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## Insights From Ricoeur's Hermeneutics on Best Practice In Professional Service Firms: On Perpetual Myth Creation?

### **Abstract**

Drawing on the work of Ricoeur, this paper contributes to theorisation of the organisational field in understanding of how structural power operates through professional language in shaping a construction of individual judgement in professional service firms. As Ricoeur argued that judicial sense may be envisaged as one of the best examples of hermeneutic application (1991: 493), I explore practitioners' sense making and their interaction with the surrounding structures and its discourse, learned and assimilated during the formative years in the context of audit practice.

The interviews-based story provides an illustration of (1) the processes of socialisation that are geared towards conceptions of what constitutes professional best practice, where the professional learns to use judgement and follow structure in particular ways (a perpetuated myth of best practice), and (2) the effects of such formation on the working process. The paper contributes insights into organisational theory in areas of negotiating a balance between institutional requirements (structural conditioning of professional epistemology) and technical demands of hermeneutic function (purposive expert activities) in decision making process.

The paper concludes that practitioners assume the appearance of professionalism by adopting a particular professional language where judgement becomes normative in its own terms. These re-production processes in accordance with organisational frames of references for action may be in opposition to the decisional autonomy, where there may be a space for simultaneously creating (agency) and sharing (structure) on the job. The study reveals that professional language itself is a place of prejudice and bias on the job.

### **Keywords**

judgement, structure, organisational practice, socialisation, hermeneutics

## Introduction

We could argue that text and language work directly on reality and denotes reality. In the organisational context, the power of jargon operates through a professional discourse (professional language). Socialising processes on the job result in an adoption of a common vocabulary for best practice, conveying the meanings for structures as potentially mediating capacity of individual action (Grey, 1998). Language in professional context of auditing is intimately related to conduct where the emphasis is placed upon professional judgement as an all encompassing (meta)-norm, one of the key aspect of best practice. Formally, the new approaches, that is, new supporting methods for the audit services re-shaped under the umbrella of assurance services, appear very judgmental, in the sense that the auditor is putatively empowered to make judgements based in part on individual insights. However, despite a shift in a discourse, judgements appear to have little decisional autonomy (Kosmala MacLulich, 2003).

The objectives of this paper stem from the assumption that there is a need for further theorising for organisational fields in areas of structure and human agency. I argue in this paper that the organisational field does not sufficiently theorise interdependencies between structural conditions and power relations, incorporating a notion of conflict in human agency, with few exceptions<sup>1</sup>. This paper contributes insights into organisational theory in areas of negotiating a balance between institutional requirements (structural conditioning of professional epistemology) and technical demands of hermeneutic function (purposive expert activities) in decision making process.

Ideally, structure and judgement, when “in balance”, provide a mutual reinforcement for human agency. In other words, structure without space for judgement is as detrimental as judgement without the boundaries and discipline of structure. Hence, this paper is not about juxtaposing judgement against structure. Instead, this paper argues that the professional’s interpretive capacities and decision autonomy are vulnerable to the hierarchies of structural power governing the audit profession and its environment, in particular when structure takes over the possibility of self-reflection in decision making.

As professional epistemology, and subsequently the rationality (structural conditions) within which audit is situated, exercise control over professionals (Arrington and Francis, 1993), they as agents placed in organisational settings, “need to know the state of experience as it is prior to reflections upon what sort of world we seek to produce.” This study seeks insights how a construct of best practice, understood as a form of organisational (professional) doing enshrined in the norms of conduct, through socialisation with organisational culture and professional language, perpetuates professional myth embodied in accounting (audit) epistemology.

Drawing on Ricoeur’s hermeneutics, insights are sought as to the understanding of relations of structural power, particularly where structural conditions and professional language are envisaged as a by-product of legitimation processes, preserving the professional status quo. The research focuses on a conceptualisation and an illustration of the circumstances in which professional judgements are taking place on the job. In particular, the paper seeks insights into negotiating institutional (processes of institutional legitimation) and technical (purposive work activities) demands of the job; structure vs agency of judgement in audit practice.

Becoming a professional involves a complex process of adopting norms which are both formally learned and tacitly acquired (Abbot, 1988). Socialisation in the professional setting is a constituent part of this process. During the first years in audit practice, the individual progressively adopts the professional language and internal procedures as behavioural criteria (Dingwall, 1983). Prior research has examined the processes of becoming a professional in the professional service firms (e.g. Anderson-Gough, et al, 2001; 2000; Dirsmith et al. 1997, Covaleski et al. 1998). These studies have explored how professionals live their daily lives and enact what they understand as professionalism in the organisational settings, through their physical appearance and ways of a self-conduct, such as time management or ways of performing with the clients. These organisational socialising processes were also situated in the wider structural context of the profession (see e.g. Anderson-Gough et al. 2002). Dirsmith, Heian and Covaleski (1997) applied structural theory to organisational controls systems, concluding that professionals are powerless to fight structural conditioning of the work environment. This paper explores the area of structural conditioning of working environment and its impact of a hermeneutic function of decision making in the context of auditing profession.

The question is how the individual auditor makes sense of, and interacts dialectically with, the surrounding structures and realities of the work place, which are learned and assimilated during the formative years in practice. To answer this question interviews were designed to draw upon, and enter into dialogue with the practitioners' individual discourse concerning their perceptions of, and attitudes towards on-the-job performance. In any discursive practice, here auditing practice, there is "a general need for making our own what is foreign to us" (Ricoeur, 1974: 43). Therein resides the hermeneutical problem, a problem of making "our own" what was "alien" through deploying language and rules (as a structure for language) to donate meaning, intelligibility, and understanding to the lived experience which is, qua experience and sans discours, meaningless and unintelligible. Taking on the lens of Ricoeur's work, the interviewees (practising auditors) were invited to reflect upon their socialisation process on the job and consider any tensions resulting from their professional formation while applying judgement in the context of the supporting frames of references for an operational audit practice (structural conditions).

The paper concludes that practitioners assume the appearance of professionalism by adopting a particular professional language where judgement becomes normative in its own terms. Hence, professional language itself becomes a place of prejudice and bias in the organisational context. The paper proceeds as follows. Firstly, drawing on Ricoeur's hermeneutics, dynamics between judgement and structure in human (audit) practice are explained in the context of professional service firms. The subsequent section discusses the research design. The next section presents insights into the socialisation process in professional service (audit) firms with regard to (1) tacit processes of socialisation with structure where professional judgement is constructed and its application sequenced and framed through professional language, and (2) the effects of such formation on balancing between structure and judgement in the context of working. What emerges from the study are insights that during socialisation processes the professionals learn to understand and use judgement in sequential manner, as a discourse of best practice, what contributes to reproducing working papers and subsequently audits.

## Ricoeurian Hermeneutic Perspective

Hermeneutics, as a method of interpretation of the social world, facilitates an understanding of subjectivity constituted in the world of “situated practices” and working environments (here on-the-job performance). There are precedents in the adoption of a hermeneutic approach in organisational research. Francis (1994) discussed judgement as a hermeneutic practice; Arrington and Francis (1993), Llewellyn (1993), Willmott (1993) and Boland (1989) discussed hermeneutic contributions towards developing the paradigm of accounting research; Lavoie (1987) examined the application of hermeneutics to an understanding of accounting as the language of business. This paper, empirical in nature, contributes to organisational literature by adopting a Ricoeurian framework which introduces the notion of text as structure to understanding of decision making process. In particular, I situate a notion of professional judgement in structural working environments of audit. In such context, I explore different prisms of structure in which individual judgement may be situated. The paper contributes critical reflections with regard to a construction of a myth of best practice in audit.

In this paper, the hermeneutic phenomenology of Paul Ricoeur (1991, 1991a, 1981, 1974) acts as a vehicle for a theorisation of a construction of judgement. Auditing practice, as any form of an organised professional practice, depends upon its societal significance engendered through the process of generating links between systems of meanings (that mediates the role of judgement with that of structure), and material work practices (processes of relying on a construct of judgement, relying on professional language). The presence of both, a construct of judgement and supporting structures, enhances legitimation of the profession and preserves its status quo. These concepts are often used interchangeably in the construction of the myth of professional best practice, and thus, their socialised meanings become difficult to distinguish. Discourse [here: of best practice] refers back to its speakers at the same time that it refers to the world (Ricoeur, Interpretation Theory, 1985: 22 cited in Valdes, 1991).

Ricoeur envisaged human practice in terms of a text analogue where parallels are made ontologically between aspects of social action and the interpretation of textual information (1981: 197). The existence of structures, at different levels of the organisational conduct, through which many unarticulated conditions encompass human practices, evokes the need for autonomous (subjective) understanding in a process of making sense of things (Llewellyn, 1993). Socialisation within a particular tradition with which one identifies, here professionalisation in audit practice, may predetermine tolerance and desire levels for structure. Professionals on the job socialise with the web of language and meanings that engage them with their professional world, facilitating understanding of working routines, tasks and clients' motives. Decisions and their fulfilment are made in the context of different layers of structure to which the individual consents in order to participate in practice (Thompson, 1981). Yet, more rigid structures may appear unalterable to an individual and, hence, not constructed as being subject to mediation.

Ricoeur insisted on the priority of the experience of being in the world and that proceeding from this ontological condition of belonging (the world of profession) one can move towards its expression in particular language (professional language). For Ricoeur, understanding consists of both understanding of one's self and of “being” in the world (1974:51), the latter referring to the context in which the individual is

situated. To understand individual action is to understand the structures that constitute language (here a professional language), the network of myths and texts that constitute organisational culture of the firm and the supporting structures (Leuween, 1981: 75). Hermeneutics describes the ways that the world appears to us, what the world is for us, its meaning is a function of the ways in which consciousness intends it (Madison, 1990).

Ricoeur argued that there is a meaning-intention which, in some sense transcends the language (Jervolino, 1996). Meanings cannot be reduced to mere use. The task of interpretation of hermeneutics is to reconstruct the internal dynamic of a text so as to manifest the world it projects (a myth of professional best practice). In this study, a construction of audit judgement, situated in a context of language of “best practice”, is a subject of a critical reflection.

How are layers of structure constructed? Drawing on hermeneutics and in particular Ricoeurian competing discourses, a notion of structure can be linked to power relations. Fincham (1992) discussed power as institutional, organisational and processual. Drawing on Fincham’s work (1992), I have focused on textual expressions of structural dimensions of power in order to contribute to understanding of the effects of power at different levels of its verbalisation and execution on the job (Ricoeurian competing discourses). These different prisms of structure in which aspects of professional judgement in the audit environment are situated are consolidated in Table 1.

<b>Level</b>	<b>Structure</b>	<b>Judgement</b>
Epistemology	Abstraction of knowledge	Constructing ‘best practice’ myth
State/Profession (regulator)*	Legislation/Codification	Compliance: Myth facilitating
Organisation	Normalisation of conduct; Socialisation of conduct; ‘Professionalisation’ of conduct	Defensive: Myth managing
Individual/Team	Possibility of ‘unstructure’ in the task form; Device for internal communication	Residual (Cognitive) or (Re)making myth

**Table 1. Structure versus Judgement: Terms of origin**

\* Including influences of other interest groups in the regulatory process (wider context)  
 ↓ Arrow represents direction of aggregation process

As presented in Table 1, structure can be envisaged as the epistemological category (requiring a reference to constructs which form a myth of best practice), the regulator-level category (requiring a compliance practice and facilitate what is understood as best practice), the organisation-level category (depicting judgement in legitimation processes), and the individual/team category (referring primarily to cognitive aspects of decision making in the (un)structure of the task).

The notion of structure in this paper represents the surrounding formalised context of social practice, at different levels, in which professional judgements are made (Table 1). Some parallels to this categorisation can be found in prior research which has viewed structure primarily as (1) organisational category (e.g. Ramsay, 1994), (2) structure of the working approach (e.g. Bowrin, 1998), and (3) task structure (e.g. Kinney, 1986). I have clarified that structure through organisational frames of references, represented by internal policies, facilitates sense making, providing both a *raison d'être* of how to do things as well as an external legitimation for the organisation (the firm), through references made to best practice. These organisational frames of references (Shrivasta and Schneider, 1984), somewhat negotiated, guide behaviour and create a context for decision making, a vital space for professional judgement to take place, protecting simultaneously the firm from intolerable levels of risk (an avoidance of uncertainty at a task level) and potential negative consequences.

The regulator-level structure encompasses statutory law and professional standards. Organisational methods and organisational policies are incorporated in the organisational-level structure (Table 1). The higher levels of structure provide the source of meaning, legitimation and external support for the task level structure (individual, internal processes directed at service delivery). There may be a potential conflict at the institutional level resulting in the disparities within this structural environment. The danger is that in order to manage demands of expertise and technical work activity (audit task), an individual through the professional language may perform a ceremonial conformity with the institutional environment, through compliance with what is acknowledged as best practice (the socialisation effect), with no space for exercise of residual reading.

Potentially, the institutional level of structure may allow for a loose coupling in the context of organisational change (an introduction of the new working methods); a space for an organisational interpretive scheme in Ricoeurian sense and the structural arrangements designed to support it (space for judgement and structure). Such mechanisms may potentially provide description and interpretation (a notion of best practice in a relation to professional judgement). However, despite this interpretive scheme, the inertia around a dominant perspective in the firm becomes the norm for action, resulting in a compliance with the acknowledged best practice. Hence, the practitioner's capacity for autonomous interpretations in the judgement aggregation processes appears vulnerable to the power of (anonymous) structures governing what constitutes best practice at the individual level (Table 1).

## Working Process As Open Work

Rules governing behaviour are constituted through meanings articulated from within an institutionalised context. Structure, at the organisational level, through standardisation of conduct and codification of knowledge, gives an appearance that procedures can always lead to a solution (see Table 1). It could be argued that this structural objectivity proceeds from the social fixation of individual behaviour (Ricoeur, 1981:207). One of the traits that characterise the text (as work) is its production in accordance with the rules that define its literary genre. In the same way in the audit context, “to master a genre” is “to master a competence” and to know the best practice which offers practical guidelines for “performing” an individual work (Lavoie, 1987). It is adherence to the professional best practice which facilitates an appearance of the successful professional (as a myth making process).

Subjective understanding cohabits with structure at the individual level, implying the possibility for “unstructured” (Table 1) whilst simultaneously accepting the values of the objectified reality:

A text is a finite space of interpretations, there is no one interpretation, but in the same time there is no infinite number of them. A text is a space of variations that has its own constraints. (Ricoeur, 1991: 496-497)

Hence, structure simultaneously enables and constrains an individual endeavour and subsequently a formulation of judgement. This relates to Ricoeurian understanding of social action as a text. Autonomisation of an individual endeavour points at action (autonomy of judgement), as having both socialised and private dimensions. The lived experiences remain private but its sense, its meaning, becomes public through discourse; a process whereby a myth of best practice is created. Ricoeur (1981) integrated subjective understanding with the analysis of more objective conditions of human practice (structural conditioning of working environment). Ricoeur argued that a practice of reading is to reveal a dimension, a structure, a potential, which are ignored, inhibited or obscured. (1991: 492). Table 2 presents an outline for autonomy of action in Ricoeurian hermeneutics lens.

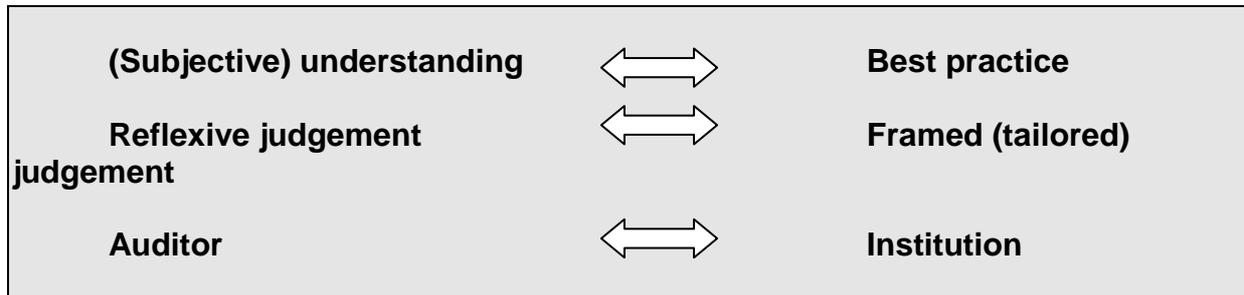
<b>The fixation of action</b>	The struggle with the text is a struggle which has its own rules (1991 p. 496). The objectification is made possible by some inner traits of the action that are similar to the structure of the speech act...a dialectic within the process of transaction prepares the detachment of the meaning of the action from the event of the action (1991a p. 151, emphasised in original).
<b>The autonomisation of action</b>	

<p><b>Disclosure of possibility: Relevance and importance</b></p>	<p>Action detached from its agent develops consequences of its own (1991a p. 153).</p> <p>Social dimension of text implies the possibility of institutionalisation. (1991 p. 492)</p> <p>Critical dimension of language is directed neither at scientific verification nor at ordinary communication, but towards the disclosure of possible worlds (1991 p. 490).</p> <p>Meaningful action is an action the importance of which goes beyond its relevance to its initial situation (1991a, p. 154, emphasised in original).</p>
<p><b>Towards understanding: Action as an ‘open work’</b></p>	<p>It is by an understanding of the worlds, actual and possible, opened by language that we may arrive at a better understanding of ourselves (1991 pp 490-491).</p> <p>All significant events and deeds are in a way opened to kind of practical interpretation through present praxis. Human action is opened to anybody who can read (1991a, p. 155, emphasised in original).</p>

**Table 2. Meaningful Action as Text: Framework of Ricoeur’s Hermeneutics**  
(sources: Ricoeur, 1991: 490-498; 1991a: 150-167; Llewellyn, 1993: 238)

It is in the context of the autonomisation of action where the capacity for critical reasoning and the openness in judgement may be shaken (action as open work); every text displays possibilities for inhibiting the world (Ricoeur, 1991: 492).

Ricoeur (1981) argues that individual action is characterised by an “intentional exterioration” which facilitates the detachment of the meaning of the action from the event of its performance. In audit practice, this refers to a construction of ‘good’ judgement (the professional judgement). “Good” can be understood in a sense of reflecting on a language of best practice, hence on compliance criteria. Inertia around this dominant perspective renders the norm for action (a socialised process). Practitioners learn to defend value of their interpretations or judgements by arguing that they conform to generally accepted criteria, norms and principles (Pentland, 2000), applying discourse of the socialised best practice. Hence, individual judgements formulated in such a way perform a sort of hermeneutical function (Arrington and Francis, 1993), and in effect, appear professional, and thus, responsible and “good.”



**Exhibit 1. Dialectic relationship between structure and judgement: Balancing for autonomisation of human action in audit practice**

The basis of structured approaches is a framework for judgement (objectified conditions for best practice in the Exhibit 1). De facto judgement exists between two continuums of regulatory compliance on one side and individual ways of being on the other, implying that judgement can actually override structure. “There is a multiplicity of interpretations, everyone of which claims to present the truth, and none of which fully exhausts historical reality, because there is always a residue of reading [a residue of judgement] capable of being taken up in another reading” (Ricoeur, 1991: 493). This refers to a non-decisive side, a kind of floating judgement, the domain of imagination in a domain of the judicial. Balancing between judgement and supporting structures appears, in a sense, as a negotiation process for a space for an autonomous action in human agency (Exhibit 1).

Ideally, in any context, including the professional context we could use the acquired language for our own purposes. Subsequently, structure and judgement may be ‘in balance’ and in mutual reinforcement. Structure does not have to terminate judgement (Exhibit 1), rather it may extend judgement, reallocate and direct it in a certain way into different areas of the audit process. Structure in such a context may take the role of guidance for action leaving the final formulation of a decision at the discretion of the individual (disclosure of possibility). It could be argued that potentially there may be some space for a more interpretive approach involving a (radical) departure from accepted norms in understanding the particulars of the client’s business environment and overall strategy (subjective understanding’s side in the Exhibit 1). This space could facilitate openness towards a text in and behind financial statements (actions and texts are opened up):

Decisive feature of hermeneutics is the capacity of world-disclosure yielded by texts ...its primary concern is with the worlds which authors and texts open up. (Ricoeur, 1991: 490)

For example such an openness approach may be required in eventuality of fraud. It is argued here that judgement, if socialised and understood as an open work (action as an open work that is constituted with a conscious space for unstructured action), facilitates a critical evaluation of discourse and its fore-structures.

If an ideal communication (language) is situated in a context of structural power relations (Giddens, 1976), meanings conveyed by the professional jargon, a construct of best practice are directed at the legitimation of the profession, serving its purposes, losing a sense of an authentic communication in a service of professional appearance and myth making. The professional' story in this paper illustrates how practitioners express themselves through their professional language, whereby the socialised frames of references for action "support" the interviews' narratives.

## **Research Methodology**

The interviews were designed to elicit individual perceptions of, and attitudes towards, their situated practices. The objective was to make the practitioners interpreters of their experience; to elicit a reflection on experience through vocabulary they chose to speak as "saying and doing, signifying and making are intermingled" (Ricoeur, 1965: 215). As hermeneutics facilitates an understanding of human agency, the auditors act as agents and choose the ways in which they represent their experience, constituted in part and influenced by the socialised frameworks of values.

Interviewees represented both senior and managerial levels in the audit firm (five audit seniors and five audit managers) to enable discussion on the individual auditor's engagement with the socialised frames of references and working methodologies. The minimum experience required was four years in audit work.

A semi-structured approach to interviews was chosen (Fontana and Frey, 1994), yet, the questions were mostly open-ended to allow the respondents to: define the professional world they belong to in their own way and in professional language, to discuss audit process, what motivates them in judgement construction, and to elicit their attitudes towards structure.

Interview transcripts were coded for common themes that seemed to arise in the discussion on a construction of judgement and supportive structures. These codes were then interpreted and reflected upon for cross-validity. This reflexive process led to a reduction of the analysis to core codes (socialisation; judgement, structure(s)), and frames of references (ways of representing); the latter acting as contents informants for the core codes.

Narrative analysis was centred on how the auditors perceived themselves in a process of balancing between structure and judgement on audit and what vocabulary they have chosen to explain that process. Reflection on data was also associated with the more ambiguous aspects of formulation of judgement, in particular the interviewees' balancing between structure of audit task and the auditor's decision making processes. Therefore, in a codification process, a preliminary attempt was made to identify how the socialised frames of references were operationalised in the speech of the interviewees, how a judgement construct was perceived and how they might relate. This codification process was somewhat intuitive and exploratory in nature (e.g. issues of conceptual equivalence in interpretations).

Hermeneutics was brought to the interviews' contents as a means of the analysis of what had been conducted; a pre-interpreted world of practice (author's origin) was intermingled with the auditors' shared experience (actors' origin). Ricoeur

argued that human discourse is overdetermined since it contains an excess or surplus of meaning (Madison, 1990). Therefore:

[t]he spirit in which one reads is decisive: it is up to the reader to see it that literature exerts its critical force, and this can occur independently of the author's intentions. (Calvino, 1986: 12)

All appears mediated through language. The auditors' stories identified some of the possibilities for a space for judgements at the task level, and demonstrated how existing "conventional templates" for judgement are learned and normalised as the best practice, and hence, absorbed into the "taken for granted" assumptions of organisational reality. The interviewees' story demonstrates that each practitioner is given to, and knows the self, by means of the inhabited language, here the professional language. The following section illustrates how auditors represent judgement and structure on audit through the socialised frameworks.

The limitations of the study are related to the partiality of interpretations and the specificity of the context. Derived meanings from the auditors' story are contextual, where the world of text represents reality, i.e. the "realm of the real" in audit practice, selectively. The findings are thus limited to those ten individuals with particular personal traits and work experience, although their relevance in other contexts is plausible. Auditors' narratives shared their temporal belonging in the audit judgement milieu (Ricoeur's conditions of "being in time").

### **On Socialisation In Auditing Practice**

The dynamics that exist between the practitioner and the firm's ways are discussed through the individual accounts relating the perceived ways of navigating and adopting the structural conditions of the organisational context.

As "it is in telling our own stories that we give ourselves an identity, we recognise ourselves in the stories we tell ourselves. It makes little difference whether these stories are true or false, fiction as well as verifiable history provides us with an identity" (Ricoeur, 1981), the auditors' story also may be only partially true.

The auditors' story constructs what appears to be the (perceived) best practice in balancing between judgement and structure on the task level. Firstly, socialisation processes with the abstract categories of the best practice, the nature of judgement and structure are discussed. The discourse of the firm's structural conditions and politics is absorbed during the formation process. Secondly, the effects of the formation on dynamics between judgement formulation strategies and structure on-the-job are presented.

### **Tacit Processes of Socialisation in the Firm**

Within the auditing firms, the process of socialisation is both formal and informal, a necessary "rite of passage" in which, through a series of learning

experiences the individual demonstrates absorption of particular norms and procedures of “how audit is done.” During the first few years of employment, the auditor immerses him/herself into a rite of learning the norms, procedures and perspectives on existing structures. Andrew (senior auditor) argued that after describing the process of socialising in the firm (initial years in practice), the individual is able to identify with the “thinking” and “ways of doing” in the organisation:

Your thinking becomes very much the case of the firm’s view rather than of your own, [auditors] are encouraged to take responsibility for the firm’s culture and consult on things. It is a part of this profession, you find a consensus on how to manage the risks. (Andrew, senior auditor, firm A, emphasis added)

The auditor’s learning how to be a successful professional appears associated with subjection to the existing organisational structures, perceived as conventional templates for action (the firm’s view). Anderson-Gough et al (2001) and Dirsmith et al. (1997) also described the process of subordination to templates in the professional services firms. If a “personal view” is substituted, these organisational routines and procedures may be taken for granted, inscribed a language of daily operations.

“Junior members of the audit team are patronised” (Ernie), in particular in the area of their critical thinking. A discourse constructed in such a way becomes commonly accepted in the organisation as “[t]hese views affects the level of confidence of newcomers” (Ann, firm B, senior auditor). It appeared from the interviewees that novices come to question whether they will be able to succeed in the firm without a full immersion in the existing templates, “a demonstrator of expertise” (Ann).

John’s narrative is an example of a discourse of the person who succeeded in the firm, learning to play the firm’s game by adopting its rules. John’s quotation illustrates how his thinking became merged (socialised) with the values of the organisation and from that perspective (a frame of reference), decisions of what is a good professional standard for action are made:

You have to have a lot of understanding about the level and the stage of each member of the team...and as [junior staff] progress you would hope that through training, their structured thinking would become less rigid, and that they should be able to think problems through themselves. Not like at the beginning...[long silence]. (John, firm A, audit manager, emphasis added)

His attitudes towards newcomers, somewhat unappreciative of the potential brought through a personal value system to the organisation, are also reflected in his way of speaking with long silences and a bit of frustration (a lack of patience perhaps) in his voice. His views represent the organisational views adopted through learned frameworks.

These in sense derogatory attitudes towards newcomers are reflected in ways their work is structured in the firm (on the job learning). Simple, secretarial tasks such

as “copying, segregating files and coffee making” (Ernie) are imposed upon newcomers. Russell’s quote illustrates how structured the progression process is:

In the first year you do lots of photocopies and adding up, in the second year you do a bit more, you do trial balances, and in the third year you get more responsibilities...you make coffees to all that time...[pause, reflection]. This is how you progress. [silence, change of a tone] At higher levels in the firm you are encouraged to be more of a big-pictured thinker. (Russell, firm A, senior auditor)

Then Russell after long pause went on to refer to “widening the picture” which seemed to convey not ticking off steps mindlessly in the audit programme. A change in his voice however, into more optimistic tone perhaps indicates that “big-picture” is a socialised term conveying what the profession expects from the auditor. Russell appears uncritical of such a process of structural doing and does not question whether the “big picture” implies Big picture (seeing the client’s environment through wide lens) or is a discourse of the professional language (Pentland, 2000; Dirsmith et al, 1997). In the latter parts of the interview, Russell made several references to a need to be “seen as a big-picture thinker” and to “the professional demands for expertise.” His views can be interpreted as an illustration of what auditors are socialised to do in the first years in the firm, and perhaps in what they believe they are aspire to do.

Ann shared her frustrations on the audit process-related “complications” experienced during the “junior years” (Ann):

Intelligent human beings do not want to tick boxes [agitated voice] and do not want to be told to do, for example, twenty pages of the audit programme...But this is what you can expect. Someone will come and tell you what to do, and how. I personally hate [more agitated voice] audit work for its long spells. (Ann, emphasis added)

Ann emphasised the submissiveness of the newcomer to the power of promoted compliance with the established checklists and templates; Ann’s reference to “twenty pages of the audit programme” can be interpreted as promoted myth of best practice, structure proscribed into individual decision processes.

It could be argued that potentially a downside effect of the structured progression processes could be a loss of confidence in the individual success outside the organisational context. If the auditor’s self-awareness and tenacity for critical reasoning is obfuscated through a socialisation with internal procedures, a “fixation” by novices may occurs (Ricoeur’s notion of intentional exterioration). Indeed the fixation of decisional autonomy is regarded in part by the newcomers as a “gateway to success” (Ernie) in the auditing firm. A fixation facilitates a detachment of the meaning of action (own formulation of judgement strategies) from the event of its performance (Ricoeur, 1981), and can be depicted in its “production” in a sequential, ordered “from the above” manner (Ann). The individual production adopts the existing rules which offer practical guidelines for “performing” the professional act of audit (autonomisation of action). In such a context, a critical reflection on the reality constructed by the client may be delimited.

There seem to be no much scope for judgement envisaged as Ricoeurian unstructured “open” work. This suggests the auditors through socialisation in the firm simply learn to use a particular language when discussing and doing their work (Ricoeur). Hence, the interviewees appear to be sharing what they are socialised to say about judgement, and at the same time, their claims to professional judgement appear in a way as a facade.

### **The Dynamics between Judgement and Structure in Work**

The effects of socialisation are visible in situated practice, in audit an emphasis in professional discourse is placed upon the execution of the professional judgements. These judgements tend to oscillate within the boundaries of the existing organisational structures and frames of references. Justin explained how he goes through the audit ritual:

I tend to rely on my own intuition once I get the client, I decide how much work I need to do. You obviously have your technical guidance too as a base on whichever methodology you are operating under...and you need to fulfil those requirements, but you also need to maintain a degree of awareness on an on-going basis to be able to adopt the audit approach accordingly to your instincts. Your instincts are telling you that you need to do a bit more work here or there. (Justin, audit manager, firm A)

It could be interpreted that Justin argued as if he is working “with and through structure.” On one side, he is aware of compliance-based audit, and most of all its appearance (“you need to fulfil those requirements”), on the other side he is relying on his gut-feeling. This could be related to de-coupling of the audit process. Justin emphasised that an objective to “demonstrate a compliance with the best practice” prevails and subsequently no time for privately performed de-coupled audit bits are facilitative of the process of “getting comfortable with a discomfort” (Mark). It could be argued that adopted structures do not leave much freedom to the auditor for the liberating of a personal values-based (as oppose to professional values-based) gut feeling.

Sarah emphasised that the formation process may illusively engender a perception of reflexive judgements. She argued that:

You have to know when to sit back and to value your own judgement, because you may take it for granted, because it is a part of you and as you learn to use judgement in many ways, you learn to rely on it. (Sarah, audit manager, firm A)

Sarah implied that reflexivity in one’s own (residual) judgement, including a gut feeling (Sarah) might also be learned in a sequential manner reflecting the know-how of the organisation. The language the auditors adopted when talking about operational reality suggests that audit is, in part, learned as being descriptive of gut feeling. Yet, Stephan’s views pointed at overarching power of the learned structure:

Understanding is good in enabling to see details. I had to learn structure first and then to step back. You have to show that you comply with the rules first, this is a priority. (Stephan, audit manager, firm B)

Structure learnt during the formative years is contained in a framework of the operationalised approach. It appears that structure filters a gut feeling on-the-job; that is intuitive resources are put in the context of compliance with the standards and are translated into symbolic “language of diagrams, flowcharts and checklists” (Sarah, Justin).

On the whole, existing structures at the firm-level were regarded as benefiting the legitimisation of the auditing profession; the interviewees recognised the power of structure and its value in the preservation of professionalism. Mark referred to “turbulent environments” and Justin to the “expectations of the public”.....and also, “you need to make sure that you are covered” (Justin).

Although Justin recognised the weaknesses inherent in the existing templates, he simultaneously explained that structure facilitates the processes of legitimisation. He explained how structure in the firm acts as a “cover” for the auditor in the context of the litigious environment:

Our instincts make us to hold on to something [structure] in order to be guided throughout the process. For instance, having a checklist you can go through, a test that is very clear about what steps you have to undertake... all to make sure that you have gone through the right hoops. (Justin)

Justin pointed out how the formative years construct the practitioners’ priorities for demonstrating compliance on the job and best practice. The reliance on a structured method “protects” the auditor from potential litigation threats; the auditor creates a portfolio of applied rules and standards to justify their own approach in best professional manner. In such a way, the auditors tend to adopt judgement so as to conform to the existing fore-structures and standards so as to reproduce the kind of structured order required to document the audit process. This is how professional, that is, sequenced judgements become “safe judgements.” It could be argued that auditors are performing a kind of ritual reflecting the best professional practice, demonstrating “going though the right hoops” (Justin).

There were different aspects of audit ritual emphasised during the interviews. Ann explained that the ‘spray and pray’ approach to audit testing (i.e. long spells of documentation and templates in the context of “risk-based” auditing) detaches the auditor’s attention from the client’s problems. She also discussed reproduction processes at task level; a routine of rolling files forward as a conventional template in the firm, an example of a task structure: “I do not want to follow what had been done in previous years and accepting it as a template. We often roll files forward...” (Ann).

The convention of reproducing evidence from prior year files discourages the auditor’s openness in the field. As Ann also stressed that “a good thing is to be open in evaluating clients.” This relates to Ricoeur point about the importance of openness in audit work. This can be echoed in other interviewees (e.g. Justin, Sarah). Judgements built into daily operations reflect the autonomisation of the individual endeavour in the context of objectified reality. It seems that auditors tend to put too much time on complying with structure in legitimating their work and demonstrating

their professionalism. Sarah explains that such behaviour may obfuscate the creation of potentially new insights in the evidence gathering process (see Ann's comment above).

Sarah explained that the template of the audit methodology could be used as an exit route or as the easiest non-confronting way to conduct the engagement. There may be a hidden agenda within the audit firm where the balance of judgement and structure needs to be tacitly discerned by the auditor him/herself (Exhibit I), and may end up in a ritual performance (Justin) of best practice.

The auditor needs to learn the "craft," in the formative years, to apply judgement and structure so as to be open to the reality contained in the client's financial statements (audit as open work). This openness is not given a sufficient space, primarily due to time pressures (Justin, Andrew, Neil), so as to enable seeing the client's affairs in the "big-pictured" format within structured inquiry of operational approaches (disclosure of alternative possibilities).

## Conclusions

The auditors' story reveals that the professional services (audit) firms predispose individuals to the work through the formative period and confirms that structure of the audit regimes, on the whole, endangers the interpretive capacities of the auditor, in particular in earlier stages of the career.

This paper contributes to theorisation of organisational field in exploring how institutional requirements (processes of learning) and technical demands on the job (work activities) are negotiated through language of best practice. I have illustrated how the socialisation processes affect auditors' critical ways of seeing, the potentially idealised ways merge with the organisational frames of references. Through inertia in a professional language, the firm indoctrinates professionals to behave in a certain way; facilitating understanding of how to make "subjective" judgements in the context of existing structures and best practice. It could be argued that as a consequence of organisational inertia, confidence in verbalising a reliance on the personal skill somewhat diminishes.

The evidence reveals that the professionals learn to speak through the frameworks they are socialised with, and indeed, speak it. An emphasis on the role of judgement in the professional epistemology translates a "subjective (residual) dimension of judgement into a compliance ritual" (cf. Mills and Bettner, 1992), a ritual of best practice. During the formative years in the firm, the practitioner learns to use judgement in terms of a sequence of tasks to be followed, constructed in such a way to give an appearance of an autonomous action. The existing templates for action (the organisational level structure) construct a popular belief that audit judgement is embodying the ideals of a professional service in society (demonstration of expertise and best practice), not necessarily being based on an authentic commitment and accountability processes. Understanding of being in the world is thus equated with an appearance of professionalism. It could be argued that these templates act as important instruments of long distance control in the profession and contribute towards the preservation of its status quo.

The interviews' narratives provide examples of application of the professional language for judgement; interviewees made frequent references to professional scepticism, a gut feeling, a common sense. The paper concludes that professional judgement acquired in a structured manner (a linguistic problem), as a discourse (a way of seeing), where working templates for the evidence gathering process provide the lens for further analysis, contribute, in part, to what is being re-produced (the myth of best practice). These re-production processes, in accordance with existing standards and templates, may be in an opposition to the decisional autonomy of a hermeneutic approach which professional (auditing) epistemology aspires to.

In the heart of an interpretive audit approach, judgement process could allow for space to produce accepted ways for risk assessments and materiality thresholds representing different views of the perceived normality. By making the soft texts the rule rather than the exception (unstructure dimension of the task), alternative ways for potentially idiosyncratic formation of judgement strategies could evolve. Ann embodies the hermeneutic perspective in audit that this paper sought to espouse. She argues: "I am comfortable with different types of complex tasks. I like a challenge not following what had been previously accepted as a template." She disses a novice experience, expressing hate (strong negative emotions) towards the structured context of the job and a rigid ladder for a career progression.

At the regulator and professional levels, hermeneutic codes for best practice as texts building on "soft facts", allowing a margin for negotiation and reflexivity, could merge with the non-negotiable "hard facts" -texts represented by the set procedures. Such texts would enable the polytonality of situated experiences where decisions displaying a choice of action would simultaneously seek the support of possible alternatives in judgement formulation. Within such an approach, the practitioner already during the socialisation process would learn a philosophy of how to embrace rather than simplify the complexity inherent in the socio-economic reality of the client with a space for simultaneous creating (judgement) and sharing (structure) (audit as open work). Ethnographic organisational research could develop more thorough understanding of processes in constructing appearances of professional identities for auditors and in other intense but codified knowledge-base professions, in particular seeking insights into practitioners' (power)lessness in constructing interpretive propensities for a professional success, and not just their being through the appearance of a success.

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## Endnotes

- i For instance, Scapens and Roberts (1993) applied Giddens' structuration theory to distinguish conceptions of "power to do" and "power over" which can be used to focus on the tensions between the use of professional language in accounting and organisational context as potentially enabling device and simultaneously as a means of achieving organisational control

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