; Blackburn, Carey and Tanewski, 2018; Street *et al*., 2019), client acquisition and retention (Street *et al*., 2019) and associated pressure to lower fees (Webber and Street, 2018).

This study aligns with existing literature, highlighting the expectation gap between services provided and clients' perceived value of these services. Case sites report unrealistic expectations regarding the urgency of client requests, and limited client awareness or appreciation of the work involved. As client perception of value underpins demand for advisory services (Ma Fisher and Nesbitt, 2021), firms must clearly articulate their value proposition. A central part of the SMP value proposition and their competitive advantage is their "customized and high-touch client service approach" (Daoust *et al.*, 2024, p.17), reflected in a culture, in some cases, of regular communication that extends beyond formal services and billing interactions. However, generational differences in communication styles, with younger staff favouring digital channels over traditional communication styles, pose a challenge to the client relationship dynamic and present specific HC and RC challenges in an environment of digital transformation in the sector. This finding speaks to Verplancke *et al.* (2024), who report a

significant positive association between phone communication and the financial performance of SMPs, and to other studies advocating the role of personalised and face-to-face communication in building trust-based SMP/client relationships (Bagchi-Sen and Kuechler, 2000; Alam and Nandan, 2010). The proximity, intensity and vulnerability of client relationships expose firms to reputational risk within wider networks. Nevertheless, case sites expect reciprocal respect and are willing to terminate relationships where trust is broken.

In response to persistent fee pressures (ACCA, 2015), some case sites adopt more aggressive client management strategies, including pricing or weeding out unprofitable/problematic clients. Overall, findings reveal that client relationship management is often complex and dynamic, requiring more strategic and assertive approaches to ensure fair value capture.

Case sites also contend with shifting dynamics of their client base that can negatively impact revenue and diminish the firm's value. For example, when clients are absorbed into larger entities and the SMP does not act for the new owners, it can result in loss of recurring fees (e.g., hotels, nursing homes, pharmacies). Additionally, over-reliance on ageing client segments raises attrition risks linked to client succession. This study's findings highlight the importance of maintaining a broad multi-generational client base to mitigate these risks and support adaptability to changing market conditions. This also enhances attractiveness for future mergers or acquisitions, should SMP internal succession be an issue. Ultimately, SMP sustainability is predicated upon managing the intricacies of client relationships and evolving demands, while maintaining a high level of service.

This highlights the notion that not all clients are good clients, and that by focusing on client fit (needs, values and expectations), SMPs can reduce the risk of conflicts and inefficiencies that otherwise can put pressure on an already resource-constrained firm.

8.3.2.5 Work-life balance and time constraint-related challenge

Stemming from insufficient resources, work-life balance and time constraints are widely recognised challenges for SMPs (Keune and Keune, 2015; Webber and Street, 2016; Daoust *et al*., 2024). Some case sites are juggling client service demands with internal firm management obligations, such as performance monitoring and strategic planning (Street *et al.,* 2019). While general challenges of managing the firm are known, this study provides novel insights into operational consequences of acute time constraints, including neglect of financial performance monitoring, weak job time management, and 'slippage' or service delivery failure. These findings highlight how time poverty impacts not only client service but also the firm's strategic management and financial control, contributing to workflow breakdowns and poor job-costing practices, despite professional bodies

encouraging costing and commercial discipline (ACCA, 2015). Similarly, while client dissatisfaction is implied in discussions of competitive threats (Keune and Keune, 2015; Street *et al.*, 2019), this study reveals instances of specific operational breakdown directly linked to unmanaged workloads: '*work that was promised for certain days that is not getting done'* (Partner-R-3P-1). Indeed, the SMP's ability to effectively engage with clients' expectations and grow client relationships due to capacity constraints (Blackburn, Carey and Tanewski, 2018) can directly impact the SMP's RC and fee income.

Work-life balance is recognised as a contributing factor to staff turnover and attrition (Street *et al*., 2019; Daoust *et al.,* 2024; CAI, 2025b), directly impacting the HC within the SMP. Case sites recognise that promoting a better work-life balance is a critical component when addressing recruitment and retention issues in the firm (Wines *et al.*, 2013; Street *et al.*, 2019; CAI, 2025b). Furthermore, time constraints directly affect professional development and skill enhancement within SMPs, with some case sites struggling to allocate time for CPD, frequently completing requirements reactively. Also, a limited capacity for in-house training of junior accountants (Alam and Nandan, 2010) was reported in some case sites, with new staff expected to be '*hitting the ground running'* (Staff A-SP-3) or have previous practice experience (SP-2). This directly impacts the SMP's ability to develop diverse skill sets internally, a key aspect of HC.

Work-life balance and time constraints are not merely operational issues for SMPs; they are fundamental challenges that permeate the BM. Indeed, the SMP must adapt and evolve to ongoing challenges, through the active management of the complex interplay between HC (attracting, developing and retaining skilled staff), SC (internal processes, technology infrastructure) and RC (client relationships and network relationships) that shapes their BM.

8.3.2.6 Actor(s)' reflexivity, agency and decision-making

Actors' reflexive assessments of the implications of key challenges for the BM shape their decision-making and underpin their exercise of agency, guiding responses and BM adaptation. Table 8.4 reproduces a summary of key actors' agency, approaches to decision-making and reporting structures across case sites.

Table 8.4: Key actors: agency, decision-making agency and reporting structures

	Total number of case sties	OPERATIONAL DECISIONS		STRATEGIC DECISIONS
		Client services-related	Firm managment-related	
REPORTING STRUCTURE	**Number of case sites**			
Flat	*11*	7		Partner-led/ Board-led
Hierarchical	*11*	4		
KEY ACTORS	**Number of case sites**			
Partner(s) / CEO	*11*	11	11	11
Board of non-executive directors	*11*	-	-	1
Independent non-executive chairman	*11*	-	-	1
Director(s), Senior leadership team, Professionally qualified successors	*11*	4	4	3
Manager(s) / Team leaders	*11*	7	-	-
Office manager	*11*	-	3	-
APPROACH TO DECISION-MAKING	**Number of case sites**			
Formal	*11*	2		6
Informal	*11*	3		5
Mix	*11*	6		-

Ultimate decision-making across case sites rests with partners, with some extending operational authority to delegated non-executive directors, the chairman and key leadership/management staff. Partners leverage their "formal authority[64], specialist expertise and social capital[65]" (Empson, Clever and Allen, 2013, p.808) to shape the firm's response to challenges through IW. IW highlights how embedded actors exercise reflexive and purposive agency, despite institutional constraints, to influence and adapt organisational practice, and may interact with existing institutions in "unintended and unexpected ways" (Lawrence and Suddaby, 2006, p.219). Their reflexive capacity (Lawrence and Suddaby, 2006) that allows them to question habitual institutionalised practices and envisage alternative courses of action, enabling a co-existence of habitual and reflexive forms of agency (Malsch and Gendron, 2013). This agentic aspect of IW suggests that actors continuously oscillate between these forms of agency (Modell, 2020) as they negotiate the tension between professional and commercial logic (Lawrence and Suddaby, 2006; Gawer and Phillips, 2013). Agency in IW is also connected with power dynamics, struggles and influence of powerful elite actors (Greenwood and Suddaby, 2006) within institutional fields (Canning and O'Dwyer, 2016). Decision-making power in SMPs rests with the partners, who play a pivotal role in shaping adaptive responses to key

[64] "Formal authority describes an actor's legitimately recognized right to engage directly in creating, maintaining, or disrupting institutions, and to mobilize other actors to build a coalition to that end" (Empson, Clever and Allen, 2013, p.813).

[65] "Social capital expresses an actor's informal network position…Fligstein (1997, 2001) and Hallett (2010) have pointed to individuals' social skills and ability to build social capital as key determinants of their effectiveness on mobilizing support for change" (Empson, Clever and Allen, 2013, p.813).

challenges, while navigating tension between professional and commercial logics. Their reflexive capacity enables purposive agentic action through the mobilisation of IC resources: partners' and staff expertise, knowledge and experience (HC); the firm's internal systems, processes and routines (SC); and its networks and relationships (RC), in response to challenges.

RC enables distributed agency by facilitating the coordination and collective IW across actors, whether coordinated and uncoordinated (Lawrence, Suddaby and Leca, 2011), or arising from mutual interest or organically (Perkmann and Spicer, 2008; Zietsma and Lawrence, 2010; Chiwamit, Modell and Yang, 2014). Given the under-explored context of the SMP, this study provides novel insights into such agency. This is evident in case sites' collaboration with external actors such as Mercia, OmniPro, and Sliverfin, where they co-develop compliance practices, policies and systems tailored to their context. These engagements extend beyond transactional relationships, constituting collective institutional maintenance at the field level. Examples include joint development of working papers and compliance frameworks (SP-4), as well as collaborations with CAI to shape standards (2P-1). Such cases illustrate distributed agency, where central and peripheral actors jointly contribute to firm-level innovation and the maintenance or evolution of institutional norms at the field-level.

In answering RO2, this study empirically identifies the key challenges affecting SMPs and examines actors' reflexive assessments of their implications for the BM. These reflexive understandings shape actors' agency and decision-making, underpinning SMPs' responses to challenges.

8.3.3 RO3 – Firms' response to key challenges: IW in the BM

The final RO, RO3, seeks to understand the SMP's response to key challenges as reflected in the BM, using concepts from IW. To understand this, a summary of the objectives of IW undertaken by case sites, set out in Table 8.5 below, is first discussed.

8.3.3.1 Focus of institutional work undertaken in response to challenges

Given the interconnectivity of the implications of the stated challenges in Table 8.3, the focus/objective of the work undertaken (IO) to address these challenges was analysed across six main areas. For example, work-life balance and time constraint-related challenges are addressed by focusing on client-related and driving-efficiency institutional arrangements (i.e. there is no specific IO to address the work-life balance and time constraint-related challenge). To understand how SMPs respond to challenges using IW, Table 8.5 summarises the focus/objective of this work, together with the associated institutional arrangements evident in this study. A comprehensive analysis of the

specific IW undertaken for each of the six IOs listed in Table 8.5 is provided in Appendix K Panel A to Panel F.

Table 8.5: Summary of objectives of institutional work and associated institutional arrangements

OBJECTIVE OF INSTITUTIONAL WORK					
STAFF-RELATED	**DRIVING EFFICIENCY-RELATED**	**LEGISLATIVE AND REGULATIVE-RELATED**	**CLIENT-RELATED**	**SERVICE-RELATED**	**BRAND-RELATED**
INSTITUTIONAL ARRANGEMENTS	**INSTITUTIONAL ARRANGEMENTS**	**INSTITUTIONAL ARRANGEMENTS**	**INSTITUTIONAL ARRANGEMENTS**	**INSTITUTIONAL ARRANGEMENTS**	**INSTITUTIONAL ARRANGEMENTS**
Employer value proposition	AI, digitization, software	AML	Client acquisition	Adjust billing	Dress code
Investing in new premises	Cost management	CPD	Client books and systems	Bookkeeping licences e.g. Surf Accounts	Initial firm identity
Managing partner	Electronification	ISQM	Client expectations	Develop specialisms and competency areas	Promote CAI brand
Managing remote working	Firm performance	Licences e.g., investment business (QFA)	Client fit - ideal client type	Service offering - expand, discontinue, rebalance, etc	Rebranding, brand refresh
New positions	Interdepartmental recharge	Positions of regulatory responsibility	Client relationship management	Transparent fee and cash collection policy	Sector and industry awards
Outsourcing	IT infrastructure	Quality control - internal and external	Direct debit payments		Social and traditional media, and website presence
Performance management	Outsourcing	Supplement expertise externally	Value proposition - client engagement		
Recruitment	Work practices and procedures	Taxation - legislation and dealing with Revenue			
Retention	Workflow optimization practices	Whistleblowing policy			
Spare capacity and flexibility					
Training & development					
Working arrangements					

Collectively, case sites' IW is concentrated across six IOs: staff, driving efficiency, legislative and regulative, client, service and brand. Staff-related IO has several interconnected institutional arrangements related to attracting, retaining, developing and effectively managing staff in an environment shaped by technology, competition, and changing employee expectations. Driving efficiency-related IO relates to standardising and formalising work practices and procedures, adopting technologies, improving information systems, and enhancing communication and training. Legislative and regulative-related IO is not separate from driving efficiency, but rather a substantial factor in shaping it. Firms leverage technology and standardisation to efficiently manage compliance (e.g., CPD, AML, ISQM). Client-related IO reflect the complexity of managing client fit, acquisition, expectation and relationships. Service-related IO centres on maintaining relevance, efficiency and profitability of services, through service positioning, specialisations, pricing and delivery innovation. Finally, Brand-related IO focuses on the SMP's legitimacy and visibility through distinct firm identities and enhanced online/social media presence. Overall, SMP responses vary in the prioritisation of IW objectives and associated institutional arrangements. The forms of work undertaken are now discussed.

8.3.3.2 Institutional work undertaken in response to challenges

Having discussed the high-level IOs and their constituent institutional arrangements, the discussion will now focus on the IW (Section 5.4.3) undertaken by SMPs to navigate the tensions and challenges inherent in their BM. While the literature acknowledges that IW can be "messy" (Aleksandrov, Bourmistrov and Grossi, 2018, p.1099), non-linear (Hayne and Free, 2014) and recursive (Jalali Aliabadi, Farooq, Sharma and Mihret, 2021), the following discussion synthesises these complex activities into a summary of the primary forms of IW undertaken, by case type (Table 8.6). A comprehensive analysis of the specific IW arrangements analysed by case type and by form of IW, is provided in Appendix K Panels A to F, and provides supporting detailed evidence for the summary shown below in Table 8.6.

Table 8.6: Summary of institutional work by case type

Emphasis of work	Form of Institutional Work	Total number of case sites in this study	Total number of case sites engaged in this work	Sole practitioner firms	2-Principal firms	3-Principal firms	4 and 5 Principal firms
CREATING INSTITUTIONS		**Number of case sites**					
Political work	Advocacy	11	2	-	-	1	1
	Defining	11	9	3	3	1	2
	Vesting	11	2	1	-	-	1
Reconfiguring existing norms and belief systems	Constructing identities	11	10	4	2	2	2
	Changing normative associations	11	7	3	2	1	1
	Constructing normative networks	11	10	3	3	2	2
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	11	10	4	2	2	2
	Theorizing	11	11	4	3	2	2
	Educating	11	11	4	3	2	2
MAINTAINING INSTITUTIONS							
Adherence to rules - Custodial work	Enabling	11	11	4	3	2	2
	Policing	11	11	4	3	2	2
	Deterring	11	-	-	-	-	-
Reproducing existing norms and belief systems	Valourizing and demonizing	11	8	3	2	1	2
	Mythologizing	11	2	-	1	1	-
	Embedding and routinizing	11	11	4	3	2	2
DISRUPTING INSTITUTIONS							
Disrupting Work	Disconnecting sanctions/rewards	11	-	-	-	-	-
	Disassociating moral foundations	11	2	1	1	-	-
	Undermining assumptions and beliefs	11	6	3	-	1	2

Table 8.6 implies that while case sites demonstrate active engagement across the IW spectrum, their efforts are particularly concentrated in creating and maintaining work, with noticeably less emphasis on disrupting work. Markedly, within each of these types of IW, there is a distinct clustering of engagement among specific forms of work, accompanied by a marked lack of engagement in others. This pattern suggests that IW undertaken by case sites is strategically or contextually focused, reflecting their priorities, resource constraints and prevailing IL.

Insights can be discerned from the absence or relative lack of engagement in some forms of IW. For example, there is limited engagement in ***advocacy work***, and ***vesting work***, forms of creating work which are often associated with radical fundamental shifts that break with existing norms (Lawrence and Suddaby, 2006) and require tangible (financial) and intangible resources, such as RC or political authority (Seo and Creed, 2002). This suggests SMPs may not be in a position to formalise or embed new institutional arrangements/practices into broader institutional structures due to their limited resources and limited political, regulatory, or professional influence that manifests in their dependency on national associations (Cooper and Robson, 2006; Ramirez, 2009). Indeed, this aspect, coupled with the absence of ***deterring work***, indicates that case sites are not actively resisting institutional change, making them more vulnerable to external pressures (Lawrence and Suddaby, 2006). The lack of SMP dominance or control in the sector may explain case sites' tendency to follow existing norms rather than shape them, and account for the institutional orientation of the work. This tendency allows case sites to prioritise maintaining legitimacy and operational stability over engaging in broader institutional strategies, which may also explain their limited engagement in ***mythologising work***. Their focus on the practical professional work of the SMP emphasises agility, client focus or specialised services, rather than the symbolic work of constructing/promoting historical narratives as a source of legitimacy like the historically-rooted identity of the Big 4 (Lander, Koene and Linssen, 2013). Indeed, SMPs "plough their own institutional furrow" (Dunne, Brennan and Kirwan, 2023, p.15) in a field characterised by a concentration of large multidisciplinary firms that have significantly more influence and power over the status quo (Malsch and Gendron, 2013).

This status quo remains largely undisturbed, as there is a relative absence/limited engagement in ***disrupting work*** focused on destabilising it. This work includes ***disconnecting sanctions/rewards work***, ***disassociating moral foundations work*** and ***undermining assumptions and beliefs work***. While acknowledged in the literature that powerful elites engage in this work (Greenwood and Suddaby, 2006), it is also undertaken by marginalised or emerging actors whose interests are not served by the status quo (Lawrence and Suddaby, 2006). For example, the location of the SMPs on the periphery of the institutional field limits their visibility and authority to initiate and sustain disruptive efforts. This study reveals a clear absence of ***disassociating sanctions/rewards work***, likely to be beyond the reach of the case sites. Of the eleven case sites, only two engaged in ***disassociating moral foundations work*** by actively repositioning their norms in relation to staff-related institutional arrangements. These two firms contrast with the majority of case sites, which are reticent to create a reputational risk by destabilising the core beliefs and taken-for-granted professionalism and ethical standards on which they rely for credibility and legitimacy. Interestingly, some case sites (six) engaged in ***undermining assumptions and beliefs work,*** believed to be a less confrontational and lower-risk strategy for promoting change, gradually and subtly (Lawrence and

Suddaby, 2006). This work is often undertaken by peripheral actors who lack the power to openly challenge institutions and who work through informal means and discourse to weaken assumptions and beliefs that stabilise existing institutional arrangements (Lawrence and Suddaby, 2006). Case sites are engaged in specific undermining assumptions and beliefs work, tailored for their own immediate context and resources, primarily around staffing, driving efficiency and service-related institutional arrangements at the firm level (Appendix K Panel A, B and E), rather than undermining/challenging a field-level core belief (Suddaby, Saxton and Gunz, 2015).

Creating work: The majority of case sites are engaged in *reconfiguring existing norms and belief* systems through IW focused on the normative structure of institutions, rather than establishing new regulative rules, as in defining or vesting work. A form of this work, ***constructing identities***, is important in establishing, defining and projecting the boundaries and competencies of the firm, its functions, and staff across various institutional arrangements, and is strongly associated with the development and transformation of professions (Lawrence and Suddaby, 2006). For example, the influence of Big 4 firms' use of social media (SC) to reshape their external professional identity and market boundaries, to emphasise industry-specific expertise and personal branding (RC) (Suddaby, Saxton and Gunz, 2015) is evident in the case sites. Case sites are building core services around specific skills and specialist knowledge (HC), actively shaping how they are perceived both internally and externally (RC). They are using technology (SC) to position themselves as adaptable, forward-thinking, and responsive to changes in the business environment, establishing a positive value proposition for their clients. Constructing identity work often propels case sites to engage in ***changing normative associations*** work, which is important where traditional moral foundations associated with professional logic (like independence and public interest) clash with emergent commercial pressures. In their study of Big 4 firms, Dunne, Brennan and Kirwan (2023) discuss how they are reconfiguring traditional professional moral foundations into "performative sign-vehicles" (p.14) directed towards commercial objectives, such as securing client approval or countering regulatory pressures. SMPs in this study are reconfiguring their belief systems to meet modern market demands, emphasising commercial viability and efficiency. This shift is evident in, e.g., standardising practices, strengthening risk and quality frameworks (SC), and updating staff norms to support scalability and quality control. Firms are enhancing regulatory rigour, elevating audit competence (HC) and shaping client perceptions (RC), while strategically repositioning to shed legacy stereotypes, to project a modern, digitally enabled image and legitimising remote service models. A clear move toward commercial logic is evident in linking business development to bonuses (RC and HC), institutionalising the belief that growth is a shared responsibility. The third form of IW associated with normative change is linked to the need for legitimacy, often achieved through enforced or voluntary adherence to regulatory/professional standards. Case sites achieve normative alignment by ***constructing normative networks*** that reinforce professional rigour and quality control,

through engaging external consultants (RC) for audit and compliance reviews and collaborating with software providers and consulting firms, to embed regulatory standards into internal systems (SC). While these networks introduce commercial dependence and additional cost, they are instrumental in establishing market position and securing endorsements (RC). Case sites leverage peer, industry and client validation (RC) to legitimise specialised services, develop competency networks (e.g., CAI, Enterprise Ireland, taxation specialists) and establish talent pipelines. They also integrate outsourced services with established providers of accountancy services (RC) into their daily operations (SC), creating normatively sanctioned and peer-based mechanisms for compliance, monitoring and evaluation.

The forms of work in reconfiguring norms and belief systems discussed above often precede or accompany ***mimicry work***, which, together with theorising and educating work, targets the cognitive dimension of institutions, by reshaping beliefs, assumptions and interpretive frames to provide coherent patterns for action (Lawrence and Suddaby, 2006). Lawrence and Suddaby (2006) note that such work is often associated with relatively small, peripheral actors, as the use of familiarity helps overcome resistance to new institutions and provides "actors with alternatives to the effort and risk associated with isolated innovation" (Lawrence and Suddaby, 2006, p.228). The particular concentration of this work among case sites confirms that smaller, peripheral SMP actors (Durocher, Gendron and Picard, 2016) are successfully engaging in this form of IW. Case sites employ ***mimicry*** work strategically to drive operational improvements (e.g., electronic working papers, standardisation of audit processes, process mapping - SC), which differentiates their firms' brand and reshapes client expectations (RC), ensures quality assurance and compliance (e.g., AML systems, PQA development), adjusts fee structures, and enhances competitiveness (benchmarking salaries, hybrid working) (SC). ***Theorising*** work often accompanies this work, as it translates these adopted practices into localised, firm-specific strategies, developing internal cognitive frames to understand risk, profitability, and ideal client fit, often challenging existing assumptions such as the firm's value proposition and service development, and its recruitment and resource management. Indeed, much of this work revolves around profit, business acumen and client welfare, elements widely recognised in the literature as being driven by a prevailing commercial logic (Dunne, Brennan and Kirwan, 2023). While theorising is typically associated with large central actors with a focus on macro-level activities (Lawrence and Suddaby, 2006), this study demonstrates that SMPs are engaged in internal, organisational-level (micro-level) theorising. This provides insight into how commercial logics are operationalised and understood cognitively within firms, addressing the gap in empirical research that mostly focused on large accounting firms (Daoust *et al.,* 2024). As theorising work is considered a cultural-cognitive creating activity, its absence around legislative and regulative issues in case sites is consistent with IW theoretical foundations. Creating work that deals with formal rules, rights and professional boundaries is understood through advocacy, defining and

vesting. It is interesting, however, that there is a relative lack of this work around such issues in this study, suggesting that SMPs view these as non-negotiable, prioritising compliance over reinterpretation. Unlike areas such as staffing and efficiency, where theorising can be strategically advantageous, regulation offers little scope for differentiation. Resource limitations and risk aversion may also discourage SMPs from such theorising, as challenging existing norms could undermine legitimacy.

Case sites also rely on ***educating work*** to support practices adopted through mimicry work and/or conclusions drawn from theorising work. It possesses a dual capacity, to not only support the creation/transformation of institutional arrangements, but also enables their maintenance/reproduction (Lawrence and Suddaby, 2006), making it a central tenet of the SMP BM. Although traditionally driven by legislative and regulative imperatives (professional logic), educating work is strategically leveraged by case sites to build competence among staff and clients (HC), ensuring the adoption of new institutions related to efficiency, client management and service delivery (commercial logic). Simultaneously, it embeds the normative foundations of these institutions into day-to-day routines and practices (SC), thereby ensuring their continuity (Lawrence and Suddaby, 2006). For example, in SP-4, educating work plays an important role in ensuring staff acquire the knowledge (HC) needed to adopt electronic working papers (SC) and subsequently embed this innovation into the firm's daily routines (SC). These efforts often operate in tandem with ***defining work*** to create the appropriate infrastructure to ensure the successful adoption of the new system. Defining work that is generally associated with setting rules that establish status, membership boundaries or hierarchies (SC) within a field (Lawrence and Suddaby, 2006) is evident across case sites, demonstrating its role in internal rule-setting and boundary construction. It is interesting to note that it is sometimes used in combination with other forms of IW (mimicry, theorising and educating) to stabilise innovation, by creating the necessary structures and rules to support it (Gibassier, 2017). Much of the defining work undertaken was driven by commercial logics with a particular focus on driving efficiency, client management/profitability and service delivery. Similar to theorising work, relatively little defining work is associated with legislative and regulative institutional arrangements. Instead, case sites favour cognitive approaches (mimicry and educating work), and, to a lesser extent, normative work (associations and networks) for institutional creation, while relying heavily on enabling and policing work, to maintain institutional stability.

Maintaining work: Case sites respond differently to resource asymmetries than elite firms, which use their scale to decouple from professional bodies (Greenwood and Suddaby, 2006). Rather, these smaller firms engage in ***enabling work*** to overcome their resource constraints and remain connected to the profession by strategically engaging external consultants (RC) for regulatory compliance (e.g., HR, quality control), thereby securing the necessary expertise without overburdening internal staff.

Enabling work is recognised in the literature as facilitating regulatory reform, reflecting field-level political will and enhancing organisational legitimacy (Canning and O'Dwyer, 2016; Jalali Aliabadi *et al.,* 2021). This study contributes to the literature by demonstrating that enabling work extends beyond professional compliance to actively embed commercial logic. By engaging external experts (RC) and formalising internal roles and structures (SC) in areas such as marketing and outsourcing, case sites essentially replicate management structures (SC) usually associated with larger firms. While enabling work constructs the framework for institutional maintenance, ***policing work*** serves to maintain the integrity of embedded routines, through monitoring, auditing and enforcement (Lawrence and Suddaby, 2006). Operating in a highly regulated environment, policing work is particularly rigorous regarding regulative and quality assurance to maintain the firm's legitimacy (reflecting professional logic). It is also frequently embedded in operational routines through internal monitoring and control (SC) to drive efficiency (workflow/WIP management), financial discipline (billing, KPIs) and client relationships (retention, communication), all reflecting commercial logic. This study suggests that policing work functions not only as a control mechanism (SC), but as a diagnostic tool that triggers further enabling work to construct the infrastructure (e.g., education, manuals, software, consultants) that makes compliance possible. For example, when policing work identifies deficiencies in AML control, it prompts the reallocation of resources to the issues, provides feedback, updates key processes/documentation/worksheets (SC) and educates staff/clients (HC). This enabling work helps embed and routinise the processes, ensuring the firm adheres to regulatory requirements while also enhancing operational efficiency. It contributes to our understanding of how SMPs prevent institutional drift by ensuring practices are aligned with both internal goals and external regulations, thereby ensuring the viability of the BM. Furthermore, it also answers Canning and O'Dwyer's (2016, p.1) calls for research into how "macro" institutions (regulation) are inhabited and maintained at the "micro" level, "focusing on how targets of regulation in accounting engage in IW as they respond to efforts to restrict their autonomy".

This study also provides insight into the micro-dynamics of how SMPs navigate the tension between professional and commercial logics, through ***valourizing and demonizing work***. For example, 4P-1's explicit display of discounts on invoices when time incurred exceeds time quoted (SC) thereby strategically valourizing/defending their value proposition, while simultaneously negatively framing/demonizing the client's expectations and perceptions (RC), that free work and scope creep are acceptable. This commercial valourization acts as a defence mechanism against the commoditisation of services, a threat noted in the context of digitisation in the sector (Rieg and Radeck, 2026). Also, this study reveals how SMPs attempt to shape career perceptions of the SMP career path (RC), by valourizing the broad SMP experience as being professionally superior for early-career development, by actively demonizing/describing Big 4 experience as being '*pigeonholed*' (Partner-J-5P-1). This identity valourization contributes to the literature on professional identity

construction (Guo, 2016), where much of that literature focuses on how Big 4 firms shape the field (Malsch and Gendron, 2013; Suddaby, Saxton, and Gunz, 2015). It highlights how peripheral actors construct a competitive identity based on holistic professional development rather than the "celebrity accountant" identity construction in Big 4 social media strategies (Suddaby, Saxton and Gunz, 2015, p.64). While valourizing and demonizing provides justification for institutions, ***embedding and routinizing work*** provides persistence for them, functioning as the operational engine that actively infuses the normative foundations of operational routines and practices of the firm (Lawrence and Suddaby, 2006). A primary method of embedding and routinising work is through codification and digitalisation. The translation of norms into codified/standardised processes and procedures (SC) (scheduled meetings, workflows, manuals, working papers, etc.) is often supported with a digital infrastructure (SC), to embed and routinise both regulatory/compliance and operational routines. The prevalence of a digital infrastructure in case sites' BMs aligns with Rieg and Radeck's (2026) findings on how digitalisation is changing the BM of small tax accountants. While their study focuses on the economic drivers for this change, this study sheds light on the use of digitalisation as a tool/object (SC) in how institutional arrangements function (key processes, communication and value generating). This echoes Hampel, Lawrence and Tracey's (2017) concept of "material work" that involves the use of objects, like technology, in shaping IW, an area identified as "under-examined" in the literature (Lawrence, Leca and Zilber, 2013, p.1028). Embedding and routinising work extends to professional socialisation and development of trainees, where identity is instilled through direct interaction and observation (Anderson-Gough, Grey and Robson, 2000, 2002). This is facilitated by a mandate to be physically present in the office (SC), despite the increasing virtualization of work during COVID-19 (Tighe, 2024), and a reliance on proximity-based socialisation and on-the-job training (HC), which promotes a client service ethos (RC), so differentiating the SMP from larger, more bureaucratic firms.

In conclusion, the IW undertaken in the SMP (in response to challenges) is not a series of isolated actions, but a fluid and recursive interplay of creating, maintaining and disrupting work. Through this work, SMPs actively manage the tension between commercial necessity (logic) and professional obligation (logic) to sustain their BM. To help elucidate the nature of this work, the researcher derived an approach to classify the relative emphasis or mix of each form of work, leading to a way of summarising the institutional orientation of the IW within the SMP BM. This is a typology with four distinct orientations, which is next discussed.

8.3.3.3 Typology of institutional orientation of IW

The typology of institutional orientation of IW (preservation, adaption, innovation and disruption - Table 8.7) developed by this researcher reflects the relative mix of IW undertaken in the SMP in

terms of a high, moderate or low engagement in creating, maintaining and disrupting work. Lawrence and Suddaby's (2006) creating work encompasses three broad categories of work: political work involving the "wholesale construction of new institutions" (p.228) associated with "revolutionary, rather than evolutionary change" (p.223); changing norms and beliefs work involving the creation of "new institutions that parallel or complement existing institutions" (p.228); and changing categories of meaning work associated with the "extension and elaboration of institutions" (p.229). High engagement in this form of work suggests that a firm is not passively adapting to external pressures, but rather is dynamic, forward-thinking and innovatively constructing new ways of working to differentiate itself and respond to institutional uncertainty. Maintaining work concerns "supporting, repairing and recreating" existing institutional arrangements (Lawrence and Suddaby, 2006, p.230). It is understood through two broad categories of work: custodial work that is concerned with the maintenance of rule systems, and work associated with the reproduction of norms and belief systems. High engagement in this form of work suggests a firm that is actively defending established institutional arrangements by investing effort and resources in preserving stability, legitimacy and continuity in the face of challenges. Disrupting work is primarily concerned with three broad categories of work that undermine, attack or erode established institutional arrangements by "redefining, recategorizing, reconfiguring, abstracting, problematising and, generally, manipulating the social and symbolic boundaries that constitute institutions" (Lawrence and Suddaby, 2006, p.238). High engagement in this form of work suggests that a firm seeks to destabilise and weaken established institutional arrangements (e.g., professional/sectoral norms) by focusing on power structures or legitimacy sources, as existing institutions constrain the firm as they pursue opportunities, innovation or market transformation. The institutional orientation of IW terms within this typology (preservation, adaption, innovation and disruption), were devised by this researcher and articulate the relative emphasis of this work, as illustrated in Table 8.7 below.

Table 8.7: Typology of institutional orientation of institutional work

Institutional work (Lawrence and Suddaby, 2006)			Institutional orientation	Focus of institutional work
Creating work	**Maintaining work**	**Disrupting work**		
Low	High	Low	Preservation	Emphasis on preservation and compliance, characterised by efforts to ensure "persistence and stability" (Lawrence and Suddaby, 2006, p.234). Actors focus on preserving existing professional norms and belief systems rather than engaging in substantial creating or disrupting work.
Moderate	Moderate	Low	Adaption	Focus on "extension and elaboration" rather than radical creating (Lawrence and Suddaby, 2006, p.229). Actors remain compliance-oriented, preserving core institutional norms and beliefs while engaging in modest, incremental forms of creating work. Institutional change is "evolutionary" (Lawrence and Suddaby, 2006, p. 223) rather than disruptive, reflecting pragmatic and incremental approach.
High	Moderate	Low	Innovation	Focus on "revolutionary" (p.223) institutional change, with a strong focus on radical creating work that drives transformation and innovation. While anchored by moderate maintaining work to preserve essential institutional foundations, actors engage minimally in disrupting work.
High	Low	High	Disruption	Breaks with professional and sector norms, through intense creating and disrupting work. Actors disassociate from established practices, undermine existing beliefs systems and drive "wholesale reconstruction of institutions or institutional structures and practices" (Lawrence and Suddaby, 2006, p. 223), with minimal emphasis on maintaining institutional foundations, as they pursue transformative, boundary-breaking change.

Firms presenting a *Preservation* institutional orientation act as institutional stabilisers, as they prioritise maintaining existing institutional arrangements, showing little appetite for redefining or challenging them. Any change undertaken is limited to minor refinements rather than substantial creating or disrupting work. Firms classified as having an *Adaption* orientation balance preservation and institutional continuity with incremental adjustments. They focus on "extension and elaboration" (Lawrence and Suddaby, 2006, p.229) by introducing new practices or refinements as they evolve. Firms remain compliance-oriented while selectively engaging in creating work, to keep pace with market, technological or regulatory developments. This reflects a pragmatic approach that does not destabilise established institutional arrangements. Firms displaying an *Innovation* orientation are more ambitious in their quest for institutional change. They favour more radical or "revolutionary" (Lawrence and Suddaby, 2006, p.223) creating work, as they seek to transform and innovate their BMs, without relying on disruptive strategies. While they engage in maintaining work to preserve foundational or strategic institutional arrangements, their central activity is to reshape institutions (models, practices, structures, etc.) that expand or redefine their institutional boundaries. Firms with a *Disruption* orientation are concerned with institutional transformation and with breaking professional and sectoral norms, by combining radical creating with strong disrupting work. They

intentionally depart from established norms and act as institutional challengers through both innovation and destabilisation. The relative mix of IW for each case site was assessed to establish their institutional orientation. The following section details how this assessment was conducted and the outcome of this analysis.

8.3.3.4 Institutional orientation of institutional work in the BM of case sites

To establish the institutional orientation of the mix of IW in each case site, a detailed analysis of the IW undertaken across all institutional arrangements was conducted. A frequency-based coding protocol was used to translate qualitative observations of IW into quantitative data. This mapped the occurrence of each form of IW (e.g., mimicry, policing) against the firm's institutional arrangements (e.g., digitisation, CPD). A binary coding mechanism was adopted, where the empirical presence of a specific form of work within a given institutional arrangement was recorded as a single occurrence (coded as '1' or, if none, coded as '0'). These discrete occurrences were then aggregated to determine the total volume of IW undertaken by the firm. This facilitated the calculation of the relative mix of each form of IW, expressed as a percentage of the total, thereby providing a quantifiable basis to determine the focus of IW across institutional arrangements. An example of this analysis is in Appendix M. This analysis, coupled with a review of the qualitative data, determined the institutional orientation of IW within case sites' BM, which is summarised in Table 8.8.

Table 8.8: Summary of institutional orientation of case sites

Business model archetype assessment (Greenwood and Suddaby, 2006)	**Prevailing institutional logic** (Thornton, Jones and Kury, 2005; Anderson-Gough *et al.*, 2022)	**Institutional orientation**	**Case site**
P²	Professional logic-orientation	Preservation	2P-3
		Adaption	3P-2
		Innovation	2P-1
	Balanced logic	Adaption	SP-1, SP-2, SP-3
Delegated Partnership	Professional logic-orientation	Adaption	2P-2
	Commercial logic-orientation	Adaption	3P-1
MPB	Commercial logic-orientation	Adaption	5P-1
	Commercial logic-dominant	Preservation	4P-1
Hybrid Professional Business	Commercial logic-dominant	Innovation	SP-4

The varying institutional orientation of IW within case sites' BM reveals the heterogeneous nature of the response of each SMP to challenges, driven by its prevailing IL. This is consistent with the view that the BM is not a static structure (Ocasio and Radoynovska, 2016) but is in a fluid state of

"institutional experimentation"[66] (Malsch and Gendron, 2013, p.973). The identified institutional orientation captures the firm's current configuration of IW deployed to address challenges while navigating the tension between professional requirements and commercial imperatives. The institutional orientation of the IW within each archetype will next be discussed to explore this dynamic more fully. Table 8.9 summarises the findings in relation to the P^2 archetypes with a professional logic-orientation, showing the breakdown of IW across all IOs, the institutional orientation of the IW, and a summary of the focus of IW undertaken in response to challenges. Similar tables are presented in this discussion for all archetypes.

[66] Malsch and Gendron (2013) "… conceive institutional wok as a fragile and unpredictable process of institutional experimentation… [that is] particularly helpful to make sense of the convoluted dynamics and difficulties involved in the creation, maintenance and disruption of institutional order" (p.873).

Table 8.9: Summary of institutional orientation of P^2 case sites with a prevailing professional logic-orientation

Case site	2P-1				2P-3				3P-2			
Prevailing institutional logic	Professional logic-orientation				Professional logic-orientation				Professional logic-orientation			
Archetype assessment	P^2				P^2				P^2			
Institutional objective	Number of institutional arrangements	Types of institutional work			Number of institutional arrangements	Types of institutional work			Number of institutional arrangements	Types of institutional work		
		Creating	Maintaining	Disrupting		Creating	Maintaining	Disrupting		Creating	Maintaining	Disrupting
Staff-related	5	18.0%	11%	2%	3	20%	20%	-	4	27%	7%	3%
Driving efficiency-related	2	9.0%	9%	-	-				5	13%	13%	-
Legislative & regulative-related	4	11.0%	11%	-	2	20%	13%	-	4	10%	10%	-
Client-related	3	11.0%	6%	-	3	-	27%	-	1	7%	3%	-
Services-related	1	6.0%	-	-	-	-	-	-	-	-	-	-
Brand-related	1	6.0%	-	-	-	-	-	-	2	7%	-	-
Total	**16**	**61%**	**37%**	**2%**	**8**	**40%**	**60%**	-	**16**	**64%**	**33%**	**3%**
Institutional orientation	**Innovation**				**Preservation**				**Adaption (*)**			

*** As 3P-2 engages in a high volume of creating work (63%), the specific nature and weighting of that work precludes it from being described as having an Innovation institutional orientation, as 20% relates to theorizing work, that has not resulted in any new institutional arrangements**

This group of P^2 archetype case sites and their BMs share a professional logic-orientation and present a complex picture of IW. Their institutional orientations range from Preservation to Adaption and Innovation. This demonstrates that holding a professional logic-orientation does not imply a uniform approach to responding to key challenges; rather, it manifests in a variety of responses to stabilise and sustain their BM in a changing environment. For instance, 2P-3's Preservation orientation is not a passive response to key challenges; rather, its IW reflects its professional logic-orientation prioritising the maintenance of established structures and relationships. Its leaning towards professional logic is reflected in its response to legislative and regulative pressures (33% of IW), centred on CPD and quality control routines to maintain professional legitimacy. Commercial imperatives are evident in its work aimed at sustaining client expectations and relationships (RC), preserving its role as a trusted partner, together with its work to secure predictable cash-flow from its outsourced finance function service to retail clients, stabilising its financial base and enabling continuity in service delivery. Creating work around defining roles and progression specifications (SC) is undertaken not to disrupt the firm's BM, but to replenish its HC and ensure continuity. This professional logic is complemented by maintaining work, through on-the-job training (HC), bolstered by a commercial logic via enabling work that establishes rules for flexible working and infrastructure to support staff retention.

Although 3P-2 engages in a high volume of creating work (63%), the specific nature and weighting of that work preclude it from being described as having an Innovation institutional orientation, as 20% relates to theorising work. This reflects a cautious approach, where the firm is intellectually engaging with change, rather than implementing radical transformation/innovation in the BM. For example, it continues to maintain manual procedures (SC), while theorising about future structures. Adaption is a more appropriate description, as 3P-2 remains committed to maintaining core institutional norms and adopting an incremental approach to BM development. The IW undertaken highlights a protective mobilisation of professional logic, accompanied by necessary elements of commercial logic. For example, in 3P-2, professional logic underpins staff-related creating work through investments in training and development (HC) and formalising links with universities (RC). While commercial values are associated with accommodating staff needs (RC), its performance-related review system (SC) was abandoned as it conflicted with the firm's management style, which favoured its professional culture. This strategy confirms that 3P-2 prioritises preserving core professional norms over BM innovation, consistent with its maintaining work in compliance (CPD, ISQM, quality control, etc). In terms of driving efficiencies, 3P-2 is at the early stages of investing in AI, digitalisation and software (SC). This contrasts with 2P-1, which has successfully transitioned its digital initiatives from creating work to maintaining work, embedding these practices as institutionalised routines. 2P-1 has leveraged SC (e.g., technology, work practices and procedures, compliance manager role) extensively by engaging in high creating work, transforming how services

are delivered, while strengthening professional compliance and driving efficiency. This Innovation institutional orientation is supported by moderate maintaining work to ensure functional stability. Professional logic primarily drives IW associated with identity, regulatory compliance and staff development, while commercial logic underpins operational functionality. For example, it shapes its recruitment strategy, dedicating resources to building relationships with educational institutions (RC) to secure a talent pipeline. Additionally, its approach to ideal client fit acts as a commercial filter to ensure alignment with its professional risk appetite.

The remaining P^2 archetype case sites are sole practitioner firms, which are characterised by a prevailing balanced IL. A summary of the institutional orientation and associated focus of IW is depicted in Table 8.10. While they share an Adaption orientation, they arrive at this configuration from different starting points; SP-1 and SP-3 adapt to survive and compete commercially, while SP-2 adapts to preserve professional integrity and its legacy value.

Table 8.10: Summary of institutional orientation of P² case sites with a prevailing balanced institutional logic

Case site	SP-1				SP-2				SP-3			
Prevailing institutional logic	Balanced logic				Balanced logic				Balanced logic			
Archetype assessment	P²				P²				P²			
Institutional objective	**Number of institutional arrangements**	**Types of institutional work**			**Number of institutional arrangements**	**Types of institutional work**			**Number of institutional arrangements**	**Types of institutional work**		
		Creating	**Maintaining**	**Disrupting**		**Creating**	**Maintaining**	**Disrupting**		**Creating**	**Maintaining**	**Disrupting**
Staff-related	3	16%	-	-	5	11.0%	10%	-	4	6%	7%	2%
Driving efficiency-related	5	26%	29%	3%	3	8.0%	17%	-	3	11%	11%	-
Legislative & regulative-related	-	-	-	-	5	8.0%	23%	-	4	9%	11%	
Client-related	-	-	-	-	4	13.0%	8%	-	3	4%	4%	-
Services-related	2	7%	10%	6%	-	-	-	-	4	13%	4%	2%
Brand-related	1	3%	-	-	1	2.0%	-	-	1	7%	9%	-
Total	**11**	**52%**	**39%**	**9%**	**18**	**42%**	**58%**	**0%**	**19**	**50%**	**46%**	**4%**
Institutional orientation	**Adaption**				**Adaption**				**Adaption**			

While there is variation in intensity between creating and maintaining work in these firms, the aggregate trend across them indicates BM modification through a strategy of sedimentation, where new practices are layered upon existing structures without fully displacing them (Cooper *et al.,* 1996; Empson, Clever and Allen, 2013). Much of this adaption is driven by commercial logic, with all three firms investing in SC to drive efficiency. For example, SP-1 engages in high levels of creating work through investments in AI, digitalisation and software, and revised/refined work practices and procedures, while also restructuring its service offerings. This includes disrupting work to discontinue specialist services that rely too heavily on partner expertise, in favour of scalable compliance services. SP-1 also leverages HC by using creating work to introduce a dedicated office manager to triage client queries and protect the fee-earning capacity of professional staff. Similarly, SP-3 is undergoing an intergenerational transition, where the successor sons are using creating work to modernise the firm via investments in SC (e.g., office refurbishments, AI, digitalisation and software, digital marketing), HC (developing niche specialism) and RC (expanded tax network and maintaining strong community ties). For these firms, adaption is a mechanism to ensure their commercial viability and operational efficiency. In contrast, while much of its work is commercially focused, professional logic is relatively more apparent in SP-2's Adaption orientation than SP-1 and SP-3. IW associated with driving efficiency through AI, digitisation and software and improved work practices and procedures (SC) has matured into maintaining work, indicating that these institutions have become stabilised within the firm. Its investment in new offices (SC), both to support HC by creating an appealing professional working environment to attract and retain staff, and to expand capacity for future growth, reflects the interplay of both professional and commercial logics. Professional logic is more apparent in SP-2's dominance of maintaining work associated with AML, CPD and quality control. While some adaption responds to perceptions of the firm needing to appear modern and forward-thinking, it does so to build a sustainable practice that remains faithful to professional ideals. Here, adaption serves to protect and enhance professional reputation rather than purely to drive commercial outcomes.

Adaption also characterises the institutional orientation of Delegated Partnership firms in this study: 2P-2 and 3P-1. While both share this orientation, their prevailing IL differs, with 2P-2 demonstrating a professional logic-orientation, and 3P-1 a commercial logic-orientation. A summary of the institutional orientation and associated focus of IW is depicted in Table 8.11.

Table 8.11: Summary of institutional orientation of delegated partnership case sites

Case site	**2P-2**				**3P-1**			
Prevailing institutional logic	Professional logic-orientation				Commercial logic-orientation			
Archetype assessment	Delegated Partnership				Delegated Partnership			
Institutional objective	**Number of institutional arrangements**	**Types of institutional work**			**Number of institutional arrangements**	**Types of institutional work**		
		Creating	**Maintaining**	**Disrupting**		**Creating**	**Maintaining**	**Disrupting**
Staff-related	6	19%	13%	-	7	18%	19%	-
Driving efficiency-related	5	21%	21%	-	7	8%	18%	-
Legislative & regulative-related	4	8%	8%	-	4	6%	10%	-
Client-related	1	2%	4%	-	3	5%	2%	-
Services-related	1	4%	-	-	1	4%	2%	-
Brand-related	-	-	-	-	4	4%	4%	-
Total	**17**	**54%**	**46%**	-	**26**	**45%**	**55%**	-
Institutional orientation	**Adaption**				**Adaption**			

2P-2's Adaption orientation is balanced but commercially led, despite its prevailing professional logic-orientation. It engages in IW to introduce efficient business practices (SC) and adopts a more open recruitment policy (HC), evolving its BM while maintaining compliance (e.g., AML, quality, CPD) for professional legitimacy. The catalyst for much of this work is the founding partner's retirement, prompting a shift in emphasis towards building a sustainable firm attractive for potential takeover. In contrast, 3P-1 operates in a more stable institutional environment, focusing its IW on a broader range of institutional arrangements with a strong commercial focus, adapting its BM to maximise market position and drive efficiency. These firms are at different stages of their adaption journey. Reflecting 2P-2's commercial goals to increase turnover while curtailing staff costs, it engages in creating work to develop its IT infrastructure (SC) and implement outsourced accounting services (SC/RC) to optimise workflow and drive firm performance. Similar efforts targeted at staff-related institutional arrangements include appointing a new portfolio manager (SC/HC), refining recruitment and retention strategies (HC) and developing specialisms and competency areas (HC). While some initiatives (e.g., IT-related and new portfolio manager) are still maturing, others have evolved into maintaining work to ensure institutional functionality and stability. In contrast, 3P-1 demonstrates a higher volume of maintaining work, indicating the maturity of its institutional arrangements. Its IW has progressed from creating to maintaining work, with comprehensive effort across all IOs. These include leveraging technology and standardising work practices (SC), codifying training and development (SC) to support on-the-job training (HC) and creating structures (SC) for flexible and remote working (HC). Also, 3P-1 invests in internship/placement opportunities for prospective staff. RC plays an important role in client and brand-related work, from client acquisition (e.g., their acquisition of a block of audit clients) through to commercialising the client interface through tech-enabled meetings. It could be argued that IW is guided by commercial logic with focus on market positioning, pricing-out certain clients, increasing audit fees and implementing a bonus scheme for client referrals.

This discussion demonstrates how case sites respond differently to key challenges, adopting institutional orientations shaped by varying combinations of professional and commercial logics. The summary of institutional orientation and associated IW (Table 8.12) shows that MPB (4P-1, 5P-1) and hybrid professional businesses (SP-4) are no different. Like the P^2 firms with a professional logic-orientation, their response manifests as Preservation (4P-1), Adaption (5P-1) and Innovation (SP-4) institutional orientations across their BMs.

Table 8.12: Summary of institutional orientation of MPB and hybrid professional business case sites

Case site	4P-1				5P-1				SP-4			
Prevailing institutional logic	Commercial logic-dominant				Commercial logic-orientation				Commercial logic-dominant			
Archetype assessment	MPB				MPB				Hybrid Professional Business			
Institutional objective	Number of institutional arrangements	Types of institutional work			Number of institutional arrangements	Types of institutional work			Number of institutional arrangements	Types of institutional work		
		Creating	Maintaining	Disrupting		Creating	Maintaining	Disrupting		Creating	Maintaining	Disrupting
Staff-related	4	13%	14%	-	7	19%	14%	-	4	22%	12%	-
Driving efficiency-related	4	5%	19%	2%	6	19%	15%	1%	7	23%	17%	1%
Legislative & regulative-related	3	5%	9%	-	3	5%	9%	-	-			-
Client-related	3	5%	16%	-	-	-	-	-	3	10%	3%	-
Services-related	-	-	-	-	3	9%	5%	-	1	3%	3%	-
Brand-related	2	5%	7%	-	2	2%	2%	-	2	6%	-	-
Total	**16**	**33%**	**65%**	**2%**	**21**	**54%**	**45%**	**1%**	**17**	**64%**	**35%**	**1%**
Institutional orientation	**Preservation**				**Adaption**				**Innovation**			

4P-1 is characterised by a Preservation orientation, ensuring persistence and stability within established institutional arrangements, that prioritises compliance and the reproduction of established norms, rather than radical change. There is a clear distinction between professional and commercial logics shaping this work. The former shapes legislative and regulative institutional arrangements, and the latter shapes much its efforts on maintaining market position, operational efficiency, financial stability, and workforce continuity. For example, 4P-1 tends to focus on creating and maintaining its employer value proposition (SC) and recruitment policy to identify its ideal-type candidate, who fits with the firm's culture (SC). Unlike other case sites that are focused on digital transformation, 4P-1 directs a significant amount of its efforts at maintaining the stability of its internal operations through workflow optimisation (SC), standardising financial management practices (SC/HC) and formalising intra-departmental meeting practices (SC/RC). 4P-1 leverages its unique market position in negotiating funding to build strong relational ties and maintains its RC through its client-value proposition (SC) and relationship management strategy. These latter features, coupled with its use of social media and website presence (SC), maintain its established brand identity (RC).

The commercial logic-dominant focus of 4P-1's Preservation orientation contrasts with the more balanced, commercially leaning Adaption orientation of 5P-1. Its focus is on "extension and elaboration" of established practices, while preserving core institutional norms and beliefs. This approach to responding to key challenges reflects a pragmatic approach to BM development, one that accommodates the tensions between professional and commercial logics. For instance, commercial logic underpins IW undertaken to drive growth by expanding its management accounting services and adjusting fee structures and policy around billing (SC). It also drives its brand-related work, which pivots around sector-awards (RC) and upgrading its digital presence (SC). Professional logic remains the primary driver shaping legislative and regulative-related work, specifically ensuring compliance (SC/HC), quality control (SC/HC) and licencing arrangements (SC/HC). In the areas of staff and operational efficiency, 5P-1's approach to standardise work practices and procedures (SC) is underpinned by both professional standards and commercial efficiency objectives. 5P-1 leverages technology (SC) to drive efficiency; by standardising these technologies into professional routines (SC), it is building the infrastructure that supports its institutional arrangements, ensuring the processes are repeatable and scalable. It prioritises investment in HC, in the form of mentoring, wellness programmes, exam support coaching and social committees. While these efforts are commercially focused on developing talent, efforts associated with the appointment of the new managing partner and the use of outsourcing arrangements are driven by the commercial need for operational continuity and growth. Through its Adaption orientation, 5P-1 is adjusting to key challenges by making incremental adjustments to its BM to ensure its long-term viability.

In contrast, SP-4 (fully remote firm) is characterised by an Innovation orientation. IW undertaken by this hybrid professional business is focused on radical/revolutionary creating work to drive BM transformation, while preserving essential foundations through moderate maintaining work. Its IW is heavily influenced by a dominant commercial logic, which prioritises business expansion and profitability, through several strategic initiatives focused on tech-enabled, value-added services rather than traditional compliance. Indeed, SP-4 is actively undergoing a radical rebrand and name change, signalling a definitive break from the past and a move towards a new market identity and expanded service offering. As part of this strategy, SP-4 is actively innovating its BM around technology and operational efficiency. For example, constructing a standardised operational model (SC) is achieved through the introduction of electronic working papers, adoption of lean principles, documenting and mapping key processes and developing IT audits to maintain their infrastructure. This investment enables the development of budgets, KPIs and routines (SC) to monitor firm performance. These, in turn, are distilled into performance management mechanisms (360-degree feedback, performance incentives) to motivate staff (HC) and ensure alignment with its strategic objectives. Operational flexibility is enabled by initiatives that include a trial 32-hour working week (SC/RC) and the development of a 'playbook' for remote working (SC). SP-4 expands its HC beyond traditional boundaries of the profession by leveraging outsourcing opportunities (RC), recruiting non-accounting background staff (HC), developing a management structure (SC) and key client relationship roles (RC) to support its operations. Managing client relationships (RC) through Client Success Ambassadors is an innovative approach to identifying their ideal client type. Service innovation is evident in their active testing of client sensitivity to fee increases (RC) and creation of new service bundles to maximise revenue. SP-4 is an example of a firm in the throes of boundary-breaking change, while also ensuring a moderate level of maintaining work to stabilise its BM.

The above discussion suggests that the response of SMPs to challenges, as reflected in their institutional orientation, differs, even among firms with the same institutional orientation. It further highlights that the IL underpinning this work may diverge in emphasis from the firm's prevailing IL, as illustrated in Table 8.13.

Table 8.13: Summary of prevailing institutional logic, institutional orientation and change in emphasis in institutional logic observed by archetype

Business model archetype assessment (Greenwood and Suddaby, 2006)	**Prevailing institutional logic** (Thornton, Jones and Kury, 2005; Anderson-Gough *et al.,* 2022)	**Institutional orientation**	**Case site**	**Change in emphasis in institutional logic underpinning institutional work**
P²	Professional logic-orientation	Preservation	2P-3	None
		Adaption	3P-2	Yes - commercial logic
		Innovation	2P-1	Yes - commercial logic
	Balanced logic	Adaption	SP-1, SP-2, SP-3	Yes - commercial logic
Delegated Partnership	Professional logic-orientation	Adaption	2P-2	Yes - commercial logic
	Commercial logic-orientation	Adaption	3P-1	Yes - commercial logic
MPB	Commercial logic-orientation	Adaption	5P-1	Yes - commercial logic
	Commercial logic-dominant	Preservation	4P-1	None
Hybrid Professional Business	Commercial logic-dominant	Innovation	SP-4	None

This table reveals that firms with an Adaption institutional orientation, together with 2P-1, which exhibits an Innovation orientation, demonstrate an additional shift towards commercial logic in their IW. This observation aligns with prior literature, which suggests that when confronted with competing demands, organisations may selectively apply ILs (Pache and Santos, 2010; Järvinen, 2016). Indeed, firms can simultaneously leverage multiple logics to sustain a state of logic equilibrium (Dunne, Brennan and Kirwan, 2023). As new and refined institutional arrangements become sedimented in the BM (Cooper *et al.,* 1996), this may result in a shift in archetypal assessment along the archetypal continuum. However, the purpose of this study is not to examine archetypal change or changing logics; rather, the sedimentation concept is used to illustrate how prevailing IL manifests in the current BM configuration of SMPs. To further illuminate how IW manifests in the BM in response to existing influences and constraints, Farooq and de Villiers' (2019) model for analysing IW was adapted to provide a more comprehensive exposition.

8.3.3.5 Model for analysing institutional work in the business model

Farooq and de Villiers (2019) developed a model for understanding the purposive actions taken by actors (IW) to shape institutional arrangements, comprising seven core elements that facilitate examination of how actors interact with institutions, see Figure 8.1 below.

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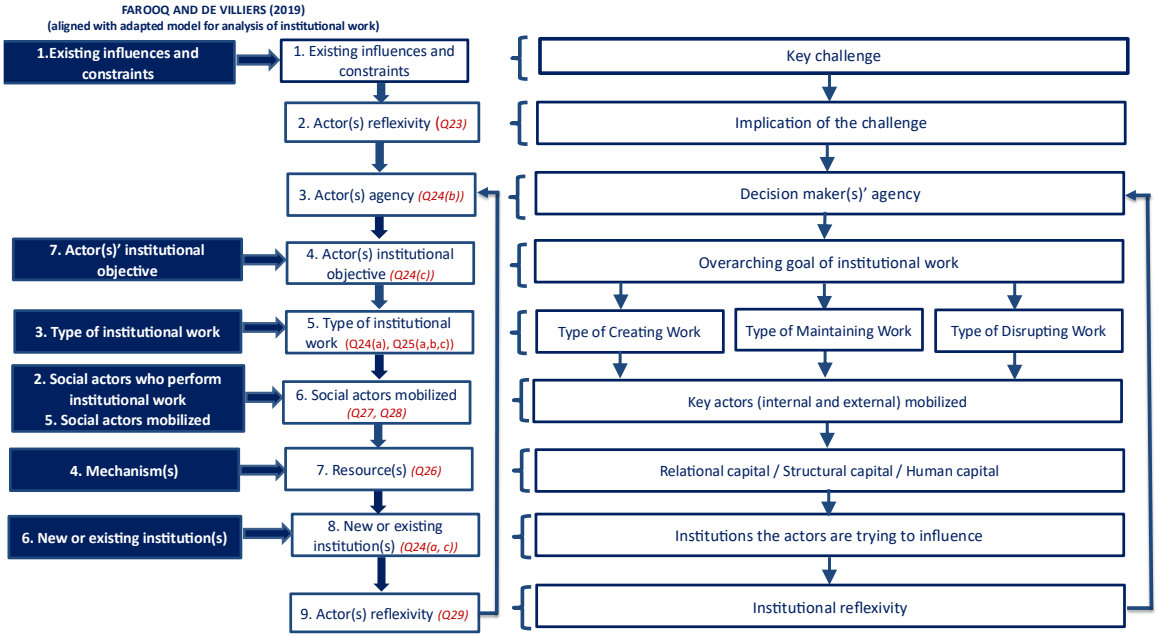
Figure 8.1: Model for analysis of institutional work



Source: Farooq and de Villiers (2019) (original version)

The model starts by identifying the established institutions and environmental pressures that condition and influence actors' behaviour. IW does not occur in a vacuum but is affected by the existing institutional landscape and pressures therein. Social actors (individuals or organisations) that use their skills and resources to undertake IW are identified, followed by the specific form of IW work undertaken and mechanisms (specific tools and techniques) used to execute the IW. The model progresses to identify key social actors mobilised/recruited to facilitate specific objectives (e.g., advocate internally, train staff, engage with external stakeholders), and the new or existing institutions, such as rules, technology and other routines within an SMP practice, that are the target of the IW. The final element of the model explores the overarching goal of the IW and acknowledges that the work undertaken may result in unintended or unexpected consequences. Although the elements in the model are presented in a sequence, Farooq and de Villiers (2019) point out that these elements may operate simultaneously. This model was adapted by the researcher to provide a nuanced, recursive model to address contemporary criticisms regarding the neglect of reflexivity and agency (Modell, 2020) in IW, as well as reclassifying resources in the original model as the deployment of IC resources, as illustrated in Figure 8.2.

Figure 8.2: Adapted Farooq and de Villiers' (2019) model for analysis of institutional work



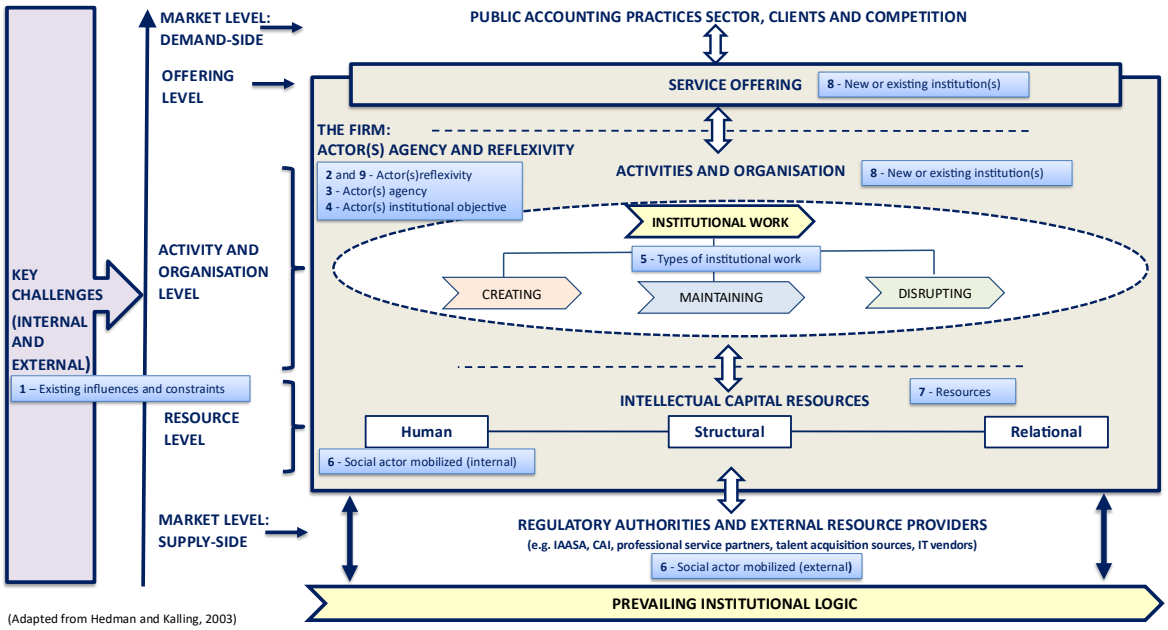
Source: adapted from Farooq and de Villiers (2019)

The adapted model presents the elements in a different sequence and introduces additional elements. A key enhancement is the explicit inclusion of actor reflexivity at both the beginning and end of the institutional cycle (steps 2 and 9). Unlike the original model, which moves directly from constraints to actors, the adapted model posits that actors must first engage in conscious deliberation to make sense of the implications of existing influences and constraints, which, in this study, are the implications of key challenges on the SMP BM. This addresses the "reflexivity trap"[67] (Aleksandrov, Bourmistrov and Grossi, 2018, p.1118), where actors' choices are conditioned by their past embeddedness, and emphasises that IW requires a deeper probing of underlying assumptions before action is taken. Reflexivity at the final stage of the model (step 9) ensures the model captures Malsch and Gendron's (2013) institutional experimentation, where actors evaluate the outcome of IW. Actors' agency (step 3) is introduced as a standalone component, separating the decision-maker(s)' capacity to act from the work itself. This addresses the "paradox of embedded agency" (Seo and Creed, 2002, p.223) by identifying the specific enabling conditions (social positions, formal authority and social skills) that enable actors to respond differently to institutional pressures (Empson, Clever and Allen, 2012). It also acknowledges that agency can be a distributed phenomenon (Lawrence, Suddaby and Leca, 2011), requiring the coordinated efforts of multiple internal and external actors. Actors' reflexivity (step 9) is connected to actors' agency (step 3) with recursive arrows to create a

[67] Aleksandrov, Bourmistrov and Grossi (2019) "define the "reflexivity trap" as the situation when actors are unaware of their reflexivity limitations and this makes it difficult or impossible to escape from the trap in terms of defining better alternative actions" (p.1118).

feedback loop. This moves the model towards a processual analysis, situating IW in the practical routines through which actors navigate contradictory institutional demands. An example of the operationalisation of this analytical model is presented in Appendix N, illustrating SP-1's response to driving efficiency challenges. Also, to further elucidate the analysis of IW, each element of the adapted Farooq and de Villiers' (2019) model was situated within Hedman and Kalling's (2003) BM conceptualisation, as modified for this study, see Figure 8.3 below. This represents a comprehensive conceptualisation of BM, IL and IW, together with internal and external forces of change.

Figure 8.3: Model for analysis of institutional work reflected in the business model



Source: adapted from Hedman and Kalling (2003)

This study successfully addresses RO3: to understand the SMP's response [to key challenges] as reflected in the BM using concepts from IW. It reveals that SMPs and their actors are active agents that selectively navigate the tension between professional and commercial logic by engaging in the recursive interplay of various types of IW. It proposes the SMP BM to be a dynamic structure, within which the relative intensity and configuration or mix of this work differ. This variation or mix in overall IW within each case site is understood using an institutional orientation typology, developed by the researcher, that categorises case sites into three distinct orientations: Preservation, Adaption and Innovation. None of the case sites demonstrated characteristics of a Disruption orientation. This typology illustrates that firms respond heterogeneously to similar challenges; they may deviate from the prevailing IL of the firm and selectively apply different logics when managing competing demands. To further understand IW in the BM, an adapted Farooq and de Villiers' (2019) model was presented to capture the operational engine of the BM's response. It highlights the critical role of

actor reflexivity and agency in interpreting challenges and the strategic deployment of varying IC resources to address challenges in their institutional environment.

Having presented a model to capture the SMPs' responses to key challenges in their BM using concepts from IW (RO3), the chapter will now conclude with a brief synthesis of its core insights.

8.4 Conclusion

This chapter synthesised the key findings for each of the ROs, which collectively answer the RQ. Section 8.3.1 discussed how SMPs navigate the institutional complexity and tension between professional and commercial logics and evaluated the extent to which these logics have sedimented or are embedded into the structures and practices of these firms. This evaluation was facilitated by the development of a BM archetype assessment range, which allowed the mapping of case sites to distinct archetypal forms. This elucidated the heterogeneity of the SMP BM in the study sample, revealing constant negotiation in the balance between professional ideals and commercial ambitions to maintain competitiveness. The chapter progressed (Section 8.3.2) to discuss the five interrelated challenges identified in this study and their implications for the SMP BM. To navigate these challenges, key actor(s) use their reflexive capacity and agency to engage in IW, which primarily focuses on creating and maintaining institutional arrangements, rather than disrupting them. Section 8.3.3 discussed the heterogeneous response of SMPs to similar challenges. This variation in response was understood through a typology developed by the researcher that articulates the institutional orientation of the IW work undertaken, namely, preservation, adaption, innovation and disruption. Finally, the chapter presented an adapted Farooq and de Villiers' (2019) model to conceptualise the operationalisation of the IW in the SMP's BM, tracing the stages of the SMP's response to challenges in the environment.

Chapter 9 Conclusions

9.1 Introduction

The previous two chapters present the core findings (Chapter 7) and an in-depth discussion of those findings (Chapter 8), advancing theoretical understanding of the SMP BM, prevailing IL, and the IW undertaken by firms in response to challenges. These insights were grounded in a thorough review of the academic and professional SMP literature (Chapter 3) and informed by a clear and theoretically robust BM conceptualisation (Chapter 4) within which both IL and IW theoretical frameworks are situated. Chapter 5 establishes the relevance and applicability of these theoretical lenses to the SMP context, and Chapter 6 details the rigorous methodological approach adopted. Collectively, these address this thesis's central RQ- *What are the challenges facing Small and Medium Accountancy Practices (SMPs) and how do these affect the business model?* This chapter begins with an overview of this study (Section 9.2), followed by its key contributions (Section 9.3), limitations (Section 9.4) and avenues for future research (Section 9.5), before concluding comments in Section 9.6.

9.2 Study overview

This interpretive study explored the multifaceted dynamics of the SMP, specifically focusing on a representative proportion of CAI member firms. This research aims to unpack the '*what, who, how and why'* behind the BM of these firms, by understanding the prevailing rationales shaping them, the key challenges they encounter, and the purposive actions undertaken by SMP actors to navigate these complexities. This qualitative study is designed as a case study approach, combining in-depth semi-structured interviews (just under 56 hours from 31 interviewees) with complementary data (PPQ and triangulation evidence) from 11 case sites, to provide a comprehensive understanding of the phenomenon. It integrates two theoretical lenses to provide a nuanced understanding of SMPs: IL (Thornton, Jones and Kury, 2005) and IW (Lawrence and Suddaby, 2006), framed within an adapted conceptualisation of the BM (Hedman and Kalling, 2003). IL "ideal type" analysis is adopted to assess the prevailing rationale underpinning the SMP BM, which grapples with a tension between professional and commercial logics. The BM conceptualisation describes the key components of the SMP business, including actors, and their roles and relationships, to help conceptualise how the firm creates, delivers and captures value. The BM is constantly evolving due to external pressures/challenges. Essentially, the RQ looks at how the SMP actor(s) with their embedded agency interpret these challenges and their implications for the BM, guided by the prevailing IL of the firm. IW then provides a lens to examine how the SMP actively engages in 'work' to adapt its BM in response to these challenges, be that through creating, maintaining or disrupting forms. This thesis has a number of contributions that are now discussed.

9.3 Contribution

This section will discuss the contributions of this study into SMPs, a sector that has been relatively neglected in the literature (Street *et al.,* 2019; Daoust *et al.,* 2024; Verplancke *et al.,* 2024), despite calls to revitalise the research agenda dating back to Cooper and Robson (2006). These contributions are understood across three distinct dimensions: theoretical, empirical, method and practice/policy.

9.3.1 Theoretical and empirical contributions

Theoretical and empirical contributions to knowledge are discussed together to demonstrate not just the theoretical robustness of the contribution, but how these contributions are applied/operationalised within the thesis. These respective contributions are summarised in Table 9.1.

Table 9.1: Summary of theoretical and empirical contributions to knowledge

Area	Contribution to knowledge	Theoretical contribution	Location in thesis	Empirical contribution	Location in thesis
Challenges	Adds to knowledge	None	N/A	Empirically identifies and unpacks the complex nature of challenges facing the SMP. It moves beyond literature, explaining how these inter-connected and inter-dependent challenges impact operational capacity and shape the strategic direction of the firm.	Chapter 7 Section 7.4
IL	Develops knowledge	None	N/A	Analysis of "ideal type" characteristics (Thornton, Jones and Kury, 2005) in the context of the SMP (no prior insights available from extant literature on how to operationalise IL "ideal type" analysis).	Chapter 7 Section 7.2 Table 7.4
	Adds to knowledge	Developed *ab initio* a continuum-based five-point scale for assessing prevailing IL.	Chapter 7 Section 7.2 Table 7.3	Operationalised this continuum-based five-point scale, to identify the prevailing logic of the SMP.	Chapter 7 Section 7.2 Figure 7.2
BM	Develops knowledge	Adaptation of Hedman and Kalling's (2003) BM conceptualisation for a PSF context, including the reconceptualisation of BM inputs from a RBV to an ICBV, and the introduction of key challenges (internal and external) as a distinct core component.	Chapter 4 Section 4.6 Figure 4.6	Operationalised the adapted Hedman and Kalling (2003) BM conceptualisation in the context of the SMP to educe a new understanding of the SMP's BM.	Chapter 7 Section 7.3
IL and BM	Develops knowledge	Further adaptation of Hedman and Kalling's (2003) 'longitudinal dimension' and 'scope of management' dimension to reflect the organisation's prevailing IL and explicitly situate actor(s) and their reflexivity within the BM (Figure 7.3).	Chapter 4 Section 4.6.1 Chapter 5 Section 5.5 Figure 5.7	Operationalised the adapted Hedman and Kalling (2003) BM conceptualisation in the context of the SMP.	Chapter 7 Section 7.3.6

IW and BM	Develops knowledge	Reconceptualised the 'activities and organisation' dimension of the BM through the lens of IW (18 forms of such work).	Chapter 5 Section 5.5 Figure 5.7 Figure 5.8	Empirically identified IW undertaken by case sites in response to challenges.	Chapter 7 Section 7.5
IW	Adds to knowledge	Developed typology to characterise the institutional orientation of IW undertaken in the BM (Preservation, Adaption, Innovation, Disruption).	Chapter 8 Section 8.3.3.3 Table 8.7	Operationalised this typology to articulate the institutional orientation of the IW within the case sites.	Chapter 8 Section 8.3.3.4 Table 8.8
Archetype	Develops knowledge	Adapted Greenwood and Suddaby's (2006) archetype 'values' characteristic to reflect IL, offering a broader and deeper conceptualisation of prevailing values, beliefs and norms.	Appendix L - Panel A	Operationalisation of the adapted Greenwood and Suddaby (2006) archetype model to reflect IL.	Chapter 8 Section 8.3.1 Appendix L - Panel A and Panel B
	Develops knowledge	Integration of Greenwood and Suddaby (2006) archetype characteristics within the adapted Hedman and Kalling (2003) BM conceptualisation.	Appendix L - Panel A and Panel B	Operationalised Greenwood and Suddaby (2006) archetype forms for each case site, by applying the researcher-developed archetypal scoring framework to the case sites.	Chapter 8 Section 8.3.1 Table 8.2
	Adds to knowledge	Developed BM archetype scoring framework that quantifies each firm's position along a continuum from P^2 to MDP.	Chapter 8 Section 8.3.1 Table 8.1		
IL, IWand BM Archetype	Develops knowledge	Integrated the institutional orientation of IW typology into a multidimensional view of the firm to create IW, IL and BM archetype.	Chapter 8 Section 8.3.3.4	Operationalised this multidimensional view of the firm (institutional orientation of IW, IL, and BM archetype form).	Chapter 8 Section 8.3.3.4 Tables 8.8 to 8.12
IW	Develops knowledge	Adapted Farooq and de Villiers' (2019) model to analyse IW to explicitly include actor(s)' agency and actor(s)' reflexivity at the beginning and end of the institutional cycle, together with a feedback loop that returns to actor(s)' agency.	Chapter 8 Section 8.3.3.5 Figure 8.2	Applied the adapted Farooq and de Villiers' (2019) model to case sites to demonstrate the flow of its elements, which can be used to answer the RQ (Figure 7.1). See illustrated examples for SP-1 in Appendix N.	Appendix N

	Develops knowledge	Integrated and situated the adapted Farooq and de Villiers' (2009) model for analysing IW within the adapted Hedman and Kalling (2003) BM conceptualisation.	Chapter 8 Section 8.3.3.5 Figure 8.3		

Table 9.1 presents the study's contributions sequentially across each area examined in the thesis, reflecting the chronological development of the foundations through which the RQ was answered. This table also details whether these contributions add to existing knowledge (creating new frameworks, typologies or empirical insights), develop it (adapting, refining, integrating or extending existing models) or support it (applying or operationalising established theories).

This study makes several distinct contributions to the SMP literature. It provides an empirical examination of the complex, interconnected challenges facing SMPs, demonstrating how these interdependent pressures constrain operational capacity and influence the strategic direction of the firm. It provides more granular insights into SC deficiencies and why operational inefficiencies persist; contributes insights into the change in the nature of the relationship between SMPs and regulators (RC); and offers novel contributions regarding generational friction in communication styles. Additionally, it captures the persistent nature of the staffing challenge, suggesting a fundamental shift in the career aspirations of new entrants, beyond a simple skills gap to a misalignment of expectations.

Adopting an explicit theoretical lens, specifically institutional theory in the context of the SMP, addresses Ali and Mustafa's (2023) call for more theoretically informed studies of the sector. Among these contributions is the operationalisation of Thornton, Jones and Kury's (2005) "ideal type" analysis to identify the prevailing IL underpinning the SMP BM. A novel contribution to knowledge is the development of a five-point scale based on the "ideal type" analysis that accounts for the interplay between professional and commercial logics. This scale provides a framework for quantifying and locating an SMP's position on the IL continuum, ranging from professional logic-dominant to commercial logic-dominant. Furthermore, this study develops knowledge through the adaptation of Hedman and Kalling's (2003) BM conceptualisation, in particular their "longitudinal dimension" which captures BM dynamics over time as the firm's IL, and the "cultural and normative constraints" that impinge on key actors, are interpreted as impacting challenges. In addition, reconceptualisation of the "scope of management" dimension to explicitly incorporate the actor(s) and their reflexivity, shapes the BM, allowing it to move along the range of archetypes. This movement occurs through the purposive work of reflexive SMP key actors, as they navigate professional and commercial imperatives. This study further develops the BM conceptualisation in the context of knowledge intensive/IC-driven PSFs, by extending a traditional RBV of BM inputs to an ICBV, reflecting how these firms create value. It also introduces challenges as a distinct core component of the BM, adding an explicit problem-centred and dynamic dimension to its conceptualisation. Further, Hedman and Kalling's (2003) "activities and organization" component of the BM is reconceptualised as IW, reframing the BM as a site within which purposive action takes place by key actors creating, maintaining and disrupting institutions. This explicitly links the

components of the BM to actor(s)' agency, and how the various types of IW can reflect how the firm navigates the tension between professional and commercial logics. The above theoretical contributions are operationalised in the context of the SMP, empirically identifying the prevailing logics, position on the IL continuum, BM components and IW undertaken in response to key challenges, revealing the case SMPs' responses as complex, non-linear, and recursive in nature. This insight into IW provided the inspiration for the researcher to develop *ab initio* an Institutional Orientation typology (preservation, adaption, innovation and disruption), as a new classification to reflect the relative mix of IW undertaken in the firm. This novel addition to knowledge allowed for the empirical identification of the institutional orientation of IW undertaken in the 11 case sites.

Given that IL underpin the SMP BM, influencing its structures and processes (Greenwood *et al.,* 2010) and shaping its organisational form/archetype (Malsch and Gendron, 2013), IL and organisational archetype should emerge as coherent and consistent configurations. To develop this idea further, the researcher adapted Greenwood and Suddaby's (2006) 17 archetypal characteristics to specifically reflect IL. This contribution to developing knowledge offers a conceptualisation of prevailing values, beliefs and norms within the firm which is broader and deeper than the original framework. Through the further integration of Greenwood and Suddaby's (2006) archetype characteristics into the adapted Hedman and Kalling (2003) BM conceptualisation, this embeds archetypal analysis directly within the structural components of the BM, allowing for a multidimensional view of the firm. To assess the extent to which commercial logic has *sedimented* within case sites' BM (structures and practices) (Cooper *et al.,* 1996), an archetype assessment framework was developed to position the SMP on a continuum ranging from traditional P^2 archetype to MDP archetype. This theoretical contribution to knowledge adds a new tool for assessing the degree to which logics have sedimented in the BM. This archetype scoring framework was operationalised in this study to position case sites on the archetype continuum.
Through the integration of BM archetype, prevailing IL and institutional orientation of IW into the BM, this thesis develops knowledge, by creating a multidimensional framework to analyse case site behaviour. This study provides a distinct empirical contribution by operationalising this multidimensional view to explain the heterogeneity of the case SMPs' response to challenges. It provides a more nuanced understanding of firm dynamics, positing that a firm's response to challenges is not determined by its structure (archetype) or prevailing IL in isolation. Rather, this study suggests that SMPs respond differently to challenges, even firms within a shared institutional orientation, and that the IL informing these responses may not always align with the firm's prevailing IL.

Finally, the adaption of Farooq and de Villiers' (2019) model, with the specific introduction of actor(s) and actor(s)' reflexivity, together with a recursive feedback loop, develops understanding of

IW. It addresses issues in the literature around actor embeddedness and their unique response to challenges (Empson, Cleve and Allen, 2012), the "reflexivity trap" (Aleksandrov, Bourmistrov and Grossi, 2018, p.1118) and develops knowledge by framing IW as a continuous loop, where outcomes (intended or unintended) trigger new cycles of agency and work. Its integration into Hedman and Kalling's (2003) adapted BM conceptualisation contributes to the development of knowledge by transforming its static components into a dynamic process. The empirical operationalisation of the adapted Farooq and de Villiers' (2019) model, as illustrated in Appendix N, provides a synthesis of the main threads of this thesis, essentially answering the RQ. The contributions of this thesis to method will now be discussed.

9.3.2 Method contributions

This study makes several contributions to method, arising from its qualitative, multi-case site design, summarised in Table 9.2 below.

Table 9.2: Summary of method contributions to knowledge

Area	Method contribution	Location in thesis
CAI member firm database construction	Development of database of CAI firms using information extracted from the publicly available register of CAI member firms.	Chapter 6 Section 6.6.1
PPQ and Interview guide	Development of *ab-initio* Practice Profile Questionnaire and Interview Guide, evidencing due diligence in question formulation across a series of iterative development stages.	Chapter 6 Section 6.5.4
On-line interview protocol	Development of a Zoom-based online interview protocol (including system settings) to ensure interview integrity - created during the Covid pandemic and later shared with DCU post-graduate research office on request.	Chapter 6 Section 6.5.4.5
Triangulation	Establish a systematic audit trail capturing contemporaneous triangulation evidence concurrently with empirical work (e.g. LinkedIn staff profiles, websites snapshots, cataloguing records of intellectual capitals across firms (e.g., RC - via webinars, collaborations, newsletters, etc, and associated HC expertise) to preserve fidelity during empirical work (noting subsequent website changes at case site 4P-1).	Chapter 6 Section 6.5.4 Appendix 6.3

To generate a dataset capable of supporting sampling decisions, case site selection and contextual analysis, a database of CAI member firms was developed. This involved systematically extracting, cleaning and structuring firm-level data sourced from CAI's publicly available database of member firms. This represents a contribution, as no consolidated database of CAI firms previously existed for research purposes. The dataset offers a valuable resource for subsequent studies examining practice characteristics, sectoral dynamics and professional services behaviour of the Irish SMP sector. The quality of findings in this study relies on robust empirical instruments (interview guide

and PPQ). As no pre-existing instruments to capture the unique features of the SMP BM, probe the "ideal type" IL characteristics framework, or examine IW undertaken were available, both instruments were developed from first principles. The rigorous due diligence in the formulation of the research instruments through a structured, iterative development process provides a replicable model for developing bespoke qualitative instruments. In addition, Zoom-based interview protocols were developed, specifically for KI interviews conducted during the COVID-19 pandemic. This included procedural and technical specifications, including guidance on configuring Zoom settings to safeguard confidentiality and ensure the integrity of the interview process. Host and participant checklist and interview protocols were developed to provide a structured guide, balancing ethical requirements with the practicalities of participating in remote interviews. This protocol was subsequently requested to be shared with Dublin City University Postgraduate Research Office, who similarly developed online protocols to support students at this time. Finally, a systematic audit trail to capture triangulation evidence from multiple publicly available and cases site sources was maintained, to enable verification of data and ensure empirical insights and interpretations remain grounded in the firm's reality at the time of data collection. By cataloguing these materials in real time, the researcher was able to construct a detailed and traceable body of contextual evidence supporting the analysis. This contribution serves to safeguard the dependability and confirmability of this study.

This study also makes a number of contributions to both practice and policy, that will be discussed next.

9.3.3 Practice and policy contributions

This study makes a number of contributions to practice and policy by offering a theoretically informed and empirically grounded understanding of the SMP BM.

The adapted Hedman and Kalling (2003) BM conceptualisation provides a comprehensive framework for understanding the core components of the BM, enabling deeper theoretical understanding of their interdependencies and push-pull factors shaping the SMP. By distilling the BM into manageable components, it provides SMPs with both a structured lens to analyse how firms create, deliver and capture value, and helps them to identify vulnerabilities in the BM, such as reliance on automated transactional compliance tasks or outdated legacy systems, thereby supporting more informed decision-making. Despite the heterogeneous nature of SMPs, this study provides practitioners with a common language to collaborate and develop as a community, as they navigate contemporary challenges, such as recruitment and retention, and learn from the various responses across the SMP sector, e.g., leveraging external networks, outsourcing and strategic alliances. By

understanding how IL underpins the underlying rationale of BM and guides decision-making, practitioners can critically reflect on their assumptions, norms and beliefs, and recognise how the tension between professional and commercial ideals shapes the operational reality of running their firm.

While the IW perspective enhances theoretical understanding of the case SMPs' responses to challenges, it also offers SMPs practical insights into strategies adopted by peer firms, supporting a move away from reactive compliance responses towards more deliberate and proactive strategic actions, such as diversifying into higher-value business advisory services. The integration of BM archetypes with the Institutional Orientation of IW Typology enables each SMP to diagnose their current orientation and selectively deploy specific forms of IW aligning with its strategic direction, e.g., pursuing digital transformation or implementing transparent career development pathways to secure a sustainable talent pipeline.

From a policy perspective, this study provides an academically-informed foundation for deeper dialogue between the academic community, SMPs, professional bodies and policy makers. Understanding the real-world consequences of how contemporary challenges, such as the intensification of compliance requirements, acute skills shortages, and the pace of technological change, place on the SMP BM, is critical for designing effective policy interventions. This study challenges the prevailing tendency to treat the accounting profession as a homogeneous group and to base policy assumptions on larger firm dynamics (Street *et al.,* 2019). It provides an evidence-based foundation for global policy frameworks that representative bodies can distil into actionable resources (guidance tools, practice management resources, etc.) to strengthen the SMP BM and ensure its future viability, given its key role in advising SMEs and by extension, local economies. The findings in this study contribute to policy debates by illustrating the complex dynamics of the SMP BM and by highlighting that policy interventions that ignore these dynamics risk reinforcing the very fragility they seek to address.

Despite its important contributions (discussed above), these should be understood in the context of the limitations of this study, which are discussed below.

9.4 Limitations of the study

This study is not free from limitations, a challenge common to all researchers. First, it is important to contextualise the limitations of the multiple case study methodology chosen for this study. As a small sample design, findings from case study research cannot be generalised to a wider population of SMPs or PSFs (Yin, 2009). The intention was to learn from the richness and complexity of real

organisational settings, and while the number of case sites (11) may be regarded as a limitation, the number was considered sufficient as a point of "theoretical saturation" (Saunders, Lewis and Thornhill, 2012, p.186). While this study was deliberately situated in CAI-registered firms, as CAI is the largest professional body on the island of Ireland in terms of membership, authorised public practices and statutory audit firms (IAASA, 2025b), and focused on firms with up to 5 principals, the findings remain specific to this professional regime. Given the paucity of research in this area, future studies could apply this study's framework, RQ and ROs to a wider empirical base, including larger firms and those registered with alternative professional bodies. Second, case study research is susceptible to researcher bias during data collection and analysis (Yin, 2009). To mitigate this risk, a rigorous research methodology was adopted to strengthen the validity of the research process. As discussed in Chapter 6, evidence was triangulated across multiple data sources, and a range of validity measures were embedded before the research was executed and during the work, to minimise potential bias. Third, this study's Irish focus provides a single context that constrains the extent to which findings can be generalised across jurisdictions. Given the regional variation identified in prior literature (Ali and Mustafa, 2023), extending future studies across multiple geographic locations could offer valuable comparative insights. Finally, the boundaries of investigation imposed by this research are, by their nature, artificial. As data was captured over a relatively short time period, the findings are therefore time-specific. This is particularly pertinent, as the SMP BM, understood as an activity system, is continuously evolving in response to environmental factors.

9.5 Areas for further research

Although there are some limitations to this research, the novel and exploratory nature of the RQ provides significant avenues for further research.

Future research could be situated in a wider empirical base, in terms of firms' size, jurisdiction and professional body-registration, providing scope for a variety of comparative research and facilitating generalisability of the results to a broader SMP population.

Given ongoing consolidation in the SMP sector, future research could adopt a longitudinal and comparative study design to examine independent SMPs, acquired or merged practices, and firms in transition. Such work would enable the analysis of how consolidation reshapes the SMP BM and its underlying IL over time. In particular, research could explore the types of IW undertaken during periods of transition, how actor agency is enabled or constrained, and the extent to which alternative logics become embedded in BM structures, routines and governance processes. Also, attention could be given to how new ownership models influence partners' logics and professional judgement, including implications for auditor independence and the changing balance between commercial and

professional logics in statutory audit contexts. A client perspective would complement the firm-level analysis and address this dimension of SMP consolidation. Also, an investigation into why some SMPs choose to consolidate while others remain independent, extending our understanding of strategic agency. A slightly alternative direction would be to examine how these new consolidation actors (e.g., private equity) are shaping a new 'consolidation logic' among firms, particularly as the staffing challenge has impacted the development of in-house successors, and firms are choosing this option to realise the value of the firm.

Given the detailed conceptualisation of the SMP BM, its components, interdependencies and institutional underpinnings, there is a strong foundation for key avenues for future research. For example, exploring digital transformation in the SMP, how technology is strategically used and how it reshapes relationships between BM components, whether it acts as an incremental enabler or requires a full BM reconfiguration, and how digital capabilities interact with professional competence, service delivery and client service. A study examining how contemporary talent management strategies impact BM sustainability, or whether talent constraints fundamentally limit certain BM configurations.

Indeed, it would be interesting to get insights into the IC configuration and mix within the SMP BM, and through comparative studies, assess which configurations support long-term viability of the firm. The extent to which investment in SC enables scalability could be explored, or whether firms with strong RC are more resilient to regulatory or technological shocks. Future research could examine how SMPs build, retain and absorb IC when firms merge or are acquired. Studies could extend beyond the boundaries of the firm, exploring how SMPs and SMEs co-produce IC and how agency is distributed across SMPs and their client relationships. Also, linking investment in IC to IL would deepen understanding of how logics mediate IC strategy.

9.6 Concluding comments

The apparent simplicity of the RQ in this thesis belies the complexity involved in answering it. This complexity arises at multiple levels. SMPs' BMs vary considerably in terms of size, client and service mix and IC resources. The relative balance between professional and commercial logics underpinning their BM differs across firms, as does their response to interrelated challenges, which have different implications for their BM across firms. Despite this complexity, this study endeavoured to develop an explanation and deepen understanding of the SMP, primarily motivated by the lack of academic literature in the area, and the significant disruption in the sector from

identified challenges such as staffing shortages and rapid technological advances that some commentators couch as existential.

This explanation and understanding have been achieved through a discussion of the rich empirical findings, borne out of a rigorous and robust process of data analysis. The application of institutional theory, specifically IL and IW, to these findings allows for the development of a deeper understanding of the SMP and its BM.

This thesis contributed to knowledge by developing a multidimensional framework that integrates a number of elements (BM archetype, prevailing IL and institutional orientation of IW in the BM) to explain the heterogeneity of the SMP response to contemporary challenges, which also allows for a more nuanced understanding. This framework, its constituent elements (prevailing logic continuum, adapted BM conceptualisation, institutional orientation of IW) and the adapted model for analysing IW in the BM can be applied independently to delve deeper into a firm's BM and strategic responses.

Ultimately, the empirical insights and theoretical contributions from this thesis offer a comprehensive and integrative lens through which heterogeneity and evolution of SMPs, and indeed, PSFs, can be meaningfully understood and analysed.

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Appendices

Appendix A: Mapping intellectual capital categories and elements

Appendix A Panel A: Mapping of intellectual capital categories

Svieby (1997)	Guthrie and Petty (2000)	Guthrie, Petty, Yongvanich and Ricceri (2004)	Striukova, Unerman and Guthrie (2008)	Duff (2018)	
Internal structure	**Internal (structural) capital**	**Internal capital**	**Internal (structural) capital**	**Internal (structural) capital**	
	Elements	**Elements**	**Elements**	**Elements**	**Description**
"..may include **patents, concepts, models and computer and administrative systems**. These are created by the employees and are thus generally "owned" by the organization and adhere to it. Sometimes they can be acquired elsewhere. Decisions to develop or invest in such assets can be made with some degree of confidence because the work is done in-house or bought from outside. AIso, the **"culture" or the "spirit"** belongs to the internal structure. The internal structure and the people together constitute what we generally call the "organization." People create the "organization" by interacting with each other and they "enact" (Weick, 1979) the environment." (Svieby, 1997, p. 76)	***Intellectual property***	Intellectual property	Intellectual property	1.1 Intellectual property	Patents, copyrights and trademarks
	Patents				
	Copyrights				
	Trademarks				
	Infrastructure assets				
	Management philisophy	Management philisophy	Management philisophy	1.2 Management philisophy	Vision, mission, values and attitudes of organisation
	Corporate culture	Corporate culture	Corporate culture	1.3 Corporate culture	Social and psychological environment of an organisation
	Management processes	Management processes	Management processes	1.4 Management processes	Organisational processes
	Information systems	Information/Networking systems	Information systems	1.5 Information systems	Development application and impacts of information systems
	Networking systems		Networking (communication systems)	1.6 Communication systems	Development application and impacts of communication systems
	Financial relations	Financial relations	Financial relations	1.7 Financial relations	Relationship between the organisation and sources of capital
External structure	**External (customer/relational) capital**	**External (capital)**	**External (relational) capital**	**External (relational) capital**	
"... may include relationships with **customers and suppliers, brand names, trademarks and reputation or "image**." Some ofthese can be considered legal property, but the bond is not as strong as in the case of internal assets because investrnents in them cannot be made with the same degree of confidence. The value of such assets is primarily influenced by how well the company solves the problems of its customers and there is always an element of uncertainty here. **Reputations and relationships** can be good or bad and can change over time" (Svieby, 1997, p. 76)	**Elements**	**Elements**	**Elements**	**Elements**	**Description**
	Brands	Brands	Brands	2.1 Brands	The value of the organisations brand
	Customers	Customers	Customers	2.2 Clients	Relationship with clients
	Customer loyalty	Customer satisfaction	Customer satisfaction and loyalty	2.3 Client satisfaction and loyalty	How satisified and enduring are client relationships
	Company names	Company names	Company reputation	2.4 Firm reputation	How the organisation ranks in relation to other competitors
	Distribution channels	Distribution channels	Distribution channels	2.5 Distribution channels	Making services available to clients
	Business collaborations	Business collaborations	Business collaborations	2.6 Business collaborations	Collaborations with other organisations
	Licencing agreements	Licencing agreements	Favourable contracts/licenting agreement	2.7 Favourable contracts/licensin	Contracts and licences gained or acquired by the organistion
	Favourable contracts				
	Franchise agreements				
			Research and development	2.8 Research and development	Research and development undertaken by the organisation
Employee competence	**Employee competence (human capital)**	**Employee competence (human capital)**	**Human (employee) capital**	**Human (employee/partner) capital**	
"This includes the **capacity of employees to act** in a wide variety of situations. People create two kinds of intangible structures, internal and external" (Svieby, 1997, p. 76).	**Elements**	**Elements**	**Elements**	**Elements**	**Description**
		Employee	Employee	3.1 Employee/Partner	n relating to employees and partners
	Education	Education	Education and vocational qualifications	3.2 Education and vocational qua	Education and vocational qualifications provided
	Vocational qualification				
	Know-how	Training	Training	3.3 Training	Training provided by the organisation
	Work-related competencies				
	Work-related knowledge	Work-related knowledge	Work-related knowledge	3.4 Work-related knowledge	Knowledge acquired on the job by employee/partners
	Entrepreneurial spirit (*)	Entrepreneurial spirit	Innovativeness of employees/teams of employees	3.5 Innovativeness of employees	The creativity and invention of employees/partners
	(*) referred to as "Entrepreneural spirit, innovativeness, proactive and reactive abilities, changeability" by Petty and Guthrie, 2000 , p. 166 .when referring to Guthrie and Petty's model.				

Appendix A Panel B: Mapping of Duff (2018) intellectual capital elements to Li, Pike and Haniffa's (2008) checklist

Duff 2018	PPQ	Interview Guide		Li, Pike and Haniffa 2008	
Intellectual capital (overarching)		Q6 Q12		Appendix	
Human capital				**Human capital**	
3.1 Employee/Partner	Q2(a) Q3			1 Number of employees	Employee count of a firm, employee breakdown by, e.g. market (business operation or geographical segments), department and job function, and information about its changes and reasons for such changes.
			n/a	2 Employee age	Biological age of employees in the firm. Includes qualitative description of age-related advantages/strengths of a company's employees, and indicators such as average age of a company's employees and age distribution.
			n/a	3 Employee diversity	Diversity is defined as the division of classes among a certain population.The item refers to the mix of, e.g. ethnicity, gender, colour, and sexual orientation. Relevant disclosures include employee diversity policy, the mix and breakdown of employee by race, religion, and culture.
			n/a	4 Employee equality	Equal treatment of people irrespective of social and cultural differences. Related disclosures include employee equality policy and initiatives taken for enforcement, senior management by gender, and percentage of disabled employees.
Possibly covered in **institutional work** in response to the staffing related challenges			n/a	5 Employee relationship	The recognition of importance of employees, employee appreciation, dependence on key employees, employee satisfaction, loyalty, Health & Safety and working environment. It also includes initiatives to build and improve employee relationship, e.g. trade union activities, promotion in share ownership and employee contractual relationships.
3.2 Education and vocational qualifications	Q4			6 Employee education	Education of directors as well as other employees. *Employees' professional recognition is classified under employee work-related competences.*
3.3 Training	Q5			7 Skills/know-how	Disclosures can be description of knowledge, know-how, expertise or skills of directors and other employees. Matrices could also be shown indicating number of employees with such skills, etc.
3.3 Training	Q5			8 Employee work-related competences	The knowledge and skills that can be useful to accomplish jobs. It refers to, e.g. current positions held outside the company by directors, professional recognition/qualification, awards won (external), and employee publications.
3.4 Work-related knowledge		Q1 Q2		9 Employee work-related knowledge	What is acquired during the job in terms of tacit, explicit and implicit knowledge. It mainly relates to knowledge that employees have related to their current job description, including employees' previous working experiences.
			n/a	10 Employee attitudes/ behaviour	It reflects how employees are working. Relevant disclosures could be, e.g. employee friendliness, welcoming, hard working, optimism, enthusiasm, and identification of individuals with company's goals.
			n/a	11 Employee commitments	It refers to employees being bound emotionally/intellectually to the organisation. It covers, e.g. description of employee commitments, employee commitment matrix/index, and indicators such as attendance of meetings.
			n/a	12 Employee motivation	Policies, initiatives and evidence of motivation of directors and other employees. It includes reward (internal) and incentives systems, e.g. employee explicit recognition, performance/psychometric/occupational assessment, and indicators of such as employee turnover(20), stability, absence, and seniority.
Structural capital -1.4 Management processes and 1.5 Information systems		Q10 (a to c)		13 Employee productivity (21)	It is typically measured as output per employee or output per labour-hour, an output which could be measured in physical terms or in price terms. It shows the value added and efficiency of employees. Indicators include, e.g. employee value added, revenue or customers per employee.

3.3 Training	Q5			14 Employee training	It includes, e.g. training policies, training programmes, training time, attendance, investment in training, number of employees trained per period, and training results/effectiveness/efficiency.
3.2 Education and vocational qualifications	Q4			15 Vocational qualifications	It refers to education, managed and monitored by trade and professional organisations (Brooking, 1996), received by an employee for a particular vocation that proves the skill, knowledge and understanding he/she has to do a job well.
3.3 Training	Q5			16 Employee development (22)	Employee career development. Disclosures include employee development policies and programmes (e.g. succession planning), recruitment policies (e.g. internal promotion). Indicators include change of employee seniority, and rate of internal promotion.
Possibly covered in **institutional work** in response to the staffing related challenges			n/a	17 Employee flexibility	Strategies used by employers to adapt the work of employees to their production/business cycles; and a method to enable workers to adjust working life and working hours to their own preferences. For example, temporary/fixed-term contracts, relaxed hiring and firing regulations, adjustable working hours or schedules (e.g. part-time, flexible working hours/shifts, working time accounts, leave, and overtime), outsourcing, job rotation,
Possibly covered in **institutional work** in response to the staffing related challenges			n/a	18 Entrepreneurial spirit	It refers to, e.g. employee engagement (e.g. employee suggestion systems/consultations, rate of employee suggestions acceptance), empowerment (responsibility taking), creativity (e.g. valuing creativity, tolerance of creative people), innovativeness, knowledge sharing, and employee proactive/reactive ability.
3.3 Training	Q5			19 Employee capabilities	Other employee abilities apart from the above discussed, e.g. communication ability, interpersonal ability, sensitivity (e.g. thoughtful), reflexibility, and management quality.
3.3 Training	Q5			20 Employee teamwork	Teamwork is the concept of people working together cooperatively. It covers information about culture of teamwork (expert teams and networks, teamwork capacity), programmes that enhance relationships between employees within/across departments.
3.3 Training	Q5			21 Employee involvement	Employee social competence can be reflected by their involvement with with community community. It is defined as providing employees opportunities for contact with an often concealed but significant part of the firm's stakeholders.
			n/a	22 Other employee features	It refers to the special display or attraction of, or gives special prominence to, employees of the firm, e.g. photographs of employees, other employee profile information (e.g. positions held).
Structural capital				**Structural capital**	
1.1 Intellectual property	Q7			1 Intellectual property	It is a term that encompasses patents, copyrights, trademarks, trade secrets, licenses, commercial rights and other related fields. It covers the assets of a company which is protected by law.
1.4 Management processes	Q10 (c)	Q8 (a & b) Q9 (a & b) Q10 (b & c)		2 Process	It normally refers to a company's management (sales tools, company co-operation forms, corporate specialisation, operational or administrative processes). It includes utilisation of organisation resources, processes/procedures / routines, and documentations which enables the company or employees to follow. Indicators are, e.g. efficiency, effectiveness, and productivity.
1.2 Management philosophy		Q5 Q7		3 Management philosophy	'The way leaders in the firm think about the firm and its employees' (Brooking, 1996: 62), i.e. the way a firm's managed.
1.3 Corporate culture			n/a	4 Corporate culture	The set of key values, beliefs, attitudes and understanding shared by people and groups in an organisation, which controls the way members of the organisation interact with each other and with other stakeholders. It covers information about, e.g. description of the firm's corporate culture and value, stories and myths that build up about people, events and history conveying a message about what is valued within a firm.
Covered in					

Covered in **conceptualisation of business model (Hedman and Kalling, 2003)** - resources base is conceptualised as IC and activities and processes as institutional work			n/a	5 Organisation -flexibility	A company's ability to face challenges and changes, such as specific processes firms use to alter their resource base.
1.4 Management processes	Q6	Q11		6 Organisation - structure	Reporting lines, hierarchies, and the way that work flows through the business, including management structure and business models.
Possibly covered in reflexivity associated with **institutional work** in response to challenges			n/a	7 Organisation - learning	A characteristic of an adaptive organisation. It covers what firms learn from experience and incorporate the learning as feedback into their planning process.
Relational capital - 2.8 Research and development			n/a	8 Research & development (R&D)	It refers to future-oriented, longer-term activities in business practice, which can achieve higher levels of knowledge and improvement in business practice, allowing the organisation to exploit competitive advantages. It includes, e.g. R&D policies, programmes, planning, progress, budgets, successful rate, rate of peer-reviewed publications.
Possibly covered in **institutional work** in response to challenges			n/a	9 Innovation	Defined as the successful implementation of creative ideas within a firm by introducing something new and useful (radical or incremental changes to products, processes or services).
1.5 Information systems	Q9 Q10 (a & b) Q12 Q13 (a,b &c)	Q10(a)		10 Technology	A collection of techniques, which is the current state of humanity's knowledge of how to combine resources to produce desired products, to solve problems, fulfil needs, or satisfy wants. It includes machines, IT (e.g. computer hardware and software), IS (e.g. SAP, PeopleSoft, database), technical methods, and techniques.
1.7 Financial relations		Q1 Q4		11 Financial dealings	Defined as the favourable relationships the firm has with investors, banks and other financiers, financial ratings, financial facilities available, and listings.
			n/a	12 Customer support function	Functions for customer support, such as customer support centres (e.g. call centres) and other related activities and programmes.
1.6 Communication systems	Q13(c)			13 Knowledge-based infrastructure	It includes, e.g. documented materials (e.g. shared database) that a firm share amongst employees, facilities or centres (knowledge centres, laboratories) for training & learning, and knowledge management and sharing programmes/policies/facilities.
1.4 Management processes	Q8 Q12			14 Quality management	Practices in maintaining and improving quality standards of products and & improvement services. Information considered relevant includes, e.g. policies and objectives, programmes, control activities (e.g. TQM), description of quality performance, and existence of quality committee.
1.4 Management processes	Q16			15 Accreditations (certificate)	A process in which certification of competency, authority, or credibility is presented. It has been broadly referred to as quality certificates. 'Investor in people' accreditation represents a firm's commitment to its employees; hence classified under employee relationship.

			n/a	16 Overall infrastructure/ capability	Infrastructure/capabilities of a firm that cannot be classified under the other 17 structural capital items. Where acquisitions are stated to add to a firm's capability of products and services provision, such information is included under this item.
1.6 Communication systems	Q20 Q22			17 Networking	The systems available in a firm that allows interaction of people via a broad array of communication media and devices, e.g. voicemail, e-mail, voice or video conferencing, the internet, groupware and corporate intranets, personal digital assistants, and newsletters.
			n/a	18 Distribution network	Internal networks of distribution, such as distribution centres. It is what a company owns and forms a very essential part of the business supply chain.
Relational capital				**Relational capital**	
2.2 Clients	Q19	Q13 (a)		1 Customers	General customer information, e.g. type of customers, customer names, reputation of customers, customer base, knowledge of markets/customers, and customer purchasing histories.
2.2 Clients	Q18 (a & b)			2 Market presence	It covers target markets of a firm, geographically or by market segmentation, percentage of sales represented by each market segment, and market share.
2.3 Client satisfaction and loyalty	Q21			3 Customer relationships	It includes policies and programmes for building customer relationships (e.g. customer loyalty schemes, customer satisfaction survey and the initiatives taken for improvement, complaints management), current relationships with customers (e.g. customer satisfaction and loyalty, customer recommendation,recognition of dependence on key customers, customer perception (e.g.expressed by direct quotes), and various activities/indicators that enhance customer relationships, such as on-time deliveries, convenience of returning goods, value for money).
2.2 Clients	Q23 (b & c)			4 Customer acquisition	It refers to a company's new customers/contracts (unless identified as favourite contracts). It also includes a company's effort on acquiring new or more customers, such as investments/costs.
2.3 Client satisfaction and loyalty		Q13 (c)		5 Customer retention	It focuses on retaining the existing customers. Relevant information includes e.g. the number of repeated customers/contracts, renewed contracts, backlog orders, and customer repurchase.
2.5 Distribution channels	Q23 (a)			6 CTE	Customer training & education (CTE), such as presentation, road shows, exhibitions, etc.
2.3 Client satisfaction and loyalty	Q21			7 Customer involvement	It focuses on customer consultation on product or services development, which could also include customer and company connectivity.
2.4 Firm reputation		Q13 (b)		8 Company image/reputation	It refers to the evaluation/perception of a firm by its stakeholders in terms of their effect, esteem, and knowledge, and what a company stand for.
			n/a	9 Company awards	It includes awards to a company which is not specifically to other aspects, such as innovation or employees.
			n/a	10 Public relation	It is the managing of outside communication of an organisation to create and maintain a positive image. Public relations involve, e.g. popularising successes and downplaying failures.
2.6 Business collaborations	Q14(a)			11 Diffusion & networking	It includes taking part in social events, courses, conferences, lectures, or other presentations or seminars.
2.1 Brands		Q3 (b)		12 Brands (23)	Information about, e.g. brand names, brand images, brand awareness, brand loyalty (e.g. word of mouth advocacy), brand-building strategies and activities, and brand-related sales.
2.5 Distribution channels	Q11 (a & b)			13 Distribution channels	Defined as appropriate mechanisms of getting products and services into the market (Brooking, 1996). It refers to various third party distribution channels, e.g. distributors, agents, dealers.

			n/a	14 Relationship with suppliers	It includes, e.g. knowledge of suppliers, relationships with them (such as reliance on key suppliers, bargaining power against suppliers, support of suppliers, and payment terms).
2.6 Business collaborations	Q14 (b & c) Q15	Q9 (c)		15 Business collaboration	Collaborations established with other business partners. It covers issues such as strategic alliances, joint venture and partnership for the purpose of working together to improve effectiveness and efficiency by combining each other's advantages.
2.7 Favourable contracts/licensing	Q10 (a & b)			16 Business agreements	It includes such as licensing and franchising agreements. However, the transactions are not within a consolidated group of companies.
2.7 Favourable contracts/licensing	Q18 (c & d)			17 Favourite contract	A contract obtained because of the unique market position held by the firm (Brooking, 1996). It includes description of the contract and the favourable relationships.
			n/a	18 Research collaboration	Collaborations with scientific associations or institutions (e.g. schools and universities) for research or development purposes for the benefit of the company or the community.
			n/a	19 Marketing	It includes, e.g. marketing initiatives, investments, strategies, capabilities, and effects (e.g. awareness raised or sales created).
2.6 Business collaborations		Q14		20 Relationship with stakeholders	A firm's relationship with stakeholders, which cannot be covered by relationship with customers, suppliers and shareholders, e.g. community,government, and competitors.
2.4 Firm reputation		Q15		21 Market leadership	A firm's leadership in various markets or top positions. Market share supplementing market leadership statement is also included.
				20	*Information about directors' retirement is not included as employee turnover*
				21	*Directors' achievements based on incentive schemes are classified as employee motivation information rather than employee productivity. It is considered more appropriate to reflect on the motivational effectiveness of incentive schemes.*
				22	*Not formal qualifications as degrees.*
				23	*Brands have been classified under relational capital in various studies (e.g. Bozzolan et al., 2003; Brennan, 2001; Guthrie and Petty, 2000). Although authors such as Rodgers (2003) consider brands as a structural capital item, it is considered in this study that brands themselves are not able to create value for firms and it is the attachment of the market and customers, and the positive perception consumers have relating to the brand that lead to purchase decisions and add value to the firm.*

Appendix B: Institutional logic, institutional work, or both perspective studies

Appendix B Panel A: Studies adopting an institutional logics perspective in non-accounting-related empirical settings

Author(s)	Empirical setting	Methodology and analytical approach	Ideal type framework	Ideal type attributes identified	Study detail
Greenwood, Raynard, Kodeih, Micelotta and Lounsbury (2011)	Theoretical	Theoretical synthesis and framework development	N/A	N/A	The paper develops a multi-level framework to guide research. It outlines how maturity and structural characteristics of an organisational **field** drivers of complexity: fragmentation, formal structuring/rationalisation, centralisation. It proposes that **organisational** attributes act as filters of complexity: field position, structure, ownership and governance, identity. Finally, it explores the repertoire of organisational responses: **Strategies** - decoupling/ compartmentalisation, resisting, balancing, or forging new durable identities, and **Structures**: Blended hybrids, structurally differentiated hybrids
Field-level (Greenwood *et al.*, 2011)					
Thornton and Ocasio (1999)	Publishing - USA	Mixed methods – interviews, historical analysis, archival data and survey	Particular to publishing: editorial and market logic	Attributes identified: – Characteristics – Organisational identity – Legitimacy – Authority structures – Mission – Focus of attention – Strategy – Logics of investment – Rules of succession	Explore historical shifts in institutional logics in higher education publishing from editorial to market logic. The study revealed the positional, relational and economic determinants of executive succession under each logic. It also developed a set of mechanisms (operating at societal, field and organisational level) to understand how logics shape power in organisations.
Lounsbury (2001)	Recycling programmes – universities and colleges - USA	Mixed methods: interviews, archival sources, survey. Event history and statistical analysis.	N/A	N/A	This study explores the links between practice variation and conflicting institutional logics. The study reveals how "heterogeneity in organisational practices is institutionally shaped" (p.30), i.e., the diffusion of practice is impacted by differences in field-level institutional processes thereby accounting for variation of organisational adoption of practice.
Goodrick and Reay (2011)	Pharmacists - USA	Qualitative – longitudinal case study.	Inductive approach: particular to pharmacists to	Attributes identified: – Control over knowledge – Cope of practice	Conceptualise professional work as simultaneously guided and influenced by a 'constellation of logics', demonstrating the competitive (segmenting) and corporative (facilitative/ additive) relationships among coexisting logics.

		Historical account, narrative, and modified content analysis	generate ideal type and matching to empirically identify work to ideal types	– Entry to practice Education/training Control of work processes – Employment status – Performance standards – Control of drug quality – Determination of price	
Pahnke, Katila and Eisenhardt (2015)	US medical device firms	Mixed methods: databases, archival data, interviews. Statistical modelling	Particular to funding organisations: professional, corporate and state logic	Attributes identified: – Basis of norms: ▪ Membership criteria ▪ Legitimacy ▪ Authority structure – Basis of strategy ▪ Identity ▪ Strengths – Basis of attention: ▪ Assumptions of o How to succeed o Where to focus	Examines how the institutional logics of funding partners (venture capitalists, corporate venture capitalists and government agencies) influence innovations (commercial and technical) of young firms, highlighting how external field actors act as carriers of different logics, that impose different norms, strategies and expectations on the firms they interact with.
Hathaway and Askvik (2021)	Public accountability organisations - Zambia	Qualitative - case studies – interviews, observation and documentary evidence. Adaptive theory approach (Layder, 1998), inductive and deductive use of empirical data	Particular to public accountability organisations	Attributes identified: – Collective identity – Staff orientation – Core values – Preferred org structure – Operational mode – System of control – Source of authority – Evaluation criteria – Employment practices	The paper develops an ideal type typology of institutional logics for the public accountability organisations in Zambia: kinship, bureaucratic, development management and professional logics.
Organisational response: structures (Greenwood *et al.*, 2011)					
Kraatz and Block (2008)	Theoretical – drawing heavily on examples from colleges and	Theoretical synthesis and framework development	N/A	N/A	Contend organisations strategically manage their response to legitimacy demands imposed from field-level logics and that they simultaneously attend to different institutional claims. They develop a typology of organisational adaption/response to pluralism (resist or deny some institutional claims) through structural mechanisms: loose coupling (the creation of organisational sub-units/departments to attend to different

	universities – USA				logics), balancing institutional demands (playing one off against another or finding a cooperative solution) and "forge durable *identities of their own* and to emerge *as an institution in their own right*" (p.20).
Battilana and Dorado (2010)	Microfinance - Bolivia	Qualitative – case study: interviews, observation and archival data. Textual analysis to extract meaning, themes and pattern analysis to confirm preliminary findings	N/A	N/A	Explore strategies employed by microfinance organisations to manage the tension between their banking logic (generate profits to sustain the bank and fulfil their fiduciary obligations) and development logic (social responsibility to assist the less well-off and vulnerable). The study found organisations need to create a common or 'hybrid' identity incorporating a balance of multiple logics. This can be achieved through human resource recruitment and socialisation practices.
Ocasio and Radoynovska (2016)	Theoretical	Theoretical synthesis and framework development	N/A	N/A	Posits that greater institutional pluralism leads to increased heterogeneity in business models and governance strategies, which are influenced by an organisation's commitments to subsets of field-level logics. When field-level discontinuities expose/create institutional complexity, an organisations response depends on intraorganisational sensemaking. Whether framed as incompatible conflicts or as paradoxes, it leads to different outcomes in how organisations modify their business models and governance approaches.
Organisational response: strategies (Greenwood *et al.*, 2011)					
Oliver (1991)	Theoretical	Theoretical synthesis and framework development	N/A	N/A	This paper focuses on the active strategic behaviours' organisations employ when facing institutional pressure. The study proposes that organisations responses vary from passive conformity to proactive manipulation and introduces a typology of five strategic responses: acquiescence, compromise, avoidance, defiance and manipulation. It also outlines ten institutional factors that hypothesise the conditions under which an organisation is likely to conform or resist institutional demands.
Pache and Santos (2010)	Theoretical	Theoretical synthesis and framework development	N/A	N/A	Extends Oliver's (1991) framework of organisational response to conflicting institutional demands, to take account of intraorganisational political processes. The study proposes organisational responses are determined by two interacting factors: the nature of the institutional demand and the internal representation of those demands. The model improves predictability of institutional responses and is used to illustrate

					the breakup of a global consulting and technology services corporation into two fully autonomous organisations, capable of fulfilling the demands of its institutional constituents.
McPherson and Sauder (2013)	Drug court - USA	Ethnographic: case study: tea, meetings, informal discussions, formal interviews and focus group. Grounded theory approach – using mixed methods analytical techniques	N/A	Identified and developed four ideal types of IL: – Logic of criminal punishment – Logic of rehabilitation – Logic of community accountability – Logic of efficiency	This 15-month study investigated the everyday organisational activities and social interactions in a specialised drugs court. It examines how different professionals creatively enact, negotiate and even 'hijack' (p.165) competing logics to achieve individual/organisational goals. They identified and developed four ideal types to categorise the logics these actors (probation offices, clinicians and attorneys) creatively employ to negotiate decisions, justify activities and advocate for specific outcomes in the court. It illustrates how logics are used as a "toolkit" (p.186) in daily decision-making.
Pache and Santos (2013)	Work integration social enterprise - France	Qualitative: multiple case study: semi-structured interviews and archival data. Qualitative cross-case analysis	Examines the conflict between social welfare logic and commercial logic	Attributes identified relating to belief system of competing logics: – Goal, – Organisational form, – Control, Professional legitimacy	The study explores how hybrid organisations internally navigate competing logics, finding that rather than employing traditional strategies of decoupling or compromising, the organisations engaged in selective coupling. This involves combining intact, selected elements drawn from each competing logic, allowing them to present themselves as legitimate to external stakeholders without resorting to costly deception or negotiations. The study identifies a "trojan horse" (p.972) pattern, where organisations that initially lack legitimacy in the field, intentionally adopt social-welfare oriented practices to gain acceptance and credibility.
Sirris (2019)	Healthcare and religious - Norway	Qualitative – ethnography: observation, case study and interviews. Inductive textual analysis	N/A	N/A	In organisations where logics co-exist the study examines priorities of logics in the roles and identities of professional managers. It finds managers experience of logics and how they are prioritised in their role and identities is organisational specific, with those operating in a hospital setting identifying managerial logic in both their role and identity. The identity of those in a church setting is informed by professional logic with managerial logic prioritised in their role. The study extends Besharov and Smith's (2014) framework of hybridized logics, linking it with hybrid professional managers' roles and identities.

Appendix B Panel B: Studies adopting an institutional logics perspective in public accounting

Author(s)	Empirical setting	Methodology and analytical approach	Theoretical framework	Ideal type framework	Institutional logic / Ideal type attributes identified	Study detail
Field-level (Greenwood *et al.*, 2011)						
Suddaby and Greenwood (2005)	Jurisdictional struggle within accounting and law professions over multidisciplinary partnerships - USA	Qualitative – transcripts of testimony and reports provided to two Commissions of investigation. Content analysis.	Institutional theory (legitimacy (institutional logics, institutional entrepreneurship) Rhetorical analysis	No	Professional logic - 'expert' or 'trustee' logic with core values, ethics, public interest Commercial logic - economic benefits, consumer welfare, one-stop shopping, product focus)	Use of rhetorical strategies in legitimising institutional change and emergence of new organisational forms, specifically multidisciplinary partnerships (MDPs) within the accounting and legal profession – exposed the use of vocabularies to reveal contradictory logics (trustee model and expertise model) embedded in the historical understanding of professionalism. Also, the use of rhetorical strategies in theorising change: teleological, historical, cosmological, ontological and value based.
Thornton, Jones and Kury (2005)	Accounting, Architecture Publishing	Qualitative – interviews and documentary evidence. Historical event sequencing.	Institutional logics	Yes	Attributes identified: – Economic system – Sources of identity – Sources of legitimacy – Sources of authority – Basis of mission – Basis of attention – Basis of strategy – Logic of investment	They developed an ideal-type framework for each field, with public accounting's ideal-type incorporating fiduciary and corporate logics. The study revealed that historical shifts in IL in public accounting field reflected the relative dominant influences of the market, the profession, the corporation and the state over time (p.158).
Organisational response: structure (Greenwood *et al.*, 2011)						
Gendron (2002)	Big 6 - Canada	Qualitative – field study: semi-structured interviews,	Francophone organisational analysis focusing on 'logics of	Ideal type (professional and commercial	Derived a priori from literature: *Organisational components*:	Investigates how the organisational context of large professional partnerships influence auditors' client-acceptance decisions-specifically how professional and commercial logics interact within the firm.

		documentary evidence. Textual analysis, detailing number of attitudinal indicators found in interviews.	action'. (De Gaulejac, 1987, Lemaitre-Rozencweig, 1986)	logic) – organisational components and those particular to audit client acceptance decision process	– Practice development strategy – Partner-compensation scheme – System of management by objectives – Attitudes of participants *Client-acceptance decision-making process*: Source of motivation Emphasis on key controllable issues Main stakeholders; importance of spin-off work Audit pricing	Contend that tensions in institutional logics have existed since the beginning of the profession. The dominant logic behind audit client acceptance decisions is reflected in the firm's structural components (e.g., practice development strategy, partner compensation schemes, decision-making policies), with the subordinate logic present to a lesser extent. The presence of the subordinate logic provides a legitimising space that enables decision makers reconcile logics and influence decisions differently.
Suddaby, Gendron and Lam (2009)	Canadian Chartered Accountants - public practice (range of practice size), government, private industry) - Canada	Quantitative - on-line questionnaire. Statistical analysis.	Institutional logics	No	Professional logic - professional commitment, independence, public duty/calling Managerial logic - organisational commitment, client commitment, utilitarian view of designation	This study highlights how organisational context, content and location acts as a structural filter. It maps the variation in professional attitudes and values as these conditions shape changes in professional work. The study found the majority of accountants remain committed to professional logics. Accountants in practice are likely to *view their accounting designation in commercial / utilitarian terms. Professional logic is better preserved in public practice, but this varies by firm size* – with Big 4 exhibiting lower levels of organisational and client commitment contrasting with sole practitioners who exhibit highest level of organisation and client commitment. The strongest deviation from this professional logic occurred in public accounting firms, with the deviation in the 'commitment to independence enforcement" more notably in Big 4.

						Higher ranking professionals also identified more with commercial logic.
Carrington, Johansson, Johed and Öhman (2013)	Certified auditors - Sweden	Qualitative - on-line questionnaire. Structural equation model.	Institutional logics	No	Professional logic – professional commitment, rigour and enforcement of independent requirements, value of CA designation as status. Managerial logic – organisational commitment, client commitment, utilitarian value of CA designation	Using the structural equation model developed by Suddaby Gendron and Lam (2009) – The study did not find empirical evidence of professional or commercial logics as higher-order 'constructs' for Swedish auditors. They find two lower-level constructs of each logic 'independence enforcement' and 'client commitment' which could indicate two exclusive value statements connected to the professional-commercial logic tension in the accounting profession. This study found that organisational context (Big 4 v non-Big 4, partner v non-partner) and work content significantly influence professional attitudes and values.
Spence and Carter (2014)	Big 4 - UK (17) Canada (11) Ireland (2) Austria (1)	Qualitative – semi-structured interviews. Qualitative analysis- iterative process of reading transcripts, discussing themes, and reaching consensus	Bourdieu concept of habitus, Institutional logics – '*commercial-professional'* and '*technical-professional'* logics (Gendron, 2001, 2002)	No	*Commercial-professional logic* - revenue generation, client happiness *Technical-professional logic* – public interest, independence Attributes perceived as necessary to work as a Big 4 partner, inferred but NOT explicitly explored: Basis of attention Basis of strategy Sources of authority Source of identity	The study focuses on habitus of accounting partners and what constitutes an 'ideal partner'. It examines how logics are embodied within firms and relates to internal stratification. Contend the co-existence of professional and commercial logics is not binary. They propose the existence of technical-professional logic (attributes embodied in providing technical accounting work) and commercial-professional logic (attributes that embrace the commercial aspects of accounting practice). Those embodying a commercial-professional logic ascend to partner level, with the subordination of the technical-professional logic. The dominance of commercialism may compromise auditor independence and the public interest mandate.

Coram and Robinson (2017)	Big 4 and 4 mid-tier firms -Australia	Qualitative - semi-structured interviews. Data analysis identifying and developing key themes.	Agency theory (Holmström, 1979) Institutional logics implicitly through 'professionalism v commercialism' tension	No	Professionalism – traditional values Commercialism – profit incentive, revenue generation, performance-based pay	The study investigates the operation of partner remuneration and profit-sharing schemes, and how firms manage the inherent tension between professionalism and commercialism, by integrating different performance metrics. An increased focus on performance in determining partner remuneration was evident across both Big 4 and mid-tier firms. Tensions are managed by integrating metrics related to traditional professional values, with mid-tier firms aligning more strongly with this approach, demonstrating a persistence of non-performance-based features.
Organisational response: strategies (Greenwood *et al.*, 2011)						
Gendron (2001)	Big 6 - Canada	Qualitative – field study: semi-structured interviews, documentary evidence. Textual analysis.	Logics in action (De Gaulejac, 1987)	Particular to audit client acceptance decisions	Derived a priori from literature: *client-acceptance decision-making process*: Source of motivation Emphasis on key controllable issues Main stakeholders; importance of spin-off work Audit pricing	This study explored the specific decision-making process auditors use for client acceptance. It used mechanistic and organic, together with professional and commercial ideal type frameworks to explore audit client acceptance decision-making processes. The study found firm's processes are largely organic, even when mechanistic policies and decision-making supports are in place. The dominant logic that guided the decision-making processes varied by firm.
Lander, Koene and Linssen (2013)	Mid-tier accounting firms (22 largest firms directly below Big 4) - Netherlands	Qualitative - case studies: interviews, archival data. Inductive approach from broad to more specific classification and cross case analysis.	Institutional logics, Strategic response (Oliver 1991)	No, but implicit – comparing characteristics of trustee and commercial logic	Professional/Trustee logic – professional value, societal guardianship, public interest Commercial logic – profit, market-driven, management practices	The study investigates how mid-tier accounting firms respond to conflicting institutional logics, focusing on their strategic choices and internal resistance to transformation. The study revealed that while firms retain a principal commitment to a trustee logic, a change in emphasis to a commercial logic and commercial practices were revealed in how they respond to challenges in their institutional environment. The nature of challenge and its implications for the firm, served as independent events that framed strategic issues and practice adoption decisions. The study found internal resistance to issues that challenge characteristics of professional identity,

						with partners resisting changes that affect their autonomy and non-partnered accountants resisting roles that impacted extant work routines.
Bévort and Suddaby (2016)	Big 4 - Denmark (Copenhagen and country office)	Qualitative - longitudinal phenomenological ethnography, supported by interviews, archive material and other contextual data. Textual analysis.	Institutional logics. Sensemaking (Weick 1995). Identity scripts (Barley and Tolbert, 1997)	Management according to professional logic and bureaucratic logic	Attributes: Orientation Organisational relation Roles/competences Employer-employee relations Authority Quality Criteria for success	Situated in a Big 4 Copenhagen and country office transitioning from a traditional professional governance structure to a corporate organisational form, the study examines how individuals, progressing to managerial roles, make sense of and integrate competing demands of professional and managerial logics. The study revealed that individual actor's subjective identification with a new logic (identity script) is a critical "precursor to successful integration and diffusion of the logic in the firm" (p.34). They found the temporal component of script identification (actor's ability to move between past, present and future) allows enhanced performative agency in its enactment. Finally, the mechanisms for macro-level archetypal change can be understood at a micro level of analysis, as individuals must make sense of contradictions in logics by enactment of scripts on the ground (micro-processes). So, identity scripts are not as "vehicles for the oppressive of conformity" to a logic, rather individual subjectivity in the construction of the script is a form of muted agency and potential source of individual innovation" (p.35)
Harber and Willows (2022)	3 of the Big 4 and 5 of top eight international mid-tier and 2 comparable national audit firms - South Africa	Qualitative - semi-structured interviews. Interpretative analysis guided by theoretical framework.	Institutional complexity theory (Thornton, Ocasio and Lounsbury, 2012) Social constructivism theory (Berger and Luckmann, 1996)	Applying 'four-category' typology of legitimisation: authorisation, moralisation, rationalisation and mythopoesis (Van Leeuwen and Wodak, 1999, and Van Leeuwen, 2007)	Professional logic Commercial logic	The study examines how firms legitimise and institutionalise logic of commercialism in response to mandatory audit firm rotation, by examining their rhetoric and 'identity experimentation'. It found mid-tier auditors are as commercially orientated as their Big 4 counterparts, portraying a complementary 'hybridization' of professional and commercial logics, adopting a contrasting and competitive 'more devoted expert' (p.1803) identity to counter the 'versatile expert' (p.1803) identity of the Big 4.

Appendix B Panel C: Studies adopting an institutional work perspective in non-accounting settings

Author(s)	Empirical setting	Level	Method	Analytical approach	Study detail
Perkmann and Spicer (2008)	Institutionalisation of management fashion practices	Field	Theoretical paper.	N/A	Based on a review of empirical literature identifying institutional work and key skills associated with the diffusion of a management fashion: 1. Political work: "aimed at configuration of actors and establishing and reconfiguring rules and property rights", requiring political skills 2. Technical work: "involves designing frameworks that suggest, recommend or prescribe certain courses of action" 3. Cultural work: "establishes or reframes belief systems and values, often by linking practices with more widely anchored discourses" (p.813) Their findings suggest the range of institutional work employed and skills of actors have a direct bearing on the strength of the institutionalisation effect.
Zietsma and Lawrence (2010)	British Columbia coast forest industry - Canada	Field	Qualitative – longitudinal study: interviews, field research, organizational documents and media reports.	Chronological lists of key events/ activities; identify field boundaries and organisations with (in)formal decision-making authority; narrative analysis; sought evidence of institutional work patterns co-occurring over time and evidence of triggers causing shifts in field (e.g., from stability to conflict).	Practice work is aimed at creating, maintaining, and disrupting practices – "actors' efforts to affect the recognition and acceptance of sets of routines" (p.190). "Boundary work represents the attempts of actors to create, shape and disrupt boundaries" (p.190). Found practice and boundary work of challengers and defenders operate in a recursive relationship in institutional fields during periods of institutional stability (mutually supportive relationship), conflict (competing sets of practice and boundary work), innovation (combination of work to facilitate space for experimentation and innovation) and re-stabilisation (cross boundary connection and practice diffusion).
Currie, Lockett, Finn, Martin and Waring (2012)	English National Health Service (NHS)	Field	Qualitative – longitudinal case studies: interviews,	Inductive approach – iterative approach moving between	This study examines the institutional work undertaken by elite professionals to preserve their professional dominance on the introduction of new nursing and medical roles. They identified six types of institutional work, undertaken as elite professionals adapted their practices and roles by actively shaping the

			archival data, observational field notes.	data and theory involving induction and deduction.	change as it unfolded: theorising, defining, educating, policing, constructing normative networks and embedding and routinising. Revealing how types of institutional work interact and cross categories of creating and maintaining institutions.
Daudigeos (2013)	Multinational construction company - France	Organisation	Mixed methods – inductive case study: interviews, archival data, observations.	Inductive approach	This study examines how practical agency is enacted by staff professionals to promote or disrupt practices. It found this is achieved through two sets of activities: 1. Substitutes their lack of formal authority by developing diverse and flexible connections internally and externally. 2. Adopt unobtrusive and intentional influence tactics: (a) Rhetorical strategies: "adapting frames and conversations" (b) "…manipulating organizational processes, programmes and systems" e.g. training programs. (c) "…leveraging market power … to influence clients, suppliers and subcontractors'.
Micelotta and Washington (2013)	Law profession - Italy	Field	Quantitative – longitudinal case study: interviews and documentary evidence.	Identify chronological narratives of key events, define sets of temporal issues embraced by groups of temporarily allied actors, coding of concepts and themes.	Investigate institutional maintenance when existing institutional arrangements are disrupted. This work is theorised as a process of repair of the institutional arrangement(s) to re-establish the status-quo (i.e., actions of the profession to maintain their professional power and regain right to self-regulate). They engaged in repair work aimed at: "(i) re-asserting the norms of institutional interaction; (ii) re-establishing the balance of institutional powers (iii) regaining institutional leadership and (iv) reproducing institutionalized practices" (p.1148). This work is: (a) triggered by the disruption of core and institutional arrangement(s) (b) enabled by social position and power of incumbents with opportunity and willingness to respond (c) contingent upon the criticality of the disruption.
Hayne and Free (2014)	Committee of Sponsoring Organizations (COSO) – Canada and USA	Field	Qualitative: field study: interviews and secondary materials.	Meaning orientated analysis facilitated by qualitative data analysis software to draw inferences, make comparisons and identify themes.	Examination of emergence and diffusion of Enterprise Risk Management-Integrated Framework technology by COSO. Found evidence of numerous forms of institutional work including theorising, rhetorical appeals, mythologising, constructing normative networks and educating. The breadth of associated entities provided a stable network of support for advocating and promoting the technology.
Nyland, Morland and Burns (2017)	Hospital (2 department) - Norway	Organisation	Qualitative Case study: interviews.		Situated in two operationally dependent hospital departments, that are subject to distinct managerial controls, this study shows how non-managerial controls (that foster trust and develop shared norms and coordination) help moderate

					possible tensions arising from coercive managerial controls (e.g., budgets). The study reveals "an ongoing and 'worked at' coexistence of multiple controls and opposing logics", with localised strategic decoupling between medical and economic logics. 'Institutional dirty work' -how coordinators attempt to maintain medical logics while not working in direct opposition to economic logic. Institutional work used to examine how employees purposefully act to facilitate the coordination process, with professional logic maintained through 'supportive interactive work' (Canning and O'Dwyer, 2016) Pragmatism and creative navigation (Lawrence and Suddaby, 2006), including intentional loosening of formal hierarchical structures.
Meidell and Kaarbøe (2017)	Statoil (oil and gas company) - Norway	Organisation	Qualitative explanatory historical case study: interviews, observation, internal documentation and public documents (e.g., annual reports).	Abductive approach. Open-ended and thematic coding of data to understand the development of ERM practices as depicted in actions, interpretations and events over time. Subsequent thematic analysis to explain the pattern of these interpretations and actions over time.	Study of the institutionalisation of enterprise risk management (ERM) (creation and maintenance of emerging practice) and understand how actors create collective action frames to form institutionalised practices. Adopting Perkmann and Spicer's (2008) typology of political, technical and cultural work, the study finds: (1) multiple actors are involved in process of creating new ERM practices and are embedded in different norms of EMR. (2) actors have different ways of framing ERM, which are influenced by the actors' embeddedness (3) different framing leads to struggles over collective framing – in academic, political and border guard arenas.
Lehmann, Graf-Vlachy and König (2019)	N/A	N/A	Theoretical	Systematic literature review.	The paper builds on Lawrence and Suddaby's (2006) typology of institutional work. They framed their analysis across two dimensions: position toward institutional change (offensive/defensive) and institutional focus (existing/new) and identified preventing institutional work as form of purposive action, with five forms of work: "bypassing regulative institutions, jurisdictional work, moralising, repairing beaches of normative expectations and contextualising cognitive institutions" (p.2). The paper also proposes an integrated model of institutional work.

Clune and O'Dwyer (2020)	Advocacy group - Dutch Association of Investors for Sustainability Development - Netherlands	Field	Qualitative – longitudinal case study: interviews and documentary evidence (annual reports, white papers, research publications and media interactions).	Data collection and analysis occurred simultaneously. Concepts, themes and aggregate dimensions were identified, with an accompanying mind-map of interlinked themes was prepared.	Theorised using insights from institutional work and social movement theory that are integrated with Stark's (2009) concept of organising dissonance, this study examines how an advocacy movement is formed, evolved and influences social and environmental accountability mechanisms in the field. The study identifies the role of ranking work**,** the layering of accountability elements (co-creation, dissemination and policing of benchmarks) into the field's institutional infrastructure, introduces the notion of work censorship by actors as part of their reflexive engagement with their institutional environment, and the role of institutional work in organising dissonance among actors (i.e., advocacy movement and the targets of their reform).

Appendix B Panel D: Studies adopting an institutional work perspective in accounting settings

Author(s)	Empirical setting	Level	Method	Analytical approach	Study detail
Malsch and Gendron (2013)	N/A	N/A	Theoretical	Abductive approach to theory development	Re-theorise the consolidation of commercial logics in the auditing field. They conceive institutional work as a process of institutional experimentation (involving power relations internal and external to the profession), where field boundaries are continuously tested as actors attempt to extend their jurisdiction through institutional innovation, while also seeking to consolidate their traditional jurisdictional legitimacy through institutional reproduction. This institutional experimentation belies the firms' organisational archetypes appearance as stable. Institutional work is "a fragile and unpredictable process" (p.873) The "ebb and flow between institutional order and disorder" (p.889) [of institutional work i.e., excessive disruption, incomplete creation, difficult maintenance] requires that institutional logics (professional and commercial) must coexist, rather than supplant each other – *a forced cohabitation*.
Chiwamit, Modell and Yang (2014)	State-Owned Enterprises – China and Thailand	Field	Case studies, field-level documentary evidence		Creation and maintenance of emerging accounting practices. Examining how particular management accounting innovations (economic value added as a governance mechanism) are infused with specific, societal interests and how interested parties embed and resist such innovations. The authors characterise the institutionalisation of the field as a continuous process of experimentation. The study explored how the evolution of political, technical and cultural work was conditioned by differences in field cohesiveness (degree interested parties are coordinated around the innovation). It unveiled how different forms of institutional work (human agency) can support and detract from each other in the process of upholding field cohesiveness, suggesting that "the relative success of institutional work needs to be evaluated against its propensity to uphold fragile coalitions of interests" (p.172).
Suddaby, Saxton and Gunz (2015)	Big 4 – USA/Canada	Field	Mixed methods – longitudinal case study - content analysis of social media and interviews	Content analysis using Python and Python's Natural Language Toolkit to map word/phrase/symbol frequency – to identify broad	Examine how the domain of accounting expertise is re-constituted on social media by social media professionals. The study identifies institutional work related to this domain change: 1. Boundary work – inclusion of social media within the boundaries of firm (including social media professional) 2. Rhetoric work – process of reconfiguring accounting expertise within social media

				categories and themes. Themes were further analysed using qualitative methods.	3. Embedded Agency work – construction of celebrity accountant (sharply contradictory to traditional understanding of professional expertise as constituted in profession and firm)
Canning & O'Dwyer (2016)	Professional accounting oversight body - Ireland	Field	Qualitative – longitudinal study; documentary evidence (reports, work programmes, public announcements and presentations, and interviews	Modified form of content analysis examining manifest and latent content of documentary evidence. Coding of interview data to draw out activities and typology of institutional work through an iterative process of moving between data and literature.	Use concept of institutional work to examine how and with what effect the Irish professional accounting regulator reconfigures the field of accounting. The study identifies: 1. Advocacy work – hard and soft forms 2. Moderating work 3. Supportive interactive work (forms of institutional work mutually reinforcing each other, as regulator seeks to establish power and legitimacy) 4. Work displacement – forms of institutional work are supplanted by other forms due to unintended consequences 5. Work rejection – explicit rejection of certain forms of institutional work At field level, they study shows Institutional logics that underpin the rationales and actions is (re)shaped by institutional work
Gibassier (2017)	French environmental agency - France	Field	Qualitative - longitudinal study: exploratory study, interviews, archival data, and secondary data from media, journals, manuals	Dedoose qualitative data analysis software used for detailed thematic content analysis	Examines the institutionalisation of environmental accounting practices, analysing the role of elite actors The study identifies the actors involved in shaping the practices and strategies adopted to advance their adoption which include *Creative work*: advocacy work (mobilising allies, cultivating alliances and corporation through social skills), constructing identities, changing normative associations, mimicry and education. Revealing unintended consequences of the creative work. Maintenance work: locking mechanism in theorising and standardising of work, demonizing work.
Aleksandrov, Bourmistrov and Grossi (2018)	Municipality -Russia	Organisation	Qualitative – case study: documentary analysis, videotape data, netnographic	Manual analysis of data which was significant to the research-guided literature	The study examined how new participatory budgeting, as a form of dialogic accounting, developed in Russia. It revealed that while institutional embeddedness of actors guided their institutional work, their reflexivity and patterns of institutional work are interconnected, with reflexivity being a coordination mechanism.

			observation and interviews		Study found examples of where the choice and type in institutional work undertaken was restricted by particular forms of reflexivity. *Curiosity as a form of reflexivity* was identified as crucial to trigger institutional work, with *legitimacy forms of reflexivity* also important in generating patterns of institutional work (gaining support).
Farooq and de Villiers (2019)	(Non)Sustainability Assurance Providers – Australia and New Zealand	Field	Qualitative: interviews with sustainability reporting managers and sustainability assurance providers	Inductive approach to thematic analysis using Atlas.ti 7 software	This study explores the institutional work undertaken by accounting and non-accounting sustainability assurance providers, as they compete and promote their preferred approach/undermine competitors' approach to sustainability assurance and how these practices influence the institutionalisation of sustainability assurance. The paper proposes a model for the empirical analysis of institutional work.
Farooq and de Villiers (2020)	Sustainability Assurance – Australia and New Zealand	Field	Qualitative: interviews with sustainability reporting managers and sustainability assurance providers	Inductive approach to thematic analysis using Atlas.ti 7 software	Their examination into how the promotion of sustainability assurance by providers of the service influences the scopes of engagements, its implication for managerial and professional capture and ability to promote credible reporting. The study identified institutional work associated with the various stages of assurance engagements and identified a new form of work: risk reduction work. They also demonstrate how managerial and professional capture occurs before, during and after the assurance process.
Jalali Aliabadi, Farooq, Sharma and Mihret (2021)	Public universities - Iran	Field	Qualitative – longitudinal case study: interviews and documentary evidence (policy documents, reports and archival material)	Theory led – coded to extract themes	This study examines the struggle over top-down budgeting reform in Iran It examines efforts of key social actors in public budgeting reform Iran as they transition to performance-based budgeting (PBB). Understood through the lens of institutional work, the study reveals the interplay of this work as actors attempt to shape reforms, as they compete for resources by proposing contradicting budgeting models. The paper provides an empirical insight illustrated in tabular format, indicating the form of institutional work undertaken, its mechanisms and key actors.
Bertz, Quinn and Burns (2023)	Department of Housing, Planning and Local Government associated local authority –Ireland	Organisation	Qualitative-Single case site: Semi-structured interviews, internal documentation (minutes of meetings, service strategy	Institutional work and collective framing concepts	The study explores how public service management reforms are implemented in difficult times (e.g., fiscal austerity), linking institutional work with framing concepts to understand the reform process. It highlights how actors' various forms of reflexivity, situated logics and institutional embeddedness shaped how they framed reforms and their institutional work. Initially focus was on seeking improved efficiency, with work influenced by the Chief Executives professionally rooted logic and institutional embeddedness. As austerity continued to impact, senior managers exercised their power/authority over technical reforms

			plans, budgets and publicly available information such as government reports, media reports. Abductive approach		(organisation restructuring) including non-technical aspects (staff perception and normative beliefs), with professional expertise and external context leveraged to generate collective support for reform and ensuring its impact. Institutional work focused on creating collective framing and collaboration. Interestingly advocacy, traditionally associated with creating work, was employed in the disruption of existing budgeting practices. 'Austerity advocacy' was identified as a new form of institutional work, where the financial crisis was leveraged to mobilise staff and promote efficiency.

Appendix B Panel E: Studies adopting an institutional work and institutional logic perspective

Author(s)	Empirical setting	Level	Method and analytical approach	Study detail
Lok (2010)	Management and institutional investors - UK	Field	Qualitative constructivist: archival documentary data and semi-structured interviews. Interpretive discourse analysis	To extend theory of identity construction and reproduction by exploring how non-entrepreneurial actors use every day 'identity work' to process and translate new logics. It found that rather than passively adopting the identities prescribed by the new enlightened shareholder value logic, they engage in subtle, everyday talk to rework their identities. Through this identity work, they could paradoxically accommodate the required practices of the new logic while also resisting its identity implications, thereby preserving some of their traditional autonomy and pre-existing identity.
Tracey, Philips and Jarvis (2011)	Social enterprise - UK	Organisation	Qualitative - case study: opportunistic ethnography: participant observation, interviews, informal conversations, documentary evidence and sector informant interviews. Generating an event history database, inductive review of data and event history, and axial coding identifying relationships and concepts	*New organisational forms emerge through the 'bridging' work* of institutional entrepreneurs, that is underpinned by a hybrid logic that combines aspects of the established logics of 'for-profit retail' and 'non-profit homelessness'. The study reveals three activities and associated institutional work that carried out at various levels: individual/micro-level – opportunity recognition activities, involving work of problem framing and counterfactual thinking; organisational/meso-level – design of organisational form activities that involves the work of building and theorising organisational templates; societal/macro-level - legitimation of organisational form activities involving work connecting with macro-level discourse and aligning with highly legitimate actors . Work at each of these levels are complementary to each other in the creation of the new organisational form.
Smets and Jarzabkowski (2013)	Law firm – Germany and England	Organisation	Qualitative -longitudinal case study (observation, interviews and archival material). Textual analysis (NVivo)	The article develops a relational model of institutional work and institutional complexity, which separates the dimensions of agency involved in constructing the same two logics and associated work as contradictory, strange and complementary. It also explains how these dimensions of agency interact in (re)constructing institutional complexity and situates institutional work in the everyday work of individuals dealing with institutional complexity.
Gawer and Phillips (2013)	Intel Corporation	Organisation	Qualitative – longitudinal case study: interviews, archival data. Inductive - textual analysis – concepts, categories, and axial coding to identify relationships	Examines the institutional work undertaken to influence the shift in, and as a response to changes in field-level institutional logics (supply-chain logic and platform logic). They identified two forms of practice work (innovating new practices, enrolling members in new practices and managing tensions caused by engaging in new practices) to develop and legitimise new practices: 1. External practice work and legitimacy work (field level perceptions of Intel's collective identity i.e., shared understandings and influencing external acceptance) 2. Internal practice work and internal identity work (making sense of tension between new practice and identity and making new identity claims) This work was mutually reinforcing and overlapping

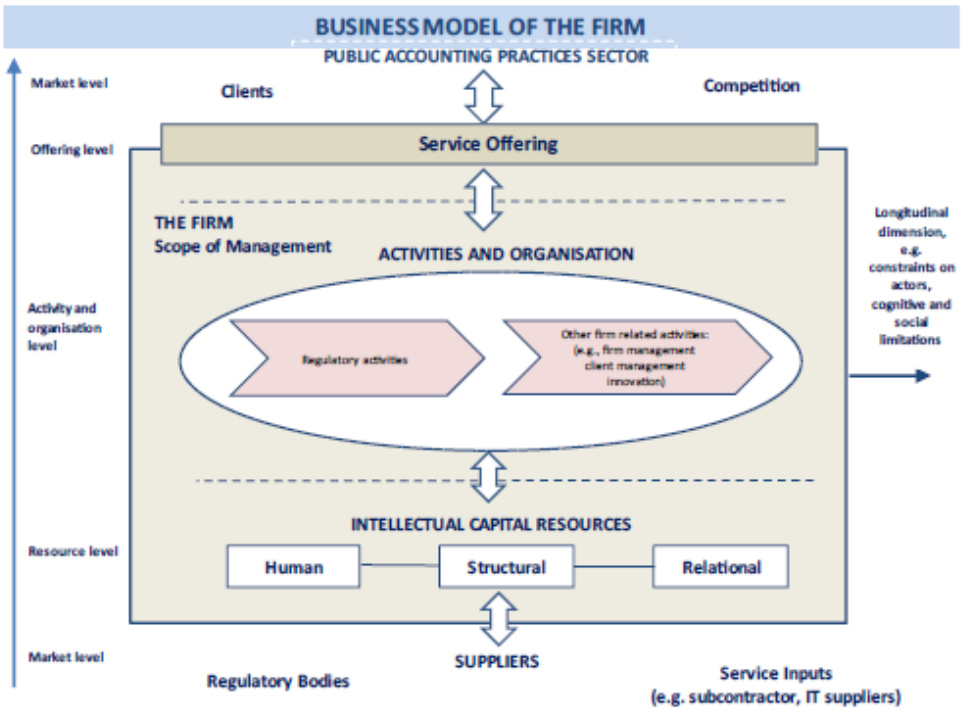
Guo (2016)	N/A	Field	Theoretical	Building on Malsch and Gendron (2008) institutional experimentation, an identity-experimentation framework is developed to explain the change of institutional logics in accounting, highlighting the *boundary work* (in which auditors are redefined as versatile business experts) and *practice work* (reinventing audit work and bespoke assignments as expert work, to fit the characteristics of the versatile business expert) that has been redefined and re-interpreted to accommodate commercial logic.
Järvinen (2016)	Healthcare (not-for-profit) - Finland	Field Organisation	Qualitative – case study: interviews, observations and archival data. Thematic and cross case analysis	The introduction of new accounting and management control techniques highlighted the conflict between different logics (charitable, managed care and market logics) with resulting institutional work extending beyond the realm of technical accounting. As new logics emerged, institutional work was undertaken which disrupted existing arrangements and also to create and maintain new arrangements. E.g., work of embracing and disseminating new concepts, establishing managerial approaches, negotiating how demands for efficiency influence organisational goals and objectives, negotiating representations from various internal interest groups.
Kurtmollaiev, Fjuk, Pedersen, Clatworthy and Kvale (2018)	Global telecommunications company	Organisation	Qualitative: Longitudinal case study: Interviews, participant observation, archival records, informal conversations. Inductive interpretive approach: identifying concepts, themes and probing further using axial - coding	Developed a process model of organisational logic change from the experience and insight into the adoption of service design (SD) by a global telecommunications company. The study found the introduction of SD resulted in significant changes in the organisation's mindset (logic) and routines and identified both macro- and micro level mechanisms for organisational logic transformation. It demonstrated the discrepancy between organisational institutions and SD practices were a source of resistance and action inertia. It also demonstrated the extensive institutional work (political, technical and cultural) undertaken to overcome hindrances in the adoption of SD and how organisational design legacies were both a hindrance and in a dialectical fashion prompted its introduction and diffusion. The study also links institutional work and new service innovation capability
Dunne, Brennan and Kirwan (2023)	Big 4	Organisation	Qualitative – Annual reviews, comment letter responses to the European Commission's Green Paper *'Audit Policy: Lessons from the Crisis'* Meaning-oriented content analysis	The study examines how Big 4 firms maintain and defend a 'logic equilibrium' (p.2) between competing professional and commercial logic. It finds 'logic equilibrium' is maintained by drawing on professional logic concepts to prioritise client-focused concerns aligned with commercial logic. Also, firms primarily defend 'logic equilibrium' by relying on concepts associated with professional logic. The reliance by actors on professional logic to serve commercial objectives, particularly in relation to regulative proposals, was evident, with the authors arguing that this appropriation of professional logic has transformed it into a performative symbol aimed at advancing commercial interests.

Appendix C: Practice profile questionnaire (PPQ)

PRACTICE PROFILE QUESTIONNAIRE

SECTION A – BUSINESS MODEL OF THE FIRM

"A business model shows how a firm continually defines, creates, delivers and captures value for, with and to its key stakeholders as necessary over time" (Tagoe, 2018, p.8). A firm must have the infrastructure, capabilities and relationships in place that enable it to create value. This is achieved through the conversion of inputs (stakeholders, resources[1], processes and activities) to outputs (services) to meet the needs of clients, at an appropriate cost. To achieve this, these five main features (depicted below) must connect and align. The rationale for the business model shapes and is shaped by the firm's culture and its competitive pressures. Central to understanding this business model diagram is the emphasis on the need for connectivity between the firm and its internal and external operating environment (eco-system).



ACTIVITIES AND ORGANISATION		
Regulatory activities	**Other firm-related activities**	
e.g., audit programmes, professional standards, contract and employment.	**Firm management** e.g., service delivery work-flow management, time recording & billing, firm's KPIs. **Client management** e.g., prospect management, client onboarding, relationship management.	**Innovation** e.g., strategic innovation, service/sector innovation, technological innovation, procedural innovation.

[1] In this study resources are interpreted to mean intellectual capital resources, comprising human capital (staff), structural capital (management, information and communication systems) and relational capital (reputation and network of relationships).

PRACTICE PROFILE QUESTIONNAIRE

1. Please tick below which of the following best describes your firm:

Static specialist	Static generalist	Dynamic specialist	Hungry generalist
The firm has: – grown organically; – specialised in either a specific service area or a specific sector; – relies substantially (>50% fee income) on assurance services; – relies on in-house skill; – safe and predictable business model; – safe from automation and free advice.	The firm has: – modest growth plans; – dependent on compliance work (e.g., compilation activities, book-keeping and tax returns); – mainly serves SME & individual clients; – business model involves substantial cross subsidies; – formal referral arrangements less likely; – preference to refer clients to firms in their network free of charge; – limited demand for complementary (non-accounting) skills.	The firm has: – high-risk growth strategy; – high costs, hands-on; consulting inspired business model; – relies on, and actively competes for ad-hoc or high-value-added services; – significant investment required, in skills / competencies as much as capital investment.	The firm has: – drive to expand in size and breadth of service offering; – provides high-value-added services; – growth depends on access to a broad range of skills and competencies; – open to formal referral agreements; – very keen to collaborate with other practices - including through M&A.

2. Please indicate the nature of the firm's partnership.

	Sole practitioner	General partnership	Limited partnership	Limited liability partnership	Limited company
Please tick					

SECTION B – STAFFING

3. (a) How many of the partners in the firm are:

	CAI Member	Affiliate(s)[2]
No of equity partners		
No of salaried partners		

	Yes	No
(b) Does the firm have a managing partner?		
(c) Do all partners have equal voting /decision making rights?		

(d) What proportion of partnership hold ultimate decision-making rights? ____ %

4. Please provide details of staff employed by the firm (across all offices) at the following levels.

Professional staff	***Partner***	***Director***	***Manager***	***Senior***	***Junior***
Number of staff					
Support staff	***Office manager***	***Admin staff***			
Number of staff					
Other specialist staff	***Legal***	***IT***	***Marketing***	***Data analyst***	***Other***
Number of staff					
Other – *please specify*					

[2] A non-Chartered Accountants Ireland member may be granted Affiliate status by the institute in accordance with their Regulations.

5. Please indicate below which professional qualifications all staff have or are currently pursuing.

Professional qualification	Number of qualified staff	Number of staff currently undertaking professional qualification
Accounting e.g., ACA/FCA, ACCA/FCCA, CIMA, CPA, ATI		
Taxation e.g., CTA/AITI, CTC, C(tax)		
Investment Management, Financial Planning, Life Insurance and Pensions e.g., CFA, QFA		
Insolvency e.g., PIP		
Other specialist discipline e.g., forensic, risk, cyber security, data analytics, marketing, etc. *Please specify*		

6. Please indicate if the firm provides any of the training (below) and rank the competency areas covered.
(1= most emphasis, 2 = average emphasis, 3 = least emphasis, 0 = if not covered.

Training categories	Formal induction of new employees	Bespoke learning and development programme(s)	Mentoring programme
Please tick if provided			
Competency areas	Ranking	Ranking	Ranking
Technical (e.g., reporting, audit, assurance, tax, financial planning, etc.)			
Business (e.g., communication, problem solving, decision making, digital fluency)			
Leadership (e.g., agility and change, innovation, driving results)			
Ethics and integrity (e.g., critical thinking, judgement, adaptive mind-set, self-management/learning)			

SECTION C – MANAGEMENT, INFORMATION AND COMMUNICATION SYSTEMS

7. Can you provide the firm's organisational chart? (to be made available at interview)

Yes	No

8. Does the firm have any of the following?

	Not applicable	Patents	Copyrights	Trademarks
Please tick				
If yes, provide brief details				

PRACTICE PROFILE QUESTIONNAIRE

9. In relation to the firm's quality control, which of these voluntary audits does it undertake?

	Not applicable	Internal audit	Independent external audit/review
Please tick			

10. Is the firm cloud-enabled and/or does it maintain an on-site server?

	Cloud	Local server
Please tick		

11. (a) Does the firm provide on-line accounting solutions to clients?

Yes	No

(b) If yes, please indicate below which software is used.

Software	Please tick	Software	Please tick
Auto entry		Sage	
Big red book		Surf accounting	
Exchequer		Thesaurus	
NetSuite		Xero	
Pegasus		Other: please specify	
Quantum			
QuickBooks			

(c) Approximately what proportion of clients are served in this way?

	%

12. Approximately what proportion of clients provide information to the firm via the following methods?

	Manually (loose invoices, bank statements, cheque books, tally rolls, etc)	Excel / CSV files (downloaded/prepared by the client)	Digital access to client records (e.g., via VPN / Cloud)
Approximate percentage			

13. (a) Does the firm operate any of the following *practice management software* (PMS) systems?

PMS systems	Please tick	PMS systems	Please tick
We do not use a PMS system		Karbon	
Accountancy manager		Keytime	
Asana		Pixie	
BTC software		Practice ignition	
Capium		QuickBooks online accountant	
CCH central / oneclick		Scoro	
Client hub		Senta	
Glide		TaxCalc practice manager	
GoProposal		Teamwork	
Intapp		Other please specify:	
IRIS practice management			

(b) What is the PMS system is used for?

Processes	Please tick
Client-related e.g., prospect management, relationship management (engagement letters, AML details, onboarding, etc.)	
Firm-related e.g., workflows, task management, document storage, time recording, billing and invoicing, firm performance analytics, knowledge management etc.	
Employee services e.g., contracts, performance reviews, payroll etc.	
Other please specify:	

SECTION D – FIRM NETWORKS

14.(a) Does the firm use any of the following to engage with professional bodies?

	Annual conference	CPD training events	Practitioner forums	Practitioner training days	Sub-committees / Special interest groups	Other Please specify
Please tick						

(b) Is the firm part of any of the following external networks?

	International accountancy firm(s)/network(s)	Irish accountancy firm(s)/network(s)	Specialist professions (e.g., pension professionals, solicitors)	Local committees (e.g., Chamber of Commerce, Lyons Club)	Other Please specify
Please tick					

15. If you answered 'Yes' to question 13, please rank the top three benefits the firm gains from membership of a network. (Range: 1 – 3, with 1 being the top ranked benefit)

Purpose	Rank top three benefits
Business development e.g., access to specialist competencies / infrastructure	
Education and support e.g., professional support, peer-to-peer learning, professional updates	
Marketing e.g., enhancing firm brand and/or image	
Referrals e.g., source of referrals as part of services provided such as legal advice, financial planning, etc.	
Other: please specify	

SECTION E – CLIENTS AND SERVICES

16. Is the firm authorised to provide the following services?

Reserved service area	Not Applicable	Audit	Insolvency	Investment business
Please tick				

PRACTICE PROFILE QUESTIONNAIRE

17. Which of the following service areas does the firm offer to clients?

Please rank in terms of share of practice income from highest (1) to lowest (12), choosing all that apply, even if the service in question is offered only rarely, or only to a very small range of clients, or even free of charge.

	Service area	Service description (examples)	Rank highest (1) to lowest (12)
1	**Audit – statutory (authorised service)**	Statutory audit services	
2	**Audit – Internal and specialised**	Internal audits Specialised audits (e.g., grants and incentives)	
3	**Business advisory**	Accounting systems control and review Business mentoring and coaching Business planning, development, and strategy formulation Business start-ups Business systems and software solutions Business valuations and due diligence Corporate governance and organisational restructuring Independent financial / strategic reviews Internationalisation support Management accounts and reporting Mergers, acquisitions, and disposals Recruitment and employment law Risk management, internal control design control and review, disaster recovery and continuity planning Succession and estate planning	
4	**Business recovery and insolvency (authorised service)**	Administration, examinership, liquidation and receiverships	
5	**Business support services**	Bookkeeping and accounting services Cloud accounting / firm apps Payroll and employer services Secondment	
6	**Corporate compliance and governance**	Company secretarial (CRO)	
7	**Finance advisory**	Banking and funding Corporate reorganising, refinancing and debt restructuring Financial budgeting, cashflow management and modelling	
8	**Forensic accounting and litigation**	Contract/partnership/personal (injury)/ matrimonial disputes Fraud and white-collar crime Shareholder buy-outs Shareholder/commercial/employment disputes	
9(a)	**Pension and financial services (authorised service)**	Employee benefit and pension schemes Private client services Wealth management	
9(b)	**Pension and financial services**	Employee benefit and pension schemes Private client services Wealth management	
10	**Tax advisory**	Business development and tax planning Revenue commissioners audit and investigations Specialist taxes (R&D, international and foreign tax, etc.) Transfer pricing	
11	**Tax compliance**	Corporation tax, personal tax, VAT and indirect tax, etc.	
12	**Other: please specify**		

18. (a) In which of the following sectors does the firm offer services to clients?

Please rank the top FIVE sectors in terms of share of practice income from highest (1) to lowest (5)

	Sector	Rank top FIVE from highest (1) to lowest (5)
1	Agri-business and fishing	
2	Charities and not-for-profit	
3	Construction and real estate	
4	Credit unions	
5	Financial services	
6	Foreign direct investment	
7	Healthcare and medi-care	
8	Hospitality, leisure and tourism	
9	International business	
10	Manufacturing	
11	Professional services	
12	Public sector	
13	Renewables	
14	Retail	
15	Technology	
16	Transport and logistics	
17	Wholesale	
18	Other: please specify	

(b) In relation to part (a) above, does the firm have a unique market position in any of the top ranked services offered?

Yes	No

(c) If yes, please elaborate below.

19. What is the approximate percentage breakdown of client type by fee income in the firm?

Client type	Percentage of total fee income %
Charities and not-for-profit	
Individuals (private client)	
Sole traders	
Partnerships	
Small and medium enterprises	
Large enterprises	
Public sector	
Public listed entities	
Financial institutions	
Other: please specify	

20. What is the firm's primary means of communicating and collaborating with clients?

Please rank in order (1 = most utilized, 5 = least utilized, 0 = not utilized)

	Virtual (e.g., MS Teams, Zoom)	Phone	Face-to-Face	Email	Letter
Ranking					

21. In relation to clients:

	Yes	No
(a) Do you survey your clients regarding their expectations of the firm and satisfaction levels with the services you provide?		
(b) Does your firm provide webinars, budget briefings, newsletters etc., to keep your clients up to date?		
(c) Are these services freely available to all users, e.g., on your website?		
(d) In your opinion, does your firm gain new clients from making such information freely available?		

22. Thank you for taking the time to complete this questionnaire.

Approximately, how long did it take you to complete it?

	Minutes

Appendix D: Interview guide

DUBLIN CITY UNIVERSITY
Interview Guide

Introduction to the Research Study
Working Title:
'What are the challenges facing the Small and Medium Accountancy Practice (SMP) and how do these affect the business model?"

Dublin City University Business School (DCUBS)
Principal Investigator: Aodhdín Casey (PhD student, DCUBS Aodhdin.Casey28@mail.dcu.ie)
Joint Principal Supervisors: Dr Ruth Mattimoe (DCUBS – Ruth.Mattimoe@dcu.ie)
Dr Bríd Murphy (DCUBS – Brid.Murphy@dcu.ie)
Secondary Supervisor: Prof Joan Ballantine (Ulster University – Joan.Ballantine@ulster.ac.uk)

Note: This part of the interview will be collected by the interviewer before the tape recording commences:

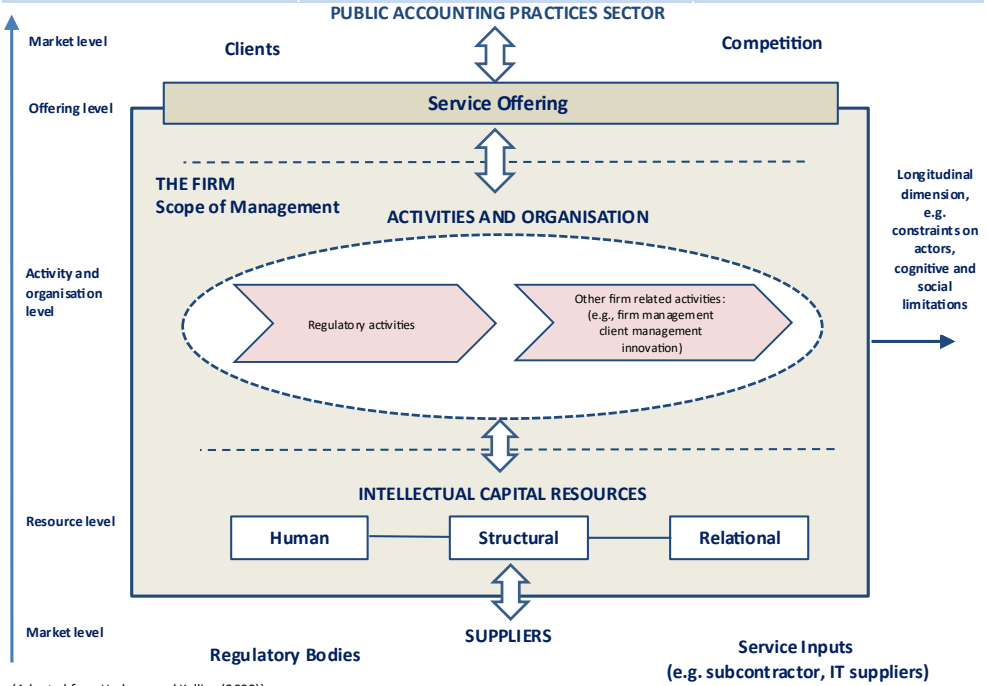
- Please read the **Plain Language Statement,** and sign the **Informed Consent Form (x2)**
- Do you have any questions in relation to either one of these documents?

Thank you for meeting with me today and providing the background information. It has been very useful in understanding the firm and your professional background. Again, I would like **to assure you regarding the confidentiality and anonymity of personal data** is of the upmost importance in this research. The **purpose of this interview** is to talk about the key challenges that affects the firm, its business model and what the firm is doing/has done to address these challenges. Any insights or relevant information you may have, would be very much appreciated.

I am aware your time is valuable and am very grateful for the opportunity to speak with you today. With your permission, I would like to **start recording the interview.**

To be more grounded in our discussion around challenges faced by the firm and its response, I would like to explore some aspects of the firm and your professional journey a little bit more.

FIGURE 3: COMPONENTS OF THE BUSINESS MODEL OF THE FIRM (RO4)



(Adapted fromHedman and Kalling (2003))

SECTION A – THE ACTOR

WHO? - BIOGRAPHY

1. Can you please tell me a potted history about yourself?

   Prompts:

   - Route to qualification / where they served their articles / degree / discipline
   - Post qualification experience
   - Additional professional/academic qualifications (including CPD)
   - Have you ever worked in industry?
   - Role and career progression in this firm
   - Registered to practice in a restricted service area (audit, insolvency, etc.)

SECTION B – LOGICS OF THE FIRM

2. When was the firm founded and how has it developed?

   Prompts:

   - Were there particular circumstances that enabled/disabled the firm in its development?
   - Level of debt
   - Legacy issues
   - Location
   - Partner contacts

3. On a continuum between the traditional professional firm and a more market-driven business, how do you see your business?

   Prompt:

   Source of identity: Perceive the firm as: an accounting firm / a business
   Source of identity: Firm brand
   Source of identity: Accredited by professional body
   Source of identity: Professional / personal reputation

4. Does the firm have a strategy and what is it?

   Prompts:

   Basis of strategy: Growing client base – for compliance related services
   Basis of strategy: Differentiating on client services
   Basis of strategy: Growing through mergers and acquisition with other firms
   Basis of strategy: Working to enhance professional reputation of the firm and quality of service
   Basis of strategy: Acting in the public interest

   Triangulation: get a copy of strategic plan

5. When reinvesting in the firm, how important is Return of Investment (ROI)?

   Prompts:

   Logic of investment: Building relational networks
   Logic of investment: Building capital return for partners

6. What is the firm's mission? (core values/philosophy)

   Prompt:

   Basis of mission: Do you have it written down / available for all employees

   Triangulation: check website

7. What aspects of the firm's business are key to its success?

Prompts:

Source of legitimacy: Professional reputation (CAI) / integrity / expertise

Source of legitimacy: Ethics

Source of legitimacy: Conservatism

Source of legitimacy: Size of firm / scope of offering /market success

8. What is the core focus of the firm?

Prompts:

Basis of attention: Commitment to professional body ethical codes

Basis of attention: Generating profits / loyalty / commitment to firm success

Triangulation: client feedback report

9. **(a)** Describe the key mechanisms for directing and managing the firm.

Prompt:

Governance Mechanism: Partners accountability to each other

Governance Mechanism: Reporting structures

Governance Mechanism: Policy documents

Governance Mechanism: Minuting of key decisions

Governance Mechanism: Efficient use of resources

Triangulation: organisational chart, firm policy documents

(b) Does the firm have documented policies/procedures in place? In what key areas?

(c) Do you hold firm management (day-to-day)/partner (strategic) meetings?

How often, who is present, what is discussed, is the outcome documented?

Triangulation: board minutes / management committee minutes

View KPI dashboards (is available)

10. Who has the authority to approve/veto decisions in the firm and what gives them this authority?

Prompts:

Source of Authority: Positional: actor's position (CAI partner, affiliate, divisional manager)

Source of Authority: Relational: structure of relationship among actors: more informal (P^2) or more hierarchical / divisional

Source of Authority: Economic: see part (d) – Basis of Strategy

SECTION C - AGENCY AND DECISION MAKING

11. **(a)** Where does ultimate decision-making power rest for (i) strategic decisions and (ii) operational decisions?

(b) In practice what degree of decision-making autonomy do partners have?

Prompts:

- Partner autonomy or committee structure

(c) Take for example strategic decisions, what is the process for making these decisions

(i) Do you consult with external experts?

(ii) Do you hire in expertise?

(iii) Do you rely purely on past experience/intuition?

(iv) Is the outcome discussed at the partner meeting? Is it documented?

Triangulation: board minutes / management committee minutes

(d) Do senior staff (including non-accounting professional staff e.g., HR, IT) have agency to make decisions on your behalf?

(iv) Is the outcome discussed at the partner meeting? Is it documented?

Triangulation: board minutes / management committee minutes

(d) Do senior staff (including non-accounting professional staff e.g., HR, IT) have agency to make decisions on your behalf?

Prompts:

- How reliant are they on support of partners?
- Examples of operational decisions: allocating staff to jobs, client acquisition

SECTION D – BUSINESS MODEL

CLIENTS

12. How does the firm grow its client base?

Prompt:

- PPQ- Section E
- Capture and retention of clients
- Does the firm seek to recruit and retain a certain client type? (e.g., to fit the profile of the firm's service offering)
- Growth in client numbers/revenue
- Organic growth (existing clients v new clients)
- International versus national clients

OUTPUTS - SERVICES

13. (a) In relation to question 17 of the PPQ, which are the top three service areas, measured in terms of **profit per chargeable hour**?

Prompts:

- Any loss leaders
- Degree of cross-subsidisation of services

(b) Is this actively computed or based on your gut (experience)?

OPERATIONAL ENVIRONMENT

14. How does the firm's operational environment impact/influence on how it operates?

COMPETITORS

15. (a) Who are the firm's key competitors?

Prompts:

- Other SMPs
- Non-registered service providers

(b) How does it compete with them?

EXTERNAL STAKEHOLDERS

16. Who are the firm's key external stakeholders AND who is the most important and why?

Prompt:

(e.g., CAI, clients, contractors, government, suppliers)

RESOURCES

17. (a) Does the firm's current staff profile (level of experience and competencies) allow it to optimise its service delivery? Please elaborate.

Prompts:

- PPQ – Section B
- Recruitment strategy

(b) What role do ICT systems play in how the firm operates?

Prompts:

- PPQ – Section C
- Enabler or game changer

(c) How important are reputation and network relationships to the way the firm does business?

Prompts:

- PPQ – Section D
- Internal and external relationships
- Securing resources
- Sharing knowledge
- Building reputation

18. Which of the above resources is critical to the business model, and why?

Prompts:

- Staffing - recruitment strategy / competencies
- ICT - digital literacy, systems infrastructure, client interface
- Relationships and networks

ACTIVITIES AND ORGANISATION

Regulatory activities

19. Reflecting on the business model diagram shown in the PPQ
How formalised and embedded are the key processes/activities around regulatory activities in the day-to-day operations of the firm?

Prompts:

- Account prep, Compliance, Audit, Client on-boarding AML, etc.
- Are these documented?
- Training?
- Who is responsible for maintaining them?
- How often are they reviewed?

Other firm-related activities- Firm management

20. (a) Do you operate a time recording system?

b) What type of KPIs do you actively monitor?

(c) What is the overall approximate percentage split between chargeable and non-chargeable time, how do you know this?

(d) How does the firm manage the amount of non-chargeable time?

(e) How does the firm manage its profitability per client?

Prompts:

- Have you had to make a change to how you bill?
- Who makes such decisions?
- How do you manage unprofitable clients?
- Degree of cross-subsidisation of services

Other firm-related activities- Client management

21. How are client prospects and relationships managed in the firm? How does the firm manage the amount of non-chargeable time?

Other firm-related activities- Innovation

22. Is innovation encouraged in the firm? If so, how?

Prompts:

Strategic – leveraging resources, create competitive advantage.
Behavioural/Cultural – culture of continuous improvement.
Market – approach to entering/exploiting new markets.
Process – non-technology based, best practice.
Technological – improve service delivery.
Service – introducing new services.
Client-centric – solution in collaboration with the client

23. How critical are the informal aspects of the above key processes and how are they managed?

SECTION E – KEY CHALLENGES AND IMPLICATIONS OF CHALLENGES

KEY CHALLENGES

24. **What** are the top three most important challenges that impact the firm and **why**? Start with the most important one.

Prompts (what?):

- Regulation: Companies Act 2014, AML, GDPR, Tax regulation
- Technology
- Client base: retention, growth and expectations
- Competition: Staff, fees, other professional disciplines (e.g., IT), unregulated providers
- Covid-19, Brexit and Other

Prompts (why?):

- Ability to adapt to client needs on time
- Perception of amount of fees charged to client
- Not right skill set /competencies
- Location

25. Over what **timeframe** has the firm experienced these challenges?

Prompt:

- Develop slowly over time and become something you couldn't ignore
- Well flagged in advance (e.g., new regulation)
- Unanticipated surprise / jolt
- (Only going to explore challenges over the past five years)

IMPLICATIONS OF CHALLENGES

26. **How** have these challenges impacted the firm's business model?

Prompt:

SMP

- Limited resources
- Change to work practices/procedures
- Service mix
- New modes of delivering service to clients
- Growth and diversification
- Internationalisation of SMP via networks
- Technological demands
- Staff recruitment and retention

Client related

- Additional cost
- Inability to negotiate fee increases
- internationalization of clients (export advice, risk management, FX)
- Client base and expectation gap
- Covid related advice (e.g., TWSS, EWSS, PUP, CRSS)

Regulation

- Frequency of change
- Licence requirements
- Staff assuming positions of regulatory responsibility
- Increase in non-chargeable time
- Greater regulatory burden and record keeping/inspection by PSD
- Onerous provisions (e.g., justification of audit approach)

Technology

- Legacy IT systems

Clients

- Managing client expectations

Staff

- Appropriate skill set / competencies
- Administrative burden
- Having suitable work available to adequately train staff
- Timing of professional exams

Other (including Brexit/Covid)

SECTION F – FIRM RESPONSE

FIRM RESPONSE – INSTITUTIONAL WORK

27. **(a)** What changes did the firm make to address these challenges?

(b) Who proposed these changes and who signed off on them?

(c) What was the firm trying to achieve with these changes?

28. How did you implement these changes and what area of the business model was most affected?

Prompts: CREATING

Reconfigure norms/beliefs

- Develop new services building on traditional work
- Develop new services via networks
- New specialisms/niche markets
- New expertise
- Promote expertise via networks

Political work:

- Support for changes(s)
- New operating templates/frameworks
- Create property rights through innovation

Alter abstract categorizations in which the boundaries of meaning are altered:

- Adapt existing practices for new purposes
- Abstraction and diffusion of ideas into new practices
- New internal/external education

Prompts: MAINTAINING

Adherence to rules:	*Reproducing existing norms and belief systems:*
– Enabling business as usual	- Communicating positive /negative examples of practice
– Overseeing compliance	- Embedding in day-today routines
– Barriers (internal/external) to change	- Create/sustain myth

Prompts: DISRUPTING

Disconnecting sanctions/rewards:

- Legislation and regulation – Companies Act/AML

Disassociating moral foundations:

- Migrate from traditional notions of compliance

Undermining assumptions and beliefs:

- Changing beliefs through innovation and reducing risk of differentiation

29. What key resources did the firm use to implement these changes?

30. Who were the key facilitators in implementing these changes? Why these individuals?

31. Who was most impacted by these changes?

Prompts:

- Partners, directors/managers, other professional staff
- Was there any resistance to the changes? By whom?

INSTITUTIONAL RESPONSE - REFLEXIVITY

32. **(a)** Did the changes adopted to deal with these challenges, achieve the desired outcome?
(b) What did you find frustrating about dealing with these challenges, and why?

(c) Were there any unforeseen or unintended consequences from the firm's response?

Prompt:

- Positive and negative consequences

Triangulation: documentary evidence of new or amended institutions (business strategy, business case for change made as a result of challenge, business plan, organisation chart, training material, etc.)

33. **(a)** In terms of how you dealt with these challenges, is there anything that made you question your understanding of the firm's business model?
(b) With hindsight, would you make the same decision?

SECTION G – CONCLUDING COMMENTS

34. Do you have any questions arising from the PPQ?

Prompt:

Opportunity to:

- Specifically discuss the PPQ
- Probe issues/items for clarification
- Cross check evidence from the PPQ with the interview guide

35. Is there anything you wish to add?

Summarise the participant's response for each section

That brings our interview to a conclusion. I would like to **sincerely thank you for your time and valuable insights**, which I have no doubt will prove very important in critiquing my research question and objectives to provide insights of interest to academics and practitioners alike.
Turn off recording equipment.

Checklist:

- Interview participant to retain Plain Language Statement
- Signed Inform Consent Form (x2) – Interview participant retains one

Appendix E: Summary of triangulation evidence gathered – example

Triangulation Evidence			
SP-4			
Legal structure		**Independent websites/social media**	
CORE - Private company limited by shares	✓	Trustpolot client survey	✓
CORE - Business name	✓	**Collaborative testimonals**	
Other e.g. Vision Net, Solo check	✓	With Xero	✓
Board meeting		With other specialists for webinars and blogs (extracted August 2023)	✓
LinkedIn post - frequency, example agenda, composition of board, link to strategy and corporate governance principles	✓	**TRADITIONAL AND SOCIAL MEDIA, INCLUDING WEBSITES**	
Internal documentation		**Website**	
Company journey presentation slide	✓	About us	✓
Internal newsletter	✓	Services	✓
Organisation chart	✓	Staff profiles	✓
Chartered Accountants Ireland		Testimonials	✓
CAI Tech conference 2021 - (presentation, slides and transcription of presentation)	✓	Technical news	
ISO Accreditation		- Blogs	✓
LinkedIn posts - announcing accreditation with ISO 9001:2015 (May 2024)	✓	- Webinars	✓
LinkedIn posts - announcing successful ISO audit and accompanying certificate (March 2025)	✓	Careers	✓
Process mapping		Appointment scheduler	✓
Process map example	✓	Call us / Call back request / Chat bot	✓
Process repository	✓	Awards	✓
Professional development - 360 skills potential programme		Subscriber application form	✓
Example of professional development plan	✓	Resource toolkits:	
Professional development plan - template	✓	- Business guides	✓
(Re)branding		Social Media links	✓
Intellectual Property Office of Ireland - registered trademark	✓	**LinkedIn**	
New -Kinore branding guidelines	✓	Firm specific	✓
New logo, signage, etc.	✓	Partners/Staff profile	✓
New website post (rebranding)	✓	News Blog posts	✓
Recruitment		Job opportunities	✓
LinkedIn post - Revenue Manager	✓	Retention initiatives - social committee events, staff promotions, etc	✓
Position specification - Head of Digital Transformation	✓	**Newspaper articles**	
Position(s) advertised on website	✓	***Local***	
Strategy		Donegal Daily	✓
Go Global 4 Growth - Enterprise Ireland and DCU websites	✓	***National***	
Go Global 4 Growth - poster	✓	Accountancy Ireland	✓
Go Global 4 Growth brochure	✓	Business Plus	✓
Technology development project (Project Sukha)		Irish Tech News	✓
Technology development plan - research document	✓	Silicon Republic	✓
Technology development plan - detailed	✓	Sunday Times	✓
Technology development plan	✓	The Irish Examiner	✓
Project - minefield	✓	The Irish Times	✓
Digital transformation - LinkedIn post (08/11/24)	✓	**National Media**	
Independent - Awards ceremonies		RTE	✓
Irish Accountancy Awards 2025 - My Kinore Platform - shortlst - Ttransformation project of the year (re client onboarding and cloent experience)	✓	**Other media**	
Irish Accountancy Awards - various years and categories	✓	You-tube	✓

Appendix F: Non-services-related activities and organisation in SMPs

OPERATIONS MANAGEMENT	
REGULATROY ACTIVITIES	
Audit procedures	Setting/Maintaining policies, standards, systems and records
Professional standards	Appointment of designated person (e.g. responsible individual for audit, safety officer)
- Practice certificates	Devising/Implementing instruction
- Restricted Service Areas	Educate and train staff
Audit	Executing process/procedure
Investment business	Supervision/Sign-off of process/procedure
Insolvency	Filing reports where necessary
Customer credit regulated activities	Reviewing and improving process
- Anti-Money Laundering and Terrorism Financing	Incorporating where necessary into other business process
- Professional indemnity insurance	***Contracts and Employment procedures***
- Quality assurance	e.g., employment records
- Continuing professional development	annual, maternity, parental, sick leave
- Annual returns	disciplinary procedures and dismissal
- Monitoring visits	redundancy
Occupational Safety, Health and Welfare Procedures	whistleblowing
e.g. Risk and safety assessment	***General Data Protection***
Visual display units, Eye tests, etc.	
OTHER FIRM-RELATED ACTIVITIES	
Firm management	
Time recording and billing	***Employee-related***
- staff allocation	- employee onboarding
- workflow / task management process	- employee induction
- time recording process	- employee offboarding
- billing process	- performance reviews
- debtors and cash collections	- CPD/training records
Financial cycle	***Firm management***
- payment process	- practice planning process
- bank reconciliation process	- firm budgeting process
- month end close process	- firm performance analytics process (KPIs)
Other	- back up and disaster recovery process
Document storage and management process	- supplier review process
	- knowledge management process (formal and informal)
Client management	
CLIENT MANAGEMENT	Client feedback/satisfaction review
New client prospect / lead management	Client grievance resolution
Client on-boarding	Client relationship management (incl database management, etc)
AML review and checklist	Unprofitable client review
Client risk assessment	Lost client(s) review
Client engagement letter	
Innovation	
Internal	
Procedural innovation	Identify and adopt new management practices, procedures or processes to increase
Behavioural Innovation	Nurture an open-minded culture that empowers employees to identify new and improved ways to work
External	
Client-centric innovation	Creating customized client solutions in collaboration with a client
Service innovation	Introduce new services (new to the firm, if not new to the market/sector)
Market innovation	Develop new approaches to marketing and promotion, and access to new markets
Bridging internal and external dimensions	
Strategic innovation	Seek alternative means to compete, and leverage existing internal resources create competitive advantage
Digital innovation	Harness technology to improve the efficiency and effectiveness

Appendix G: Ethical approval

Appendix G Panel A: Ethical approval for key informant interviews

Ollscoil Chathair Bhaile Átha Cliath
Dublin City University

DCU

Ms. Aodhdín Casey
DCU Business School

Dr Ruth Mattimoe
DCU Business School

9th June 2020

REC Reference: **DCUREC/2020/091**

Proposal Title: **"What are the challenges facing the Small and Medium Accountancy Practice (SMP) and how do these affect the business model?"**

Applicant(s): **Ms. Aodhdín Casey, Dr. Ruth Mattimoe, and Prof. Joan Ballantine**

Dear Colleagues,

Further to expedited review, the DCU Research Ethics Committee approves this research proposal.

Materials used to recruit participants should note that ethical approval for this project has been obtained from the Dublin City University Research Ethics Committee.

Should substantial modifications to the research protocol be required at a later stage, a further amendment submission should be made to the REC.

Yours sincerely,

Geraldine Scanlon

Dr Geraldine Scanlon
Chairperson
DCU Research Ethics Committee

DCU
Research & Innovation

Taighde & Nuálaíocht Tacaíocht
Ollscoil Chathair Bhaile Átha Cliath,
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E research@dcu.ie
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Appendix G Panel B: Ethical approval for case studies

Ollscoil Chathair Bhaile Átha Cliath
Dublin City University

DCU

Aodhdín Casey
DCU Business School

Dr. Ruth Mattimoe
DCU Business School

17th May 2022

REC Reference: **DCUREC/2022/084**

Proposal Title: **"What are the challenges facing the Small and Medium Accountancy Practice (SMP) and how do these affect the business model?"**

Applicant(s): **Aodhdín Casey, Dr. Ruth Mattimoe, Dr. Brid Murphy, Prof. Joan Ballantine**

Dear Colleagues,

Thank you for your application to DCU Research Ethics Committee (REC). Further to expedited review, DCU REC are pleased to issue approval for this research proposal.

DCU REC's consideration of all ethics applications are dependent upon the information supplied by the researcher. This information is expected to be truthful and accurate. Researchers are responsible for ensuring that their research is carried out in accordance with the information provided in their ethics application.

Materials used to recruit participants should note that ethical approval for this project has been obtained from the Dublin City University Research Ethics Committee. Should substantial modifications to the research protocol be required at a later stage, a further amendment submission should be made to the REC.

Yours sincerely,

Dr. Melrona Kirrane
Chairperson
DCU Research Ethics Committee

DCU
Research & Innovation

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Appendix H: Informed consent form

DUBLIN CITY UNIVERSITY

Informed Consent Form

Research Study Title

The study in which you are being requested to participate has the working title of **'What are the challenges facing the Small and Medium Accountancy Practice (SMP) and how do these affect the business model?"** It is being conducted by Aodhdín Casey, a PhD student in DCU Business School, with supervision as noted in the Plain Language Statement.

Clarification of the purpose of the research

This research seeks to understand the key challenges facing SMPs and the implications of these challenges for their business model. Also, the research seeks to understand each firm's strategic response and rationale for this response, while also exploring how the SMP adapts its business model in line with its chosen strategic response. The research will be situated in Chartered Accountants Ireland (CAI) registered firms. As a representative of your SMP firm, you (as a partner) are being invited to participate in this study given your seniority and relevant expertise in public practice.

Confirmation of particular requirements as highlighted in the Plain Language Statement

As stated in the Plain Language Statement, participants in this research will be requested to participate in a face-to-face interview and provide information, covering key elements of the firm's business model, identifying key challenges, the implications of these challenges and discussing the firm's strategic responses to these challenges. The researcher will request to record (audio only) the interview. As part of this research, some personal data will be collected and anonymized completely.

Participant – please complete the following (Circle Yes or No for each question)

- *I have read the Plain Language Statement (or had it read to me)* *Yes/No*
- *I understand the information provided* *Yes/No*
- *I understand the information provided in relation to data protection* *Yes/No*
- *I have had an opportunity to ask questions and discuss this study* *Yes/No*
- *I have received satisfactory answers to all my questions* *Yes/No*
- *I understand that my participation is totally voluntary and that I am free to withdraw from the research at any time, up to, during and after the interview, without prejudice or reason* *Yes/No*
- *I am aware that my interview will be audiotaped and consent to the use of these recordings for the creation of written interview transcripts which will be anonymized.* *Yes/No*

Arrangements to protect confidentiality, retention and disposal of data

- *I understand all information and data collected will be held securely and in confidence and this data and information is subject to legal limitations* *Yes/No*
- *I understand that every effort will be made to protect my anonymity.* *Yes/No*
- *I understand that subsequent publications from this PhD study may include anonymized quotes from the interviews.* *Yes/No*
- *I confirm that I am satisfied with the provisions in place regarding retention and disposal of data, as outlined in the Plain Language Statement.* *Yes/No*

Signature:

I have read and understood the information in this form. My questions and concerns have been answered by the researchers, and I have a copy of this consent form. Therefore, I consent to take part in this research project

Participants Signature: _____

Name in Block Capitals: _____

Witness: _____

Date: _____

Appendix I: Plain language statement

DUBLIN CITY UNIVERSITY
Plain Language Statement

Introduction to the Research Study

Working Title: - *'What are the challenges facing the Small and Medium Accountancy Practice (SMP) and how do these affect the business model?"*

Dublin City University Business School (DCUBS)
Principal Investigator: Aodhdín Casey (PhD student DCUBS -Aodhdin.Casey28@mail.dcu.ie)
Joint Principal Supervisor: Dr Ruth Mattimoe (DCUBS – Ruth.Mattimoe@dcu.ie)
Dr Bríd Murphy (DCUBS – Brid.Murphy@dcu.ie)
Secondary External Supervisor: Prof Joan Ballantine (Ulster University – Joan.Ballantine@ulster.ac.uk)

Discourse around the changing nature of service provision in the SMP is evident in both professional and academic literature. For example, the issues of falling profit margins from compliance work, developments in technology and regulation, changes in client needs, and competition for talent, are among the challenges putting the global SMP traditional service offerings under pressure (Gardner and Bryson, 2021, Street et al., 2019. It is against this background that the SMP must be capable of responding to the challenges to thrive in the long term, which may mean changing strategy. The SMP strategy is concerned with how to adapt its business model (Tagoe, 2018) in light of these challenges. This in turn, links to the SMP's ability to develop, deploy and utilise their tangible and intangible knowledge-based resources, referred to as intellectual capital (IC), to maintain its competitive advantage (Fu, Flood, Bosak, Rousseau, Morris and O'Regan, 2017).
This research seeks to understand the key challenges facing SMPs and the implications of these challenges for their business model. Also, the research seeks to understand each firm's strategic response and rationale for this response, while also exploring how the SMP adapts its business model in line with its chosen strategic response. The research will be situated in Chartered Accountants Ireland (CAI) registered firms.

As a representative of your SMP firm, you (as a partner) are being invited to participate in this study given your seniority and relevant expertise in public practice. Please read the following information about the research and do not hesitate to ask any questions.

Privacy Notice

GDPR Compliance and Anonymity (including sharing of data)

Confidentiality and anonymity of personal data is of the upmost importance in this research. It is intended that all personal identifiable information (e.g., firm name, firm location, partner name, etc.) will be anonymized in the thesis and in subsequent publications, along the following lines:

- Case Site: - Case Site 01, Case Site 02, etc.
- Partner name: - Partner A, Partner B, etc.
- Location: - Large midlands town, Suburban office in Cork, etc.

All data collected (paper and electronic) will be stored securely and will be treated with the strictest confidence, in accordance with the principles outlined in the General Data Protection Regulation (GDPR, 2018). Information gathered as part of this research will be used solely for this purpose. DCU as data controller for this research is responsible for looking after your information and using it properly, as stipulated in GDPR and the Data Protection Act, 2018.
Please be aware that by agreeing to participate in this research, you maintain your right to lodge a complaint with the Irish Data Protection Commission. Should you have a question regarding Data Protection the DCU Data Protection Officer is Mr. Martin Ward (data.protection@dcu.ie Ph: 7005118 / 7008257).

Sharing of interview data:

Interview recordings will be shared with a third-party transcriber provider, who adheres to the utmost professional standards and has guaranteed to securely destroy all recordings after the transcription exercise is completed. The principal investigator takes responsibility for the complete anonymizing of all interview transcripts. The interview data will be shared with the thesis joint principal supervisors (including DCU internal

panel member) and secondary external supervisor. Also, the internal and external examiners will be reading and examining the thesis.

Right to access personal data:
While all data will be anonymized in the thesis and all related future publications, participants have the right to access their personal data. They can do so by contacting the principal investigator directly.

Voluntary involvement:
Your participation in the research is voluntary and you are free to withdraw from the research at any time, up to, during and after the interview, without prejudice or reason, by notifying the principal investigator. If you would like to participate, please read this information sheet in full and complete the consent form.

Retention of data:
The information and any other identifiable information (in all its forms) will be held for the duration of the PhD effort and held for 10 years post PhD award date.

Disposal of data:
All data pertaining to the thesis will be securely destroyed at the end of the retention period.

Details of what involvement will require:
Case site participants will be required to engage in an interview (preferably face-to-face) or on-line (via Zoom) if necessary. The research will be conducted in two phases:

Phase 1: SMP practice profile and an interview covering key elements of the firm's business model, identifying key challenges, the implications of these challenges and discussing the firm's strategic responses to these challenges.
Phase 2: A second interview investigating the work undertaken by the firm, associated with implementing its strategic response and its impact on the business model.

It is envisaged the practice profile information will be completed by the firm in advance of the first interview in Phase 1. The interviews will be approximately one / one and a half-hour in duration. If you give your permission the interview will be audio recorded and later transcribed.

Potential risks to participants:
There are no direct risks. While interviews will be anonymised and treated with confidentiality there is always a slight possibility that participants can be identified as a result of their responses. However, all reasonable measures will be taken to ensure that this does not happen.
It is intended that all personal identifiable information (e.g., firm name, firm location, partner name, etc.) will be anonymized in the thesis and in subsequent publications, along the following lines:

- Case Site: - Case Site 01, Case Site 02, etc.
- Partner name: - Partner A, Partner B, etc.
- Location: - Large midlands town, Suburban office in Cork, etc.
- Interview Quotation(s): - Case Site 01, Partner 3 mentioned "direct quote from interview"

Any benefits (direct or indirect) to participants:
Both professional and academic literature recognise the SMP must be capable of responding to challenges by adapting its business model to remain competitive. Despite this recognition, few studies have explored how the SMP adapts to these challenges. This research attempts to address this gap and answer calls to revitalize the research agenda in the area (Ramirez, Stringfellow and Maclean, 2015). The research design is informed by insights gained from Key Informant Interviews with senior representatives of Chartered Accountants Ireland

insights gained from Key Informant Interviews with senior representatives of Chartered Accountants Ireland and grounded it in the reality of the SMP. The empirical data from the case sites will provide valuable 'real-life' findings of how SMPs are navigating these challenges, the rationale behind their decision making and how their purposive and practical actions are reflected in their business model. This insight will be of interest to the SMP practitioner community and academics alike, and the research therefore will be of practical usefulness (Mitchell, 2002). This research will be published from the thesis in associated publications in reputable journals.

Confidentiality of data is subject to legal limitations:

While confidentiality of information provided by participants is of the upmost importance, confidentiality cannot always be guaranteed and can only be protected within the limitations of the law - i.e., it is possible for data to be subject to subpoena, freedom of information claim or mandated reporting by some professions.

Access to thesis:

The original bound thesis and all hard copies required by DCU PhD regulations will be retained by the principal investigator and joint supervisors and not made available in e-form by DCU library until a period of 10 years from the date of the PhD award.

Any other relevant information:

Not applicable.

If participants have concerns about this study and wish to contact an independent person, please contact:

The Secretary,
Dublin City University Research Ethics Committee,
c/o Research and Innovation Support,
Dublin City University,
Dublin 9.
Tel 01-7008000 *e-mail rec@dcu.ie*

Appendix J: Example of staff profile
Commercial logic-dominant firm-4P-1(March 2025)

Positions	Title	Start Date	Qualification
Partner 1	Head of Advisory Services	Jan-83	B.Comm, FCA, FMAAT, MMII, FCMC
Partner 2	Head of Audit Services (Joint)	Nov-98	FCA
Partner 3	Head of Audit Services (Joint)	May-91	B.Comm, FCA, Diploma in Forensic Accounting, Accredited Mediator
Partner 4	Audit Partner	Mar-08	ACA, BBS(Acc)
Partner 5	Taxation Partner	Sept-02	B.Comm, FCCA, AITI
Director 1	Director of Business Services	not specified	ACA, BCA
Director 2	Director of Taxation Services	2006	B.Comm, AITI
Director 3	Director of Taxation Service	Feb-20	ACA, CTA
Director 4	Head of Taxation Services	Jul-19	AITI, IATI, CTA
Director 5	Director of Audit Services	Sept-03	FCA, BBS(Acc), FCMC, Diploma in Managing People, Diploma in Forensic Accounting
Director 6	Head of Business Services	1989	FCCA, ACG, MAAT
Director 7	Director of Advisory Services	Aug-22	ACA, Leader for Growth, M.Acc, BA Business & Economics
Other specialist staff 1	Director of Finance	Oct-89	-
Other specialist staff 2	Director of Operations	May-03	Degree in English, language, history and literature
Other specialist staff 3	Director of Working Capital Management	Feb-13	
Manager 1	Senior tax manager	Apr-22	PDA, Accounting, BA Economics and Business Studies
Manager 2	Auditor	Mar-22	ACCA, H-Dip Regulatory risk and compliance, BBA (Hons) Accounting and Finance
Manager 3	Audit Manager	Oct-22	ACA, Diploma in Tax
Senior 1	Audit Senior	Sept-10	ACA, Postgrad Dip in Accounting, B,Eng.
Senior 2	Assistant Manager	Jul-13	ACA, BBA (Hons) Accounting and Finance
Senior 3	Senior Auditor	Jun-20	ACA,BA (Hons) Accounting and Finance
Senior 4	Audit Senior	Sept-20	ACA, BBA (Hons) Accounting and Finance
Senior 5	Audit Senior	Jun-24	CA (India), ACCA - auditing, CPA- Irish Tax, Bcom Accounting and Finance
Senior 6	Audit Senior	Dec-23	ACCA
Junior 1	Payroll & Company Secretarial Trainee	Jul-17	B.Comm - Accounting
Junior 2	Semi-senior	Sept-21	ACA,BA (Hons) Accounting and Finance
Junior 3	Audit Semi-senior	Jan-22	Trainee ACCA, BA Accounting and Finance
Junior 4	Audit trainee	Sept-22	Trainee ACCA
Junior 5	Audit trainee	Dec-22	Trainee ACCA, BBA (Hons) Accounting and Finance
Junior 6	Trainee	Jan-23	ATI, BBA (Hons) Accounting and Finance
Junior 7	Associate Business Advisory	Jan-23	ACCA, Masters Engineering/Industrial Management
Junior 8	Audit Semi-senior	Mar-23	Trainee ACA, BBA (Hons) Accounting and Finance
Junior 9	Audit trainee	Aug-23	Trainee ACCA, BBA (Hons) Accounting and Finance
Junior 10	Audit trainee	Aug-23	Trainee ACCA, BBS Accounting and Finance
Junior 11	Audit trainee	Sept-23	Trainee ACA, BBS Accounting and Finance
Junior 12	Audit Semi-senior	Nov-23	Trainee ACCA, BA Accounting and Finance
Junior 13	Audit trainee	Sept-24	BA Economics and Finance
Junior 14	Junior auditor	Sept-24	Trainee auditor (apprenticeship)
Junior 15	Audit trainee	Sept-24	Trainee ACCA, BA Accounting and Finance
Junior 16	Tax Trainee	Jun-21	Trainee ACCA, CTA, BBA (Hons) Accounting and Finance
Junior 17	Tax Trainee	Mar-23	Trainee CTA, ACA, BA Law and Accounting
Junior 18	Tax Trainee	Jul-24	Trainee CTA, BBA (Hons) Accounting and Finance
Support staff: Administration 1	Assistant to Finance Director	Dec-18	IPASS
Support staff: Administration 2	Receptionist	Oct-05	Degree in Design and Communications-Aminations

Appendix K: Analysis of institutional work by institutional objective by case type

Appendix K Panel A: Staff-related institutional work by case type

CREATING WORK STAFF-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in the study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Political work	Advocacy	Employer value proposition	-	-	-	-	-
		Investing in new premises	-	-	-	-	-
		Managing partner	1	-	-	-	1
		Managing remote working	-	-	-	-	-
		New positions	-	-	-	-	-
		Outsourcing	-	-	-	-	-
		Performance management	-	-	-	-	-
		Recruitment	-	-	-	-	-
		Retention	-	-	-	-	-
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	-	-	-	-	-
		Working arrangements	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*1*	-	-	-	*1*
	Defining	Employer value proposition	1	-	-	-	1
		Investing in new premises	-	-	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	1	1	-	-	-
		New positions	3	1	2	-	-
		Outsourcing	-	-	-	-	-
		Performance management	1	1	-	-	-
		Recruitment	3	2	1	-	-
		Retention strategies	2	1	-	-	1
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	-	-	-	-	-
		Working arrangements	-	-	-	-	-
		Combined instances of this form of work, across case types	*11*	*6*	*3*	-	*2*
	Vesting	None found	-	-	-	-	-
Reconfiguring existing norms and belief systems	Constructing identities	Employer value proposition	1	-	-	-	1
		Investing in new premises	-	-	-	-	-
		Managing partner	1	-	-	-	1
		Managing remote working	-	-	-	-	-
		New positions	3	1	2	-	-
		Outsourcing	-	-	-	-	-
		Performance management	-	-	-	-	-
		Recruitment	-	-	-	-	-
		Retention strategies	-	-	-	-	-
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	-	-	-	-	-
		Working arrangements	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*5*	*1*	*2*	-	*2*
	Changing normative associations	Employer value proposition	-	-	-	-	-
		Investing in new premises	-	-	-	-	-
		Managing partner	1	-	-	-	1
		Managing remote working	1	1	-	-	-
		New positions	1	-	1	-	-
		Outsourcing	1	-	-	1	-
		Performance management	1	1	-	-	-
		Recruitment	4	1	1	1	1
		Retention strategies	1	-	-	-	1
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	-	-	-	-	-
		Working arrangements	2	-	-	1	1
		Combined instances of this form of work, across all case sites	*12*	*3*	*2*	*3*	*4*

CREATING WORK STAFF-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in the study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Reconfiguring existing norms and belief systems	Constructing normative networks	Employer value proposition	-	-	-	-	-
		Investing in new premises	-	-	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	-	-	-	-	-
		New positions	-	-	-	-	-
		Outsourcing	2	-	1	-	1
		Performance management	1	-	-	1	-
		Recruitment	4	-	1	2	1
		Retention strategies	-	-	-	-	-
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	-	-	-	-	-
		Working arrangements	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*7*	*-*	*2*	*3*	*2*
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	Employer value proposition	1	-	-	-	1
		Investing in new premises	1	1	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	2	1	-	1	-
		New positions	1	-	1	-	-
		Outsourcing	1	-	-	1	-
		Performance management	2	1	-	1	-
		Recruitment	3	1	1	-	1
		Retention strategies	2	1	-	-	1
		Spare capacity and flexibility	1	1	-	-	-
		Training and development	2	-	1	1	-
		Working arrangements	5	2	1	2	-
		Combined instances of this form of work, across all case sites	*21*	*8*	*4*	*6*	*3*
	Theorizing	Employer value proposition	-	-	-	-	-
		Investing in new premises	1	1	-	-	-
		Managing partner					
		Managing remote working	2	1	-	1	-
		New positions	2	1	1	-	-
		Outsourcing	1	-	-	1	-
		Performance management	1	-	-	1	-
		Recruitment	5	1	2	-	2
		Retention strategies	2	1	1	-	-
		Spare capacity and flexibility	2	1	1	-	-
		Training and development	3	-	-	2	1
		Working arrangements	3	1	-	2	-
		Combined instances of this form of work, across all case sites	*22*	*7*	*5*	*7*	*3*
	Educating	Employer value proposition	-	-	-	-	-
		Investing in new premises	-	-	-	-	-
		Managing partner	1	-	-	-	1
		Managing remote working	2	1	-	1	-
		New positions	1	-	1	-	-
		Outsourcing	-	-	-	-	-
		Performance management	-	-	-	-	-
		Recruitment	2		-	-	2
		Retention strategies	-	-	-	-	-
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	9	2	3	2	2
		Working arrangements	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*15*	*3*	*4*	*3*	*5*

MAINTAINING WORK STAFF-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in the study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Adherence to rules - custodial work	Enabling	Employer value proposition	1	-	-	-	1
		Investing in new premises	1	1	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	2	1	-	1	-
		New positions	2	1	1	-	-
		Outsourcing	2	-	1	1	-
		Performance management	-	-	-	-	-
		Recruitment	4	2	-	1	1
		Retention	2	-	1	-	1
		Spare capacity and flexibility	1	1	-	-	-
		Training and development	6	2	2	1	1
		Working arrangements	3	1	1	1	-
		Combined instances of this form of work, across all case sites	*24*	*9*	*6*	*5*	*4*
	Policing	Employer value proposition	1	-	-	-	1
		Investing in new premises	-	-	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	2	1	-	1	-
		New positions	-	-	-	-	-
		Outsourcing	1	-	-	1	-
		Performance management	1	1	-	-	-
		Recruitment	1	-	-	-	1
		Retention	2	1	-	-	1
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	1	-	1	-	-
		Working arrangements	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*9*	*3*	*1*	*2*	*3*
	Deterring	None found	-	-	-	-	-
Reproducing existing norms and belief systems	Valourizing and demonizing	Employer value proposition	1	-	-	-	1
		Investing in new premises	-	-	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	-	-	-	-	-
		New positions	-	-	-	-	-
		Outsourcing	1	-	-	1	-
		Performance management	1	1	-	-	-
		Recruitment	1	-	-	-	1
		Retention	2	1	-	-	1
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	-	-	-	-	-
		Working arrangements	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*6*	*2*	*-*	*1*	*3*
	Mythologizing	Employer value proposition	-	-	-	-	-
		Investing in new premises	-	-	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	-	-	-	-	-
		New positions	-	-	-	-	-
		Outsourcing	-	-	-	-	-
		Performance management	-	-	-	-	-
		Recruitment	1	-	1	-	-
		Retention	-	-	-	-	-
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	-	-	-	-	-
		Working arrangements	1	-	-	1	-
		Combined instances of this form of work, across all case sites	*2*	*-*	*1*	*1*	*-*

MAINTAINING WORK STAFF-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in the study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Reproducing existing norms and belief systems	Embedding and routinizing	Employer value proposition	1	-	-	-	1
		Investing in new premises	-	-	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	3	2	-	1	-
		New positions	1	-	1	-	-
		Outsourcing	3	-	1	1	1
		Performance management	2	-	-	1	1
		Recruitment	5	-	2	1	2
		Retention	4	1	-	1	2
		Spare capacity and flexibility	2	2	-	-	-
		Training and development	6	-	3	1	2
		Working arrangements	2	-	-	2	-
		Combined instances of this form of work, across all case sites	*29*	*5*	*7*	*8*	*9*

DISRUPTING WORK STAFF-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in the study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Disrupting work	Disconnecting sanctions/rewards	None found	-	-	-	-	-
	Disassociating moral foundations	Employer value proposition	-	-	-	-	-
		Investing in new premises	-	-	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	-	-	-	-	-
		New positions	-	-	-	-	-
		Outsourcing	-	-	-	-	-
		Performance management	-	-	-	-	-
		Recruitment	2	1	1	-	-
		Retention	-	-	-	-	-
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	-	-	-	-	-
		Working arrangements	-	-	-	-	-
		Combined instances of this form of work, across all case sites	2	1	1	-	-
	Undermining assumptions and beliefs	Employer value proposition	-	-	-	-	-
		Investing in new premises	-	-	-	-	-
		Managing partner	-	-	-	-	-
		Managing remote working	-	-	-	-	-
		New positions	-	-	-	-	-
		Outsourcing	-	-	-	-	-
		Performance management	1	-	-	1	-
		Recruitment	-	-	-	-	-
		Retention	-	-	-	-	-
		Spare capacity and flexibility	-	-	-	-	-
		Training and development	-	-	-	-	-
		Working arrangements	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*1*	-	-	*1*	*0*

Appendix K Panel B: Driving efficiency-related institutional work by case type

CREATING WORK DRIVING EFFICIENCY-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Political work	Advocacy	None found	-	-	-	-	-
	Defining	AI, digitization, software	2	1	-	1	-
		Cost management	-	-	-	-	-
		Electronification	-	-	-	-	-
		Firm performance	-	-	-	-	-
		Interdepartmental recharge	1	1	-	-	-
		IT infrastructure	-	-	-	-	-
		Work practices and procedures	3	1	1	1	-
		Workflow optimization practices	-	-	-	-	-
		Outsourcing arrangements	1	-	1	-	-
		Combined instances of this form of work, across all case sites	*7*	*3*	*2*	*2*	-
	Vesting	None found	-	-	-	-	-
Reconfiguring existing norms and belief systems	Constructing identities	AI, digitization, software	1	1	-	-	-
		Cost management	-	-	-	-	-
		Electronification	-	-	-	-	-
		Firm performance	-	-	-	-	-
		Interdepartmental recharge	-	-	-	-	-
		IT infrastructure	-	-	-	-	-
		Work practices and procedures	-	-	-	-	-
		Workflow optimization practices	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*1*	*1*	-	-	-
	Changing normative associations	AI, digitization, software	1	1	-	-	-
		Cost management	-	-	-	-	-
		Electronification	-	-	-	-	-
		Firm performance	1	-	-	-	1
		Interdepartmental recharge	1	1	-	-	-
		IT infrastructure	1	-	1	-	-
		Work practices and procedures	3	2	-	-	1
		Workflow optimization practices	1	-	1	-	-
		Combined instances of this form of work, across all case sites	*8*	*4*	*2*	-	*2*
	Constructing normative networks	AI, digitization, software	-	-	-	-	-
		Cost management	1	1	-	-	-
		Electronification	-	-	-	-	-
		Firm performance	-	-	-	-	-
		Interdepartmental recharge	-	-	-	-	-
		IT infrastructure	1	-	1	-	-
		Work practices and procedures	1	1	-	-	-
		Workflow optimization practices	-	-	-	-	-
		Outsourcing arrangements	1	-	1	-	-
		Combined instances of this form of work, across all case sites	*4*	*2*	*2*	-	-
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	AI, digitization, software	7	3	1	1	2
		Cost management	1	1	-	-	-
		Electronification	4	2	-	1	1
		Firm performance	2	1	-	-	1
		Interdepartmental recharge	1	1	-	-	-
		IT infrastructure	2	-	1	1	-
		Work practices and procedures	5	2	1	1	1
		Workflow optimization practices	1	-	-	-	1
		Outsourcing arrangements	3	1	1	-	1
		Combined instances of this form of work, across all case sites	*26*	*11*	*4*	*4*	*7*

CREATING WORK DRIVING EFFICIENCY-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Alter abstract categorizations in which the boundaries of meaning are altered	Theorizing	AI, digitization, software	4	2	-	1	1
		Cost management	1	1	-	-	-
		Electronification	-	-	-	-	-
		Firm performance	-	-	-	-	-
		Interdepartmental recharge	-	-	-	-	-
		IT infrastructure	-	-	-	-	-
		Work practices and procedures	2	-	1	-	1
		Workflow optimization practices	-	-	-	-	-
		Outsourcing arrangements	3	1	-	1	1
		Combined instances of this form of work, across all case sites	*10*	*4*	*1*	*2*	*3*
	Educating	AI, digitization, software	5	3	1	-	1
		Cost management	-	-	-	-	-
		Electronification	1	1	-	-	-
		Firm performance	4	1	1	1	1
		Interdepartmental recharge	1	1	-	-	-
		IT infrastructure	-	-	-	-	-
		Work practices and procedures	7	2	2	1	2
		Workflow optimization practices	3	1	-	-	2
		Combined instances of this form of work, across all case sites	*21*	*9*	*4*	*2*	*6*

MAINTAINING WORK DRIVING EFFICIENCY-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Adherence to rules - custodial work	Enabling	AI, digitization, software	7	3	1	1	2
		Cost management	1	1	-	-	-
		Electronification	2	-	-	1	1
		Firm performance	2	1	-	1	-
		Interdepartmental recharge	-	-	-	-	-
		IT infrastructure	1	-	-	1	-
		Outsourcing	1	-	1	-	
		Work practices and procedures	6	2	1	1	2
		Workflow optimization practices	4	1	1	1	1
		Combined instances of this form of work, across all case sites	*24*	*8*	*4*	*6*	*6*
	Policing	AI, digitization, software	5	3	1	-	1
		Cost management	-	-	-	-	-
		Electronification	1	-	-	1	-
		Firm performance	6	2	1	1	2
		Interdepartmental recharge	1	1	-	-	-
		IT infrastructure	2	1	-	1	-
		Outsourcing	1	-	1	-	-
		Work practices and procedures	8	3	2	1	2
		Workflow optimization practices	5	2	-	1	2
		Combined instances of this form of work, across all case sites	*29*	*12*	*5*	*5*	*7*
	Deterring	None found	-	-	-	-	-
Reproducing existing norms and belief systems	Valourizing and demonizing	AI, digitization, software	1	1	-	-	-
		Cost management	-	-	-	-	-
		Electronification	-	-	-	-	-
		Firm performance	2	-	1	-	1
		Interdepartmental recharge	-	-	-	-	-
		IT infrastructure	-	-	-	-	-
		Outsourcing	-	-	-	-	-
		Work practices and procedures	1	-	-	-	1
		Workflow optimization practices	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*4*	*1*	*1*	-	*2*

MAINTAINING WORK DRIVING EFFICIENCY-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Reproducing existing norms and belief systems	Mythologizing	None found	-	-	-	-	-
	Embedding and routinizing	AI, digitization, software	7	3	1	2	1
		Cost management	-	-	-	-	-
		Electronification	3	1	-	1	1
		Firm performance	6	2	1	2	1
		Interdepartmental recharge	-	-	-	-	-
		IT infrastructure	1	1	-	-	-
		Outsourcing	2	1	1	-	-
		Work practices and procedures	9	4	2	1	2
		Workflow optimization practices	6	2	1	1	2
		Combined instances of this form of work, across all case sites	*34*	*14*	*6*	*7*	*7*

DISRUPTING WORK DRIVING EFFICIENCY-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Disrupting work	Disconnecting sanctions/rewards	None found	-	-	-	-	-
	Disassociating moral foundations	None found	-	-	-	-	-
	Undermining assumptions and beliefs	AI, digitization, software	1	1	-	-	-
		Cost management	-	-	-	-	-
		Electronification	-	-	-	-	-
		Firm performance	-	-	-	-	-
		Interdepartmental recharge	-	-	-	-	-
		IT infrastructure	-	-	-	-	-
		Outsourcing	1	-	-	-	1
		Work practices and procedures	-	-	-	-	-
		Workflow optimization practices	2	1	-	-	1
		Combined instances of this form of work, across all case sites	*4*	*2*	-	-	*2*

Appendix K Panel C: Legislative and regulative-related institutional work by case type

CREATING WORK LEGISLATIVE AND REGULATIVE-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Political work	Advocacy	None found	-	-	-	-	-
	Defining	AML	-	-	-	-	-
		CPD	-	-	-	-	-
		ISQM	-	-	-	-	-
		Licences e.g., investment business (QFA)	-	-	-	-	-
		Positions of regulatory responsibility	-	-	-	-	-
		Quality control - internal and external	1	-	1	-	-
		Supplement expertise externally	-	-	-	-	-
		Taxation - legislation, dealing with Revenue	-	-	-	-	-
		Whistleblowing policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*1*	-	*1*	-	-
	Vesting	AML	-	-	-	-	-
		CPD	-	-	-	-	-
		ISQM	-	-	-	-	-
		Licences e.g., investment business (QFA)	2	1	-	-	1
		Positions of regulatory responsibility	-	-	-	-	-
		Quality control - internal and external	-	-	-	-	-
		Supplement expertise externally	-	-	-	-	-
		Taxation - legislation, dealing with Revenue	-	-	-	-	-
		Whistleblowing policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*2*	*1*	-	-	*1*
Reconfiguring existing norms and belief systems	Constructing identities	None found	-	-	-	-	-
	Changing normative associations	AML	-	-	-	-	-
		CPD	1	-	-	-	1
		ISQM	-	-	-	-	-
		Licences e.g., investment business (QFA)	-	-	-	-	-
		Positions of regulatory responsibility	-	-	-	-	-
		Quality control - internal and external	1	-	1	-	-
		Supplement expertise externally	-	-	-	-	-
		Taxation - legislation, dealing with Revenue	1	-	1	-	-
		Whistleblowing policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*3*	-	*2*	-	*1*
	Constructing normative networks	AML	-	-	-	-	-
		CPD	-	-	-	-	-
		ISQM	-	-	-	-	-
		Licences e.g., investment business (QFA)	-	-	-	-	-
		Positions of regulatory responsibility	-	-	-	-	-
		Quality control - internal and external	4	-	3	1	-
		Supplement expertise externally	-	-	-	-	-
		Taxation - legislation, dealing with Revenue	-	-	-	-	-
		Whistleblowing policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*4*	-	*3*	*1*	-
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	AML	3	2	-	1	-
		CPD	-	-	-	-	-
		ISQM	2	-	1	1	-
		Licences e.g., investment business (QFA)	-	-	-	-	-
		Positions of regulatory responsibility	-	-	-	-	-
		Quality control - internal and external	2	1	-	1	-
		Supplement expertise externally	1	-	1	-	-
		Taxation - legislation, dealing with Revenue	-	-	-	-	-
		Whistleblowing policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*8*	*3*	*2*	*3*	-

CREATING WORK LEGISLATIVE AND REGULATIVE-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Alter abstract categorizations in which the boundaries of meaning are altered	Theorizing	None found	-	-	-	-	-
	Educating	AML	3	1	1	1	-
		CPD	7	2	2	2	1
		ISQM	-	-	-	-	-
		Licences e.g., investment business (QFA)	2	1	-	-	1
		Positions of regulatory responsibility	-	-	-	-	-
		Quality control - internal and external	4	-	2	1	1
		Supplement expertise externally	-	-	-	-	-
		Taxation - legislation, dealing with Revenue	1	1	-	-	-
		Whistleblowing policy	1	-	-	-	1
		Combined instances of this form of work, across all case sites	*18*	*5*	*5*	*4*	*4*

MAINTAINING WORK LEGISLATIVE AND REGULATIVE-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Reproducing existing norms and belief systems	Mythologizing	None found	-	-	-	-	-
	Embedding and routinizing	AML	4	2	-	2	-
		CPD	4	1	-	2	1
		ISQM	1	-	1	-	-
		Licences e.g., investment business (QFA)	2	1	-	-	1
		Positions of regulatory responsibility	-	-	-	-	-
		Quality control - internal and external	7	2	3	-	2
		Supplement expertise externally	1	-	1	-	-
		Taxation - legislation and dealing with Revenue	1	1	-	-	-
		Whistleblowing policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*20*	*7*	*5*	*4*	*4*

DISRUPTING WORK LEGISLATIVE AND REGULATIVE-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Disrupting work	Disconnecting sanctions/rewards	None found	-	-	-	-	-
	Disassociating moral foundations	None found	-	-	-	-	-
	Undermining assumptions and beliefs	None found	-	-	-	-	-

Appendix K Panel D: Client-related institutional work by case type

CREATING WORK CLIENT-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Political work	Advocacy	None found	-	-	-	-	-
	Defining	Client acquisition	-	-	-	-	-
		Client books and systems	-	-	-	-	-
		Client expectations	2	1	1	-	-
		Client fit - ideal client type	2	1	1	-	-
		Client relationship management	1	1	-	-	-
		Value proposition - client engagement	1	-	-	-	1
		Combined instances of this form of work, across all case sites	*6*	*3*	*2*	*-*	*1*
	Vesting	None found	-	-	-	-	-
Reconfiguring existing norms and belief systems	Constructing identities	Client acquisition	-	-	-	-	-
		Client books and systems	-	-	-	-	-
		Client expectations	-	-	-	-	-
		Client fit - ideal client type	1	1	-	-	-
		Client relationship management	2	1	1	-	-
		Value proposition - client engagement	1	1	-	-	-
		Combined instances of this form of work, across all case sites	*4*	*3*	*1*	*-*	*-*
	Changing normative associations	Client acquisition	1	-	-	1	-
		Client books and systems	-	-	-	-	-
		Client expectations	-	-	-	-	-
		Client fit - ideal client type	-	-	-	-	-
		Client relationship management	-	-	-	-	-
		Value proposition - client engagement	1	1	-	-	-
		Combined instances of this form of work, across all case sites	*2*	*1*	*-*	*1*	*-*
	Constructing normative networks	Client acquisition	1	-	-	1	-
		Client books and systems	-	-	-	-	-
		Client expectations	-	-	-	-	-
		Client fit - ideal client type	-	-	-	-	-
		Client relationship management	1	1	-	-	-
		Value proposition - client engagement	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*2*	*1*	*-*	*1*	*-*
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	Client acquisition	1	1	-	-	-
		Client books and systems	-	-	-	-	-
		Client expectations	-	-	-	-	-
		Client fit - ideal client type	-	-	-	-	-
		Client relationship management	2	1	-	1	-
		Value proposition - client engagement	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*3*	*2*	*-*	*1*	*-*
	Theorizing	Client acquisition	-	-	-	-	-
		Client books and systems	1	-	-	1	-
		Client expectations	-	-	-	-	-
		Client fit - ideal client type	4	2	2	-	-
		Client relationship management	-	-	-	-	-
		Value proposition - client engagement	2	1	-	-	1
		Combined instances of this form of work, across all case sites	*7*	*3*	*2*	*1*	*1*
	Educating	Client acquisition	1	1	-	-	-
		Client books and systems	2	-	-	2	-
		Client expectations	2	1	1	-	-
		Client fit - ideal client type	1	-	1	-	-
		Client relationship management	1	1	-	-	-
		Value proposition - client engagement	1	-	-	-	1
		Combined instances of this form of work, across all case sites	*8*	*3*	*2*	*2*	*1*

MAINTAINING WORK CLIENT-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Adherence to rules - custodial work	Enabling	Client acquisition	-	-	-	-	-
		Client books and systems	-	-	-	-	-
		Client expectations	1	1	-	-	-
		Client fit - ideal client type	-	-	-	-	-
		Client relationship management	4	1	1	1	1
		Direct debit payments	-	-	-	-	-
		Value proposition - client engagement	2	1	-	-	1
		Combined instances of this form of work, across all case sites	*7*	*3*	*1*	*1*	*2*
	Policing	Client acquisition	-	-	-	-	-
		Client books and systems	-	-	-	-	-
		Client expectations	-	-	-	-	-
		Client fit - ideal client type	4	1	1	1	1
		Client relationship management	1	-	-	-	1
		Direct debit payments	-	-	-	-	-
		Value proposition - client engagement	1	-	-	-	1
		Combined instances of this form of work, across all case sites	*6*	*1*	*1*	*1*	*3*
	Deterring	None found	-	-	-	-	-
Reproducing existing norms and belief systems	Valourizing and demonizing	Client acquisition	-	-	-	-	-
		Client books and systems	-	-	-	-	-
		Client expectations	-	-	-	-	-
		Client fit - ideal client type	1	-	1	-	-
		Client relationship management	-	-	-	-	-
		Direct debit payments	-	-	-	-	-
		Value proposition - client engagement	1	-	-	-	1
		Combined instances of this form of work, across all case sites	*2*	*-*	*1*	*-*	*1*
	Mythologizing	None found	-	-	-	-	-
	Embedding and routinizing	Client acquisition	-	-	-	-	-
		Client books and systems	1	-	-	1	-
		Client expectations	2	1	1	-	-
		Client fit - ideal client type	3	-	2	-	1
		Client relationship management	5	1	2	1	1
		Direct debit payments	1	-	1	-	-
		Value proposition - client engagement	3	2	-	-	1
		Combined instances of this form of work, across all case sites	*15*	*4*	*6*	*2*	*3*

DISRUPTING WORK CLIENT-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Disrupting work	Disconnecting sanctions/rewards	None found	-	-	-	-	-
	Disassociating moral foundations	None found	-	-	-	-	-
	Undermining assumptions and beliefs	None found	-	-	-	-	-

Appendix K Panel E: Service-related institutional work by case type

CREATING WORK SERVICE-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Political work	Advocacy	None found	-	-	-	-	-
	Defining	Adjust billing	2	1	-	1	-
		Bookkeeping licences e.g. Surf Accounts	-	-	-	-	-
		Develop specialisms and competency areas	2	-	1	-	1
		Service offering - expand, discontinue, rebalance, etc	-	-	-	-	-
		Transparent fee and cash collection policy	1	1	-	-	-
		Combined instances of this form of work, across all case sites	*5*	*2*	*1*	*1*	*1*
	Vesting	None found	-	-	-	-	-
Reconfiguring existing norms and belief systems	Constructing identities	Adjust billing	-	-	-	-	-
		Bookkeeping licences e.g. Surf Accounts	-	-	-	-	-
		Develop specialisms and competency areas	1	-	-	-	1
		Service offering - expand, discontinue, rebalance, etc	3	2	1	-	-
		Transparent fee and cash collection policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*4*	*2*	*1*	-	*1*
	Changing normative associations	None found	-	-	-	-	-
	Constructing normative networks	Adjust billing	-	-	-	-	-
		Bookkeeping licences e.g. Surf Accounts	-	-	-	-	-
		Develop specialisms and competency areas	1	1	1	-	-
		Service offering - expand, discontinue, rebalance, etc	3	1	1	-	1
		Transparent fee and cash collection policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*4*	*2*	*2*	-	*1*
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	Adjust billing	3	1	-	1	1
		Bookkeeping licences e.g. Surf Accounts	1	1	-	-	-
		Develop specialisms and competency areas	2	1	-	-	1
		Service offering - expand, discontinue, rebalance, etc	1	1	-	-	-
		Transparent fee and cash collection policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*7*	*4*	-	*1*	*2*
	Theorizing	Adjust billing	2	1	-	1	-
		Bookkeeping licences e.g. Surf Accounts	-	-	-	-	-
		Develop specialisms and competency areas	1	-	-	-	1
		Service offering - expand, discontinue, rebalance, etc	1	-	-	-	1
		Transparent fee and cash collection policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*4*	*1*	-	*1*	*2*
	Educating	Adjust billing	-	-	-	-	-
		Bookkeeping licences e.g. Surf Accounts	1	1	-	-	-
		Develop specialisms and competency areas	-	-	-	-	-
		Service offering - expand, discontinue, rebalance, etc	1	-	-	-	1
		Transparent fee and cash collection policy	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*2*	*1*	-	-	*1*

MAINTAINING WORK SERVICE-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Adherence to rules - custodial work	Enabling	Adjust billing	1	-	-	1	-
		Transparent fee and cash collection policy	1	1	-	-	-
		Bookkeeping licences e.g. Surf Accounts	-	-	-	-	-
		Service offering - expand, discontinue, rebalance, etc	2	1	-	-	1
		Develop specialisms and competency areas	1	-	-	-	1
		Combined instances of this form of work, across all case sites	*5*	*2*	-	*1*	*2*
	Policing	Adjust billing	1	1	-	-	-
		Transparent fee and cash collection policy	-	-	-	-	-
		Bookkeeping licences e.g. Surf Accounts	1	1	-	-	-
		Service offering - expand, discontinue, rebalance, etc	-	-	-	-	-
		Develop specialisms and competency areas	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*2*	*2*	-	-	-
	Deterring	None found	-	-	-	-	-
Reproducing existing norms and belief systems	Valourizing and demonizing	None found	-	-	-	-	-
	Mythologizing	None found	-	-	-	-	-
	Embedding and routinizing	Adjust billing	2	1	-	1	-
		Bookkeeping licences e.g. Surf Accounts	1	1	-	-	-
		Develop specialisms and competency areas	1	-	-	-	1
		Service offering - expand, discontinue, rebalance, etc	1	-	-	-	1
		Transparent fee and cash collection policy	1	1	-	-	-
		Combined instances of this form of work, across all case sites	*6*	*3*	-	*1*	*2*

DISRUPTING WORK SERVICE-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Disrupting work	Disconnecting sanctions/rewards	None found	-	-	-	-	-
	Disassociating moral foundations	None found	-	-	-	-	-
	Undermining assumptions and beliefs	Adjust billing	-	-	-	-	-
		Bookkeeping licences e.g. Surf Accounts	1	1	-	-	-
		Develop specialisms and competency areas	-	-	-	-	-
		Service offering - expand, discontinue, rebalance, etc	1	1	-	-	-
		Transparent fee and cash collection policy	1	1	-	-	-
		Combined instances of this form of work, across all case sites	*3*	*3*	-	-	-

Appendix K Panel F: Brand-related institutional work by case type

CREATING WORK BRAND-RELATED IOS							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Political work	Advocacy	Dress Code	-	-	-	-	-
		Initial firm identity	-	-	-	-	-
		Promote CAI brand	1			1	
		Rebranding, brand refresh, occasion e.g. anniversary	-	-	-	-	-
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*1*	-	-	1	-
	Defining	Dress Code	-	-	-	-	-
		Initial firm identity	-	-	-	-	-
		Promote CAI brand	-	-	-	-	-
		Rebranding, brand refresh, occasion e.g. anniversary	1	-	-	-	1
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	1	-	-	-	1
		Combined instances of this form of work, across all case sites	*2*	-	-	-	*2*
	Vesting	None found	-	-	-	-	-
Reconfiguring existing norms and belief systems	Constructing identities	Dress Code	-	-	-	-	-
		Initial firm identity	4	1	1	2	-
		Promote CAI brand	-	-	-	-	-
		Rebranding, brand refresh, occasion e.g. anniversary	-	-	-	-	-
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	1	1	-	-	-
		Combined instances of this form of work, across all case sites	*5*	*2*	*1*	*2*	-
	Changing normative associations	Dress Code	-	-	-	-	-
		Initial firm identity	1	1	-	-	-
		Promote CAI brand	-	-	-	-	-
		Rebranding, brand refresh, occasion e.g. anniversary	-	-	-	-	-
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*1*	*1*	-	-	-
	Constructing normative networks	Dress Code	-	-	-	-	-
		Initial firm identity	-	-	-	-	-
		Promote CAI brand	-	-	-	-	-
		Rebranding, brand refresh, occasion e.g. anniversary	3	2	-	-	1
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	-	-	-	-	-
		Combined instances of this form of work, across all case sites	*3*	*2*	-	-	*1*
Alter abstract categorizations in which the boundaries of meaning are altered	Mimicry	Dress Code	1	-	-	1	-
		Initial firm identity	2	1	1	-	-
		Promote CAI brand	-	-	-	-	-
		Rebranding, brand refresh, occasion e.g. anniversary	1	1	-	-	-
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	5	2	-	1	2
		Combined instances of this form of work, across all case sites	*9*	*4*	*1*	*2*	*2*
	Theorizing	Dress Code	1	-	-	1	-
		Initial firm identity	1	-	1	-	-
		Promote CAI brand	-	-	-	-	-
		Rebranding, brand refresh, occasion e.g. anniversary	-	-	-	-	-
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	1	1	-	-	-
		Combined instances of this form of work, across all case sites	*3*	*1*	*1*	*1*	-
	Educating	None found	-	-	-	-	-

MAINTAINING WORK BRAND-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Adherence to rules - custodial work	Enabling	Dress code	-	-	-	-	-
		Initial firm identity	-	-	-	-	-
		Promote CAI brand	-	-	-	-	-
		Rebranding, brand refresh, occasion e.g. anniversary	3	1	-	1	1
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	4	1	-	1	2
		Combined instances of this form of work, across all case sites	*7*	*2*	-	*2*	*3*
	Policing	Dress code	-	-	-	-	-
		Initial firm identity	-	-	-	-	-
		Promote CAI brand	-	-	-	-	-
		Rebranding, brand refresh, occasion e.g. anniversary	-	-	-	-	-
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	1	1	-	-	-
		Combined instances of this form of work, across all case sites	*1*	*1*	-	-	-
	Deterring	None found	-	-	-	-	-
Reproducing existing norms and belief systems	Valourizing and demonizing	None found	-	-	-	-	-
	Mythologizing	None found	-	-	-	-	-
	Embedding and routinizing	Dress code	-	-	-	-	-
		Initial firm identity	-	-	-	-	-
		Promote CAI brand	-	-	-	-	-
		Rebranding, brand refresh, occasion e.g. anniversary	2	1	-	-	1
		Sector and industry awards	-	-	-	-	-
		Social and traditional media, and website presence	4	1	-	1	2
		Combined instances of this form of work, across all case sites	*6*	*2*	-	*1*	*3*

DISRUPTING WORK BRAND-RELATED IOs							
Emphasis of work	**Forms of work**		**Number of case sites**	**Case type**			
				Sole practitioner firms	**2-Principal firms**	**3-Principal firms**	**4 and 5 Principal firms**
		Total number of case sites in this study	**11**	**4**	**3**	**2**	**2**
		Institutional arrangements	**Number of case sites engaged in this work**				
Disrupting work	Disconnecting sanctions/rewards	None found	-	-	-	-	-
	Disassociating moral foundations	None found	-	-	-	-	-
	Undermining assumptions and beliefs	None found	-	-	-	-	-

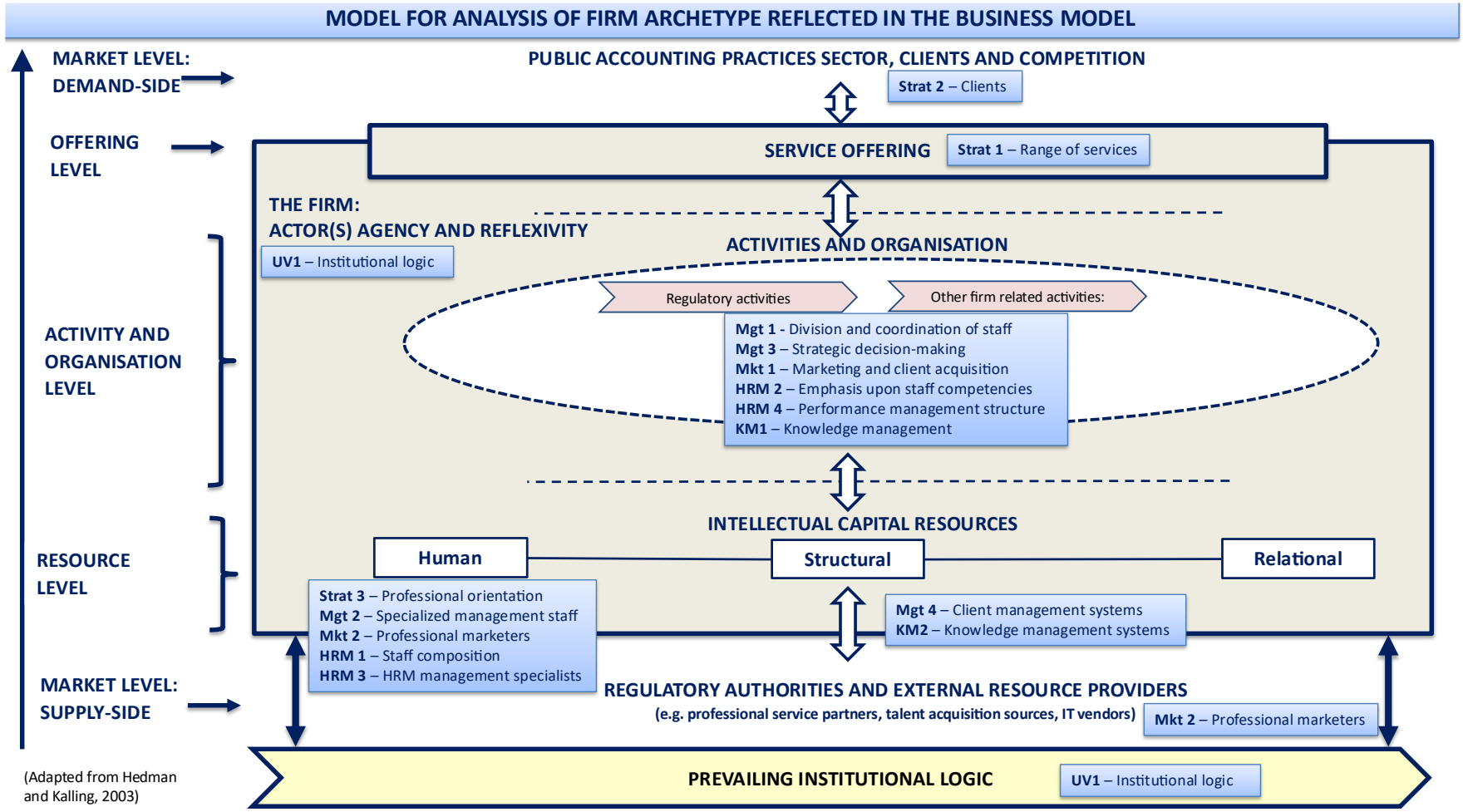
Appendix L: Mapping of firm archetype to adapted BM conceptualisation

Appendix L Panel A: Mapping and assessment of SMP archetype to adapted business model conceptualisation

Elements	Traditional Cravath-Style form / P²	Multidisciplinary practice	Adapted Hedman and Kalling's (2003) Business model conceptualisation: Business model level	Mapping references to situate Suddaby and Greenwood (2006) archetypal element within the adapted Hedman and Kalling's (2003) business model conceptualisation - Appendix L - Panel B
Strategy	Provision of narrow range of services	Provision and cross-selling of a diversified range of services	Offering level	Strat 1 - range of services
	Clients vary in size	Focus on large, especially global clients	Market level: demand -side - clients	Strat 2 - clients
	Professionals are generalists	Expertise in specific industries	Market level: supply side -human capital	Strat 3 - professional orientation
		Professionals specialise by function and industry		
Management	Division of labour based on service (e.g., audit, tax) focused on the local office	Division of labour based on service lines and industry, focused on national /international scale	Activities and organisation	Mgt 1 - division and coordination of staff
	Coordination primarily achieved via committees	Coordination achieved by formal hierarchy supplemented by project teams		
	Few, if any, specialised or full-time management positions	Specialised and full-time management positions	Market level: supply side -human capital	Mgt 2 - specialised management staff
	High partnership involvement in strategic decisions	Authoritative decision style	Activities and organisation	Mgt 3 - strategic decision-making
	Consensus decision style			
		Formal client management systems	Market level: supply side -structural capital	Mgt 4 - client management systems
Marketing		Formal marketing ('branding')	Activities and organisation	Mkt 1 - marketing and client acquisition
	No specialists	Professional marketers used	Market level: supply side -human capital or service input suppliers	Mkt 2 - professional marketers
Human resource management	Unitary (one profession) workforce	Diverse (multi-professional) workforce	Market level: supply side -human capital	HRM 1 - staff composition

	Emphasis upon technical expertise as criterion for production and compensation	Emphasis upon commercial acumen as criterion for promotion and compensation	Activities and organisation	HRM 2 - emphasis upon staff competencies
	No human resource management specialists	Professional human resource management specialists	Market level: supply side -human capital or service input suppliers	HRM 3 - HRM management specialists
	Decentralized profit pool Weak accountability of performance	Centralized (global) profit pool Accountability limited to compensation	Activities and organisation	HRM 4 - performance management structure
Knowledge management	Informal networks	Formal centralized knowledge management systems	Activities and organisation	KM 1 - knowledge management
			Market level: supply side -structural capital	KM 2 – knowledge management systems
Underlying values	Professional services as a craft	Professional services as a business	Scope of management and Longitudinal dimension	UV 1 – Institutional logic - assessed using Ideal-type analysis (Thornton, Jone and Kury, 2005, Anderson Gough *et al.*, 2022)
	Collegiality, consensus and professional autonomy	Accountability for performance		
	Primary mission is to serve clients, but 'objectively' is critical	Primary mission is to serve very large clients		

Appendix L Panel B: Model for analysis of firm archetype reflected in the business model



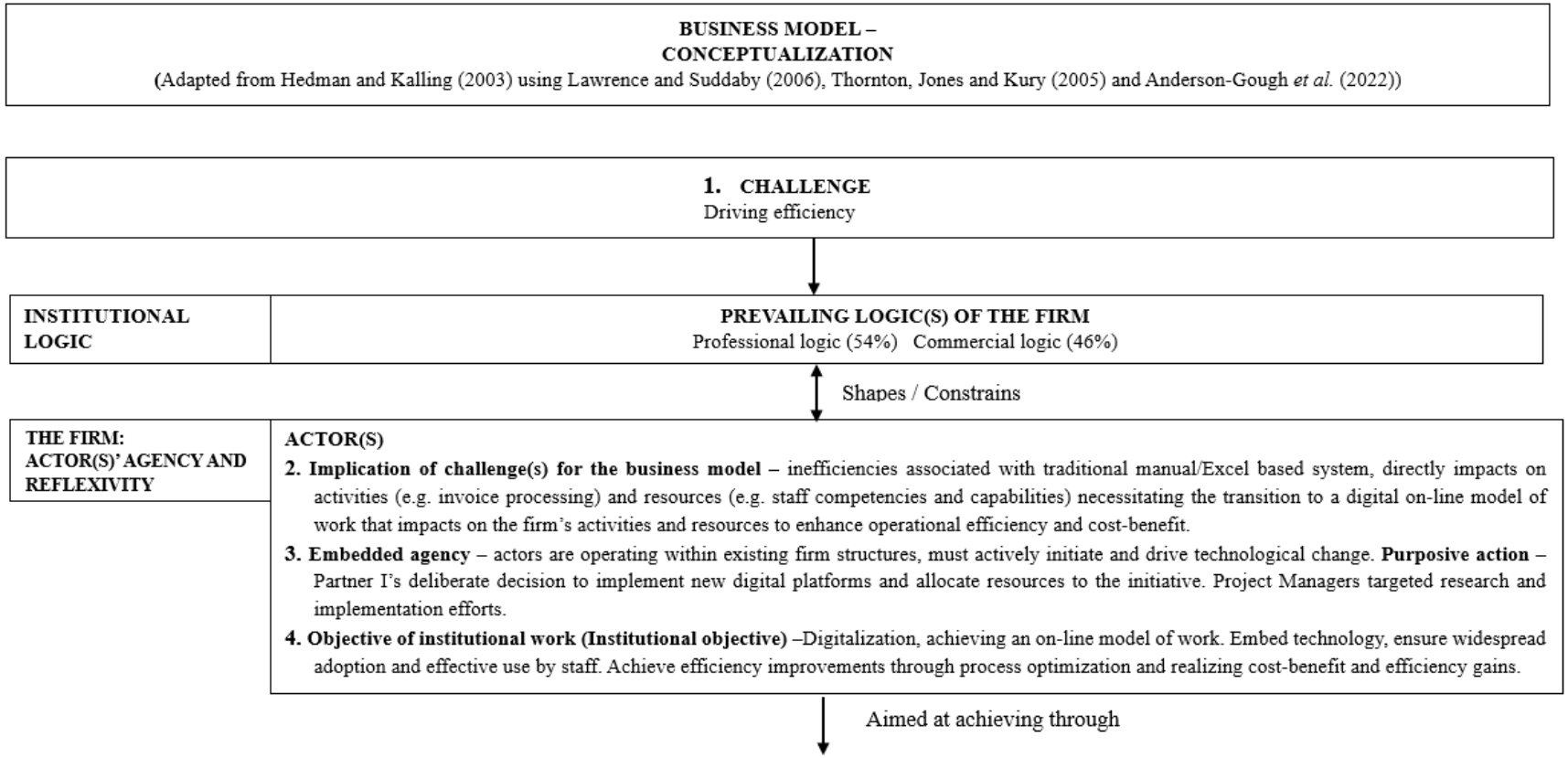
Appendix M: Binary coding to establish institutional orientation of case site BM

Example

Case site	Institutional objective	Institutional arrangement	Number of institutional arrangements	CREATING WORK									MAINTAINING WORK						DISRUPTING WORK			Total	% of work undertaken
				Political work			Reconfiguring existing norms and belief systems			Alter abstract categorizations in which the boundaries of meaning are altered			Adherence to rules - custodial work			Reproducing existing norms and belief systems			Disrupting work				
				Advocacy	Defining	Vesting	Constructing identities	Changing normative associations	Constructing normative networks	Mimicry	Theorizing	Educating	Enabling	Policing	Deterring	Valourizing and demonizing	Mythologizing	Embedding and routinizing	Disconnecting sanctions /rewards	Disassociating moral foundations	Undermining assumptions and beliefs		
SP-1	Staff-related	New position	3		1		1				1											3	10%
		Spare capacity and flexibility									1											1	3%
		Training and development										1										1	3%
	Percentage of IW undertaken by IO			**16%**												**-**			**-**				
	Driving-efficiency-related	AI, digitization, software	5		1			1		1	1	1	1	1		1		1			1	10	32%
		Electronification								1		1						1				3	10%
		Firm performance												1				1				2	6%
		Work practices and procedures																1				1	3%
		Workflow optimization practices										1		1								2	6%
	Percentage of IW undertaken by IO			**26%**												**29%**			**3%**				
	Legislative and regulative-related	No work identified	0																			-	0%
	Percentage of IW undertaken by IO			**0%**												**0%**			**0%**				
	Client-related	No work identified	0																			-	0%
	Percentage of IW undertaken by IO			**0%**												**0%**			**0%**				
	Service-related	Service offering - expand, discontinue, rebalance, etc	2				1						1								1	3	10%
		Transparent fee and cash collection policy			1								1					1			1	4	13%
	Percentage of IW undertaken by IO			**6%**												**10%**			**6%**				
	Brand-related	Sector and industry awards	1						1													1	3%
	Percentage of IW undertaken by IO			**3%**												**-**			**-**				
	Percentage of IW undertaken by type of IW			0%	10%	0%	6.5%	3.2%	3.2%	6%	10%	13%	9.7%	9.7%	0%	3%	0%	16%	0%	0%	10%	31	100%
	Percentage of IW undertaken by sub-category of IW			10%			13%			29%			19%			19%			10%				

Appendix N: Model for analysis of institutional work - illustrative example

Illustrative example: diagrammatic presentation: Model for analysis of institutional work in relation to AI, digitization and software in response to driving efficiency challenge – SP-1. This diagram illustrates the interconnectedness of challenges, prevailing logics, actors and agency, institutional work and its outcomes, with a feedback loop for actor reflexivity.



ACTIVITIES AND ORGANISATION

5. TYPES OF INSTITUTIONAL WORK

CREATING:

Defining – Platform Testing and Evaluation: Rigorous testing of three chosen platforms, assessing factors such as interface usability, document submission options, bank feed services, client communication features, and overall cost-benefit analysis.

Changing normative associations –framing of the narrative that the firm's internal changes, as a result of adopting new digital platform, are client-focused, driven by the need to provide improved client service that align with evolving regulatory norms.

Mimicry – observing the trend towards digitization (use of OCR and AI-based platforms) and electronification (electronic storage and email, etc) in the sector, the firm adopts established and recognised software solutions (AutoRec, Dext and BrightPay), to transition to a paperless office, improve efficiency and gain legitimacy. Emphasizing the widely adopted and understood principle of time-cost efficiency in the accountancy profession, among non-accounting staff.

Educating –Providing on-line training for Project Manager, facilitating staff shadowing, preparing and offering 'step-by-step' tutorials to clients, coupled with prompt query response and Partner attention when required. Addressing staff 'fear' of new technology through support and direct intervention.

MAINTAINING:

Enabling – allocating Project Manager as an authorizing agent for the project. Creation of structured documentation (e.g. client onboarding documentation, including demo material and clear guidelines) to facilitate and support the use of the software.

Policing – focused on the implementation and use of the new software system, through monitoring and auditing of the efficiency and time allocation data specifically related to workflow, to evaluate its impact on operational processes.

Valorizing and demonizing – highlighting the efficiency gains from the digitalization project to national accountancy awards, for public consumption by the awards committee, together with the collection and use of client testimonials highlighting their experience and satisfaction, reinforcing norms and beliefs about the system.

Embedding and routinizing – integrate new software platforms into daily operational workflows and incorporate clients that have not transitioned to the software by undertaking the digitizing process internally, thereby embedding and routinizing the software as an established practice in the firm.

↓ Performed by / involving

RESOURCE LEVEL

6. SOCIAL ACTORS MOBILIZED

INTERNAL (Human Capital):

Partner I –Initiator of the digitalization project, allocates resources and actively receives and monitors efficiency and adoption reports.

Project Manager – Key implementer, under-went training, and provides internal training and external tutorials/demonstrations.

Other staff – End-users, impacted by the transition, receive training and support.

↓ Interacts with

MARKET-LEVEL: SUPPLY SIDE

6. SOCIAL ACTORS MOBILIZED

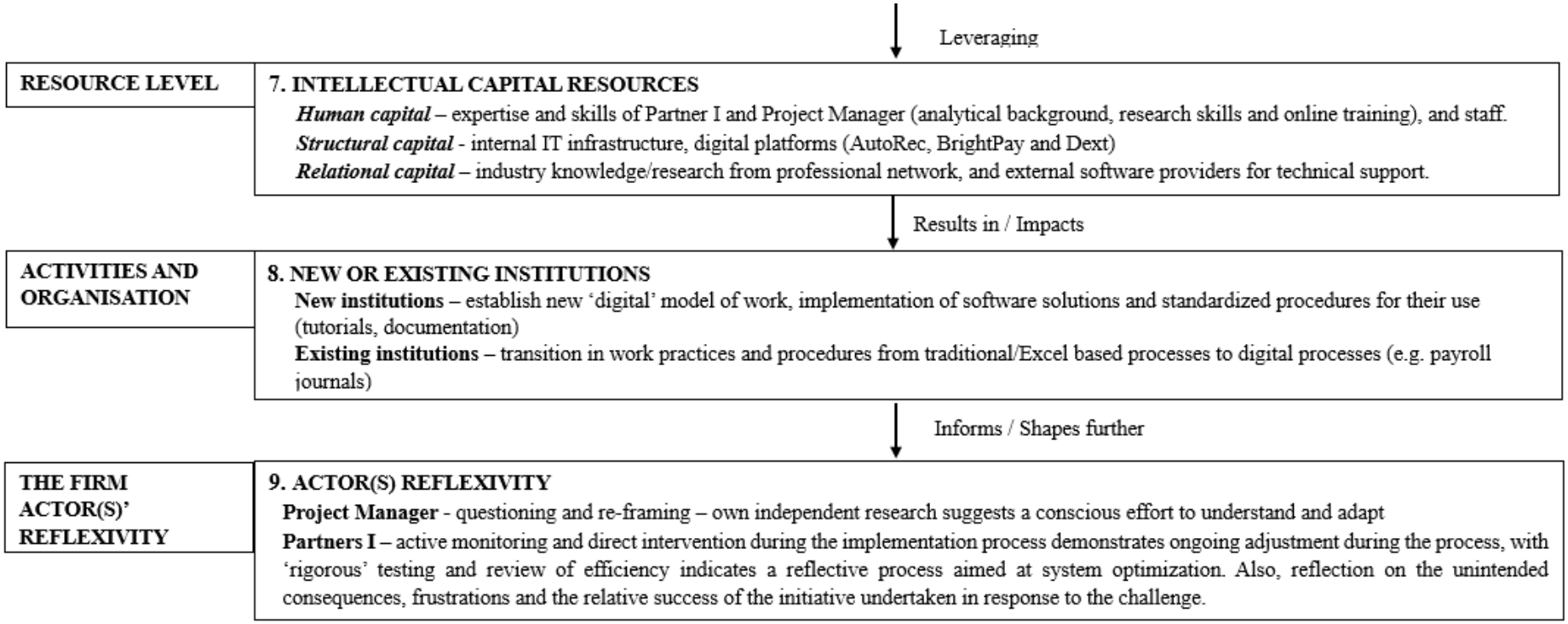
EXTERNAL:

Software suppliers – AutoRec, BrightPay and Dext.

Irish Accountancy Awards Committee – evaluation of the project for national awards.

Professional body – CAI Technology Conference, Practice News webinars – source of research material

Professional network – informal research.


Leveraging
RESOURCE LEVEL
7. INTELLECTUAL CAPITAL RESOURCES
Human capital – expertise and skills of Partner I and Project Manager (analytical background, research skills and online training), and staff.
Structural capital - internal IT infrastructure, digital platforms (AutoRec, BrightPay and Dext)
Relational capital – industry knowledge/research from professional network, and external software providers for technical support.
Results in / Impacts
ACTIVITIES AND ORGANISATION
8. NEW OR EXISTING INSTITUTIONS
New institutions – establish new 'digital' model of work, implementation of software solutions and standardized procedures for their use (tutorials, documentation)
Existing institutions – transition in work practices and procedures from traditional/Excel based processes to digital processes (e.g. payroll journals)
Informs / Shapes further
THE FIRM ACTOR(S)' REFLEXIVITY
9. ACTOR(S) REFLEXIVITY
Project Manager - questioning and re-framing – own independent research suggests a conscious effort to understand and adapt
Partners I – active monitoring and direct intervention during the implementation process demonstrates ongoing adjustment during the process, with 'rigorous' testing and review of efficiency indicates a reflective process aimed at system optimization. Also, reflection on the unintended consequences, frustrations and the relative success of the initiative undertaken in response to the challenge.