Shaping the future of the auditing profession in Sweden: a study of the expected role of digitalization

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Abstract

Digitalization is a fast paced phenomenon that is recognised to be of importance for the auditing profession’s future. This study has, through an innovative approach, gathered the ideas and perspectives on the perceived future role of digitalization in relation to the auditing profession. In order to ensure that these ideas and perspectives were to be practically relevant, 14 Swedish auditors were interviewed. This study was initiated through an evident need of research about the future role of digitalization, as this role is recognized as important but rather under-theorized according to both practitioners and academics.

In order to tackle the need for research within the relatively unexplored area of digitalization in relation to the auditing profession, a dialogue with practitioners led to the creation of the following research question:

- How do auditors expect digitalization to shape the future of the auditing profession?

In order to accurately answer the constructed research question, three sub-questions were established:

- How do auditors perceive past and current changes of the auditing profession?
- How do auditors perceive futures changes of the auditing profession?
- How do auditors perceive the future role of digitalization?

The underlying purpose of this study was to push for a unification between the academic and practice community. To achieve this, a follow-up sub-question was generated:

- How do auditors perceive the role of academic research to shape the future of the auditing profession?

And inductive research approach was adopted for this study, in line with the epistemological standpoint of interpretivism and a constructionism ontological approach. Furthermore, this thesis was a conducted qualitative exploratory research that employed semi-structured interviews. The research strategy of this study was a combination of narrative inquiry with grounded theory in order to collect data and to generate theories for building knowledge.

The results from the interviews with the auditors generated findings that were used to answer our four sub-questions, and therefore subsequently our main research question. It was concluded that academic research was not directly used by practitioners, since it was not found usable from a practical perspective. Furthermore, it was concluded through applying change theories that digitalization is, by auditors, expected to play an important role in the future of their profession and a list of driving forces was established. Moreover, discussions on how the auditing profession and digitalization will interact in the future are disclosed in this study.

Key words: Digitalization, Auditing Profession, Change, Academic research, Exploratory, Innovative, Future, Auditors, Practitioners, Digitization, Social Media
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List of abbreviations
CPA – Certified Public Accountant
FAR – The Swedish branch organisation for authorised auditors
ISA – International Standards on Auditing
ISQC – International Standard on Quality Control
REKO – Swedish standard for accounting services
U.S. – United States of America
1. Introduction

This chapter will be introduced by a presentation of the arguments for choosing our subject. It will be followed by an explanation of the problem background, which addresses both challenges for auditors in relation to digitalization and concerns with auditing research. Continuing the knowledge gap, our constructed research questions and the purpose with this study will be described. This is followed by an explanation of the intended theoretical and practical contributions. Lastly, considered delimitations will be defined and explained.

“We fervently hope that the research pendulum will soon swing back from the narrow lines of inquiry that dominate today’s leading journals to a rediscovery of the richness of what accounting research can be. For that to occur, deans and the current generation of academic accountants must give it a push” (Granof & Zeff, 2008).

1.1 Choice of subject

This study is founded on the interest of how technology and the process of digitalization affect auditors and how auditors believe it will shape the future of their profession. We, the authors of this study, are business administration students from Umeå University that quite frankly, have little practical knowledge of auditing, so in order to ensure that the subject of this thesis was to be practically relevant, the choice of subject has been developed in collaboration and with the feedback of a handful of auditors. However, the original idea for this thesis came from a guest lecture about the future of the auditing profession, held at our university by the Swedish branch organization for auditors [FAR].

In an article that the well renowned accounting researcher Robert S. Kaplan wrote as a response to a question asked by a 28-year-old new doctoral graduate, who wished to seek advice about how to select research topics for her forthcoming career as an accounting academic (Kaplan, 2011, p. 367), three fundamental questions were brought up by Kaplan to think about in order to build a successful scholarly career. When selecting the subject for this thesis, and also throughout the thesis, we will bear these questions in mind.

First question is: “What are the big issues faced by our practice community?” (Kaplan, 2011, p. 368). This question led us to approach auditors and to seek information from FAR and the term digitalization was mentioned from several independent auditors. Second question, “What are the comparative advantages that accounting scholars can bring to address these fundamental accounting and management issues?” (Kaplan, 2011, p. 368). This question was easier to address as we, as young accounting scholars, have experienced when technology was implemented in our accounting education and saw a difference in how older generation presented technology and the way a younger generation used it. This related to the topic of this thesis means that even though we do not claim to understand the entire process of digitalization and the technologies that drive it, we think as technology interested scholars from a younger generation, that understanding the potential of technology and its effects, is one of our competitive advantages. Third question, “How does our research advance knowledge in these core areas of our discipline?” (Kaplan, 2011, p. 368). The aim of this study is to advance
knowledge that is both practically and theoretically relevant in relation to the use of
digitalization in the future.

The final choice of subject for this thesis has, in the end, been a result of our own
genuine interest for technology. We believe that digitalization and the possibilities as
well as the challenges associated with it, is continuously changing the way that many
professionals work and is therefore also increasingly important from a researcher's point
of view. The dialogue with experienced auditors from the actual profession in question
have further increased our understanding that the subject of digitalization is both
interesting and also relevant for auditors who wish to stay relevant in today's dynamic
industry. In addition to this, we then decided to write about digitalization and more
specifically how auditors believe it will impact the future of their profession. This is
done in order to contribute with interesting and practically relevant ideas for further
research and with the help of this thesis give the digitalization topic a "push" within the
accounting research community. We, the authors of this thesis, have the aim to provide
a thesis that is both practically and theoretically interesting, with an extra relevance to
auditors and accounting academics.

1.2 Problem background

Digitalization is the process of transforming a business by shaping it through digital
technologies with the purpose to provide new revenue opportunities and possibly
changing the outline of the business model (Gartner, 2016). Historically within the
accounting profession, the role of the accountant was focused on calculation and
computation of numbers (Henry & Hicks, 2015, p. 11) but it is evident that the auditing
industry is experiencing a technological transformation. Services provided by auditing
firms are changing with digitalization (Baker, 1993, p. 72) and a present survey
conducted by Forbes in collaboration with KPMG confirms the fast paced technological
shift in the auditing profession (Forbes, 2015, p. 3). Looking into the future, predictions
have been made by for example Wilkinson (2009, cited in Henry & Hicks, 2015, p. 11)
and by Intuit in the Intuit 2020 report (Intuit, 2011, p. 2) that within the next five years,
the accountants working at that point in time will use automatically computed numbers
and reports for analysing instead of preparing the data themselves. This is confirmed in
an article written by Jeff Drew in 2015 which identifies that 90% of the certified public
accountants [CPA] that were asked during a survey conducted in the United States
[U.S.], agree on, that digital business processes are the main change in the relationship
between accounting firms and customers in the upcoming five years (Drew, 2015a, p.
2). This and other research discussed later on in this study, give evidence to an ongoing
digitalization process and it also shows that the change is close in time and
considerable.

The auditing profession is facing challenges due to the fast paced digitalization and the
automatization of tasks that was previously performed by manual labour. According to
the Swedish branch-organisation for authorized public accountants (Branschorganisation för redovisnings-konsulter, revisor & rådgivare [FAR], 2015, p.
7), this ongoing shift could possibly reshape the industry, which implies that the auditor
role could change with it. FAR declares that there are indications by 2025 the audit
industry could be completely different and might not even be known by the same name
(FAR, 2015, p. 7). In a report published by FAR, digitalization is described as one of
the main incentives for future change (FAR, 2015, p. 25). According to the report by
FAR, digitalization is unavoidable and can hardly be limited (FAR, 2015, p. 25), which means that accountants and auditors must adapt and adjust the way they perform their tasks. Wilson (2014, p. 90) further identifies technology as one of the main components for change. Although concepts like digitalization and automatization can be seen as helpful tools to simplify a task, it can also create new challenges and obstacles. Digitalization in the business world makes, for example, assets that used to be tangible more intangible, this together with an increased value for trust, relationships and goodwill make the valuation process of an asset more difficult (FAR, 2015, p. 26). One more critical issue with digitalization in this context is how it can be guaranteed that a digital document is reliable and true. A foreign bank account with a digital amount on for example, the problem is then if the owner can be sure that the money exists or not (FAR, 2015, p. 26). The digitalization process is providing auditors with access to previously unseen data and as a result, the importance for effective controls during data gathering and processing are becoming amplified (Forbes, 2015, p. 9). Experts have agreed upon that CPAs and audit firms must learn more about how their technology is used (Drew, 2015b). This is done in order to ensure that it is used adequately enough to protect and process the data that they are entrusted with. If this is not done correctly the consequences can be devastating and range from severe security breaches to missed business opportunities (Drew, 2015b).

Heavy critique has been directed against the accounting research community in, for example, the U.S. for not contributing with enough practically relevant topics (Burrowes et al., 2012). This critique is not new or just recent. It is directed towards the focus of research from the past 20 years, indicating that the lack of practical relevant research could be a serious problem that although being present and known still have not been dealt with in a satisfactory way. Even though The Pathways Commission in the U.S. has already confirmed this research gap (AAA, 2012, p. 51), this is an area that is continuously relevant for both accounting academics and professionals internationally as there is a need for empirical research on for example the audit education and technical competences (Vasarhelyi et al., 2010, p. 420). As previously discussed there is not only a gap between what the academics research and what the practitioners, i.e. auditors want to be researched, this void has also been discussed and known since before the turn of the millennium (AAA, 2012, p. 51). The discussion above highlights that this void is relevant today and not of less importance than before. According to The Pathways Commission the research gap between what is desired from practitioners and what is currently researched, is still present and the lack of collaboration between these stakeholders results in missed opportunities to increase the flow of useful quality research (AAA, 2012, p. 51).

There are expressed concerns that an existing "gap" between practice and research exists today even though this problem has been known and addressed by both the practice and academic community for approximately 30 years. (Ratzinger-Sakel & Gray, 2015, pp. 81-82). An example of weak links between the two communities is that researchers have previously pointed out that due to the quantitative analysis and the overall technical jargon used in most of the top accounting and auditing journals there are actually few practitioners that are able to fully grasp the research published in the academic journals and this might also be a problem (Bell & Wright, 1995, p. 179; Sullivan, 1993, p. 2). As a consequence of weak links between the aforementioned two communities this is believed to make for example accounting students to miss opportunities to develop an "in-depth" understanding of practical issues (Ratzinger-
Furthermore, some of the needs of accounting and auditing graduates have changed, for example, the need has increased dramatically for accounting and auditing graduates with “hands-on experience” in computer business applications (Davies, 2000, p. 247). This issue was already addressed back in 1992 by Ahadiat (1992, cited in Coetzee & Bruyn 2003, p. 21), indicating that the lack of technology in accounting education could be a recurring problem and an example of an important topic for researchers today. The previously mentioned shift also leads to the conclusion that it is currently not only enough to be “up to date” with the current need for improved technological competencies of the auditing profession. This need is continuously increasing and therefore these changes also need to be accounted for in the upcoming few years. According to Vasarhelyi et al. (2010, p. 420), the education within auditing subjects is falling behind and an increase in awareness of the ongoing shift must be taken into account by educational institutes in order to keep the status of the profession preserved.

1.3 Knowledge gap

Even though the previously mentioned digitalization process seems to be of substantial significance to the shift in the auditing profession, very few academic accounting articles are found when looking through the academic top journals for an extensive analysis of this process. For this study, all issues (published between the years 2011-2016) of the following six top-tier accounting journals were thoroughly searched: “Journal of Accounting and Economics”, “Journal of Accounting Research”, “Accounting Review”, “Contemporary Accounting Research”, “Accounting, Organizations and Society” and “Auditing”. Additionally, this search was accompanied by an extensive search in large databases that Umeå University grants access to and the amount of articles found with findings related to technological change, digitalization and forecasts regarding the future of the accounting profession are actually inconspicuously small. This shortage of articles becomes even clearer as when compared to the importance that the digitalization and technological change play in the future of the profession, according to the sources discussed in our problem background.

Articles by for example Chang et al. (2011), Scott & Orlikowski (2012) and Suddaby et al. (2015) are good examples of articles that are found in the major accounting journals and also good examples of articles with very narrow technological subjects and this is the most common result when searching in databases for accounting research about technology and digitalization. This thesis will, compared to the previous mentioned studies, add to previous knowledge by providing an understanding of auditors’ work realities as experienced in the field, this will be done in order to enhance the relevance of the knowledge produced by ever-evolving quantitative methods as a first step of broadening the research styles within auditing research as suggested by Power & Gendron (2015, pp. 147-148). The quality of articles in top accounting journals is unquestionably high from a researcher's point of view, however a critique towards accounting education research from 1989 will be brought up in order to help explain what kind of knowledge this thesis aims to provide. The article “Practice to Research- 'What Have You Done for Me Lately?'” emphasizes the phenomenon of conducting a so called type 3 and type 4 error when conducting accounting research. Type 3 error is referred to as “solving the wrong problem” and a type 4 error is referred to as “solving the right problem but too late to do any damn good” (Dyckman, 1989, p. 115). The previously mentioned types were argued for by the author as being the reason that
accounting research in 1989 did not reach its full potential. One can therefore see that there are articles in the top accounting journals that suggest topics for further research related to technology as for example the topic of “reconfiguring relations of accountability with particular emphasis on the novel online domains” proposed as a topic by (Scott & Orlikowski, 2012, p. 39). However, if this topic is actually needed and really interesting for practitioners anywhere is not discussed in the article and this example shows a phenomenon, more precisely the phenomenon that accounting journals do not seem to thoroughly enough discuss the actual practical importance when suggesting topics for further research. This study will provide knowledge about how auditors believe that digitalization will shape their future, in order to see what topics auditing practitioners wants to be researched related to the topic of digitalization and their professions future, and it will also show if or the extent they want this to be researched at all.

The difference between research topics in American and European top accounting journals compared to the research conducted by sources used in our problem background, as for example FAR, would be easy to explain if the auditors in Sweden would be more affected by digitalization than compared to, for example, the rest of Europe. Although as digitalization is not a Swedish phenomenon and since sources from other countries than Sweden confirm that technology is important for the future auditing profession in their country as well, this gives us reason to believe that this constitute a relevant knowledge gap between what is being researched by Swedish practitioners (e.g. FAR) and what accounting academics at the top journals is researching. As previously mentioned, critiques have been directed towards the accounting research in the U.S. for not being practically relevant and as Sweden only publishes a handful of studies within auditing (Catasús & Gerdin, 2010, p. 8) its community is not large enough to be expected to cover all the desired practically relevant research topics, even though it has been argued that accounting research in Sweden is more connected to practice (Jönsson, 1996, p. 435). Even though FAR, as previously mentioned, has conducted research about the future of the auditing profession in Sweden, this study will supplement FAR’s study by providing additional empirical knowledge from Swedish auditors’ point of view regarding if digitalization will be practically important for further research and the implications it can have for the auditing practice as a whole.

The experienced knowledge gap between researchers and practitioners as well as the experienced lack of practical relevance of academic research published in for example the top accounting journals, is going to be explored in this thesis by gaining deeper knowledge of auditors’ perception of how the future is shaped through digitalization. Furthermore, this study aims to investigate what practitioners within the auditing profession regards as important future research topics. The effect of exploring practitioners’ view of the future will help researchers on an international level to conduct research that is more practically relevant.

1.4 Research question

The previous parts in this thesis highlight some areas where research is not yet absolute. Therefore, our main research question was developed and structured in order to provide empirical knowledge about the effects of digitalization on the auditing profession in order to assist future research in being more practically relevant as this shift in the
profession could imply that there are new opportunities for interesting research. With the help of auditors and by taking their perspective in determining what is considered to be practically relevant research in the subject of digitalization, this study aims to highlight interesting topics as well as explore how auditors expect digitalization to shape the future of their profession. After a dialogue with professional auditors and thereafter also determining that digitalization is both a relevant and important subject for research, the following research question was stated:

\textit{How do auditors expect digitalization to shape the future of the auditing profession?}

In order to answer the main research question, we have established three sub-questions:

- \textit{How do auditors perceive past and current changes of the auditing profession?}
- \textit{How do auditors perceive futures changes of the auditing profession?}
- \textit{How do auditors perceive the future role of digitalization?}

In order to push digitalization as a subject in the academic and the practical community, practitioners use of research has to be understood. Therefore, a follow-up sub-question was added as follows:

- \textit{How do auditors perceive the role of academic research to shape the future of the auditing profession?}

\subsection*{1.5 Purpose}

This study wants to scientifically approach auditors’ perception of the future of the profession and this study will be conducted with the aim to fulfil two main purposes. One purpose is to gain deeper insight and build knowledge about the ongoing shift of the profession, and more specifically examine the audit practitioners’ expectations about the way digitalization will shape the future of the aforementioned profession. The second purpose is to determine how well practitioners think current academic research fills their needs, how they consume research and to see how they expect digitalization but also other elements of the future to shape their profession in order to develop suggestions for further research.

The first part and topic gives attention to the changing role of an auditor due to digitalization. Factors like demographics, skills and attitudes will be addressed in order to fulfil the first purpose of gaining deeper knowledge about the ongoing shift of the profession. The demographics will illuminate who the future auditors are perceived to be, skills will focus on the future auditors’ abilities i.e. what set of skills the future auditors are expected to have and if they are affected by the digitalization process. Lastly, attitudes will address how the auditor's attitude is towards the profession and if it is going to evolve in some way or if there are any trends that one should be aware of. Furthermore, this study will scrutinise the perception of the future role of an auditing firm. Within the role of an auditing firm, the elements that will be taken into consideration are future size of auditing firms, future profitability, potential future approach when recruiting and future usage of technology. Regarding these elements, this study strives to provide an analysis about the changing role of an auditing firm based on interviews with today's practitioners and with their point of view.
The second topic will examine the auditor's use of research in order to fulfil the second purpose of this study. This is so that practically relevant future research topics, including but not limited to digitalization, can be identified. As previously mentioned, this study also aims to help establish a foundation for further research on the ongoing shift of the auditing profession. In order to do so this study also intend to understand how and why practitioners use research and what they think about the future role of research. Furthermore, the existence of auditing research available to the practitioners will be examined, which infers if auditors need further research to be conducted and if current research is useful and understandable. Additionally, today's practitioners will give insight about if and what type of further research within auditing is requested and to what extent, as for example research regarding digitalization.

Another aim of this study is to push for a unification of the academic community with the practitioners as there is an evident need for auditing research of practical relevance, although in order for this to succeed the practical need should firstly be defined and clearly stated and this will be a product of this study as a first step in order to help the research community understand and approach the complex changes that are causing the current shift in the audit profession. Moreover, this paper will investigate if there are different opinions among practitioners and develop an understanding of their similarities and differences. To further provide researchers with a better understanding on what to focus their future studies on in regards to the needs of practitioners, this study will examine what type of future research practitioners in Sweden finds relevant and observe if there is a consensus among the practitioners or divergent opinions.

1.6 Contribution

The ongoing shift in the auditing profession creates opportunities to discover new knowledge with the help of auditing research for the relatively new subject of digitalization. This study has previously shown that there is an underdeveloped part of accounting research that relates to what research that is deemed practically relevant from a practitioner's point of view. To help develop and to problematize this specific part is one of the contributions from this study and the other part is to help deepen the knowledge of what is actually changing in the auditing profession and how auditors themselves experience this and believe it will contribute to shape their future, in order to ensure that both researchers and anyone else interested in the future of the auditing profession gets a guideline of what the current beliefs of practitioners are. The aim of this thesis is to contribute to several stakeholders, discussed in detail below.

1.6.1 Theoretical contribution

This study intends to contribute with theoretical knowledge by assisting the field of auditing research through conducting a thoroughly innovative qualitative research study. This is done in order to explore what auditors in Sweden deem as interesting future topics from their own personal point of view, which will be interesting as researchers should pay attention to the ongoing shift and research practically relevant subjects. Although in order to ensure that this research can be done, it must first be thoroughly examined what practitioners see as relevant knowledge and this should be defined by carefully collaborating with the practice itself in order to create knowledge and theories. This study will be a part of the creation of knowledge and definition of practically relevant future research, although as this is a qualitative study which aim to
convey the views and thoughts of Swedish auditors it needs to be complemented by further studies. Furthermore, this exploratory research aspires further qualitative research to be initiated since this study will highlight several interesting areas for both researchers and practitioners that needs to be further investigated and compared with the suggestions of auditors from example other countries. The theoretical contribution is thus most relevant for accounting academics and practitioners that is interesting in studying the future of auditing on both a national and international level.

1.6.2 Practical contribution

Since there is not a completely clear way of seeing exactly where the auditing profession is and what changes to expect in the long-run, this study will provide insights from practitioners, i.e. authorized auditors about the ongoing shift and this discussion will not only be of interest to researchers as previously mentioned, but to all kinds of stakeholders in regards to the auditing profession. Example of stakeholders who might find this interesting could be accounting schools that need to prepare curriculums for auditing classes and students who might partake in education in order to develop the necessary skills for an auditing career. The reason for this is that if the profession of auditing is shifting, it could be beneficial to be up to date with these changes in order to avoid falling behind and instead focusing on learning or teaching knowledge that will be considered of practical importance in the future. It can also be interesting for practitioners themselves to see what others in their profession think about the future and if there are any disagreements among auditors in the diverse sample in our study. Other stakeholders could be firms and customers who are involved in buying services from auditors in the future, in order to know what they can expect in terms of for example future pricing and the availability and quality of supply in regards of services from future auditing firms.

1.7 Delimitations

This study aims to provide reliable empirical knowledge and in order to ensure that this is done, the delimitations of this study are going to be clearly stated in order to guide this study through the research process. The perspective of this study will be that of auditors and more precisely chartered accountants in Sweden. The reason for not including all auditors or other stakeholders in relation to auditors is that this study wants to interview persons who have been working long enough within the profession to see ongoing and long-term trends and be able to put it in perspective with their own experience in order to compare this individual perception with the perception of other experienced auditors. However, with the exception of the requirement of being a chartered accountant in Sweden we aim to interview an as diverse sample as possible in three different categories: geographical location, gender and lastly include both auditors from “the big four” firms and also other audit organizations.

First of all, the aim of this thesis is to provide insight to auditors’ perception about digitalization and how technology might shape the future of their profession. One more purpose is to give the research community a push closer to practitioners and their perception of what is relevant. However, with limited time and resources we have to limit this study in regards to sample size and ways of conducting the interviews. Moreover, this specifically means that it would be beneficial to have a larger sample size and have the possibility of traveling to every part of Sweden and talk to the auditors
face-to-face. Digitalization is currently a fast paced concept and it would not make sense to predict the future too far away from today, for that reason we will limit the time-frame for predictions about auditing profession to 5-10 years.

When searching for literature within the chosen field of study the majority of the found literature was written and published by actors outside of Sweden. However, this research is limited to Sweden and only auditors working in Sweden will be included. The reason to not stretch this study outside of Sweden is both that research on a national level in Sweden is necessary and an extension of this study outside Sweden would require a vast amount of time and money that is not reasonable for the purpose of this study.
2 Methodology

This chapter begins with a description of our pre-understandings regarding digitalization and the auditing profession. It will further describe our perspective towards this research. Moreover, our research philosophy with defined ontological and epistemological standpoints will be presented. A motivation for our research approach, design, method and strategy will be provided. Moreover, an explanation for how literature was received will be given. Lastly, a thoroughly disclosure about ethical considerations will end the chapter.

2.1 Pre-understanding

As researchers we need to provide a detailed motivation and justification for our proposed research (Saunders et al., 2016, p. 57). Therefore, in addition to the previously discussed choice of subject, this and the following section, is going to clarify our pre-understandings of this topic as well as the chosen perspective of the research issue, in order to explain why this research is conducted. Regarding this thesis, we had limited previous knowledge about how digitalization affected the auditing profession. The small amount of information known to us was a combination of common knowledge as business administration students, a little technology related teacher-led accounting education (as a mandatory part of accounting courses) and the information retrieved at a guest lecture held by the branch organization FAR. Even though we were unfamiliar with the exact case of the digitalization of the auditing profession, both of us have an immense interest for technology, both regarding the technical aspect as well as the societal impacts of it. The process of digitalization has to some extent been observed by and affected both of us personally and this spurred our interest for the research topic of this study.

Furthermore, since this thesis offered a unique opportunity to utilize our personal interest for technology and combine it with their educational background, we thought it could be interesting to gain deeper knowledge within the subject and explore how digitalization opens up new opportunities for auditors and to advance and assist auditing research by examining future relevant research topics. Our educational background consists of Master’s level courses in accounting and in order to examine the perceived reality of practitioners, much weight is put on not drawing conclusions until after carefully listening to practitioners, as we are interested in the reality of the practice in order to compare it with the knowledge acquired through their academic backgrounds.

2.2 Our Perspective

As a response to previous critique towards some of the accounting research conducted, which was previously mentioned in the problem background, this study will focus on auditing and have the perspective of auditing researchers who are interested more specifically in building knowledge of how practitioners within the auditing profession perceive changes to affect; the auditor's personally, their organization and their profession. This will be done in order to create a pathway for further researchers who wish to conduct practically relevant research, by first determining how practitioners perceive the changes to shape the future of the auditing profession. Researchers can then use this information and put it into context when examining digitalization and other drivers of change that affect the auditing profession.
Although this study aims to provide the academic research community with guidance on how to approach problems related to the ongoing shift of the auditing profession and to understand auditor's consumption of academic research. The discussion can also be used in order to build knowledge of what similarities and differences auditors have about their perception of the future, which can be interesting for both auditors themselves and for example accounting students and other stakeholders mentioned in the contribution part of this thesis. The ongoing shift of the profession has previously not been described in terms of absolutes, as it is complex to both conduct and find existing research that gives a complete and definite forecast about the future. Even though it might not be possible to carry out such a study, we are fully convinced that experienced practitioners will be able to come with valuable insights as to what changes of the auditing profession that will be of importance in the near future and therefore those insights should also be interesting from a researcher’s point of view.

2.3 Research Philosophy

Philosophical assumptions are the foundation for research methodology and assumptions will always be made when conducting scientific research (Burrell & Morgan, 1979, p. 1; Neuman, 2013, p. 93). Neuman (2013, p. 93) also suggests that these assumptions are made regardless of the researcher’s recognition of them being made or not. By establishing a profound understanding about the assumptions and principles available when doing research, it become more uncomplicated to distinguish differences among researchers, it will also increase the quality of the researcher's own work when philosophical assumptions can be argued for with clarity in detail (Neuman, 2013, p. 93). Saunders et al. (2016, p. 124) refer to research philosophy as “a system of beliefs and assumptions about the development of knowledge” and in order to develop knowledge about auditor’s perception of how digitalization will shape the future of their profession, we will discuss our ontological and epistemological assumptions more elaborate below.

2.3.1 Ontology

Saunders et al. (2016, p. 127) describe that the view a researcher will have on the objects being studied as well as how the objects will be studied is based on the researcher's ontological assumptions. Further, Guba & Lincoln (1994, p. 108) defines ontology as the nature of reality and how reality is shaped. Depending on a researcher's ontological assumptions, knowledge about reality will be viewed differently (Guba & Lincoln, 1994, p. 108). Two different ontological assumptions will be argued in this thesis, namely objectivism or subjectivism, subjectivism is also commonly referred to as constructionism (Bryman & Bell, 2011, p. 20).

If researchers find an objectivistic approach most suitable for their research, they believe that the world being experienced exists separately from its social actors (Saunders et al., 2016, p. 128). Objectivism assumes that no matter how social entities are viewed upon, they exist as “physical entities of the natural world” (Saunders et al., 2016, p. 128). An objectivist will as well make the assumption that the social reality is perceived equally by all social actors since the social world exists without influence from experiences or judgements by its social actors (Saunders et al., 2016, p. 128). If an objectivistic approach would be adopted in this study, the implication would be that
auditors as social actors would perceive reality equally, which is digitalization within their profession, since they cannot influence it.

Constructionism is the contrasting view to objectivism and researchers who find the constructionism approach best applicable to their study believe that social actors’ conscious perceptions and subsequent actions create the social reality (Jonassen, 1991, p. 10; Saunders et al., 2016, p. 130). Saunders et al (2016, p. 130) further describe that constructionism assumes that the social world constitutes only of what is attributed to it by social actors. Furthermore, researchers that adopt constructionism seek to find different opinions from different social actors since they believe that society is a creation of interaction between social actors (Saunders et al., 2016, p. 130). If a constructionism approach would be adopted in this study, suggestions would be made that auditors’ perception of digitalization within their profession would be a product of social interaction among actors.

From a researcher's point of view, this thesis aims to provide brief insight to the historical development and gain deeper knowledge about future expectations, from an auditor’s perspective of the profession in relation to digitalization. By adopting an objectivistic approach, opportunities to gain deeper insight by using different auditor’s opinions would be lost. Constructionism is the appropriate ontological approach since different auditors are believed to hold different opinions and perceive reality different.

### 2.3.2 Epistemology

Epistemological assumptions consider what knowledge can be and the relationship between the one with knowledge and the one to gain knowledge (Guba & Lincoln, 1994, p. 108; Burrell & Morgan, 1979, p. 1). Burrell & Morgan (1979, p. 2) further elaborate upon knowledge and how it can be gained, either knowledge is possible to acquire or knowledge is gained by personal experiences. Several types of knowledge are seen as acceptable and legitimate within business and management, it varies from fictional stories to numerical data (Saunders et al., 2016, p. 127). Two commonly discussed epistemological standpoints will be further described and argued for, namely positivism and interpretivism.

Positivism goes in line with a natural scientist philosophical view and law-like generalisations are produced from an observable social reality (Saunders et al., 2016, p. 135). A researcher that adopts a positivistic philosophy will focus on data output that is measurable and observable, as well as free from bias created by judgement from human interpretation (Saunders et al., 2016, p. 135). Hudson & Ozanne (1988, p. 513) further describes that positivists create hypotheses and seek answers by investigating factors stated within the hypotheses. The contrasting philosophical stance to positivism is interpretivism. Interpretivism emphasises that meaning is created by humans and thus differs from physical phenomenon. Furthermore, interpretivists believe that universal answer applicable to all participants of a study is hard to obtain since different social realities are created and experienced differently by different social actors. This implies that various meanings are created by different individuals and it is the different meanings an interpretivist studies (Hudson & Ozanne, 1988, p. 511; Saunders et al., 2016, p. 140). Continuing, Burrell & Morgan (1979, p. 5) explain interpretivism as being subjective and that understanding can only be achieved by acquaint oneself with the participant’s perceptions and viewpoints.
The main objective with this research is to explore auditor’s expectations about their profession’s future and the knowledge created will be based on each individual's perceived social reality and personal opinions. Deeper understanding about individual standpoints would be hard to obtain by implementing a positivistic standpoint since hypotheses testing with measurable data would prevent factors not stated in the hypotheses to be analysed. Conducting interviews to grasp each individual's perspective associates better with an interpretivist standpoint and, since human interpretation will be done, completely unbiased judgments are hard to achieve. For that reason, interpretivism is the established epistemological stance in this research.

2.4 Research approach

When conducting social science research there are different approaches to how knowledge is brought forward by development of theory. Eriksson & Kovalainen (2008, p. 21) present three different research approaches that are applicable by researchers, specifically a deductive approach, an inductive approach and an abductive approach.

The fundamental concept of the deductive approach is that existing theory is the initial source of knowledge and from the knowledge gained by previous theories hypotheses are created to be tested, deduction is more suitable to quantitative research rather than to research with qualitative methods (Eriksson & Kovalainen, 2008, p. 22). Further, Saunders et al. (2016, p. 146) elaborate on several distinguishing features for the deductive approach. Relationships and correlations between variables are sought to be found as a first characteristic of deduction. The second characteristic is that concepts need the ability to be measured (Saunders et al., 2016, p. 146). Lastly, the findings presented from a deductive research approach should be able to be generalised, which would require a satisfyingly large sample size from a carefully selected sample (Saunders et al., 2016, p. 147).

The opposite approach to deductive is the inductive research approach. Induction in research implies that theoretical result is the consequence from empirical research (Eriksson & Kovalainen, 2008, p. 22). However, even though theory is a product of the data collection, the same theory might be the outcome of a research with inductive approach as with deduction (Saunders et al., 2016, p. 147). An inductive approach is more likely to be adopted by researchers that collect data using qualitative methods since understanding about respondent’s interpretation of their social world is sought after with the purpose to understand and explain reasons behind certain problems (Saunders et al., 2016, p. 147). The strength with induction is that researchers are allowed to explain what is going on with different explanations and not only causes and effects between variables within a stated hypothesis as in a deductive approach (Saunders et al., 2016, p. 147). An abductive approach is the third approach, abduction combine features from both deduction and induction in sense that a researcher moves back and forth between theory and data, not just in one direction as the prior two approaches (Saunders et al., 2016, p. 148).

Since deduction is a linear process starting with theory followed by empirical research as explained by Eriksson & Kovalainen (2008, p. 22) and this study was initiated without much related theories or prior knowledge since the chosen field is rather unexplored, an inductive research approach is the most appropriate to use. Further, to
understand how auditors expect digitalization to shape their profession’s future, deeper analysis of each individual’s perception is necessary. Another argument for inductive research approach is that little prior research with qualitative nature has been done. Consequently, the findings of this research are uncertain and what will be discovered is not yet known to the researchers. Those arguments make the inductive approach the appropriate for this particular research.

2.5 Research Design

Deciding upon a research design is closely connected to the purpose of a research and in order for a research to obtain useful results, an appropriate research design must be selected (Zikmund et al., 2010, p. 54). Additionally, the formulation of the research question will influence the choice of research design since depending on what the research aims to answer and the objectives of the research, different purposes are aimed to be fulfilled. Depending on the purpose, Saunders et al. (2016, pp. 174-176) describe three different research designs as ways to conduct research; exploratory, descriptive and explanatory studies. These will be further examined below.

An exploratory research is usually initiated without intentions to draw definite conclusions about particular phenomenon. An exploratory study is rather an effort to act as a springboard for further research that might yield more conclusive evidence (Zikmund et al., 2010, p. 54) and the aim is to gain sufficient knowledge to design and conduct a second study (Neuman, 2013, p. 38). Additionally, Neuman (2013, p. 38) points out that when there is little or no knowledge about an unexplored area of research, an exploratory research is used. Creativity and flexibility are conditions that must be considered in exploratory research since accidental discoveries should be taken advantage of (Neuman, 2013, p. 38). Saunders et al. (2016, pp. 174-175) point out that both research questions and questions asked during interviews are likely to start with “what” or “how” and usually open questions are asked to understand certain phenomena or problems, it is also common to interview experts in the chosen subject and it is the quality of their contribution that the researcher has confidence in when undertaking an exploratory research.

A descriptive study is not unlikely to be an extension of an exploratory research. It is also likely that the researcher has gained substantial knowledge about the situation being studied when undertaking a descriptive study (Saunders et al., 2016, p. 175; Zikmund et al., 2010, p. 55). In addition to that, Zikmund et al. (2010, p. 57) point out that the accuracy of a descriptive research is of high importance since future decisions might be based on forecasts and results from the descriptive research, wrong decisions could be made from poor accuracy. Furthermore, a descriptive research is used when the intention is to describe a phenomenon in detail in which the researcher has deep prior understanding about the issue being studied (Neuman, 2013, p. 38). Describing the reality of things is of higher importance than discovering why certain things happen and the majority of descriptive researches are based on surveys or comparisons of historical data (Neuman, 2013, p. 39).

An explanatory research is conducted to build understanding about why an issue is the way it is and give reasons for certain happenings, it is built on the knowledge gained from an exploratory study and the description of it from a descriptive study (Zikmund et al., 2010, pp. 39-40). An explanatory research is initiated to understand relationships
between variables and contributions to certain circumstances and why they occur (Zikmund et al., 2010, p. 40). Saunders et al. (2016, p. 176) explain that it is common within an explanatory research to search for correlation between qualitative data using statistical tests to get a clear picture of causal relationships and explanations of why things are the way they are.

Since this thesis neither tries to describe in detail how digitalization will shape the future of the auditing profession nor tries to explain why digitalization is shaping the future of the auditing profession, it would be inaccurate to call this research a descriptive or an explanatory study. Furthermore, since no causal relationship between quantitative variables and no surveys will be conducted, the arguments against descriptive and explanatory research designs are further strengthened. An exploratory research design is the most suitable for this research for the reasons that auditor's perception about the future of their profession in relation to digitalization is a fairly unexplored area and the aim is to provide new insights and raise awareness for future researchers to dig deeper into. Deeper understanding will be gained by conducting open interviews with practitioners to explore their perspective on previous and future change and thus an exploratory research is the appropriate research design to follow.

2.6  Research Method

There are two different ways to collect data when conducting research, quantitative method and qualitative method. Neuman (2013, p. 10) explains that the different methods are differentiating between each other in the way that the quantitative method presents data and observations collected as exact numbers while qualitative data is expressed as non-numerical data, usually as words or images. Saunders et al. (2016, p. 165) further explain that quantitative data is usually collected with the use of questionnaires or by analysing data using graphs or statistics, while interviews are a frequently used method to gather qualitative data. The use of correct research method to fit the research purpose is essential for a successful study outcome since quantitative research can draw conclusions that cannot be concluded using a qualitative research method, and vice versa (Zikmund et al., 2010, p. 134).

Quantitative research is in general more objective than qualitative research as a result of more standardized answers that require less interpretation from a questionnaire when compared to an interview. The number given from answers in a questionnaire will remain the same independently from whoever the researcher is (Zikmund et al., 2010, pp. 134-135), also that the researcher and the respondents are seen as independent from each other in a quantitative study increase objectivity (Saunders et al., 2016, p. 166). Furthermore, the questionnaires handed out must be equally understood by all participants and it is most common to select a sample with a random sampling technique to be able to generalize the findings according to Saunders et al. (2016, p. 166). Additionally, quantitative research is usually connected to positivism and a deductive approach, which implies that theory is tested with the use of stated hypotheses (Saunders et al., 2016, p. 166).

Qualitative researchers tend to be more subjective than quantitative research since it is the researcher that interpret and make sense of the data collected from a sample selected by most likely using a non-random sampling method in order to gain in-depth understanding about the studied phenomenon, which also implies that interpretivism is
commonly associated with qualitative research (Saunders et al., 2016, p. 168; Zikmund et al., 2010, p. 135). Zikmund et al. (2010, p. 133) further explain that qualitative research tends to be more unstructured than quantitative research because there are no standardized answers but the researcher has to create meaning from answers with less structure and transform those meanings into information. Building theory within qualitative research is commonly done by following an inductive approach with the purpose of extending the knowledge in existing literature (Saunders et al., 2016, p. 168).

As suggested by Zikmund et al. (2010, p. 134), qualitative research is appropriate when quantitative research present results that are not satisfying and “a fresh approach” is needed for the chosen field of research. Exploratory studies are also commonly conducted by using a qualitative research method and definite conclusions are seldom drawn from exploratory research, however this can be an advantage when the purpose is to break new ground within the research field (Zikmund et al., 2010, pp. 135-136). Considering that this research will collect data by holding open interviews with practitioners with the purpose to get deeper understanding and provide new insights about auditor’s perception about digitalization and how that might impact the future of their profession, a qualitative method is the obvious choice. Furthermore, since no precise conclusions will be drawn from testing hypotheses but instead open up for further research by providing new knowledge, the qualitative method is even more appropriate.

2.7 Research Strategy

As no strategy is intrinsically subordinated nor predominant to any other (Saunders et al., 2016, p. 178) the importance emerges to discuss several research strategies in relation to this thesis. This section will discuss eight research strategies as suggested by Saunders et al. (2016, p. 178) in order to process a selection of important strategies of the numerous total amount of research strategies that exists. The research strategies will be scrutinized with regards to the objective of this thesis and the reason behind the final chosen strategy will be explained and motivated. Furthermore, it should be kept in mind that no strategy is simply allocated to a specific research approach by default (Saunders et al., 2016, p. 178), our research strategy has therefore not been implicitly selected simply due to our chosen methodological approach, but instead it has been selected in order to best help answer our research question. The eight strategies discussed in light of our research are: experiment, survey, archival and documentary research, case study, ethnography, action research, grounded theory and narrative inquiry.

Experimental research strategy is seen as the base of which other strategies are compared to much thanks to it being rooted in natural science as well as laboratory-based research and the requirement of a very high level of precision in order for it to be conducted (Saunders et al., 2016, p. 178). Experimental is a type of research strategy that is featured frequently in social science research (Saunders et al., 2016, p. 178), however as experimental studies are more focused on explaining the relation of a probable change in an independent variable by altering a dependent variable, this is not deemed a suitable research strategy for our study in which the purpose is to achieve a deeper understanding of the digitalization aspect as a part of the ongoing shift within the auditing profession.
The survey research strategy is both commonly used and popular within management and business research and is generally affiliated with a deductive approach (Saunders et al., 2016, p. 181). This strategy has the propensity to be used for descriptive and exploratory research and is often related to answer “how much”, “how many”, “what”, “who” and “where” questions (Saunders et al., 2016, p. 181). Even though the survey strategy has benefits by being both easy to understand and explain, as well as it also enables the assembly of data from a considerable population in a cost-effective way, this strategy would be more preferable if the outline was clearer in regards to exactly what research auditors desired to be conducted. However, as this study aims to help future research with illustrating examples of what is considered to be practically relevant from an auditor’s point of view, this study wants to understand the reasoning behind the answers and their underlying meaning and do not want to make an analysis through descriptive or inferential statistics. Also the unlikeliness that data collected using a survey strategy is as extensive as data collected by other research strategies (Saunders et al., 2016, p. 182), is enough motivation to not use this strategy in this study.

Digitalization leads us to the next strategy, namely: Archival and documentary research. As more documents are accessible through, for example, the internet, the scope has increased for those who wish to use this strategy (Saunders et al., 2016, p. 183). Though this strategy could be used in combination with other strategies, as it could give valuable information on, for example, how much of the internal communication within auditing firms is about the implementation of as in this case, digitalization. Even if the desired information existed, it would require full accesses to internal databases and personal communications medias, for example, e-mail. This strategy would therefore not be possible to carry out in reality for this specific study, as it would be both time consuming and would require a vast amount of access that would be difficult to acquire and also would be questionable from an ethical standpoint.

As the name suggests, the Case study research strategy is an in-depth examination of a real world; event, process of change, problem, organization, group or even person (Saunders et al., 2016, p. 184). Saunders et al. (2016, p. 185) argue that “the study of a case within its real-life setting or context helps to distinguish this research strategy from others”. To fully understand the context is one of the essentials of case study research (Saunders et al., 2016, p. 185) and as previously mentioned there is little accumulated practical experience of the auditing profession among us as authors of this study. Therefore, case study would have been a more lucrative strategy for this study if we had worked within the profession in order to be able to observe the underlying contextual phenomenon. As one challenging aspect of case studies is their in-depth and intensive nature (Saunders et al., 2016, p. 185), practical experience could therefore help counter this negative aspect and perhaps also help with the issue of gaining access to a setting where the case study could be conducted.

Miles et al. (2014, p. 8) describe the primary methodology of ethnography to be: continued contact within a selected community, concern for common day-to-day events and also for the unique ones, indirect or direct participation in regional activities, a focus on the individual's perception of the world, comparably little pre-arranged instrumentation however often with a use of audio and video recordings to a larger extent and also with a more deliberate observation than in other research traditions. Saunders et al. (2016, p. 187) describe the use of ethnography as “to study the culture or
social world of a group”. This research strategy could be interesting to use in a scenario where we had a vast understanding of the complex aspects of the ongoing shift in combination to access with continuous contact with many auditors in order to see how these auditors are culturally affected by the shift and to further examine the impacts that digitalization have on the social part of of their profession.

In 1946 was the first time the term Action research was used (Saunders et al., 2016, p. 189), it has later been interpreted in many different ways by management researchers. The process of action research is repetitive as well as emergent and the actual purpose of action research is to advocate practical solutions through finding issues, plan action, take action and finally evaluating this action (Saunders et al., 2016, pp. 190-191). As this study does not plan to take action to prevent nor stimulate the process of implementing digitalization in the auditing profession, this strategy becomes less relevant for this study.

The term; “Grounded Theory” can be referring to more than a research strategy, however grounded theory as a strategy of conducting research will be the sole usage of the term during this section. Grounded theory is more specifically “a theory that is grounded in or developed inductively from a set of data” (Saunders et al., 2016, p. 193). The origin of Grounded theory comes from USA and emerged as two sociologists named Barney G. Glaser and Anselm L. Strauss, studied dying patients in hospitals in the early 1960s (Charmaz, 2006, p. 4).

Moreover, the many components that define grounded theory can be connected to the purpose of this study and be used in order to better answer our research question. The first component that grounded theory practice enables is simultaneous involvement in data collection while carrying out analysis (Charmaz, 2006 p. 5). This would be beneficial for this study as it aims to explore what auditors perceive to be important for the future of their profession and therefore also the need emerges to remove and add questions asked to practitioners if for example something is deemed irrelevant by the interviewees. Another component that grounded theory enables, is to construct analytic code and categories from data, instead from previous logically deducted hypotheses (Charmaz, 2006, p. 5), as there are no previous theories as to how auditors experience this new ongoing shift of their profession, this aforementioned component also can be argued in favour for using the grounded theory strategy in this study. The use of the method of “constant comparative methods” connected to grounded theory (Charmaz, 2006, p. 54), is regarded as beneficial to this study as it wants to compare similarities and differences among auditors in order to help create an outline of how the future is perceived to be shaped in the upcoming years.

Additionally, grounded theory consists of: “Advancing theory development during each step of data collection and analysis” (Charmaz, 2006, p. 5). Building theory as this study progresses would be necessary in order to respond to subsequent obtained knowledge and therefore once again grounded theory is deemed an appropriate strategy to use in order to build knowledge. As previously mentioned this study can use grounded theory to construct theory, this should then be done with the help of a specific sample used especially for theory construction and not to act as representative for the population (Saunders et al., 2016, p. 194; Charmaz, 2006, p. 6). Grounded theory uses a special form of purposive sampling better known as theoretical sampling (Saunders et al., 2016, p. 194). This means that data collection needs to continue until theoretical
saturation is reached, meaning more specifically the point where additional data do not unveil any new features that are relevant to the subject and when the subject has been better understood and relevant relationships have been established (Strauss & Corbin, 1998, p. 158).

Lastly, Narrative inquiry as a research strategy has a specific purpose namely the belief that there will be a research context in which the researcher can best assess the complete story of the participant by collecting them as a whole as compared to grounded theory where the stories of for example interviews are sorted into categories (Saunders et al., 2016, p. 197). The Narrative inquiry is sometimes described as a storytelling process where the participant can give his or her interpretation of the matter (Saunders et al., 2016, p. 198). This can later be analysed and compared to other interpretations by the researcher. As previously mentioned grounded theory is regarded as a good strategy for this study, however grounded theory combined with the advantageous characteristics of a narrative inquiry is considered the best approach in order to answer our research question and to fulfil the purpose of this study. The most advantageous characteristic of narrative inquiry is the possibility to analyse the naturally occurring relationships, linkages and social constructed phenomenon in order to derive theoretical explanations (Saunders et al., 2016, p. 200). Moreover, put into terms of this study, this will be done by interviewing auditors and trying to find underlying themes while at the same time maintaining their integrity. Narrative inquiry can be used as to enrich understanding and aid analysis (Saunders et al., 2016, p. 198), furthermore this will be utilized in this study in order to gain a deeper understanding about how auditors believe the future of their profession to be shaped.

As concluded in the section above, the selected research strategy of this study is Grounded theory in combination with Narrative inquiry. Grounded theory can be used to complement other methods within qualitative analysis (Charmaz, 2006, p 9) and the open structure of narratives can allow participants in this study to introduce subjects of major importance to them (Musson, 2004, p. 37), which will be interesting both from a theoretical and practical perspective in aiding to understand the future of the auditing profession.
### 2.8 Summary of methodological choices

<table>
<thead>
<tr>
<th>Methodological assumption</th>
<th>Selected for this research</th>
<th>Connection to purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ontology</strong></td>
<td>Constructionism</td>
<td>Auditors perceive reality different, thus different opinions are expected</td>
</tr>
<tr>
<td><strong>Epistemology</strong></td>
<td>Interpretivism</td>
<td>Auditors individual perspectives are desired and human interpretation will take place</td>
</tr>
<tr>
<td><strong>Research Approach</strong></td>
<td>Inductive</td>
<td>Empirical research will lead to new knowledge in a relatively unexplored area</td>
</tr>
<tr>
<td><strong>Research Design</strong></td>
<td>Exploratory</td>
<td>To contribute with new knowledge about the auditing profession with digitalization in focus</td>
</tr>
<tr>
<td><strong>Research Method</strong></td>
<td>Qualitative</td>
<td>Allowed for deeper knowledge about auditors perceptions</td>
</tr>
<tr>
<td><strong>Research Strategy</strong></td>
<td>Grounded Theory/Narrative inquiry</td>
<td>To not be bound by existing thoughts and theories, with allowance for creating theory</td>
</tr>
</tbody>
</table>

### 2.9 Literature Review

When research is carried out, it is utterly important to critically review previous literature in the chosen research area. This also applies when the researcher believes to have sufficient knowledge before the research is initiated (Saunders et al., 2016, p. 71). This is done for several reasons, Neuman (2013, p. 126) describes that it is important to investigate what is already known about the stated research question. This is done to not waste time in solving an issue that has already been solved (Neuman, 2013, p. 126). Saunders et al. (2016, p. 126) further comment that research should not be initiated without expecting to read previous literature. Furthermore, a literature review is based on what other researchers have done before and can be seen as a collectivistic work to share knowledge and results among researchers (Neuman, 2013, p. 126). Saunders et al. (2016, p. 72) explains the importance of a critical evaluation of previous literature as the findings of a present research will be assessed and compared to other studies conducted, hence it is important to show understanding within the chosen field of research.

The literature used within research can be divided into primary and secondary literature sources (Saunders et al., 2016, p. 83). Primary sources consist of academic, governmental or business literature published without being controlled while secondary sources refers to publications in journals or as books that are formally controlled (Saunders et al., 2016, p. 83). Secondary sources are mostly used when conducting academic research (Saunders et al., 2016, p. 83). Neuman (2013, pp. 129-130) further describes academic journals and that those journals work as the main source for academic researchers, the foundation of the academic community is built on scholarly journals and the vast amount of peer-reviewed articles they provide.
Even though this research is inductive, which implies that no theories were predetermined when defining the purpose and the research questions, a thorough search for literature about the auditing profession, future prognoses and digitalization was carried out, something that Saunders et al. (2016, p. 73) also discuss the importance of. During the search for relevant literature it was discovered that peer-reviewed articles who address issues within the auditing profession in relation to digitalization were difficult to find since not much prior research within our area had been done. For that reason, literature from both primary and secondary sources are used in this thesis. Primary sources are mainly used with the purpose to describe and better define the background to the stated problem, while secondary sources are used to define the necessity of this research and work as the foundation for the concepts and contexts. Some of the original articles and books have been beyond our capabilities to obtain, mostly due to time and financial limitations, also some language barriers were encountered along the way. Nothing was however deemed to negatively affect the quality of this study as the missing articles and books could be complemented by second hand referencing founded on peer-reviewed material. When selecting the sources for this thesis a thorough search was conducted in a number of different ways, mentioned in detail below. This thesis aims to give a practitioner’s view of digitalization and its role in the future of their profession. When searching for appropriate theories and sources it became evident that broad theories had to be adopted in order to fit the aim of this thesis, as relevant sources confirmed this continuously alongside the work of this thesis. This had to be done instead of selecting a desired and more topic specific theory, as such a theory is conspicuous by its absence.

Several search engines were used when searching for relevant literature, the online search engine provided by the library at Umeå University, Business Source Premier (EBSCO), Web of Science, Science Direct, JSTOR, Google scholar provided by Google but also Digitala Vetenskapliga Arkivet (DiVA), Google and the city library in Umeå have been frequently used to find information. Search words used to cover the chosen topic are: “Auditing”, “Digitalization”, “Future”, “Technology”, “Software”, “Computerized”, “Auditing Profession”, “Information Technology” and “Social Media”. Additionally, all articles published between 2011-2016 in six highly respected journals; Journal of Accounting and Economics, Journal of Accounting Research, Accounting Review, Contemporary Accounting Research, Accounting, Organizations and Society and Auditing: A Journal of Practice & Theory were scrutinized, this was done in order to strengthen the importance of this research, to decrease the risk of bypassing important information and to obtain an outline of the chosen topic.

2.10 Ethical Considerations

Regarding the direct context of research Saunders et al. (2016, p. 239) refer to ethics as to the “...standards of behaviour that guide your conduct in relation to the rights of those who become the subject of your work, or are affected by it.”. Throughout every step of conducting this study, we as the authors, recognize our extensive responsibility towards all stakeholders, both involved in or affected by this research process. In order to ensure that this thesis is formed in accordance with a sustainable and ethically correct manner, this study wants to emphasize that the we were continually critical about and meticulous in understanding the consequences of our choices and pedantic in strictly following all available ethical guidelines and regulations. On the ground that harm can be reduced or
even prevented through the application of relevant ethical principles (Orb et al., 2001, p. 93), we sought to be very careful in developing the ethical principles of this study.

In order to get in-depth information on available ethical guidelines, the CODEX\textsuperscript{1} website (Eriksson, 2011) was extensively read in order to provide this study with the right guidelines for setting the ethical demands on the research process. While overlooking the recommendations of guidelines within social studies, the UNESCO “Code of Conduct for Social Science Research” (Guchteneire, 2006) was specifically chosen to guide the ethical considerations of this study and deemed as the best tool to supplement our own judgement in order to secure that no ethical dilemma was overlooked and that all ethical aspects of the thesis were covered. The “Code of Conduct for Social Science Research” developed by the organization UNESCO bring up 19 basic principles that have been followed and examples of specific implementations of ethical principles in this thesis will be discussed below in order to demonstrate that the ethical considerations have permeated through all the steps of the study.

We are aware of that we are utterly responsible for all the ethical issues and procedures in this research project. Research should be organized in such a way that the integrity of our research enterprise is maintained, negative after-effects should be avoided while positive after-effects should be strived for in order to increase the potential for future research (Guchteneire, 2006). As mentioned in the “choice of subject” part of this thesis, the choice of research topic was based on the best available scientific judgment and our estimates of the potential benefits were put into relation to the risks of the society and the participants, this was taken into consideration while both selecting the sample for, and also during the process of conducting the interviews.

While engaging in the fieldwork of this study, much emphasis has been put into considering the effects and consequences of our work in order to preserve the integrity of both the auditors that participated in the interviews and their colleagues that could possibly be mentioned in the discussion as well as potential future effects on the firms involved in this study. All methods used for this thesis have been put into question to determine if they would cause any kind of harmful effects, when any potential problems have arisen, it has been discussed with our supervisor in order to assess the gravity of the situation and to avoid any destructive effects of our research. Furthermore, in order to present viable and reliable results, this study aims to present the outcome of this study in a competent manner and as objective and unbiased as possible. This could be hard to achieve in reality, although we have pursuit the ambition to neutralize our own opinions and biases as much as possible for the results of this study.

Sweden is the geographical area in which the study has been conducted and since we are Swedish and originate from the north and south of Sweden respectively, we are therefore confident that no problems with understanding local customs, accents, words and regulations will be encountered. In order to convey our ethical principles, the interviewees and others affected have received information regarding how the process

\textsuperscript{1} “CODEX is administered by The Centre for research ethics & bioethics at Uppsala University together with the Swedish Research Council, the website aims to give researchers and otherwise interested stakeholders information on and access to the ethics codes, guidelines and laws that places ethical demands on and regulates the research process.”

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will be conducted as well as the underlying purpose of it. Interviewees have also been encouraged to contact us through e-mail or telephone if any questions occurred and we have kept close track of any incoming messages in order to be able to reply to urgent concerns or worries. We frequently discussed how to best approach the interviewees as to ensure that their well-being, privacy and interest came foremost and were of higher priority than our own interest.

Much of the quality of this thesis will depend on the capability of collaboration between us in the role of authors. Therefore, is the robust friendship that existed between us prior to this study, considered an immense strength as it will include valuable insights to the tasks that each of us undertakes, meaning more specifically that the improved understanding of one another will help to facilitate constructive criticism as well as stimulate transparency throughout the research process. We as students also recognize our role in terms that we are affiliated with Umeå University as an institution and therefore have a responsibility as to make sure to carefully preserve the reputation of the University and to make sure not to act in type of self-interest that might conflict with the interest of Umeå University. We also share the values of USBE (USBE, 2015), the business school at Umeå University and have kept USBE’s values in mind when establishing the ethical principles that guided this study.

When conducting all interviews, informed consent was obtained from all participants and through informing the interviewees and encouraging them to ask questions whenever any form of uncertainties arise, the ethical aspect of this thesis was ensured. More of the precautions taken will be discussed in chapter 4. As to guarantee that this study can be properly assessed and reviewed, information about all findings and methods used will be included in this thesis along with the limitations in regards to reliability and applicability, so that when made public, it can be scrutinized by whomever it may concern. All throughout the thesis proper referencing have been formed in line with the thesis manual at Umeå University in order to pay homage to and acknowledge the previous published as well as unpublished work of other scholars. With the careful consideration of the potential consequences brought on by this thesis, we take full responsibility and assures that all research have been made with integrity and with respect for the individuals that is affected by it. Moreover, are the rules of Umeå University and the policies for education and research (Umeå University, 2016) respected and thoroughly applied during the entirety of this thesis.
3 Concepts and Contexts

The aim with this chapter is to provide concepts and contexts, which is introduced by drivers of change in theory. It will be followed by an extensive literature review and an extended model about historical drivers of change in the auditing profession. Subsequently, digitalization will be described and theorized. The chapter ends with a description of the role of research in relation to the auditing profession.

3.1 Drivers of change in theory

3.1.1 Formula of change

In order to assist the conclusions of this study, a modified formula of change originally developed by Gleicher and published by Beckhard in Sloan Management Review (1975, cited in Cady et al., 2014, p. 32) is going to be used. During the last 50 years, the change formula has evolved into one of the most acknowledged and practically useful tools for change related to organisations. Furthermore, the formula can be used to find influencing factors that must be met for change related to organisations to occur (Cady et al., 2014, p. 32). Gleicher’s original formula of change equation was formulated: \[ \text{C} = (\text{ABD}) > \text{X} \], where \( \text{C} = \) Change, \( \text{A} = \) Level of dissatisfaction, \( \text{B} = \) Perceived desired state, \( \text{D} = \) First practical step towards the perceived desired state and \( \text{X} = \) Change cost, as presented by Beckhard (1975, cited in Cady et al., 2014, p. 32).

Dannemiller modified Gleisher’s original formula of change since it was found to be brilliant but too theoretical and not easily understood by general people (Cady et al., 2014, p. 32). Jacobs (2014, cited in Cady et al., 2014, p. 32) further expressed that Dannemiller’s modifications made the formula more useful and “accessible to the world” while at the same time maintaining Gleisher’s integrity. Dannemiller’s formula was formulated: \( D \times V \times F > R \), where \( D = \) Dissatisfaction with current situation, \( V = \) Vision of possibilities, \( F = \) First step toward reaching the vision and \( R = \) Resistance to change (Dannemiller & Jacobs, 1992, p. 483). There will be a change when the product of \( D \), \( V \) and \( F \) are larger than \( R \), however if the product of \( D \), \( V \) and \( F \) are zero the resistance to change will be large enough to prevent change.

The latest modification of the change formula is an equation developed by Cady (2014, p. 36), which is an extension of Dannemiller’s formula where sustainability is added as a factor and is formulated as follows: \( D \times V \times F \times S > R \). The main purpose to add sustainability as a factor to Dannemiller’s equation is because sustainability allows organisations to develop road maps with guidelines for decision-making (Cady et al., 2014, p. 36). Cady et al. (2014, p. 38) further highlight that in order for Cady’s equation to work, every individual within the organisation must be included in each factor. This is impossible to accomplish with the limitations in regards to this study as we have limited access to entire audit firms and for that reason Dannemiller’s change formula will be used.

Furthermore, Dannemiller’s change formula is deemed more suitable as a diagnostic tool for this study since it is developed to be used in a more practical way and we want to utilize its simplicity when analysing the complex change of the auditing profession in relation to digitalization. This tool will be used to analyse auditors’ current situation and from that build new knowledge. To analyse the situation, the factor \( D \) will be evaluated from the auditors perceived dissatisfaction with the current situation in relation to their
profession. V will be evaluated from what the auditors believe is possible in the future and F will be analysed based on what actions the auditors have undertaken and what they deem important in the future. R will be motivated by their demonstrated willingness for change in regards to their profession in the future.

3.1.2 Force Field Theory

The work of Kurt Lewin’s force field theory will be adopted and used in this study as a diagnostic tool in order to enhance the understanding of the change that is affecting the auditing profession. It will assist in creating a simplified image to show the forces involved in it and build knowledge around the current shift of the profession. It has been a frequent challenge in management literature associated with the complex aspect of change, more specifically the process of development from a status quo through innovative change. However, this challenge has not hindered great researchers from producing theories that try to explain this process, and among them Kurt Lewin appears specifically often in change management (Swanson & Creed, 2014, p. 29). Swanson & Creed (2014, p. 30) discuss that metaphors used by Kurt Lewin have become complete models, even though he intended to use them to illustrate examples of his complex theories. These models connected to force field theory are used by practitioners (e.g. managers of organisations) as they can be effective and attractive to use in some highly controlled situations (Swanson & Creed, 2014, p. 30).

This study also intends to use a simplified model based on Kurt Lewin’s force field theory for the sole purpose that it is too complex to use in its entirety as it puts into relation the potential extra benefits it will yield answering this study's research question. Further motivation to “condense” the complex original force field analysis into fewer and more simple illustrative stages and steps, is that Kurt Lewin originally meant for his approach to “…enable individuals and groups to understand and restructure their perceptions of the world around them” (Burnes & Cooke, 2013, p. 409). Swanson & Creed (2014, p. 32) argue for that this kind of simplification is partly justified so that “practice (via perceptions) and theory can intersect”, however he also mentions that the models possibly have become less complex than Kurt Lewin first intended. As this study aims to understand change and more specifically “how auditors expect digitalization to shape of the auditing profession”, force field theory offers to give a snapshot of change instead of offering particular solutions or directions to it (Swanson & Creed, 2014, p. 30), as this thesis is about understanding change and build knowledge around it, force field theory is deemed an appropriate theory to use. Furthermore, it should be noted that Lewin himself stated the following: “Field theory, therefore, can hardly be called correct or incorrect in the same way as a theory in the usual sense of the term. Field theory is probably best characterized as a method: namely, a method of analyzing causal relations and of building scientific constructs. This method of analyzing causal relations can be expressed in the form of certain general statements about the 'nature' of the conditions of change. To what degree such a statement has an 'analytical' (logical, a priori) and to what degree it has an 'empirical' character do not need to be discussed here.” (Lewin, 1943, p. 294).
This study has developed the figure given as an example of simple force field analysis in Swanson & Creed (2014, p. 33). This model was developed in order to be used in our analysis to show our identified “enabling” and “constraining” forces in connection to digitalization and their perceived strength in relation to changing the auditing profession. Figure 1 has been used to illustrate how different “forces” will be identified, listed and then analysed as to how important they are for further auditing research. If the enabling forces of change are perceived to be stronger than the forces that constrain, then change will be made possible and this will cause the profession to change as in the model above. When chartering an analysis, it should be noted that “change practitioners”, in our case auditors, can be both an enabling as well as a constraining force (Swanson & Creed, 2014, p. 33).

The blockage hindering change should according to force field theory not be seen as fixed object but rather an inconstant balance, which is the result of two competing forces (Page, 1977, p. 298). These two forces are previously mentioned in this study: enabling forces and constraining forces. Just as the name suggests the former force enables and amplifies change while the latter constrains it. The step in diagnosing this inconstant balance is to specify as many of the forces involved in affecting it as possible, this diagnose is called force field analysis (Page, 1977, p. 298). This diagnostic stage can assist in taking action towards both hindering and advancing change through the informed altering with the given forces, therefore the analysis is quite practical as it shows what major forces are of relevance so that a more informed and purposive action can be taken (Page, 1977, p. 298). Furthermore, there are four main steps in conducting a diagnosis of an organizational problem (Page, 1977, p. 298): Choosing the problem area, describing the situation, describing the desired state towards which progress is heading and also identifying as well as list the forces involved in the situation. In the last step one should think about not including potential or desired forces as only currently affecting forces should be listed (Page, 1977, p. 300). Lastly, it is argued by Lewin (1943, p. 297) that one can use two ways of determining the “character” of a field at a given time. Firstly, one can base the statement on conclusions taken from history, the second is to use a diagnostics test of the present, where the latter one is viewed as methodologically superior (Lewin, 1943, pp. 297-298). This study will...
try to combine both the historical approach with a diagnostic test of present reality in order to get a wide and applicable model for the purpose of this study.

### 3.1.3 Institutional change

It is accepted that professions have a leading role in causing and being the affected stakeholder of institutional transformation and change (Scott, 2008, p. 219), however the corresponding research regarding this change in professional service firms (including of course auditing firms), is clearly under-theorized (Malsch & Gendron, 2013, p. 871). There are a handful of explanations for the shortcomings of theories in this area, however the use of the article written by Malsch & Gendron (2013), founded on the work of Pierre Bourdieu, will help assist in providing a theoretical overview of the current mechanism of change, and this will be used later when analysing audit practitioners’ views of the future in this study.

The theoretical paper of Malsch & Gendron (2013, p. 872), is by using the reproduction analysis originally developed by Bourdieu, intending to “reexamine a major institutional shift in the field of public accounting”. As previously mentioned in this study this shift has been present throughout several decades and extremely complex, however the article by Malsch & Gendron (2013) will provide valuable insights as this study aims to assist in the theory creation towards analysing the change due to digitalization in the auditing profession.

Malsch & Gendron (2013, p. 871) argue for that there are solid arguments to support two future strategies for the auditing profession. The first strategy for the accounting profession to make use of is the commercial acquisition of new markets as the previously discussed value adding services, namely advisory. The second strategy is evolving and preserving the professional and symbolic privileges of the original aspects of the profession, which is continuously acknowledged even after the series of scandals that have threatened the profession and its role. The above mentioned strategies can be articulated around two continuously co-dependent struggles of the profession as explained by Lawrence & Suddaby (2006, cited in Malsch & Gendron, 2013, p. 872). The first struggle is emerging from the first strategy and is best described as the attempt of the audit profession to broaden itself by innovation and trying to find new markets while still maintaining the full extension of its original professional privileges as in the case of auditing, the public trust. The second struggle is connected to the first and reflects the opposing habituses of agents within the practice, meaning that a conflict of interest might occur between the newly recruited experts who wishes to be more advisor-oriented, referred to as the “innovators”, and the more traditional auditors focused on the audit-oriented part of the profession referred to as the “guardians of traditions”, the conflict in the auditing profession could be considered a “dead-end” due to the nature of the co-dependability of the aforementioned innovators and guardians (Malsch & Gendron, 2013, p. 872).

Malsch & Gendron (2013, p. 872) argue that this forced coexistence of commercialism and professionalism is not a solid foundation for the development of “a stable organizational archetype” but instead the dynamics of the field are rather unstable in regards to the patterns in the dominating structure of social relationships. The strength of using the analytical framework of Pierre Bourdieu is that he uses the field, habituses and capital as the main interrelated elements and this enables the surpassing of a
structure/agency debate that is most commonly used in institutional literature as mentioned by Suddaby (2010, cited in Malsch & Gendron, 2013, p. 872), so that one can instead focus on studying the institutional analysis and the actual change within the profession. To summarize, this study will put much emphasis on finding the relevant dominant agents in order to determine their level of involvement in creating change within their institutions. This will be done through analysing the answers given by practitioners. It should be noted that institutional analysis is not considered an exact and precise way of determining the future but rather a fragile process that needs to be used with care since the analysis of how agents affect institutions is complex (Malsch & Gendron, 2013, p. 873). The very complex nature of the analysis is however justified as one should consider the duality of institutional change and stability of the auditing profession, meaning there is no simple way of conducting an analysis due to the complex and changing nature of the profession.

Bourdieu (1984, cited in Malsch & Gendron, 2013, p. 878) argues that habitus state of minds has a long duration and in their delay is where adoption to change is made possible. The gap in habituses between what previous conditions have historically formed and conditions dictated by new rules in the field of the profession, leads to cause different reactions by agents, as in our case this is the situation of rapid change in the auditing profession. Some agents will have problems adjusting to the new established order and since their attitude will encounter problems as a result of their newly created dysfunctionality, this can lead them to failure in adapting to the new profession as pointed out by Bourdieu (1997, cited in Malsch & Gendron, 2013, p. 875).

Once these new rules of the field have been formed and the change is activated and set in motion, the success of an agent will be dependent on the various form of capital acquired in the new field, capital can, in this sense, be anything of importance such as economic, legal or symbolic capital (Bourdieu, 1997, cited in Malsch & Gendron, 2013, p. 875). Therefore, is the mechanism of change in a field fundamentally linked to different agent’s possibility to acquire capital in the new environment as this will determine the direction of the change, as all agents will pursue their own interest with the dominant agents determining the reference point as other will have to adopt in relation to them (Bourdieu, 1997, cited in Malsch & Gendron, 2013, pp. 875-876). This reasoning assumes that the dominant agents in the field will be the sole existing power of change and here Bourdieu points out that there is a possibility of power shifting between agents, as the new rules of the field can be used by agents in order to transform and disrupt the power of the dominant agent in the field, this can be exemplified with the case of a technological transformation (Bourdieu, 1997, cited in Malsch & Gendron, 2013, p. 876).

The above is an adjusted description of “Bourdiesian sociology” adapted to fit the purpose of this study, and what it means in practical terms is that this study will use the above mentioned theory in the analysis to see if the habituses of auditors exist as explained by Malsch & Gendron (2013) and also to see if change in institutions is experienced by us in the same sense that is described by Malsch & Gendron (2013). The purpose for this is to use one of the few existing theories about institutional change in order to try to complement another theoretical aspect of change within the auditing profession.
3.2 Historical drivers of change in the auditing profession

In order to provide a clear picture of the recent shift in the auditing profession, past drivers not related to digitalization will also be mentioned as historic topics. In the debate about the profession, history will be scrutinized in brief as it can assist in understanding the auditing profession's future and cannot be excluded from the discussion. Moreover, is a history of the past changes within the dynamic profession of auditing presented in order to observe the evolution of auditing to gain deeper understanding of past practice and put the current process of digitalization into context. Parts of the following section have been divided into time periods in order to provide a fair historical overview that is easy to follow and based on large developments within the profession connected to the practicing auditor's objectives and drivers of change. To review the history of auditing will provide a basis for interpreting and analysing future expected changes which is believed to take place in regards to objectives and the role of the auditor. The review of historical time periods will enable the understanding and interpretation of current events when analysing the evolution of auditing (Brown, 1962, p. 696; Teck-Heang & Ali, 2008, p. 1).

Before the 1500’s accounting was mainly involved with family and governmental units, the use of two independent sources fulfilled the purpose of preventing defalcation of assets held by ancient rulers (Brown, 1962, p. 696). Another objective was also to prove the accuracy in the reporting of inventories and auditing was not trusted for this function, during the time of the Roman Empire the auditors primary function was to prevent fraudulent acts by the public officials (Brown, 1962, pp. 696-697). The actual word “audit” originates from Latin and the word “audire” which roughly translates “to hear” (Teck-Heang & Ali, 2008, p. 1). Following the fall of the Roman Empire, auditing is connected to the Italian city states where much of it was developed by merchants in Venice, Florence and Genoa in order to aid in verifying sailing captains’ accountability as they brought riches to Europe from the old world (Brown, 1962, p. 697). When examining the early literature about auditing, nothing is mentioned about the presence of internal controls or accounting systems, as indeed early auditing techniques revolved almost entirely around detailed verifications and making sure that every transaction had taken place and moreover was concepts like testing not known to the profession (Brown, 1962, p. 697).

In the period 1500-1850, not much changed in regards to the objectives of auditing compared to the previously mentioned era. In the early stages in the rise of the industrial revolution the objectives of auditing were still meant to detect fraud, meaning more specifically that detailed checking was still the common approach and the accepted procedure (Brown, 1962, p. 697). However, the importance of this phenomenon grew when noticeable distance between company managers and the actual owners became more common due to the separation of owners and their capital investment. During this period significant changes in attitudes progressed, mainly through the recognized importance of a standardized accounting system, and through the overall acceptance of the need for an independent inspection of accounts for companies among all varying sizes (Brown, 1962, p. 697).

The time period 1850-1905, marks the greatest economic growth period ever in Great Britain mainly due to the large scale operations derived from the industrial revolution. This provided the opportunity and boosted the sudden need for the form of corporate
enterprises (Brown, 1962, p. 698). During most parts of the nineteenth century Great Britain had a substantial lead in the accounting practice and especially in auditing (Küpper & Mattessich, 2005, p. 382). Additionally, the owners of the enterprises became worried as, in their absence, management were moved to hired professionals and they could therefore not control, protect and manage the growth of their capital in the same way as before. In this period, stockholders themselves tried to make periodic visits to verify accounts however it soon became apparent that in order for a trustworthy accountant to conduct independent professional audits, special training was required (Brown, 1962, p. 698).

During 1850-1905 many of the audits involved fairly complete inspections of transactions, financial statements and accounts. As this was an expensive and insufficient method of conducting the audit it was realized that there was a need for change in accounting systems in order to successfully decrease the opportunities for fraudulent acts and to improve the accuracy of reported amounts (Brown, 1962, p. 698). It was at this point in time when the technique of sampling became an established practice for auditors. Also in the United States the technique of sampling emerged approximately at the same time and proof of sampling in relation to auditing can be seen in the questions of a pre-nineteen hundred Certified Public Accountant test in New York (Moyer, 1951, p. 5). Moreover, the arguments for supporting the change in audit objectives are not quite sufficient at this point in time in order to say that there was a definite change in the objectives as the essential objective of auditing was nevertheless to detect fraudulent acts, and the main reasoning behind switching from the inspection of detailed verifications to sampling was simply because it became difficult to check all the transactions in the fast growing corporate climate (Brown, 1962, p. 699). Nevertheless, it is argued that it is during the time of the industrial revolution in Great Britain during the mid-nineteenth century that marks the time when modern auditing became properly established (Teck-Heang & Ali, 2008, p. 7).

The period during 1905-1933 was remarkable in the sense that is was the period when auditors discovered the significance of internal controls which in the previous era existed mostly in larger corporations (Brown, 1962, p. 699). As Great Britain had much influence over the techniques and development of the auditing profession in United States during the early years (Moyer, 1951, p. 3), it was noticeable that the American auditing profession, between 1900 and 1910, started to develop separately from its British origin, as the British methods and objectives was deemed inappropriate for American businesses (Brown, 1962, p. 699). The change resulted in American auditors’ tendency of focusing less on the detection of fraud and more on the assertion of the actual financial form of enterprises, as well as the transition to testing from detailed verification (Brown, 1962, pp. 699-700).

1933-1960 the first half of this period was interesting because there existed a confusion regarding the objectives of auditing and also the effects that the New York Stock Exchange had on auditing became noticeable as well as the impact of governmental agencies (Brown, 1962, p. 700). The views on appropriate audit techniques were almost identical, however much of the debate during this time period was directed towards the significance of detection of fraud and how emphasized it should be in relation to auditing, eventually the discussion ended around the fairly unified assertion that auditors foremost, should not and could not be responsible for the detection of fraud (Brown, 1962, pp. 700-701). Not much changed in regards to the auditors’ collective
approach and objectives during the second half of the period 1933-1960 as the process of increased significance for fairly stated financial reports continued, leading to the matching increased insignificance of fraud detection (Brown, 1962, p. 701). This slight change was however in light of the applied audit techniques mismatched as many auditing techniques were particularly designed to aid in the detection of fraudulent acts, and this caused some debate towards if, and how much, the auditors should be held responsible for the detection of fraud when conducting tests (Brown, 1962, p. 700).

1960-1990. The focus at the beginning of this period relates much to defining the professional responsibility of auditors as to the formation of the opinions about the financial statements and their judgement expressed on how fairly stated it is, and in order to do so auditors were recommended to perform enough testing in order to be “reasonably assured” that there are no errors of important materiality in the financial reports, indifferent to the originating source of these errors (Brown, 1962, p. 702). Around 1960 the approach to first check internal controls and then decide the level of testing needed, was similar to the approaches undertaken by present auditors, however the objectives of an auditor were debated (Brown, 1962, p. 703). This whole period was also tinged by technological advancement, and changing firms that became more complex as well as a substantial growth in the world economy (Teck-Heang & Ali, 2008, p. 4). However, the role of an auditor was still focused on assessing that financial statements were fairly stated, which resembles the objectives of auditors mentioned in the previous time period (Teck-Heang & Ali, 2008, p. 5). Around 1980 was the point in time in which auditors generally started using computing machines to aid their audit procedures and also the phenomenon to provide advising services to clients was practiced more commonly in this period (Teck-Heang & Ali, 2008, p. 5).

1990-today, For the past 30 years the auditor has gone from a traditional to an enhanced role where they are not only expected to reinforce the credibility of a financial statement but also aid in providing value-added services (Teck-Heang & Ali, 2008, p. 1). For example, the generated revenues from advisory services surpassed the revenue generated from auditing for all the top firms in the United States around the year 2000 (Teck-Heang & Ali, 2008, p. 6). It is argued that even though the primary objective of auditing is still to ensure that financial and non-financial information provided by management in annual reports are credible, the auditor role as advisory is a current topic in the present debate about the role of the auditor (Teck-Heang & Ali, 2008, p. 6). Much due to the downfall of big corporations and the related scandals in relation to large auditing firms, led to the extensive reforms in various countries as a result of the doubt about the independence of auditors, a concern expressed among public investors and regulators (Teck-Heang & Ali, 2008, p. 6). Teck-Heang & Ali (2008, p. 6) gives examples of key reforms that can be used to symbolize the previously mentioned extensive reforms and as an example the considerable Sarbanes-Oxley Act that was implemented in the United States is stated.

The Sarbanes-Oxley Act deals with subjects like audit quality, auditor independence, the rotation of auditors and the hindering of situations when a conflict-of-interest can occur (Teck-Heang & Ali, 2008, p. 6). Even though these mentioned reforms have made extensive changes to alter the audit practice, the objective of auditors to assure the credibility of reported financial statements have stayed the same (Teck-Heang & Ali, 2008, p. 6). Among the legislations in the Sarbanes-Oxley Act there is a list of several “unlawful” services that cannot be provided by the auditor of a publically traded
company. In this list there is even a “catch all” category in order to prevent any type of non-audit service that could be of interest to prohibition by the legislators (Laffie, 2002, p. 621). With respect to the future of auditing, a comprehensive review of the audit profession history shows it is continuously evolving and also that it is highly influenced by overall changes in expectations from the society, historical events and technological developments (Teck-Heang & Ali, 2008, p. 7), even though the future of the auditor as an advisory has been debated, the effects and width of digitalization on the auditing profession is still unsure and relatively omitted in the debate.

Table 2. Developed model originating from Brown (1962 p. 696)

<table>
<thead>
<tr>
<th>Period</th>
<th>Stated Audit Objectives</th>
<th>Extent of verification</th>
<th>Importance of internal controls</th>
<th>Driver of change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ancient 1850</td>
<td>Detection of fraud</td>
<td>Detailed</td>
<td>Not recognized</td>
<td>Recognized need for auditing</td>
</tr>
<tr>
<td>1850 - 1905</td>
<td>Detection of fraud, Detection of clerical error</td>
<td>Primarily detailed, some tests</td>
<td>Not recognized</td>
<td>Demand created from the Industrial Revolution</td>
</tr>
<tr>
<td>1905 - 1933</td>
<td>Determination of fairness of reported financial position, Detection of fraud and errors</td>
<td>Detailed and testing</td>
<td>Slight recognition</td>
<td>Change of auditing techniques</td>
</tr>
<tr>
<td>1933 - 1960</td>
<td>Determination of fairness of reported financial position, Some detection of fraud and errors</td>
<td>Testing</td>
<td>Substantial emphasis</td>
<td>Impact of the New York Stock Exchange and Government</td>
</tr>
<tr>
<td>1960 - 1990</td>
<td>Determination of fairness of reported financial position, Some value adding services (advisory)</td>
<td>Testing</td>
<td>Substantial emphasis</td>
<td>Technological development and Growth in the world economy</td>
</tr>
<tr>
<td>1990 today -</td>
<td>Determination of fairness of reported financial position, Value adding services (advisory)</td>
<td>Testing</td>
<td>Substantial emphasis</td>
<td>Extensive reforms and New regulations</td>
</tr>
</tbody>
</table>

Table 2 has been developed and extended from Brown (1962, p. 696) in order to summarize the historical developments. The last row is represented by holding the factors connected to the auditing profession today equal to those of the future, these factors will later be analysed in this study in combination with an examination of the
effects due to digitalization. As these future factors are neither predicted nor guessed to be of relevance to the future of the auditing profession by us, a question mark has been added to each factor in order to highlight this.

3.3 Digitalization

Digitalization as a term is believed to be used in the contemporary context for the first time by Wachal (1971, p. 30) where he discusses implications on the society as a consequence from digitalization. His essay debates the implementation of computers as tools for humanist researchers. As the first time digitalization was used in the contemporary context is relatively close in time, this means that the process is fairly new and cannot therefore be expected to be fully covered. Also this process as a topic within auditing research and theory is mostly in articles that is about the technical effects and solely about specific implementations of technical and data processes. This study aims to provide a broader picture and put the importance of digitalization in context as a driver for change and the most important aspects perceived by practitioners will be highlighted, although in order to gain a better understanding of the technological implementation in the auditing profession some recent articles and research will be presented in this section as this is necessary to provide an overview of recent changes and new technologies available to auditors.

Ever since the turn of the millennium the rapid progress of digital technologies, for example cloud computing and digital convergence, have been important as the emergence of digital technologies is clearly shaping both old as well as new organisations and sometimes even alters whole markets, creating new possibilities and disrupting traditional business models (Benner, 2010, p. 42; Tilson et al., 2010, p. 1; Yoo, 2010, pp. 213-214). Not only in auditing is the impact of digitalization present, everywhere from the emergence of broadband to important power grids worldwide is digital technology making new innovations possible and the many services and products made possible can help address many of today’s challenges (Yoo et al., 2010, p. 5). The digitalization process is continuously attracting the attention of legislators, business leaders and scholars (Yoo et al., 2010, p. 5). As one of the problem with digitalization in scholarly work is that the actual research about digital innovation is spread across many fields of studies and as the discussion about digital innovation is still in progress, the findings presented in one field can surpass the notice from scholars in other fields (Yoo et al., 2010, p. 5), this is why there is a need to create theoretical frameworks and to guide the first step to create such a theoretical framework with special attention to practical relevance is one objective of this study.

Furthermore, a definition of the term digitalization must be stated as it is usually confused with the term “digitization” which will not be a part of the focus for this study. As this section takes up the concept of digital innovation this will firstly defined in this study as the process that enables digitalization through utilizing new innovation possibilities enabled by the introduction of new technology. Moreover, the process of digitalization is more complex than the simple transition of analogue information to a digital format, the transformation of information into a new format is in this study defined as “digitization”. An example of this “digitization” transformation is when papers are scanned into a digital archive with no purpose of further innovation in the process then simply accessing the document in question. Finally, digitalization is the transformation of structures that was previously non-digital into structures that is
mediated by digital innovation and in the end transformed to an overall changed structure. An example of this would be if documents are scanned in with additional new possibilities, just to illustrate this we can assume that scanned documents could contain sections that are interactive and could be altered by stakeholders to whom the document is relevant (as similar to the concept of Google Docs). This study does not consider to examine “digitization” to a great extent as its transformation usually is intelligible, but rather investigate to what extent auditors consider the future of their profession to shift in terms of processes related to digitalization.

As discussed in the report by Yoo et al. (2010), a central question is to compare the introduction of innovation caused by digitalization to the innovation that originates from the non-digital. The opinions in this question are mixed and the participants in the workshop that the report is based on, conclude that specific elements of innovation due to digitalization is quite unique in the sense that they are transformative and adds new important properties to already existing products and processes from the old industrial age (Yoo et al., 2010, p. 8). The evolution of these improvements to the existing products and processes is not simple or standardized, however the historical process has been modelled into three steps of digitalization (Yoo et al., 2010, pp. 11-12). "Digitization", more specifically the transformation of analogue services and products into digital ones is the first step of digitalization, this step is not causing a substantial change to the industry or business structure (Yoo et al., 2010, pp. 11-12). The actual benefits of the first step are simple to observe since the industry experience lower costs with similar services and products. An example of this could be when the first typewriters became electronic, not much was changed in the actual product however the new features increased the efficiency for the users.

The second step starts by the unification of digitalized products meaning general networks and software-capable devices starts to "converge" at multiple levels resulting in less emphasis put on products and more focus on the networks and software market, creating new media (Yoo et al., 2010, p. 12). This step can be exemplified by the early development of the internet where computers were linked together with possibilities to share information through e-mails and other channels. During the third and last step new products and services appears through new media as well as the resulting mixture of diverse new media's, created across the confines of the original product and service structure. Services and devices previously created for one purpose are also changed to fit the needs of the specific purposes of the newly created media (Tilson et al., 2010, p. 2). To illustrate the third step, social media platforms that incorporates the interactive function of computer devices with the vast possibilities of the internet to provide a new digitalized way of communicating can be seen as an example.

The final effect brought by digitalization is that enormous amount of information that previously was inaccessible is now accessible (Yoo et al., 2010, p. 12). The innovations in the third step of digitalization varies from the other steps in the sense that it creates a mixture based on the many kinds of new digital innovations leading to a greater extent that develops original products such as mobile phones that eventually become much more complex than first intended. In the two early steps, innovation was mostly developed to streamline or reduce previous simple functions by making the processing of information more effective.
3.4 The role of research in relation to the auditing profession

Dyckman (1989, p. 111) highlights that attention must be given to the interrelation between accounting research and the practice community. The author further suggests that since accounting is a profession with a practical character, research within the subject should be founded on the base of solving practical problems. Dyckman (1989, p. 112) further elaborates on the subject and claims that it is easy to judge if research with a practical twist is useful for practitioners but that academic research is harder to justify practically. Solving practitioners’ current issues are however not always the task of academic research, it is expected to allow academic research to stretch over a longer time to find practical solutions, but enhanced interaction between academics and practitioners would increase the chance to find solutions before the practical problem develops (Dyckman, 1989, p. 116). Dyckman (1989, p. 118) further addresses the responsibility of practitioners to develop ideas and present practical innovations for future topics to be studied. This justifies the reason for us as researchers to ask auditors today about academic research, both to get a chance to potentially bring the research and practice community closer and possibly to reveal future important research topics.

Basu (2012, p. 852) criticises the innovation in and relevance of accounting research, the author suggest that accounting researchers should stop focus their research solely on subjects typically developed within the confined space of standardized accounting research. Furthermore, Basu (2012, p. 852) states two requirements to achieve innovation and relevance, accounting history must be taught to new accounting scholars and non-accounting lecturers should be featured to enhance creativity and to make scholars think outside the box. Moreover, practical relevance of research contribution should be more emphasized compared to today’s focus on statistical significance from quantitative data and research should also be written in a way that practitioners understands, with less academic jargon (Basu, 2012, p. 852). Accounting researchers, mainly without practical experience, believe that major accounting issues are solved by using conceptual frameworks but that they in fact are blinded by these frameworks and fail to solve the fundamental accounting issues (Basu, 2012, p. 854). These arguments further motivate the methods used in our research, as it is a relatively innovative approach with main focus on exploring practitioners’ views and opinions, it will bring a fresh view to the field of research.
4 Practical method

This chapter will provide details about our data collection method, which describes different interview types, sampling methods and how interviewees are accessed, these will further be connected to and motivated in relation to our study. This is followed by a description of the interview process, which involves interview preparations, explanation regarding the conducted interviews, transcribing and coding. The chapter is concluded by discussing ethical considerations during our data collection.

4.1 Data collection method

In the initial stage of planning the data collection for this research, both primary and secondary data were carefully evaluated and considered as possible methods to gather data. Zikmund et al. (2013, p. 160) describe secondary data as data gathered and assembled previously by someone else and with a different purpose compared to the ongoing research. Secondary data is most frequently used within explanatory and descriptive research designs and consist both of qualitative and quantitative data, the most common use for secondary data is when comparisons between large data sets are required (Saunders et al., 2016, p. 318). The availability is one of the fundamental advantages of secondary data compared to primary data since access to respondents or subjects is not required and time as well as capital constraints become less of an issue with secondary data, especially since digitally stored data is uncomplicated to retrieve and in most situations allow for immediate access (Zikmund et al., 2013, p. 160). This implies that collecting secondary data gives researchers the benefit of analysing a vaster amount of data sets than what would be possible if primary data would be gathered, considering the same resource limit for the different methods. However, simultaneously there are disadvantages with secondary data. The fact that secondary data was designed for a different purpose and not to satisfy the present researchers’ needs is one primary disadvantage, an additional disadvantage is the questionable adequacy of available secondary data (Zikmund et al., 2013, p. 160). Zikmund et al. (2013, p. 161) define the inadequacy of secondary data using four reasons, how terms are defined might not suit the needs of a researcher, what kind of measurements that are previously used may be improper, the validity of secondary data can be hard to verify and the data might be outdated.

Primary data is by Hox & Boeije (2005, p. 593) described as data that has been collected to fit a particular research purpose, using data collection methods best suitable for the specific research problem. Furthermore, all primary data collected when doing research will add to the existing knowledge since it will be made reusable for later research in the form of secondary data (Hox & Boeije, 2005, p. 593). The main advantage of collecting primary data is that the researcher can adjust the data collection to the practical issues around the process of defining measurements included in the phenomenon being studied, the strategy for collecting the data and the research design, in order to find solutions to stated problems and help when answering the research question (Hox & Boeije, 2005, p. 594). The main disadvantage when collecting primary data according to Hox & Boeije (2005, p. 594) is the time it takes and how costly it can be to gather the data. If the researcher need to travel in order to reach the desired participants to collect the data, or if conducting interviews with the ambition to elaborate and discuss themes on a deeper level is desired, time and money constraints might be an obstacle for the researcher (Saunders et al., 2016, p. 414).
Considering the advantages and disadvantages with primary and secondary data as gathering methods together with the method to best suit the purpose of this research, secondary data was not appropriate in order to help answering our research question. The reasoning behind the chosen method is that no previous appropriate data exists as far as we know, that is suitable for the topics covered in this thesis. Since this study is specifically addressing auditors in Sweden and intend to analyse currently practicing auditor's own versions about their perceptions regarding the future of their profession, collecting primary data is undoubtedly the appropriate method. Another important aspect why primary data is most useful for this study is that digitalization is a rapidly shifting process and the ambition is to use as recently collected data as possible.

There are several ways to collect primary data. Observation as a method to collect primary data can be useful when the researcher wants to watch people and their behaviour, observations in research is connected to what people do and describe, analyse and interpret behaviours to fulfil research objectives and find answers to research questions (Saunders et al., 2016, p. 354). Saunders et al. (2016, p. 356) further describe that the researcher is the participant during an observation and not the ones being studied, since the researcher participate and adjust to the settings of the observed people. Observation as a way to collect primary data would not be suitable to use in this research since we neither intended to watch auditors in their daily work, nor interpret and understand their behaviour.

Another method to collect primary data is to use questionnaires, which is most commonly used within quantitative research but can as well be used within case study or experimental research (Saunders et al., 2016, p. 436). Furthermore, research that requires more open questions, like exploratory research, do rarely benefit from the use of questionnaires (Saunders et al., 2016, p. 439). Questionnaires are more useful when explanation of relationships between variables are desired (Saunders et al., 2016, p. 439). Since this is a qualitative research with an exploratory nature, the use of questionnaires to find relationship between variables would not be an appropriate method to collect primary data mainly due to the excluded possibility to discuss the answers with the participants in detail.

Finally, research interviews are as Saunders et al. (2016, p. 388) describe it, a meaningful dialogue between at least two individuals where the interviewer ask meaningful questions related to the research purpose, the questions should be formulated in a clear way so that the interviewee can provide unhampered answers. Furthermore, it is of great importance that the interviewer listens carefully to the provided answers in order to create meaning and to enable further exploration (Saunders et al., 2016, p. 388). Using research interviews to collect primary data was considered the most appropriate way for data collection during this research. Different interview types will be further described below and arguments for the interview type used when conducting this study will be provided.

4.1.1 Interview types

There are several ways to structure a qualitative interview, Saunders et al. (2016, p. 390) present three different ways to categorize the structure of an interview, structured interview, semi-structured interview and unstructured interview. The structured interview is commonly conducted using a standardized questionnaire that is read out
exactly as it is written to the respondent with pre-coded answers that is recorded in a standardised manner (Saunders et al., 2016, p. 391). Saunders et al. (2016, p. 390) further explain that quantifiable data is collected when a structured interview method is used. Additionally, De Leeuw (2008, p. 314) explains two contrasts between a structured interview and a self-completion questionnaire. The first difference is that during a structured interview the interviewer is present, which implies that respondents can be motivated and convinced to answer by the interviewer, on the other hand the risk increases that the respondent might be influenced or biased by the interviewer. The second difference is that during a structured interview, the respondents never see the questions to be asked in comparison to a self-completion questionnaire, which decreases the importance for the layout of the questionnaire used in structured interviews.

A semi-structured interview is commonly associated with qualitative research and is not standardised in comparison to a structured interview (Saunders et al., 2016, p. 391). Although the not standardised manner, a semi-structured interview is conducted with the help of predetermined themes and/or key questions, which may differ between different interviews. This gives the freedom to include, exclude and change the order of the questions being asked depending on how the conversation develops (Saunders et al., 2016, p. 391). Furthermore, semi-structured interviews allow the interviewer to ask probing questions and allow for deeper investigation of unforeseen topics that reveal during the interview, which facilitates exploration of unexplored topics and facilitates deeper understanding (Mabry, 2008, p. 218). The unstructured interview is in comparison informal, there are no questions determined before the interview is conducted but it requires the researcher to have a clear understanding about what is decided to explore (Saunders et al., 2016, p. 391). Further, an unstructured interview is guided by the perceptions of the interviewee since opportunities to speak openly about the given topic are given (Saunders et al., 2016, p. 391).

As mentioned before in this thesis, interviews will be conducted in order to gather primary data for this research. Using structured interview would prevent the flexibility and creativity that is necessary to investigate auditor’s distinctive perception about the future. Unstructured interview on the other hand was considered as useful for this research, it would allow us to gather necessary information to fulfil the purpose of this thesis, although since we had certain themes and questions that we wanted to cover, a semi-structured approach was found the most suitable method. We believe that the unexplored area on auditor’s perception about the future of their profession with a niche towards the digitalization aspect can best be explored with the use of semi-structured interviews, since it gives the auditors being interviewed both room to answer a more specific question but also speak more openly and tell their story about the topics being covered. It also allows us as researchers to adapt each interview to fit the dialogue between us and the interviewee.

### 4.1.2 Sampling

The sample selected for a study is dependent on what a researcher wants to analyse since different units to analyse will provide different kinds of data, the selected sample should be selected to fit the research question (Patton, 2002, p. 100). In order to select a sample, Ritchie et al. (2014, p. 112) present two different approaches for sampling, a probability sampling method and a non-probability sampling method. A probability sample is usually not suitable for a qualitative research but often more useful when
conducting quantitative research since the sample is selected in order to test hypotheses and to generalize findings. Furthermore, each individual in a population has the same chance to be selected randomly (Ritchie et al., 2014, p. 112).

A sample selected with a non-probability sampling method is in contrast to probability sampling chosen based on certain features and without wish to draw statistical conclusions, characteristics are of more importance and the chance to be selected is not predetermined (Ritchie et al., 2014, p. 113). There are four different non-probability sampling methods as described by Saunders et al., (2016, p. 298), namely quota, volunteer, haphazard and purposive. Quota sampling is most frequently used in combination with structured interviews and it assumes that the selected sample is representative for the target population (Saunders et al., 2016, p. 299). Zikmund et al., (2013, p. 394) further explain the importance and responsibility of the researcher to achieve enough respondents to fill the predetermined quotas. Volunteer sampling is, as the name implies, when participants of a study instead of being selected to participate volunteer as a participant. This can be achieved by either a snowball sampling method, where the initial contact establishes contact to further participants, or by self-selection sampling where individuals express their wish to participate (Saunders et al., 2016, p. 303). Haphazard or as Zikmund et al., (2013, p. 392) refer to, convenience sampling, is a sampling method where the researcher selects a sample that is easily available and selected without evident connection to the research question.

The last non-probability sampling method described is purposive sampling. Researchers who adopt this method will select participants based on what is judged to be the most appropriate individuals to include based on certain characteristics and what is necessary to include to meet objectives and answer research question(s) (Saunders et al., 2016, p. 301). A more specified purposive sampling method is maximum variation sampling, or heterogeneous sampling as it also is referred to (Patton, 2002, p. 234). This sampling method is used when it is desired to have as much variation as possible in the collected data and therefore the researcher selects participants based on judgement in order to achieve a sample with as diverse characteristics among participants as achievable (Patton, 2002, p. 235). One can argue that maximum variation is hard to obtain with a small sample, but Patton (2002, p. 235) explains how benefits can be drawn from that. A diversified small sample will yield high quality findings from each interview that allows to document uniqueness and shared patterns that might appear between the interviewees can be of high importance for the main themes of investigation, Patton (2002, p. 235) describes these findings as important within qualitative research.

In order to find a suitable sample in relation to our research question, a maximum variation sampling method was selected as the most appropriate. Before we initiated the exploration of potential participants, we began to identify different criteria that participants needed to fulfil in order to be selected, which Patton (2002, p. 235) addresses the importance of. The first criterion was that the participant had to possess the title “Chartered accountant”, secondly they had to work in, but not limited to Sweden. To get as varied sample as possible, the initial goal was to conduct interviews with one auditor from one each of the 21 administrative divisions (län) in Sweden, this to cover the whole geographical area of Sweden. An equal distribution between men and women was sought after to further increase the sample variation. Continuing, we wanted to interview chartered accountants working both for “the Big Four” as well as for audit organisations of smaller sizes, this to increase the possibilities for a diverse
sample. Finally, to achieve from our perspective the best variation in our sample, age was considered as an interesting component. However, the information we based our sample on did not provide the age of the individuals, hence we were limited to select interviewees without taking age into consideration. We do however presume that relevant individuals are enabled to be selected with this purposive sampling method and that insightful data is possible to collect in order to answer our research question.

4.1.3 Negotiating access

When the process of accessing potential interviewees starts, Rowley (2012, p. 264) addresses the importance to find individuals that are in a situation suitable to provide insights relevant to the questions asked by a researcher. Furthermore, Saunders et al. (2016, p. 394) explain that interviews are preferred over self-completion questionnaires since the topic might touch upon personal interest and be closely related to the interviewees’ current work. We had confidence that auditors would be willing to engage themselves in our research since it brings up an innovative and modern topic directly related to their everyday work. Moreover, we believed that open interviews would encourage auditors to participate since they get the opportunity to tell their story with their own words and not choose between predetermined answers on a questionnaire.

In order to find chartered accountants for this particular study, the database including all chartered accountants in Sweden provided by The Supervisory Board of Public Accountants was used as a tool (Revisorsnämnden - RN, 2016). The database exists in accordance with 40 § in Public Accountants Act (Sw.: Revisorslag) (SFS 2001:883), which states that The Supervisory Board of Public Accountants should hold a register including auditors, registered auditing firms and auditors from third countries. Furthermore, the database is made public in accordance with 17 § in Public Accountants Ordinance (Sw.: Förordning om revisorer) (SFS 1995:665), which states that the homepage of The Supervisory Board of Public Accountants should provide information about auditor's name, registration number and information about the firm in which the auditor is active.

The sample selection started with us mapping all chartered accountants from Sweden's 21 administrative divisions and then dividing them into categories by gender and firm size. Four different categories were made, female working in one of “the Big Four”, male working in one of “the Big Four”, female working for a smaller auditing organisation and male working for a smaller auditing organisation. When the appropriate candidates were listed we reached out to the potential participant by contacting them using phone calls. Rowley (2012, p. 264) emphasizes the importance of the quality for the initial contact, which was the first phone call in our case, since the decision to participate or not will be made quick. To catch the interest and willingness to participate we opened the conversation by explaining who we were, why we contacted them and the purpose of our research. To capture the interest from the contacted auditors we briefly explained the main themes that we aimed to cover and asked for one hour of their valuable time. We also explained that full anonymity would be assured and that the interviews would, with their agreement, be audio recorded and transcribed for later analysis by us. Towards the end of the conversation a copy of our final thesis was offered and to those who were positive towards participation, an agreement was made to continue the contact via e-mail to schedule an interview. The e-mail also included our contact details and a more detailed description of our research.
These aforementioned steps to establish contact to interviewees are confirmed as important by Rowley (2012, p. 264).

When the scheduling of the interviews began, we ended up with 24 potential interviewees. We decided to contact a larger amount of auditors than our decided sample consisted of for the reason that some individuals could possibly drop out due to unforeseen events, illness, lack of time or simply that someone would change their mind after considering what they agreed to participate in. The final result of our sampling consists of 14 chartered accountants, eight males and six females with an even spread among all firm sizes covering administrative divisions from the north to the south of Sweden. The ideal sample would as mentioned earlier consist of 21 individuals and each individual that declined to participate still expressed their genuine interest in our research, they simply just lacked the time to participate. However, Marshall (1996, p. 523) explains that for a qualitative study, a sufficient sample size is one that answers the research question in a satisfying way. We as researchers believe that 14 professional chartered accountants would provide adequate information since they are highly educated individuals with expertise within the chosen field of study, we are confident that their level of competence would produce excellent findings.

4.2 Interview process

Interviews as a method to collect qualitative data is when information is obtained from an interviewee by an interviewer, it is then the interviewer's task to interpret and create meaning from the collected data (Rowley, 2012, p. 260). Kvale & Brinkmann (2009, p. 1) further explains that the necessary skills needed when conducting research interviewing is something that most adults possess since most adult human beings have the ability to ask questions. This however does not assume that every individual is a skilful interviewer. Practice is required as the quality of the interview will increase with practice and the value of the created knowledge will show the interviewer's skills (Kvale & Brinkmann 2009, p. 17). The open character of the interviews conducted in this study allowed for adjustments and responsiveness to each of the conducted interview, allowing to revise, include or exclude questions depending on the characteristics of the interviewee and the overall adequacy for this study. The used structure also gave the possibility to adapt the interviews ongoing as the interview skills developed. Furthermore, Orton (1997, p. 432) presents iterative grounded theory and argues that researchers should prepare to improvise when conducting research within unexplored areas, improvising while conducting research is in some sense superior to following a predetermined outline of a specific research design when theories or data are not well established. Ongoing improvisation allow the researcher to adjust, as understanding about the studied subject continuously increase (Orton, 1997, p. 432). This iterative process allowed us to continuously adjust our interviews as we increased our knowledge progressively during the carried out interviews.

4.2.1 Preparations

Before the interviews took place, an information sheet including all information that was required to be known beforehand by the auditors was carried out and e-mailed 24-hours in advance to the scheduled interview, this also functioned as a reminder about the upcoming interview. Additionally, this thesis is written in English, however, every stage of contact with the auditors was carried out in Swedish, the information letter
presented in Appendix 1 was likewise sent out in Swedish, this because all participants are native Swedes and we believe that language barriers are best avoided by using Swedish throughout the dialogue. We are confident that this language approach suits both the participants and us as researchers for the reasons that our higher educational background has been conducted entirely in English, which implies that our level of business English is sufficient enough for the purpose of translating, and also for the reason that the auditors can speak openly without obstacles using the most convenient choice of language for them.

Saunders et al. (2016, p. 253) present a checklist with requirements for an information sheet that was used as a guideline when writing the information sheet that was sent out to the 14 participating auditors. In summary it provided information about the purpose of this research and the importance of it. Further, it briefly explained how the interviews would be carried out followed by the formulated research question. What participation in this research entails was also clearly stated to avoid eventual misunderstandings, it explained that the interviews would be audio recorded and that direct quotes could be presented in the final thesis. All participants were granted full anonymity and reminded that participation was entirely voluntary with the right to refuse to answer any question, also that the participant could end the interview at any given point in time. Finally, the information sheet explained how the collected data would be handled and that the final thesis was to become a public document. The information sheet can be seen in its entirety in Appendix 1.

Except for the e-mail containing the information sheet and the contact information to us as researchers, no additional information was provided to the participants before the interviews were conducted. Although the information sheet sent out to the participants may be extended with a list of themes or even detailed questions to be asked to let the interviewee prepare answers as suggested by (Kvale & Brinkmann 2009, p. 130), we decided to not reveal any specific questions but instead just briefly explain the main topics to be covered during the interview. The reasons for that are first that we intended to explore their view on the impact of digitalization, without being influential by showing the weight put on digitalization in our interview guide. Second, we aimed to hear narrative stories told by the participants. Third, the aim was to explore their spontaneous reactions towards questions about the future and their expectations about the future. Without preparation before the interviews we were confident that the auditors would provide opinions from the top of their minds without adjusting their answers to the questions asked, we also assume that the answers would be more affective, intuitive and free from bias as we do not want predetermined answers to our questions but the first thought that reflects their opinion.

4.2.2 Interview guide

The function of an interview guide is to ensure that each conducted interview follows a similar pattern, the interview guide contains a list of problems or questions that the researcher intents to explore (Patton, 2002, p. 343). Furthermore, the interviewer has the freedom to include any topics or questions that are found to be necessary when building a conversation to illuminate important factors and investigate the chosen field of research, any questions or styles of conversation that arise spontaneously can be useful as long as focus is still remained on a predetermined subject (Patton, 2002, p. 343). In order to avoid possible confusion during the interview, the interviewer must formulate
the questions in a fashion that is fully understandable by the interviewee (Rowley, 2012, p. 265). Moreover, Rowley (2012, p. 265) suggests that questions to be asked should be ensured not to be leading or include underlying assumptions, questions should not consist of two questions in one or propose “yes” or “no” answers, and questions should not be ambiguous or too general.

The interview guide that was constructed and used during the data collection for this research, as seen in Appendix 2, was built on open questions based on what we as researchers found no clear answers to in previous research. The purpose with open questions was to encourage the auditors to tell their story, since a narrative interview style was desired when exploring auditor’s expectations about the future. The interview guide is constructed by 6 main themes and the purpose with those themes is to make sure that the different interviews are following a similar pattern. Moreover, the interview guide is separated into two parts where the first part of the interview addresses currently perceived changes and expected future changes within their profession, the second part focuses on digitalization and research around their profession. The reason for not including questions about digitalization in the initial phase of the interview was for the reason that we desired answers about perceived important factors without influencing or leading the answers into the subject of digitalization, but to see if the auditors themselves would bring it up as an important aspect for future change. It was however found necessary to include questions about digitalization in the interview guide to make sure that digitalization and the auditors’ thoughts about it would not be entirely left out from the conversation.

Within each theme, we allowed for changes to allow flexibility and adjustment to each interview setting, the order of the questions or how they were formulated was not fixed in order to maintain or enhance the flow of the conversation. The constructed interview guide also includes proposed follow-up and probing questions, this for the reason that curiosity and deeper investigation about subjects brought up by the interviewee, but not from our perspective elaborated enough upon, could be further highlighted, which Kvale & Brinkmann (2009, p. 135) also suggests. Furthermore, as earlier mentioned, questions including more than one question should be avoided. However, we sometimes found it necessary to formulate such questions in order to clarify and receive answers that from our perspective would be most accurate.

As previously discussed, the entire dialogue with the participants of this research was conducted in Swedish, that also follows for the interview guide. The interview guide presented in Appendix 2 is written in both English and Swedish, the interview guide used during the interviews was however written in Swedish to avoid confusion or translation delays during the interview. We are confident that the translated version showed in this thesis is a perfectly accurate translated version from the Swedish version.

4.2.3 Conducting the interviews

As aforementioned, the participating auditors were told that the interview would take approximately 60 minutes to conduct. The actual time for the interviews could however differ between the individuals depending on their individual characteristics, their willingness to communicate and depending on their speaking pace. In terms of interview length, Rowley (2012, p. 263) explains that for researchers without extensive
experience, conducting around 12 interviews with a length of approximately 30 minutes is a wise rule to follow. Rowley (2012, p. 263) also stresses the importance of the findings from the interviews, this study aimed to interview 21 auditors in order to generate sufficient findings, however after 14 interviews were conducted and the findings are believed to be sufficient enough compared to the time it would take to gather additional data. The decreasing rate of new information obtained through continued interviewing was the main reason when determining that the 14 interviews were sufficient, also that the auditors included in this study are highly educated professionals gives confidence that the information collected is of splendid quality.

Table 3 presents a list of all participants, to not reveal the individual's identity they are presented as a letter ranging from A to N followed by the number 1 or 2, where number 1 indicates that the individual is active within one of “the Big Four”, and number 2 indicates that the individual is active in a smaller auditing organisation. In table 3, an age span is presented in order to show approximate age of the participants. Age was received during the interviews, however in order to maintain the participants’ full anonymity, an age span was deemed appropriate to present as it is of no relevance for the results of this study to state exact age but rather indicate generational belonging.

Table 3. List of conducted interviews

<table>
<thead>
<tr>
<th>Participant</th>
<th>Administrative division</th>
<th>Gender</th>
<th>Approximate age</th>
<th>Duration</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Kalmar län</td>
<td>Female</td>
<td>Below 40</td>
<td>40 min</td>
<td>2016-03-23</td>
</tr>
<tr>
<td>B2</td>
<td>Hallands län</td>
<td>Male</td>
<td>46-50</td>
<td>43 min</td>
<td>2016-03-29</td>
</tr>
<tr>
<td>C1</td>
<td>Jönköpings län</td>
<td>Male</td>
<td>61-64</td>
<td>38 min</td>
<td>2016-03-29</td>
</tr>
<tr>
<td>D1</td>
<td>Värmlands län</td>
<td>Female</td>
<td>61-64</td>
<td>38 min</td>
<td>2016-03-30</td>
</tr>
<tr>
<td>E2</td>
<td>Västerbottens län</td>
<td>Female</td>
<td>56-60</td>
<td>41 min</td>
<td>2016-03-30</td>
</tr>
<tr>
<td>F1</td>
<td>Norrbottens län</td>
<td>Male</td>
<td>51-55</td>
<td>59 min</td>
<td>2016-04-01</td>
</tr>
<tr>
<td>G1</td>
<td>Uppsala län</td>
<td>Female</td>
<td>41-45</td>
<td>59 min</td>
<td>2016-04-04</td>
</tr>
<tr>
<td>H1</td>
<td>Västernorrlands län</td>
<td>Male</td>
<td>41-45</td>
<td>50 min</td>
<td>2016-04-05</td>
</tr>
<tr>
<td>I2</td>
<td>Södermanlands län</td>
<td>Male</td>
<td>56-60</td>
<td>44 min</td>
<td>2016-04-06</td>
</tr>
<tr>
<td>J1</td>
<td>Västra Götalands län</td>
<td>Female</td>
<td>Below 40</td>
<td>41 min</td>
<td>2016-04-06</td>
</tr>
<tr>
<td>K2</td>
<td>Dalarnas län</td>
<td>Female</td>
<td>46-50</td>
<td>39 min</td>
<td>2016-04-06</td>
</tr>
<tr>
<td>L1</td>
<td>Blekinge län</td>
<td>Male</td>
<td>41-45</td>
<td>53 min</td>
<td>2016-04-13</td>
</tr>
<tr>
<td>M2</td>
<td>Stockholms län</td>
<td>Male</td>
<td>56-60</td>
<td>28 min</td>
<td>2016-04-18</td>
</tr>
<tr>
<td>N2</td>
<td>Skåne län</td>
<td>Male</td>
<td>Above 65</td>
<td>42 min</td>
<td>2016-04-18</td>
</tr>
</tbody>
</table>
Since participants in this study were spread throughout whole Sweden, it was practically impossible to conduct the interviews face-to-face, the resources necessary to be invested to meet all interviewees in person were honestly too massive for us as students. For that reason, we decided to conduct telephone interviews. When it was decided to use telephone calls to conduct the narrative interviews, assumptions were made that face-to-face interviews would provide richer data since body language and personal contact were believed to enhance the quality of the interviews. Holt (2010, p. 116) however argues that telephone interviews can reduce the risk of the researcher influencing the interviewee or that the researcher becomes too dominant during the interview. Holt (2010, p. 117) further explains that the participant’s privacy could be controlled by the participants themselves, thus giving the interviewees the possibility to govern their own private sphere.

Saunders et al. (2016, p. 422) explain some issues from a practical perspective when conducting telephone interviews, the first issue is that taking notes at the same time as conducting telephone interviews can be difficult, additionally it is argued that recording data and controlling the pace of an interview might be difficult. To overcome such issues, we managed all interviews in the same way, where one of us asked the questions being the active one during the interview while the other one worked more silent in the background, taking notes and making sure that the audio recording was properly working. That method during the interviews ensured that the active interviewer could fully concentrate on the conversation and the passive interviewer could keep focus on taking notes and listen to the stories being told.

The opening of the interview started with us as researchers presenting ourselves and once again explain the purpose of our research, we also explained how valuable their participation is for our study. Furthermore, we confirmed that the participant had received and read the information sheet that was e-mailed in advance and made sure that the participant had full understanding of its content. It was further explained once again that full anonymity would be granted and that the interviewee at any point in time could refuse to answer or end the interview at any point without further questions. It was also explained that the interviews were to be audio recorded and later be transcribed to facilitate the analysis in this research, these steps were taken since the initial stage of the interview is crucial for the respondent’s comfortability and willingness to open up (Kvale & Brinkmann, 2009, p. 128). To avoid unnecessary confusion when they receive a copy of the final thesis, we informed the participants that their answers and potential quotes would be translated into English for the reason that the thesis as a whole was written in English. The last step before the interview started was to ensure that the consent from the participant was informed and genuine, Kvale & Brinkmann (2009, p. 71) propose that the informed consent preferably comprises a written agreement that both the participant and the researcher sign. However, the distance between us and the auditors made it practically impossible to sign such a paper, therefore we ensured the participants’ consent by orally asking for their understanding and allowance to be audio recorded. Although this method can be seen as less appropriate than a written document, we see no negative consequences with this approach.
4.2.4 Transcribing interviews

Kvale & Brinkmann (2009, p. 178) describe that to transcribe is to change the form of something, further the authors explain that spoken language transformed into written language is to transcribe. Jenks (2011, p. 2) points out that transcriptions within social science research are most commonly created from audio or video recordings that have been recorded prior to the moment of transcribing. Furthermore, Jenks (2011, p.3) demonstrate different alternatives of what could be included in a transcript, short narratives for detailed conversation descriptions, line-by-line presentation of the dialogue that includes the actual wordings used throughout the conversation or pictures from the setting could be used if the event was video recorded.

The method used in this thesis was to transcribe the audio recorded interviews line-by-line, each line including exact wording from what was being said when the transcriptions were written, the audio recordings allowed us to replay the interview as many times as necessary in order to write down exactly what was said. Furthermore, each interview was transcribed into an independent written document to simplify when separating the different interviews. Jenks (2011, p. 5) explains that transcriptions are mistakenly seen as the primary representation form of collected data and emphasizes the importance to simultaneously read the transcription and listen to the audio recording when analysing the data, the transcription works as a detailed assistant to the real conversation from the audio recording. For that reason, the audio files were always near at hand together with the transcriptions when working through the empirical findings.

During the transcription process, even though Jenks (2011, p. 6) proposes that a transcription process benefits from “an extra eye” when being accomplished for increased quality and validity of the findings, we divided the work equally between us since time constraints made it problematic to carry out all transcriptions together. However, as soon as hesitation or ambiguous situations arose during the transcribing process, we consulted each other for clarifications to avoid potential errors in the final transcriptions.

4.2.5 Grounded theory coding

When coding interview data within grounded theory research, Charmaz (2006, p. 46) propose two stages of coding that should be followed, the first stage is initial coding and the second is focused coding. Initial coding can be used without any prior knowledge, and with openness to any theoretical orientation detected when reading the data in order to give different parts of the data different names (Charmaz, 2006, p. 46). When data has been named, it is combined and organized under the most relevant and frequently recurring names, or codes detected (Charmaz, 2006, p. 46). Charmaz (2006, p. 47) further explains that it is during the initial coding the researcher begin to analyse and discover problematic viewpoints from the participants.

When the data has been sorted within different initial codes, each initial code usually contains large amount of data. The purpose with focused coding is to categorize the most frequently occurring initial codes into broader sections for analysis (Charmaz, 2006, p. 57), moreover it is the focused coding that initiate the integration of theories in the conducted research (Charmaz, 2006, p. 46).
Since we collected a vast amount of data from the interviews, grounded theory coding was deemed a suitable way to organize our findings. Initial coding was done by reading each transcript and systematically divide the different findings that the interviewed auditors provided into different themes. The initial codes were then organized into three different focused codes, one code related to past and current change, one code related to future change and one no-change related code. Past and current change was never divided into separate codes since the chronological order of the data related to the past and current change made it logical to group them together. Furthermore, we started our theoretical integration when the initial codes were sorted into focused codes, then the need for theories as diagnostic tools was recognised. Table 4 provides an overview of the initial codes extracted from our collected data and the focused codes created from our initial codes.

In table 4, our focused codes are presented as a letter where Past and current change = P, Future change = F and no-change related = N. The initial codes are introduced as they are presented in our empirical findings. We are aware of that the discussion within both the initial and focused codes may not be mutually exclusive to one another, this is a result from having open-ended questions.

Table 4. Initial and focused codes

<table>
<thead>
<tr>
<th>Focused codes</th>
<th>Initial codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>P, F</td>
<td>Attitudes</td>
</tr>
<tr>
<td>P, F</td>
<td>Demographics</td>
</tr>
<tr>
<td>P, F</td>
<td>Digitalization</td>
</tr>
<tr>
<td>P, F</td>
<td>Social media</td>
</tr>
<tr>
<td>P, F</td>
<td>Organisation</td>
</tr>
<tr>
<td>P, F</td>
<td>International influence</td>
</tr>
<tr>
<td>P, F</td>
<td>Role of the auditor</td>
</tr>
<tr>
<td>P, F</td>
<td>Challenges</td>
</tr>
<tr>
<td>P, F</td>
<td>Competence</td>
</tr>
<tr>
<td>F</td>
<td>Legal framework</td>
</tr>
<tr>
<td>N</td>
<td>Use of research</td>
</tr>
<tr>
<td>N</td>
<td>Potential of increased interest for academic research</td>
</tr>
<tr>
<td>N</td>
<td>Opinions about how available and understandable research is</td>
</tr>
<tr>
<td>N</td>
<td>Opinions about the practical relevance of research</td>
</tr>
<tr>
<td>N</td>
<td>Fields in need of more research</td>
</tr>
</tbody>
</table>
4.3 Ethical considerations during data collection

Webster et al. (2014, p. 78) describe the importance of ethics in the following way “... ethics should, without doubt, be at the heart of research from the early design stages right through to reporting and beyond.” The ongoing concern for all with vested interest in this study and particularly the concern of our interviewee participants have shaped much of the decisions of this study, this section will emphasise how the ethical concerns played an important role throughout all stages when the interviews were carried out. We as researchers are satisfied with the way the sample was selected as the database previously mentioned in this chapter gave us the possibility to map possible participants without concerns of invading their privacy, as chartered accountants and the coherent information in the database is considered public. Moreover, will the discussion on the important ethical considerations in terms of participants be divided into a timeline-guided discussion after the examples given in “A Participant Map of Research Ethics” originating from the work of Lewis & Graham (2007, p. 75). The timeline has three parts: before the interview, during the interview, and after the interview.

Relevant ethical considerations before the interview involved for example “the unpressured decision making about taking part” and “knowing what to expect and being able to prepare especially in terms of coverage and questioning” (Lewis & Graham, 2007, p. 75). After a potential interviewee for this study was found, he was contacted through a telephone call at the stated contact information given from the database. The intention of the call was simply to check if there was a desire from the chartered accountant to receive more information about participating in the study. A standardized script was written and used during this initial contact with the participant to inform about the interview as well the purpose of the call. This script was carefully created so that it would not pressure anyone to partake in the study who had no desire to do so. Furthermore, the choice of initial contact through a telephone call was valuable, as it enabled a dialog with the auditor through the possibility of answering questions about the study. If the contacted auditor showed interest, our contact information was handed out as it is important that researchers are contactable both during and after the research is conducted (Guchteneire, 2006). After the informed consent was obtained from the participant, the interview was conducted through telephone as mentioned earlier in the chapter. One of the most important aspect regarding the interviews was to ensure that before it started the participant had received plenty of information and understood as to what participation in the study entailed.

During the interview it was important that the participant was respected and given enough time to answer and reflect on the questions. Important ethical considerations for the wellbeing of the participant during the interview was their possibility to for example “being able to exercise the right not to answer a question or to say more then they want” also that they had the “opportunity for self-expression and for own views to be recorded”, lastly the emphasis was put on making sure that the participant was “left without negative feelings about participation” (Lewis & Graham, 2007, p. 75). The first two considerations had to be continuously in mind by us while interviewing however the consideration of not leaving the participant without negative feelings was reassured through asking all participants in the end of the interview, if they felt like adding anything to the discussion or if they had any questions regarding the interview. Additionally, at the end of the interview positive but also mainly negative feedback was encouraged, in order for us to learn and improve from previously conducted interviews.
Also documents and files containing the recorded audio files and other sensitive information have been kept safe through the usage of electronically password protected safe storage, as this is a simple, although often a forgotten task that could have devastating consequences (Kvale & Brinkmann, 2009, pp. 186-187).

After the interview ethical considerations included the assurance of but not limited to the participant's “right to privacy and anonymity respected in storage, access and reporting of research” as well as our obligation to the participants to present findings that is according to “unbiased and accurate reporting” of their interviews (Lewis & Graham, 2007, p. 75). Everyone interviewed in this study will be offered the possibility to access the research results “presented in a manner and language they can understand” (Guchteneire, 2006), and if desired also provided by the “opportunity for [giving] feedback on findings and use” (Lewis & Graham, 2007, p. 75). Finally, as the interviews were held in Swedish and this study is presented in English, the participants will be offered our full assistance in translating and explaining parts of this study that they deem unclear.
5 Empirical findings

This chapter is introduced by explaining and clarifying how our collected data is presented. The findings are thereafter presented accordingly to the focused and initial codes defined in chapter four. Initially, findings related to past and current change will be presented. Subsequently, findings related to future change will be declared. This is followed by a presentation of our no-change related findings, which further ends the chapter.

5.1 Findings

The following chapter presents findings that have been collected during interviews which have been labelled semi-structured and totalled 14. The following sections have gathered answers in the form of a structured discussion, presented in order to simplify the process of reading the findings. It should be borne in mind that alterations have been made to exclude questions deemed unfit or too complicated, however no important findings as a result of these questions have been excluded in the discussions created below. The possibility to include or exclude questions was implemented early in the stages of interviews, causing most interviews to include similar questioning, however as interviewees were encouraged to openly discuss the questions, interview structures varied and it was therefore deemed appropriate to organize the separate thoughts and ideas into logical discussions. This is the format presented under the headings below. The sub-headings are initial codes in which the discussions where gathered, and the main headings are the focused codes under which the initial codes were organized.

5.2 Past and current change

Attitudes

The participants expressed different opinions about how they perceived that auditors’ attitude towards their profession have changed. A mentions that no changes in attitude among colleagues has been experienced. A further expresses that all co-workers are used to constant change. H and A state that some of their colleagues are young and they note that younger co-workers easily adapt to changes, embrace new technology and accept new guidelines. F agrees on that younger auditors adjust easily to changes and further expresses that digitalization creates new possibilities for younger co-workers, D also comments that younger co-workers have a different way of living, “…they live in digitalization” and states that “I might be a bit old-fashioned but I think that it is nice to talk to people and discuss things with a piece of paper in front of me”. C further asserts that technological changes are easier to embrace if it is found to be enjoyable and exciting, like in the case of C.

Some participants expressed contrasting opinions about auditors change in attitude. C said that the attitude has in general shifted towards auditors wanting to stay in the profession for a few years and then move on and try something different, but that it does apply to most professions and not only among auditors. Moreover, E believes that new employees within the auditing profession might want to work as consultants instead of as an auditor for the reason that since the statutory limit for audit obligation changed, it became harder to build a broad customer base since many smaller firms started choosing not to hire an auditor. This is not something new but recently auditing and consulting were separated to become more divided as professions. E agrees about the division of the professions and further states that the Swedish laws regulating the
conflict of interest is a main reason for that. E is not sure if it is for the benefit of the customers and states “earlier it was probably cheaper to buy the services in a package-form, today the customers need more suppliers”. I confirms this statement by explaining that some time ago, before the stricter rules regarding the conflict of interest, the auditor could almost by himself complete both the financial statements and the audit.

The participants articulated different attitudes towards how auditors adjust to the expressed changes. As said by D “I have adapted myself to all the negative changes, you have no choice”, D also believes that some auditors leave the auditing industry because it is not what it once used to be, but also explains that new employees are not as affected by the past changes since they are already acclimatised to the new auditing industry. D further explains a belief that auditors who worked for a longer time think that the positive parts of the auditing profession have been hollowed out, “earlier we could work more as a sounding board towards customers, there is no time for that today”. B supports that statement and explains that several auditors close by decided to quit as a consequence of the changed limit for statutory audit obligation and extended regulations regarding documentation due to a perceived negative development of the auditing industry. However, B also declares that the attitude today is more positive than it has been in the past, “it was sorted out quite well in the end”. A also express a positive attitude towards past changes, “The last five or six years the collaboration among colleagues to deal with past technological changes and changes in guidelines increased”.

**Demographics**

When asking the participants about demographical shifts up until today, E explains a belief that auditors today might start a career as an auditor earlier in life compared to in the past. This is as a result from students start their University studies in direct connection to a finished degree from upper secondary school instead of working a few years in between. Both J and L argue that since new employees are younger, the IT-competence increases since the younger generation is more proficient when it comes to IT. However, M expresses that the IT-competence among auditors vary but is in general too low, J and L nevertheless argue that this goes hand in hand with generations. Both B and M discuss that a generation shift has started within auditing profession and M further elaborates on that, “A generation shift among both customers and co-workers in combination with new technology changes the foundation of the auditing profession since new ways of working must be established, with for example how to invoice”. In the demographic discussion, K points out that it has become more equal in regards to gender, in the auditing industry, “I believe that we reached the point where an equal amount of women and men are being hired, it is mostly men among the elderly employees but more women have been hired among the younger”.

**Digitalization**

Several auditors expressed many shared opinions about digitalization in relation to their profession. When A, B, F and N think about digitalization, they all relate it to scanning papers and that everything is stored in a database instead of in a folder. All of them also agree on that the increased use of software is now making it possible to work in a digital fashion that was not possible before. J expresses a similar opinion when saying, “A lot has happened when looking at what I call simple digitalization, which means that we store information on a digital file instead of on a paper. A lot has happened during the last couple of years”.
According to both J and K, everything has been much more digitalized when it comes to customers, compared to the beginning of their career more technology and files are used instead of working with papers. A additionally mentions that audit evidence are gathered electronically and that files are being audited instead of papers, “it becomes more accurate”. B adds that their firm helps their customers to scan material in order to make it available whenever the customers need the information. When it comes to the usage of IT to gather and analyse information from the customers, F claims that it is necessary to work with larger organisations to see the real effect of that since it is not implemented on smaller organisations yet. Additionally, G agrees that auditing firms store digital information with the larger organisations they work with and that smaller firms information are still stored on paper, however the trend is that all customers move towards digital storage. The participant further explains that this will lead to, for example, more continuous auditing and that information will be kept updated in a completely different way. Furthermore, as cited by N “Sweden is lagging behind in regards to digitalization, in comparable countries in Europe, Finland for example is way ahead of Sweden but I do not know what impact that has on auditors’ work”.

The participants also discussed the role of digitalization for their profession, B makes a comparison between manual and digitalized work and estimates that their firm is halfway to becoming fully digitalized, the participant also claims that digitalization does not have substantial importance today. That statement is also agreed upon by E and G with the reason that the development of digitalization within their work is not changing much, but they both hope that it develops more in the future. F expresses that digitalization will not cause any major changes within the auditing industry in the short-term, F states however, “within our firm, the process of digitalization is at a stage where a lot is happening within a few years, we have a fast process of change”. H has a stronger opinion about the impact of digitalization and states, “it has changed and it will keep changing all along, much is related to technology and the way it provides new tools to use when conducting an audit, I have the feeling that this on-going change will continue to increase”, the same participant expresses mainly positive effects from this development except that older auditors might have some difficulties to learn these new tools. J and L also express a belief that the on-going change with digitalization will continue and be at least as extensive at is has been so far and further suggests that auditors need to be prepared for constant changes. J mentions in addition that the accounting industry is lagging behind from a digital aspect.

All participants in this research seemed positive towards digitalization within their profession, A and C even responded that they see digitalization as a matter of course. However, A adds that all auditors do probably not see digitalization as a matter of course, but that most auditors will get into it after time to accustom. When A thinks about digitalization, the first thing that comes to mind is the availability of information and that teams can consist of members from different locations, it becomes easier to collaborate on distance. C suggests some positive effects of digitalization, for example when some types of accounts are being audited, or when accounts are being analysed, these processes were more complicated in the past, “today, you get an incredible amount of data about a company that can be audited in several ways”. A agrees that more in-depth analysis can be conducted today compared to 10 years ago, which is seen as positive. C, G and M add to that discussion that a negative aspect of access to large datasets is that plenty of information can get in wrong hands, by hackers for example,
but this is not seen as negative only for the auditing industry but to the digitalization of society in general. G also points out that precautions against IT-security flaws are taken regularly by attending courses in the subject almost every year when new recruitments are being made.

When it comes to conducting audits, E states that one can see the effects of digitalization to some extent in comparison to a few years ago, however that mainly applies to the way information is recorded since digital audits are rarely conducted. E works mainly with smaller companies, which do not require digital audit services. In comparison, the accounting industry is experiencing a more extensive development with digitalisation according to E. Both K and N make further comments and declare that digitalization has a significant role since it changes the way work is done, however the process of finding new work routines has just started and both participants are positive towards this development. D agrees and is extremely positive towards the digital development of the auditing industry, since several processes are moving at a faster pace. The only concern expressed by D is that the faster pace increases expectations for when the financial statements should be completed. The customer has more freedom nowadays to choose deadlines that auditors used to decide in the past, which puts auditors under pressure.

Social media

When the topic about the usage of social media was brought up, more than half of the interviewed auditors responded that they use social media in relation to their profession. A, F, G, H, J, N and L all explained that LinkedIn is the social media platform they use. M stands out as the only one using a blog and Twitter as social media platform. A and F further clarified that their organisations did come up with clear guidelines for how to formulate and design their LinkedIn page, A also mentions that the auditing firm expresses a wish that their employees share information via LinkedIn and that they sometimes use digital media as the only channel when recruiting new employees.

B answered that no social media platform has been used in relation to work and further expresses that no need to use social media in relation to work has been seen, “we obtained customers through networking and contacts so we see no need to use social media”. Neither does F use social media, although the firm has a Facebook account, it has never been used professionally, F also mentions that the auditing industry is not always at the forefront when it comes to IT-related questions. C does not use social media professionally for the reason that auditors have professional secrecy, the participant expresses that caution must be taken and that their organisations HR-department probably handles all professional activity on social media. I also claims that professional secrecy is the reason why social media is not used for professional purposes. J further explains that even though social media is used in relation to work, it is used carefully and with professional secrecy in mind. C sees potential with social media from a marketing perspective, that social media can be used for marketing purposes, something that E agrees upon. E further states that the efficiency with social media is questionable. In contrast, J defines social media as an interesting platform when marketing the organisation, before the change in the statutory limit for audit obligation there was no need to market their services, it was just a few years ago that marketing was considered as necessary, additionally social media is used for networking and to build long-term relationships with customers according to J.
**Organisation**

F mentions that there is a difference in how audit firms are managed today compared to in the past, the top management governs more and works more with internal controls. The participant also states that organisations are driven to conform to the market more today, in the past the auditing firms was more driven under its own power. Today they are more governed from a centralised organisational management. D mentions that the personal contact will is decreasing as a result of the very competitive market and that many parts of the job are rushed with the purpose of increasing efficiency.

**International influence**

During the interviews several auditors brought up the topic of international influence in relation to the auditing profession. A said that the guidelines that auditors have to follow got more internationally influenced the past years, there has been an increase in demand for systematic auditing and quality requirements. Both J and N agree that there has been a significant change in how audits are conducted in Sweden as a consequence from more extensive international regulations, and adds that both audit and accounting regulations have changed substantially. J further elaborates that the stricter guidelines determine what is considered a material misstatement for auditors today, compared to earlier the auditor had more freedom to judge what could consider as a material misstatement. J continues to discuss new regulations and expresses that the new requirements are seen both as negative and positive, negative for the reason that the new regulations also increase the requirements for documentation but that is also seen as positive with the motivation that different auditing firms might work more uniformed and with similar methods, as cited by J “regulations make everything more standardised, which I think is good”.

Several auditors also brought up changes related to the requirements of documentation, B compares the changes to 20 years ago when the participant started to work as an auditor and express that both what is required of an auditor and how to document the conducted work has increased over time, and that it “reached some kind of culmination two or three years ago”. Additionally, E expresses that the increased demands that came with ISA need to be followed in order to pass the controls that “Revisorsnämnden” conduct. B, E and G further explain that the need to document an auditor’s work has always been a part of the profession, but that today it is demanded in a more formal sense. E further said that a consequence from the new requirements is that an auditor today works less with consultation and more with auditing. I expressed that during the 90s, planning and documentation made up a third of an auditor’s total work and the rest was directly connected to auditing, today it is reversed, E said that this is partly due to EU-involvement but also expressed a positive aspect with this, “when unpleasantages like lawsuits occur is it of course important to have documentation to show”. Further, A feels that the methods that need to be followed consume time that could have been used for more critical thinking, but that it at the same time create a sense of security that the conducted audits are sufficient enough.

The participants expressed different attitudes towards the changed guidelines and regulations. A feels that the new requirements are partly negative because they are felt to be unnecessary sometimes, the participant want more freedom to form an own opinion about how to adjust and take decisions, A adds that the professional assessment is overridden by the extensive requirements. J, E and K further explain that the new requirements for documentation might be too detailed, which makes it hard to invoice
the customers for the work done, since the customers rarely see the necessity of the detailed documentation. K strongly criticises the increased requirement and adds that the size of the company should be a factor to consider when deciding what is required, because the value of the increased documentation for smaller customers are seen as low in comparison to the time it takes to document. Additionally, E states that ISA is not suitable for auditors that work with smaller companies since a conflict may arise between what ISA requires and what the auditor finds appropriate.

B discusses that more trust must be given to internal controls in order to have enough time to spend on documentation. Accounting consultants today have started to follow their own regulation REKO, which makes their work more trustworthy, something that B is positive about. E expresses two consequences from ISA and ISQC, first that the auditor is more controlled than in the past and second that the profession has become more boring and difficult. Furthermore, E expresses an uncertainty if the audits conducted actually increases in quality from these regulations. A, B and E specified that they adjust to the requirement from ISA since they have no other choice. However, B adds that auditors in general have become more positive towards this over time, although the actual audits still suffer from the time-consuming documentation. This phenomenon of too strict regulation is pointed out by M who claims that there is a tendency towards over-regulation, especially from international influence namely the European Union. M additionally expresses that politicians believe that they can create trust and quality through regulations, but that is something the auditing industry must achieve by itself.

Role of the auditor

Participants C and N explain that the fundamental role of an auditor is the same today as it was 40 years ago when they began their career as auditors. What is different today is the techniques used, it is less papers and more digital today according to them. They also express that digitalization is very helpful when sampling or conducting audits on warehouse systems. C and N further describe that the smallest firms are not as digitally developed and still work mainly manually. C adds that compared to in the past, plenty of information is received and that is seen as a positive development.

Auditors probably conduct better audits today, especially within larger organisations, compared to around 15 years ago, according to E. Furthermore, E assumes that auditors today are more proficient when it comes to auditing theory. F also states that auditors today follow auditing theory to a greater extent and make a further comment that auditors work more towards materiality and risk today than in the past, “we are forced in that direction as a consequence from efficiency demands”, this is something the participant is positive about. K states that “In the past, auditing was about looking back in time but nowadays we live more in the future where also most of the focus lies, which I find positive”, the participant develops that reasoning by indicating that the auditor today can audit both sustainability and quality, not only historical numbers, which gives auditors the possibility to use competence and methods in many new ways compared to in the past.

D and G noticed that during the last 10 to 15 years, the auditing profession has become more controlled. It has changed from a profession built on trust toward a profession based on paperwork. D continues the discussion by stating that 30 years ago auditors were entitled more trust compared to today, the customer relationship used to be based
on trust and commitment, today it is more of a tendering process, which means that auditors are exposed to competition in a different way today. D finds this development negative on a personal level but when considering the customers, it is seen as positive, since it is easier to replace an auditor today if a customer is dissatisfied. H discusses in a similar way and argues that the status as an auditor has worsened to some extent over time, “it is hard to measure but my feeling is that many do not see auditing as a future profession”, H further mentions that auditors today are seen in a similar way as to any supplier and that it is the role of auditors to explain to students that there is a future within the auditing profession. M further says that the debate regarding the auditing profession has been highlighted and that change is necessary to maintain the relevance of auditors. A positive development according to C and L is the fact that rules have been established about the auditor's independence.

G and N argue in relation to the role of an auditor that media sometimes hunt auditors and blame them for errors that should have been detected, media expects auditors to find every single flaw in every bill, but that is not how auditing works according to G and N, which according to them shows that media do not understand the role of an auditor. M agrees to what is stated above and adds that the media hunt creates stress and an unpleasant feeling among auditors. D claims that in the past, rarely any lawsuits were filed against auditors, it is however different today. As cited by D “Today it seems that auditors with insurances are hunted down and sued, that is my personal opinion”.

Challenges
A challenging development for the auditing organisations has, according to A, been the increased competition between the auditing firms. Now it is more focused on selling and finding new customers compared to how it has been. F and N recognize similar trends and emphasize that auditors are more under pressure today since it is hard to distinguish oneself in a standardised industry, they also highlight that the job as an auditor has always been stressful, but that it is a different kind of stress today. F addresses another challenge the profession is facing, “Job assignments are being more and more qualified, when I started my career as an auditor the job assignments performed by assistants were much more basic. The more qualified tasks today make it more difficult to enter this profession”. A see a challenge that many auditors today would probably not dare to set up their own business since the risk of being sued if something goes wrong is substantial.

C believes that the auditing profession has become more interesting and enjoyable over time and that it compared to 10 years ago has become easier to recruit competent personnel. D expresses an issue with salary matching for staff that has been educated inside the organisation, there is a tendency to quit after three-four years of experience has been received and this is seen as a problem. F expresses a similar opinion and adds that personnel who quit after three-five years is a general problem within the whole auditing industry. I also brings up this issue and said “Out of three newly employed in my organisation, perhaps one stays with us after three years”, I further comments that plenty of new personnel are impatient since the journey towards a title is long. M believes that organisations will become flatter and as a consequence of that, firms must rethink regarding forms of employment and partnerships. The participant further comments that it takes too long time to become a partner today and that the new generation is too impatient to wait so long to advance. F adds to the discussion that it is hard to have a competitive edge in regards to retaining competent staff when salary is a
factor, “There will always be someone that is willing to recruit and pay more for skilled individuals within our industry”.

5.3 Future change

Attitudes
The auditors expressed many opinions towards changes and how they view changes within their organization. A comments that current co-workers are young and therefore also generally flexible towards future change, both A and I then later conclude that the case of general flexibility towards future change is probably not the same compared to older generations, in particular generations that are approaching retirement. I mentions that as a part of the older generation, some of the effects of digitalization can complicate tasks as, for example, going through a financial statement on the computer and causing the process to take longer time than previously, however I notes that this is nothing worthy of complaint and that I overall is viewing digitalization positively, despite some personal difficulties with it. A also mentions that the perceived difference between generations probably is not very extensive. Co-operation is another recurring theme during the interviews, for example D and F say that they entrust the younger co-workers with technology related issues as they are often better suited to solve them and furthermore comment that they believe many from their generation have this approach. F and G say that they work closely within the firm to learn new systems, also that this co-operation within the firm has improved and will probably keep improving in the future. B and G regard the general attitude towards the future of the profession to be positive among both young and old co-workers. J concludes “Auditing is still fun after seventeen years and I see a future in it”.

B discusses that it was brought up that in 2015 the statutory limit for audit obligation was going to be raised, however this discussion is now put on ice. According to B there is an uncertainty within the auditing industry as to what will happen with this discussion but B emphasizes that the attitude towards the future of the profession is still positive among auditors in general. H mentioned an overall positive attitude towards the alterations made to the statutory limit for audit obligation, as H believes the alterations lead auditing to provide services requested by customers and not services forced upon customers by laws and regulations. Additionally, H says that the negative aspect of this is that it could make it harder to obtain new customers for auditors while it is at the same time positive for the business sector as a whole. E claims that if the changes to the statutory limit for audit obligation is actualized, which also will be the case according to E, then many customers for smaller audit firms will be exempt from the statutory audit obligation and this is leading some to regard auditing (in connection to small audit firms) to be moribund. This view is complemented by the reasoning of both H and I, they confirm that smaller auditing firms to some extent have started disappearing as a consequence of the implementation of ISA and the alterations done to the general legal framework. C mentions if the smaller auditing firms disappear, most of the auditing firms will in the future be located in the larger cities as for example: Stockholm, Gothenburg and Malmo. Moreover, both H and I say that there is probability of more regulations to come, and this plus the increasing risk of compensating customers when sued is leading to the question if one would even consider to set up and run a small auditing firm in this environment.
Both H and L say that there could be drastic increases in the statutory limit for audit obligation or the other regulations that auditors are supposed to answer to. They both further speculate that it can go either way, as there is a discussion about a simplified version of the statutory audit obligation for smaller companies that is not as inclusive as ISA is today. J says that the statutory limit for audit obligation is currently low seen from an international perspective. J further explains that if it will be adjusted to the international level, many companies in Sweden would be exempted from the statutory audit obligation causing the larger companies to be the main target for auditing firms, which would further decrease the customer base for the small auditing firms, which instead can focus on services related to accounting, according to J. L states that big corporations will probably go to larger audit firms, as smaller audit firms have difficulties keeping them as customers. The alternative for small audit firms is to maintain the small customers, L claims. Both K and M hope to see more variation in terms of firm size in the future auditing industry in order to enhance diversity, however both consider the belief that “the Big Four” will continue to be dominant in the future likely. K addresses the future problem with hiring in a medium sized auditing firm, “We as a medium sized audit firm have a hard time competing in terms of recruiting personnel, with the other larger firms”. M also agrees with the future problem as previously mentioned by K and adds the aspect of IT-investments, which M thinks is problematic for small firms to afford, as it will be important in order to keep up with the rest of the industry.

Demographics
Regarding comments on education and age not much was said, A commented that there is a possibility for a change in the requirements to become a chartered accountant, however if there are any changes they will require more for the certification and not less, A stated that the demand to become a chartered accountant is currently quite extensive and the argument that it requires much from a chartered accountant is connected to the possibility of being an auditor for a “publically traded” company, a role that A emphasizes involves a large amount of responsibility. G does not believe any sort of substantial changes will occur to the process of acquiring a chartered accountant title, if any changes are made at all G believes the requirements will be equivalent of the requirements today. Further it is discussed by M who hopes to see more modern rules regarding the educational requirements of chartered accountants, meaning to broaden the requirements that is currently very detailed in terms of how the university credits should be divided, to attract not only the previously typical narrowed schooled students to the auditing profession.

The overall impression was that many auditors were positive towards the on-going trend in auditing related to equality. B, E, F, H and M say an increasingly larger part of new auditors and consultants are female today and this trend keeps increasing. B, C, E, L as well as F mention that among partners in auditing firms it is not yet equal but it seems to be changing overtime as more females are entering the profession. D, H and L add that they even experience a difficulty in hiring males, partly due to most of the students studying accounting being female. E and G express that even though auditing firms are hiring almost half-and-half, many women are lost along the way due to, for example, maternity leave, J declares that “In the seventeen years I have been working as an auditor, it is in the last two years I really finally noticed the change”. Moreover, D believes that, and G hopes that, more future auditors will have an immigrant background as D feels this diversity can be possible to an increased inflow of students.
from universities and G says she thinks there is a misrepresentation in terms of diversity when it comes to current personnel.

**Digitalization**

A conveys that more information will be in digital form and more audits will examine digital systems, A explains further the belief that a large portion of the total change in the auditing profession will be driven by technology and that it is more likely to affect large and medium sized companies as the smaller ones have much simpler accounting-systems. B agrees with A, and adds that future audits will be more focused on customers’ systems and therefore more auditors with an IT-education will be required. B, J and M emphasize the importance of keeping up with the technological development in order to make use of future tools used by customers, as a possibility is to conduct the audit direct in the customer’s systems. In addition M envisions that digitalization leads to another type of demand where information is presented and communicated in real-time. M adds that the delay that exists today between the closing date for financial statements and the publication of the information is months. In the future could for example governmental agencies instead directly obtain information from the company system, which would mean the audit would change more from historical numbers to internal processes and control systems.

Much of the discussion on how digitalization is affecting auditors in the everyday work was around “digitisation”, as mentioned by A, B, I, K and L and implied by several others, there are still a lot of binders carried, which contain information when auditing smaller businesses and digitalization helps in the sense that it makes and will keep making the information more accessible, as more and more documents are scanned and stored digitally instead. Auditors interviewed in this study view this as making the job more efficient and enjoyable. A and L say that you notice this through digital appearance of financial statements, which is increasingly more common, as L states, “no longer do we receive a binder but instead we get a USB-stick”. I also confirm this development, “Our younger co-workers have the customer-files digital, and us from the older generations who do not wish to have it digital, will probably quit in a few years’ time”. L claims that digitalization generally leads to an improvement of the quality of auditing as L experiences that there is more focus on examining the right things. J, B and E also express that work can with the help of digitalization become more enjoyable as much of the files created makes it more efficient and automated, this leads to a focus on the more mentally challenging work tasks. D speaks about the customer aspect in terms of the smaller businesses that also experience the process of digitalization, and points to this as being an effect of younger generations with more digital-experience entering the business-world. D argues for that paperwork will entirely be a part of history as everything will exist digital in for example cloud-services and from there auditors will work and process the material that customers send in, this will be a major change according to D.

The general focus of this study has been digitalization, however when asked if digitalization currently played an important present role for auditors, there was to some extent disagreement in the answers. When asked what role digitalization will play in the future of the profession, auditors were more unified. Overall, auditors deemed digitalization to play an important role, some emphasized it more than others, A, C, D, L, E and M said directly that they absolutely thought that digitalization was going to play an important role. M stated that “we are only in the beginning of the change when
technologies are emerging, we have the greater part of the change ahead of us”. And overall the attitude towards digitalization is positive, as expressed by E, “I would be positive towards this and see nothing really negative about it”. C, F and B comment that digitalization is a fast paced upcoming process that has the potential to affect much of the profession, although digitalization is viewed by them both mostly as a mean of making things more efficient. F maintained that one should also think about the dependability that is developed around the networks and so on, and further discussed that although this is a factor, it is increasingly getting better as society develops these networks so that the handling of material is more controlled and it is progressively becoming safer. K and N agreed with F’s reasoning, they were however keen to address that this dependence on networks and other infrastructures was not a concern that was given much attention. A believes that larger auditing firms will conduct more IT-audits and this is further reasoned by K that explains the future need for more IT-experts, as auditors cannot be expected to understand the more complicated modern systems that will have to be audited. F said that digitalization would affect mostly internal processes, which will mean little short-term change for customers but rather extensive changes internally for F’s organization. Additionally, F expresses excitement about future web-solutions that will be interesting to see develop. F indicated that is a new area where much will happen and is not by any means a process that is finalized. M sums up the upcoming change with the speculation that future developments will in the end be positive as it will eventually lead to increased value of financial reporting and the services provided by auditors, however it will challenge smaller audit firms and auditors to keep up with the progress.

Overall when asked about how new technology affect auditing firms’ security, auditors seemed confident that no problems would threaten in the long run. E, G and J did not see any type of risk with digitalization and they emphasized that even though it will place a major demand on the IT-systems of auditing firms, it is already discussed and the conclusion is that safety is not an issue. Some even think security will be improved through digitalization, A points out that technology is likely to increase the internal security by helping to decrease vulnerability and help assisting customers with future advice on how to improve security. B mentions that possibly in the future, will a responsibility be put on software developers that are in charge of developing new auditing IT-tools. In addition to this statement D, F, H and I think that a future responsibility will be with each corresponding IT-department of all the auditing firms, since they are the ones entrusted with ensuring that all digital information is stored and communicated in a safe manner. F exemplifies: “Our firm is bound by tradition and we do not enter into something new before we know for sure that it works, therefore can I be sure to say that our security is functioning properly”. C also adds “I do not see any specifically negative consequence caused by digitalization, it could be that the pace of development is rather high, I cannot judge the security issues today as everything is stored within a computer machine”, C then comments that if accidents were to happen, then a vast amount of information might potentially disappear.

E mentions that newly employed co-workers coming straight from the universities are better at adopting new technology and therefore possess all the competences needed to counterbalance the potential need for competence caused by digitalization. Regarding the future competence M states that digitalization most likely will have an effect on the future desired competence of staff hired by audit firms, however that it is hard to estimate exactly how. D and J also want to declare that digitalization, even though it
sometimes mentioned as a solution to all problems, is merely a tool and that the importance of humans should not be forgotten as they are behind all aspects of the change. J further acknowledges that the pace today is manageable, however if this is accelerated it could create stress that will lead to people becoming burned-out, as the level of stress today is higher than during past times.

**Social media**
Auditors’ usage of social media will, according to most auditors, increase and will perhaps not be important in customer relations but rather in recruiting and marketing aspects. A, G and L reveal that they think social media will be used more in some sense, and that the main purpose will be to work with sharing invitations to events, firm-news, and job-openings, and H adds to the discussion that social media will certainly increase as a result of the younger generations and the time they are spending there. Some auditors had no experience with social media, as for example B, who explained that it was mainly due to a good existing network. B thought however that in the future this would not be sufficient and recognized the need for a potential future use of social media. M estimates that the future usage of social media will be crucial for auditors in order to communicate with the surrounding world.

**Organisation**
The future auditing firm yielded a number of interesting thoughts, as for example L and A who believed the future auditing firm will have to be very flexible in order to manage to adapt to new laws, legal frameworks and cultures. Also many auditors as for example A, B, L and M, said the need for experts in the future will most likely be of importance to audit firms. M exemplified this by highlighting the new potential areas for conducting auditing, which will put a high demand on education and specialization. B mentioned that the belief is that consultants and auditors in the future will be further separated, a development that B sees as negative and wishes to stop, even though it is already observed that bigger audit firms do this. Additionally, the effects of digitalization will affect the future auditing firm, according to H, B, and J the increased efficiency can possibly lead to fewer employees in auditing firms doing the same number of audits. H put this effect of digitalization in reasoning about threats and possibilities. H names threats to be the consequences that realize if an audit firm does not adopt the technological development and falls behind, thereby losing the competitive edge and the opportunity of succeeding within the market. H mentions the possibilities that are connected to the availability of spare time created, and if this should be used in order to let some auditors go or find different kind of jobs, for example, consulting. H regards this as a challenge, but guesses that it most likely that the workforce will be of the same size in 10 years from now. A quite unexpected discussion about the future audit firms was the on the topic of outsourcing which was mentioned by D, G and L. D, G and L estimated that more outsourcing will occur due to digitalization, as some auditing firms as for example “the Big Four” have already started to outsource the most basic analyses low-wage countries, and this is believed to continue and become more common in the future.

**International influence**
Future potential international influence on auditing in Sweden has, with the exception of the discussion regarding standardized legal frameworks, been absent during most interviews although C mentions that a challenge for smaller auditing firms is to adapt to the more common ways of working internationally, C gives an example regarding the
occurrence of international subsidiaries, unlike before when only larger companies had this, today even smaller business can be involved with foreign subsidiaries and this trend is increasing which according to C will probably force small auditing firms to partner up somehow, in order to get some expertise to the matter at hand. G gives an opinion on the closely interrelated tendency of having to translate more financial statements into English as it is more common than before that someone in the company boardroom does not speak Swedish. G also estimates that this phenomenon will continue to increase.

Role of the auditor
Much of the discussion about the future role of the auditor was regarding the separation between auditors and consultants. A, E and H believed that the auditors in smaller firms would transform into consultants, while auditors in the bigger audit firms will remain. B and E mention the belief that the future holds a distinction between the role of an auditor and consultant. L also describes the phenomenon of specialization within auditing by comparing the newly employed auditor eighteen years ago “that could work with many different types of work-tasks”, with the newly-employed of today that “works with specifically auditing related assignments”. L further comments this development by saying the positive effect of this is that it could increase the quality of the work. C claims to see a back and forth pattern in this discussion as this debate has been brought up and discussed back and forth with varying results over a long time, and L now observes that it seems to lean more towards separation between consulting and auditing. B comments that professionally one has to regard this as positive, but however also notes that an auditor has some advantages as an advisor, due to the effect this comes with a valuable insight and therefore is suited to give sound advices.

An effect of the enormous amount of information generated by digitalization is that businesses today can offer more information in terms of, for example, environment and sustainability, as pointed out by H and M. Further it was argued by both H and M that this offers a possibility to use the expertise of auditors to conduct new types of quality assurance, also that these types of audits might increase in the future as many stakeholders’ request for example sustainability reports from companies. These new possibilities are believed by both H and M to create jobs and the need for more services that possibly will require more specialists and even more developed technology. Even though it is mentioned by H and M that the traditional work of auditors might be less time consuming and streamlined, they emphasize that the need will always exist for someone who will examine and interpret the numbers to validate the veracity of financial statements and other financial reports. On another note K and L hope that the future will include a change towards working more with ensuring customer value when auditors are hired, F discusses stress in terms of positive change as F believes to see the start of a trend in which the auditor has to be viewed as an individual and hopes that this will cause a better and less stressful working situation, and F thinks this will gradually become reality.

Legal framework
In the discussion about the effects of regulations and a changing legal framework most auditors seemed used to extensive changes and new regulations, this was also reflected when discussing future change. A believes that future changes in regulations can create the need for more experts, as the regulations in some areas can possibly become very complex. B mentions that the statutory limit for audit obligation might be raised, and
that this could have severe consequences for some auditing firms. D and N follow up this by stating that nothing is completely sure regarding the future of the statutory audit obligation, however they both point out that if adjusted to international standard, a vast amount of companies in Sweden would not be required to have an auditor. This would impact smaller audit firms the most, however B mentions the legal framework “Nordisk Revisionsstandard” that is in progress, which B refers to as a framework that many hope will help facilitate business for smaller audit firms, as it relies more on the professional judgement of auditors. C states that the legal framework is changing almost on a yearly basis, and that some of the legal frameworks as for example “K2” and “K3” will be changed, as they need further improvement. G comments that a future challenge is to keep track of all legal frameworks as many of the implemented rules regarding for example auditor independence is something auditors have to regard. G continues to say that even though the challenge of adapting to new regulations will be of importance, the big challenge is to adapt to the changed expectations of society as it is the very reason for auditing being recognized as a profession, G and points to the importance of providing safety, ensuring trust and also adding value to customers when conducting audits.

Challenges

Regarding future challenges most auditors mentioned new regulations and digitalization. A, G and L mentioned the upcoming new rules that involve mandatory audit rotation and viewed it both as a challenge for the bigger auditing firms and believed that auditors overall would also find opportunities in the aftermath of this implementation. Also tough competition was mentioned among auditors as an ever-present challenge, A, B and E also considered this a challenge to be accounted for in the future. H and E pointed towards the decrease in inflow of newly started businesses since the change of the statutory limit for audit obligation, they explained this loss as the primary of losses due to the new regulations as many existing customers did not cease buying services from their auditing firms, as they saw the use of it. H and E said the future challenge in this is to attract newly started business that choose not to buy audit services to the audit market and make them see the benefits of it. B also highlighted the importance of becoming more active on the market in the future, as many audit firms manage a higher volume of customers today. F declares that the biggest challenge in the future for auditors is to offer the customer service that is partly bound by laws and regulations and partly of such high quality that customers can experience the use of it.

E and L further discussed effects of the potential raising of the statutory limit for audit obligation. They both highlighted that it will become more of a challenge to attract business to auditing firms, however also that it is not the area where their organizations are expecting growth, accounting and tax consultation are the two areas where E and L are forecasting potential future growth. G thinks that the statutory limit for audit obligation will be raised although G also points out that most business like to have support by an accountant, this will cause less business to have an auditor but as audit firms usually have an accounting department, this will lead the total amount of work not necessarily being decreased but instead shifted towards the accounting department. This development has been experienced by N that states that work has shifted in N’s audit firm as auditing has deceased and for other fields of work within the firm the workload has increased, this can, according to N, lead to future difficulties for new auditors to find befitting internships. E and I add that this shift from auditing to accounting will
lead to decreased profit margins for smaller audit firms as the accounting industry in
general has lower prices and is more competitive. B comments that there is an
uncertainty in which businesses would choose to still have an auditor if the statutory
limit for audit obligation is raised, this poses as a great potential challenge in the future.
Also some positive replies were made in regards to the potential challenge of the raised
statutory limit for audit obligation, more specifically for example F mentions that this
change could help stimulate and simplify both setting up and running a business. G sees
the potential of a demand for more auditing in for example larger corporations, and adds
that “I think there will be enough work for future auditors to do, however I cannot tell if
it is going to be more or less”.

Regarding future challenges, many auditors underlined the difficulties with maintaining
personnel. B, I, N and K said that depending on the future developments it can be hard
to both recruit new auditors and keep them within the profession, especially if the job is
not enjoyable and stimulating. D and K further state that one of the main future
challenges is to keep competent personnel as much pressure is put on auditors, which
will lead some younger generations to the question, as stated by D, “Is this hard
working profession with a lot of responsibility worth investing my time in”? F describes
this phenomenon in present terms and links it to the general problem within the auditing
industry, namely a heavy workload as well as high barriers of entry. F says this in
combination with the general attractiveness of auditors in the business sector makes
keeping auditors within the profession a future challenge. N states that in the future it
will be less appealing to become an auditor, as there are less customers for auditors,
however the future demand is not considered to be a problem according to H. H says
that there will always be a need for competent financial advisors and auditors and
comments that “The experience today is not that we have less to do than before, it is
rather the opposite”. H also expressed the belief that this would be the case even though
the profession might change and auditors will be doing different assignments compared
to today. I explains that the general discussion in terms of auditing is now also
including the possibility of being personally liable as a qualified auditor, and I affirms
that this is something that will have a negative effect on attracting personnel, if
implemented. J confirms this discussion by adding that depending on the outcome and
how the regulations are designed, the possible future option is for auditors to get more
extensive insurance.

Moreover, B talks about keeping up with the fast on-going digitalization as a future
challenge and explains that to embrace the possibilities and increased efficiency can be
challenging. I is on similar track by commenting that a future challenge will be to offer
a wide range of services and with the help of digitalization much of the old work will be
more effective. A says that a future challenge with technology is to continue to develop
as an auditor in order keep up with the advanced systems that customers use, so that
they can be understood and so that auditors can adjust the way they conduct future
audits. M declares that many possibilities in the future is now available much thanks to
digitalization, however that the future challenge for the auditing profession (except from
the previously mentioned overregulation), can be a slow pace of innovation and a lack
of will to innovate.

**Competence**

Regarding the competence of future auditors, many interviewees agreed on that the
social aspect is becoming increasingly important. K and L emphasize that great social
skills and an ability to sell, is said to be good traits of future auditors A, G, F and H agree with this but add that also IT-knowledge is of growing importance. M, G and L point to another important aspect, namely the integrity of an auditor, which they believe to be of high importance in the future, in order to stand for what is right. M further argues for the desire to learn as an important ability and J, D and G point out that the analytic ability, even though requested today, will be of high importance in the future.

A and L illustrate the future need for some auditors to be able to audit customer's systems in regards to safety, infringement and access. A adds that not every auditor can be expected to learn about all issues associated with technology, and therefore many IT-auditors will probably have to be hired by large auditing firms in the future, something that is also agreed upon by J and E. G on the contrary believes that the present IT-knowledge within the profession is mediocre and in the future auditors will have to work with technology to such an extent that it will be required by the auditors themselves to know these types of audits, and therefore also decrease the need to bring in specialist into the auditing team, this will also be amplified by better support systems.

On the topic of how the knowledge about technology will emerge, are many of the auditors convinced that it will come as a natural result of the general change in society and not a specifically future problem inherent to the auditing industry. G, K, N and L state that it is a matter societal impact, as it will not require auditors to learn it specifically due to belief that competence will be a result of common knowledge.

B, C, D, I and M on the other hand think that auditors themselves will specifically have to develop technological skills in the future as it will be required to keep up with the upcoming fast paced digitalization, also that the aspect that future auditors find this interesting and enjoyable is mentioned by B, M and C as a key to succeeding in keeping up with future developments. I mentions this knowledge can help assist in providing a wider range of future services, and C thinks that it is possible that studying a mix between engineering and economics (such as the Swedish educational program “Industriell ekonomi”) can be a possible background of a future auditor.

5.4 No-change related findings

Use of research
When the participants were asked about the usage of research in relation to their profession there is a general consensus among the interviewees. The majority of the interviewed auditors responded that they do not use academic research directly in relation to their profession. A, B and H point out that no academic research has been used professionally but existing regulations are being read and absorbed, and that research presented in the trade magazine Balans (published by FAR) is read. This source is seen as important. B and H further comment that they sometimes take part of information that “the Big Four” release. B explains that the bigger auditing firms have departments that manage research related matters and that smaller firms do not have the necessary resources to keep up with that. B additionally said that no academic research has been used directly within the organisation but that research material might have been used during undertaken work-related courses. C, D and I answered that the articles published in the trade magazine Balans are read and that no academic research has been used professionally, C also declares that specialists within the organisation put research together and share it with the employees. C further mentions that there is no need to be
involved with research personally, since it is centrally governed within the firm and specialists are hired with the purpose to put research together, when new information is received by C it is never experienced as research but more as an auditing tool. F and J also expressed that no academic research has been used but that internal courses and specialists are used as helpful information channels. E points out that no academic or firm specific research has been used for professional purposes, however E was once contacted by a business school as they were conducting auditing research, E participated in this research, not to use professionally but for personal interest. G answered that no academic research has been used for the reason that G feels more practical oriented, research conducted by experts inside the firm has however been used. K and L replied that academic research was used occasionally but that Balans is the main source when immersing in specific subjects. N and M specified that they use academic research frequently to educate themselves since their profession requires that, also that trade magazines are used. Some participants explained the purpose of using research and A mentioned that trade magazine is used to keep updated with industry related news. Moreover, F and I use legal frameworks to keep up with the changes taking place in order to manage specific questions from the customers since we work on a practical level. B found it interesting to read and learn more about auditing on a theoretical level and how to reassess differently and get the same results in the end. D uses articles published in Balans to learn more about specific areas of interest or subjects useful professionally.

**Potential of increased interest for academic research**
The participants got the question if anything can increase their interest to read academic research. C answered “No, not at the moment”, D showed also no interest to read more academic research since everything that was found relevant is uploaded to the organisation's intranet. A also expressed that more than enough information is provided via the firm's intranet, the participant found it time consuming enough to screen between the already provided information and expressed no interest to read more academic research. E showed no interest to read more academic research since it was not found to be enough relevant in practice. B also found academic research not to be practically relevant and added a comment that research is one theoretical step above us. B further explained that even though the requirements for documentation have increased over time, the work as an auditor is more practical and common sense must be relied on. Experience and common sense are more important than academic research.

**Opinions about how available and understandable research is**
A finds it easy to find and understand information when searched for since everything that is necessary is available on the intranet, and if there are any issues to find relevant information about there will always be the option of asking a knowledgeable colleague. F has a similar discussion and adds that larger organisations have internal competence that always has answers. B found information to be both easy to understand and available when needed, information received during several courses taken are however seen as uninteresting and too theoretical, and viewed as something that is hard to convert to anything useful in the daily work. D and J simply think information is available and understandable, C assumes that it is. K found research to be available and understandable but heavy to read. M mentions that research is not as available as it could be and further talks about an association that works with ideas about creating a kind of hub that presents research findings in a more understandable manner. The same
participant finds it tragic that a considerable amount of research gets buried and never gets to be presented to the market.

Opinions about the practical relevance of research
Some participants expressed that academic research is deemed not practically relevant, A responded that only information that can be a benefit for the customer is searched for and no academic research is read for fun. B believes that academic research is hard to transform into something practically useful, since the work is more practical the participant sees further no use for research inside the firm. C assumes that practically relevant research exists but that most research only works in theory, K has the same opinion and adds that academic research needs a more practical angle to be relevant. E finds academic research related to the professions not enough practically useful to be interesting but also adds that research should probably be more visionary and affect the profession slowly over time, but still a large gap between universities and the auditing industry is experienced. M also discusses that research is not always supposed to be practically relevant but instead ground-breaking and challenge what is accepted as being reality. The same participant additionally comments that it would be appreciated to see more research that focuses on the on-going changes in the auditing industry. D reckons the research that is presented on the firm's' intranet is practically relevant since it is extracted by internal specialists. J and L agree that some practically relevant research exists, but there is a need to sort out what is relevant among the large amount of information received.

Fields in need of more research
When the interviewees were asked about potential fields for further research, several auditors said that they could not think about anything that needs more research than already existing. A and G instead felt that investigations related to simplifying regulations for smaller firms would be necessary. B finds research that gets to him enough and adds “Theory is important as long as there is a human that makes judgements, but theory can never really reflect reality”. E expressed that several areas for research to highlight exist between what the customer expects of an auditor and what an auditor wants to deliver to the customer and pointed out that issue as old and well known within the auditing industry. F would want some research regarding the development of IT and how that is connected to auditing methods towards customers and N saw a need of research within the accounting industry. M finds it necessary to challenge the term “independence” and would find it interesting to investigate not only in Sweden, but also around the world, how an auditor actually can assure independence. M further comments that an auditor's' integrity and behaviour are crucial and more interesting factors to investigate than laws and regulations.
6 Analysis

The structure in this chapter is established from the structure of the preceding chapter, discussions are sorted under our initial and focused codes and analysed respectively. First an analysis of the findings regarding past and current changes is carried out, followed by an analysis of the findings related to future change. The analysis of empirical findings ends with a discussion about the no-change related findings. Theories presented in our concepts and contexts chapter will be used to build knowledge about digitalization’s future role in the auditing profession. The ongoing discussions are continuously connected towards the theories which are presented in its entirety in separate discussions at the end of this chapter.

6.1 Analysis of past and current change

Attitudes
Auditors have been asked to share their views and ideas in form of attitudes towards the profession, both individual as well as perceived general attitudes among auditors such as co-workers have been mentioned in this discussion. This was done in order to receive comments and ideas that was based more on feelings rather than specific events and facts. When interviewed, auditors argued for that there had been no recent change in attitudes towards the profession, meaning that their attitudes remained largely unchanged even though all auditors seem to agree on that some important changes had occurred within the profession. Auditors from smaller audit firms seemed more affected by recent change in a negative sense then compared to the rest of our interviewees, many noted that the rules and regulations had caused many to quit as a result of an undesired shift in the profession and on the question how they managed this negative change, many merely answered that they adapted to it as there was no other choice.

Over-regulation seemed to be the main cause of negative attitudes towards past change, however auditors in general seemed quite used to changes within their profession and were not too worried about it. The perceived undertone from interviewees was that external factors was dictating the changes without leaving much choice to the auditors who wished to remain in the profession. It should also be noted that most auditors seemed to grow accustomed to change over time and therefore also coming to see the positive side of it and that the younger auditors were pointed out as more flexible towards the change due to for example regulations and technology. This put into the formula of change equation (Dannemiller & Jacobs, 1992, p. 483), means that the auditing profession over time will experience decreasing resistance (R) towards digitalization as an effect of younger generations entering the profession.

Demographics
The initial thought was to ask interviewees about potential changes in demographics (i.e. age, education) of auditors. While the idea of questioning about changes in demographics was not meant to be a substantial part of neither interviews nor the analysis, it was therefore often deemed relevant to phrase it as a single question into each interview. The purpose of this was to see if any substantial changes had or was perceived to have taken place, this would be interesting as auditing is a service profession and therefore relies to a large extent on the professionals. To see potential demographic changes of auditors was envisioned to be a likely important factor in assisting the understanding of change. Gender equality within the auditing profession was believed to have been achieved, or at least by some perceived to be an issue of the
past, was mentioned frequently but not in a sense that have implications for this thesis. The results of these questions gave varying answers where views on the emergence of a new generation within the auditing profession was connected to the type of change addressed in this study. Auditors overall gave the impression that much of the technological knowledge would come as a result of newer generations entering the profession. This was identified and listed as an enabling force in the force field analysis (Page, 1977, p. 298). Furthermore, it was fairly agreed upon by all auditors that the common knowledge about technology came from younger newly hired auditors, even though they all in general was positive to the advancement of digitalization. In terms of the formula of change equation this is considered as a vision of possibilities (V) and added as a positive (Dannemiller & Jacobs, 1992, p. 483).

Digitalization
In order to see what extent digitalization had been affecting auditors up to current date, the first questions in interviews were meant to give the possibility of connecting digitalization to events or processes experienced by the interviewees in the past or currently. This was considered to be beneficial for the purpose of this study as it provided an opportunity to see how digitalization had affected and is affecting auditors’ everyday work, which will be assisting in laying the foundation for understanding the future direction of it. Most of auditors’ personal connections to digitalization were through the previously mentioned “digitization” and more specifically the interviewees mentioned procedures like scanning documents and storing it in digitally. This put into the three step model by Yoo et al. (2010, pp. 11-12) means that step one have been initiated for the auditing profession. In regards to how far digitalization had come, many seemed to interpret it as to the width it was applied and not how far it had come as a process itself, meaning that more often it was considered to be extensively affecting the interviewee if many of its customers had abolished binders in favour of USB-sticks. The clear first step towards reaching the vision (F) of digitalization is now added to the formula of change (Dannemiller & Jacobs, 1992, p. 483).

The actual process of digitalization gave the impression to have developed further in some of the interviewees firms as compared to others. This is based on the impression that some interviewees mainly employed by “the Big Four” (but also in some other organizations) talked about new ways of working when auditing larger corporations, namely that the availability of digital data in combination with customer systems being technologically advanced, made it more efficient to conduct audits and changed some of the normal procedures of an audit towards a more IT-oriented way of working. These comments lead us to believe that some audit firms have completed the first step of “digitizing” and entered the second step of digitalization in the three step model (Yoo et al., 2010, pp. 11-12). Some indications were also made by auditors that in some aspects the auditing industry can be lagging behind in regards to digitalization, some said compared to other countries, some said in more general terms.

Some interviewees guessed that the digitalization process of the auditing industry was halfway there, some argued that it had not seriously started yet. This could depend on both differentiating perceptions of the true potential of digitalization also on the simpler explanation that some firms had adopted digitalization faster than others, however the very complex nature of digitalization is reflected on the differentiating opinions expressed by practitioners. Contradicting opinions were expected as reflected in the article by Malsch & Gendron (2013, p. 871) which states the following quote: “... if
asked to assess the scope and logic of the institutional changes that have occurred in the professional field [of public accounting], one would be fully justified in drawing conflicting conclusions.” Lastly it should be mentioned that when questioning the interviewees, it was quickly noticed that the general feeling towards digitalization was positive and therefore some questions involved to investigate the existence of perceived negative effects or fears regarding the process of digitalization, risks with security were mentioned although none of the auditors indicated any type of serious concern. These findings can be related to resistance (R) in Dannemiller & Jacobs (1992, p. 483) formula of change, the resistance for digitalization is low according to the presented findings.

Social media
Firstly, used as a kind of indicator our questions on social media was thought to stimulate a discussion of how a relatively new phenomenon and product of digitalization was adopted and used in a professional sense. The extensive use of social media platforms is a good illustrative example of entering the third step in the three-step model of digitalization (Yoo et al., 2010, pp. 11-12). The motivation behind this was derived from the fact that it would be too complicated to discuss the implementation of auditing software in regards to predicted limitations connected to this thesis. The predicted limitations involved for example that auditors themselves might not fully have understood and adopted audit software, let alone that they would be allowed or even able to explain them in an understandable matter for the purpose of this thesis. One should therefore be careful to make wide assumptions of auditors’ use of technology based on statements on the use of social media, however the discussion itself become convenient to use as it contained differences in adopting and viewing social media platforms and the discussion in itself was enough motivation to be included as a part of this thesis.

Stated previously in our empirical findings, approximately half of the interviewees used social media platforms and the views on the use of social media platforms were very differentiated although it was known that the use of it had started to becoming increasingly popular within the auditing profession, some that did not use social media platforms referred to other departments within the firm which was mentioned to be responsible. In contrast to this, it was mentioned by one interviewee that it was seen as a crucial mean in order to network and build long-lasting relationships with customers. This interviewee was however the only one deemed to have entered the third step of the digitalization (Yoo et al., 2010, pp. 11-12) among the auditors in regards to social media platforms. When asked to reason around current use of social media platforms some argued that social media are not really deemed appropriate due to the professional secrecy involved in being an auditor while some argued that they sometimes used social media platforms as the only mean to recruit a new employee to the firm. What appeared to be a general guideline in this discussion is that younger auditors and auditors employed by “the Big Four” seemed to both be more willing to use, as well as discuss the advantages of using social media platforms. The discussion should however be noted to be small put in relation to the more extensive discussion regarding digitalization. Finally, the mentioned social media platforms were mentioned to be: “LinkedIn” (for recruitment of personnel) and “Facebook” (for the use of marketing).
Organisation
Collectively the short discussion with internal organizational aspects is in retrospect leading to the conclusion that more questions should have been looked into the possibility that present or past developments, the interrelation of stakeholders within audit firms could have been covered more in detail. The few comments received from auditors regarding how audit organizations had developed until present time were based on the process of streamlining, which auditors believed to affect them in the sense that for example personal contact with customers were slighted in favour of efficiency. The top-down approach as mentioned by one auditor in the discussion in our empirical findings, was something that could have been complemented by more comments and thoughts but past internal organizational change was not often a topic in discussions. No comments regarding organisation could be linked to any of the stated theories.

International influence
International influence was not focus of the initial questioning or part of the interview guide, as the geographical was confined to Sweden. The topic was although covered as many auditors brought it up in open questions about change. As in recent times it seems that it had been affecting auditors to a great extent and also was a topic that was commented with fairly strong interest and seriousness. Many of the discussions regarding the implementations of new regulations and legal frameworks pointed out that it increased demands on auditors and the overall effects were in general more requirements and less room for professional judgement, this was commented upon with some negative undertone, more often from the interviewees employed in smaller auditing firms who gave the impression that the changes were affecting them more than “the Big Four” firms.

That the consultant and auditor are becoming more separated professions within auditing firms was also pointed out by some in the same sense that overregulation and requirements to document the audits is making the auditing profession quite plain and boring. Often when pointing out negative changes as for example overregulation, auditors also emphasized that it is still a profession they like and take pride in. When interviewing auditors, the impression was that the extensive changes in regulations was implemented too hasty without ensuring the added value for customers and without trusting professional judgement of auditors. According to Malsch & Gendron (2013, p. 872) the separation of auditors and consultants may hinder a potential conflict of interest between the two roles as the consultants of auditing may become “innovators” and therefore try to extend the professional jurisdiction through commercializing the auditing profession too much, while traditional auditors referred to as “guardians” by Malsch & Gendron (2013, p. 872) will now be more entitled to the right of the profession and maintain the professional privileges, namely the public trust.

Role of the auditor
Questions about the present role of auditors and how it differs from the past is most often referring to the longest time possibly known, namely when our interviewees entered into the profession, which in some auditors’ case could be up to 40 years ago. Among the older auditors it was said that the difference between auditors today and four decades ago is not fundamental and digitalization is mentioned as having a true impact on the profession. This relates to our previous addition to the F in the formula of change equation (Dannemiller & Jacobs, 1992, p. 483), namely that the first step towards reaching digitalization can be noticed. The discussion also mentions positive change in
terms of that auditors today have become more skilled and knowledgeable in for example audit theory. However, the negative effect is once again the increased efficiency demands of the profession, it is said that the competition is in some changing some parts of the profession to become of less importance.

The dissatisfaction (D) about the current situation is noticeable and should therefore be added to the formula of change equation (Dannemiller & Jacobs, 1992, p. 483). Moreover, is new aspects of the profession mentioned like audit for example sustainability, even though it is mentioned more in regard to its future potential the emergence of these new areas seemed to be welcomed by auditors that continuously during interviews seemed positive towards learning about and embracing future professional opportunities. This is further a sign on that the resistance (R) part in the formula of change (Dannemiller & Jacobs, 1992, p. 483), is not of a substantial size. Last in the section is the arguments made that highlights auditors negative role in media. Auditors claimed that media misunderstood their share of the responsibility in scandals and this was made clear by more or less everyone who discussed media’s way of portraying auditors. This stress aspect was also complemented by the newly increased risk of getting sued that was pointed out as an increasing factor to consider when putting the auditors’ role of today in comparison to the past, the essence of this “hunt” for auditors was decreased respect for the work of auditors and that insurance played a role which had been brought up to light recently.

Challenges

In order to spur the interest and start debate, perceived challenges and opportunities were considered important to include in the interviews as it was instantaneously noticed that for example stress and competitiveness were mentioned to play an important role, both in the future and past of the auditing profession. The underlying theme was that several factors influenced the profession and made it difficult to stand out in a standardised service industry. Competitiveness had also caused auditors to think about things like marketing and the importance to attract new customers, something that was fairly new to some as regulations earlier had required companies to hire auditors which means that these aspects have altered some of the thinking in regards to experienced challenges and possibilities. This development has according to many also been the hardest on small auditing firms.

In the auditing profession the challenges to maintain personnel was something also frequently mentioned and was structured around competence as it often was discussed that it requires a detailed educational background to become an auditor in Sweden. The initial recruitment of personnel was not considered a problem, however auditors in general said difficulties come as a result of when employees have worked for three to four years within the profession and leaves in favour of other industries which could offer better salaries or working conditions. The accumulated competence and large contact network received working as an auditor, was pointed out as attractive traits to other industries. Suggested solution to the above noticed problem was given by an auditor in terms of shorten the process to make partner in audit firms, as many describe that the current way is taking too much time and this is something younger generations become impatient with. The problem of maintaining auditors within the profession is identified and listed as a constraining force (Page, 1977, p. 298), this should be compared to the enabling force which was stated previously as the belief that younger generations would advance digitalization in the auditing profession. The discussion
about the need for new competences among future auditors is further discussed in the competence section under the next topic named future change.

6.2 Analysis of future change

Attitudes
Auditors are flexible and used to adopting change and new ways of working, this was the overall impression from listening to practitioners and hearing them discuss about the attitudes towards the future. One argument made was that older auditors was a bit less flexible and less eager to participate in the process of digitalization, however they themselves stated that it was due to personal preferences. However, not a single auditor was found that felt discontent towards for example, documents becoming digitally available or new methods of conducting audits. Another noticeable attitude was that much confidence and reliance was put on younger generations to advance the knowledge and use of technology. The attitude among older generations of auditors towards adopting new technology could indicate slight resistance (R) in the formula of change equation (Dannemiller & Jacobs, 1992, p. 483). The feeling was that some of the older auditors considered this development necessary and unavoidable along with the entrance of newer generations into the profession.

Furthermore, is many set on discussing the potential changes in the statutory limit for audit obligation. Both negative and positive aspects are brought up by auditors with a potential rise of this limit, although much of the negativity seems to be origin due to the lower profitability and difficulties with attracting new customers to audit firms which are not part of “the Big Four”. The reason for that some auditors argue for that in the long run the statutory limit for audit obligation will be raised is the development of more standardization within the European Union, and compared to the rest of EU the limit is low in Sweden. It is mentioned that many of the firms not big enough to attract the few larger corporations can get some growth due to the matching partly increased need for accounting and consultancy services, however this market is more competitive and therefore future profits are expected to be lower for the affected audit firms. Another point in discussing the regulations is that the uncertainty both regarding the statutory audit obligation and for example the risk of getting sued is that the attitude towards setting up a small audit firm for the auditors themselves is negative. Not many believe that this would be easy to do in the future. The last impression in the discussion towards future attitudes is that audit firms have a hard time competing for future employees with “the Big Four” firms and that IT-investments could pose as a potential problem for smaller audit firms. The IT-investment was even though not mentioned for bigger firms also identified and listed as a containing force (Page, 1977, p. 298) as part of the force field analysis.

Demographics
In the discussion about future change of demographics some thoughts on the educational requirements of becoming an auditor were put forth. The summary was that the requirements have not and is not likely to change, at least not into something completely new or for that matter to be loosen up. One interviewee whished however that the requirements who is currently somewhat detailed, would be partly loosen up so that the audit industry could hire more people with some difference in educational background compared to today. The demographic question was first to some extent not fully understood although when introduced together with examples categories as for
example “age”, “education” and “gender” the reasoning and answers became more structured. The discussion tended often to touch upon the topic of gender equality and that in most senses except partners in audit firms, the auditing industry had really become successful in recent years to achieve a balanced distribution of men and women. The comments and discussion were interesting to hear although not connected so much to the digitalization aspect of this thesis.

**Organisation**
The discussion about future audit firms was quite diversified. Different views of what can happen to auditing firms in the future appeared to be less predictable than compared to other discussions. The discussions that took place pointed towards that the role of experts in auditing firms will be of increasing significance as the nature of future auditing was determined to be far from simple. One auditor put words on what many discussions could be summed up to, namely that the negative effects of change can cause auditors to lose their jobs and the positive is that new types of job assignments can be found as a result of this. The process regarding increased efficiency was an ongoing theme in much of the debate about the auditing firms, including the discussions about the future. Last but not least it should be mentioned that some auditors brought up the interesting discussion about outsourcing and how they think that the future Swedish audit firm will outsource some of the work too low-wage countries, some commented that the outsourcing of simple audit processes have already started and is not likely to decrease. Outsourcing can be connected to digitalization but cannot for the purpose of this study be examined in greater detail due to time limitations and lack of data.

**International influence**
The geographical area of this study is Sweden, however the comments about how even smaller auditing firms have to adapt to an ever present internationalized market was found too important to exclude. Much of the effects from other countries on the Swedish auditing industry have already been discussed (e.g. outsourcing) and will be discussed further on (e.g. standardization of legal frameworks within the EU). Two auditors mentioned in the previous chapter that smaller companies are more complex today than before as they are working with international subsidiaries to a much higher extent today than before. In a globalized world this phenomenon is linked to the increased global trade between countries, although some effects could potentially also be connected to digitalization. This is reflected on a level where smaller audit firms might have yet another challenge to adapt to. Even though mentioned shortly, auditors have been hinting that the smaller audit firms might have trouble competing with the bigger ones since they lack the resources to have experts available at all times to help with perplex problems. It should however be stated that auditors from smaller or medium sized audit firms in this study have not directly identified this as one of the biggest challenges. It was more likely that regulations and standardized legal frameworks was mentioned when auditors who worked with smaller firms stated their challenges.

**Role of the auditor**
Discussions about the separation of auditors and consultants appeared frequently and even so in the description of what future role an auditor will play. The general agreement is that regulations forces auditors to focus solely on audits and not providing any type of advisory services. Many auditors recognized the professional implications and understood why the regulations had been implemented. On the contrary many
commented that on a personal level they see some negative aspects of it as it makes the profession less enjoyable and also that smaller audit firms might entirely head towards being consultancy bureaus. According to Malsch & Gendron (2013, p. 872), the two potential future strategies for the accounting profession (as mentioned in chapter 3), will with the recent implementation of regulations that was mentioned by auditors, be narrowed down to one, namely the strategy by auditors to evolve and preserving the original professional and symbolic privileges of auditing.

Possibilities for auditors was described by a few auditors which had noticed interesting changes in the profession which they also shared with us during the interviews. The availability of an extensive amount of information created from digitalization could help to create work for auditors in the form of using their expertise to audit sustainability information and help in the creation of sustainability reports. This very innovative way of utilizing the knowledge of auditors was not grasped out of the air, the auditors who envisioned this already saw the increased demand for information about for example the environmental impact of companies. In a future setting where auditing jobs are expected to be exposed to a high level of competition, this increase in demand is identified and listed as an important enabling force (Page, 1977, p. 298). It should also be added to the discussion that auditors were continuously aware of the importance related to adding value to customers. Auditors overall seemed to recognize the need of being useful to society as a whole, as it was argued that it more beneficial to provide customers with future services that was demanded by free will and not by regulations.

Legal framework
Legal frameworks and regulations are connected to this thesis as much of the debate about future change is considered to be around expected change and experienced change of auditors. That regulations will be a topic in the future debate is almost certain. Discussions have pointed out some interesting suggestions and predictions on what auditors could manage in a climate where extensive changes affect may cause smaller firms to abandon auditing all together in favour of other services as for example tax consultation. Regarding legal frameworks previously implemented, many auditors think there will be future adjustments as some parts is not causing much use for either customers or auditors. Additionally, the expected change in the statutory limit for audit obligation is believed to be raised on the assumption that is will adjust to an international level in the long run. Some possibilities for easing of regulations are mentioned for smaller auditing firms although they are generally believed to encounter many challenges in providing future auditing services.

Challenges
Tough competition is mentioned several times by many auditors and it seems like they are not worried about the market becoming increasingly competitive as many have found an exit strategy in switching to an adjacent discipline. Competition seems more like an aspect that has gained increased attention by auditing firms and something that is adjusted to as a consequence of a tougher market. Among the audit firms “the Big Four” is considered to be future winners by many and in addition to this, auditors in the bigger audit firms had a tendency to view change more positive. Possibly a result of their dominant position within the industry and the ability to attract future personnel, which is considered an important challenge by many smaller and medium sized audit firms in the future.
The reasons for why it is hard to maintain auditors can be listed and is found in the previous chapter. This connected to the digitalization aspect of this thesis, is that if the auditing industry does not succeed in attracting younger generations to become auditors, the process of keeping up with technology can become difficult, therefore both an enabling and constraining force have been accounted for in our force field theory. This is what Swanson & Creed (2014, p. 33) refers to when saying that change practitioners can be seen as both an enabling as well as a constraining force, in our case this is the future ability to recruit young auditors. Moreover, is the challenge to attract new businesses and make them see the use of auditing considered a challenge since they are not required by law to purchase audit services. The challenges mentioned by interviewees have a serious undertone with implications that a competitive future lies ahead, although many auditors mentions that a substantial part of the demand is fixed and will not disappear, it is however unclear if smaller auditing firms can compete for this demand or not.

**Competence**

Future traits of auditors seem to be easier determined by interviewees who had previously been involved with the process of recruitment of personnel. The most common answer on desired future competence was social skills. This could easily be connected to the previous increase in competitiveness within the audit industry as the ability to sell was often mentioned in the same context. IT-competence was mentioned to be a future competence that would increase in two of the following ways: Through an increase of the general IT-competence among auditors or through an increase in the amount of IT-auditors as part of audit-teams. Professional integrity, analytical abilities and also the previously stated social skills are examples of skills that are valued highly by auditors today but is also at the same time believed to be of high future importance.

### 6.3 Analysis of the expected role of digitalization

**Digitalization**

The idea behind describing to the auditors that the study was to be open-ended and then have a more specific part about digitalization came with some interesting consequences. First of all, many auditors started to talk about topics that first came to their mind which did not relate to digitalization but instead other changes within the profession. This could later in some sense put digitalization into context as many believed it was an important factor in the future although not one of the more important one in the past. To hear how auditors described many of the ongoing changes and implementations of for example a new legal framework, made the discussion more interesting. It also made auditors air their opinions in a way that also stimulated discussions about digitalization as many of the interviewees spoke their mind and gave the impression of being very analytical in their answers.

Digitalization had to some extent affected everyone who was interviewed and they also seemed to a high degree accept the relevance of the discussion about it. Regarding the future importance, it seemed to be a consensus among auditors that digitalization would be relevant to the auditing profession. Some argued for a larger importance than others and many also said it could be related to firm size and that larger auditing firms might have to hire more IT-auditors in order to keep up with the technology. Whether IT-competence should come in the form of more experts or that the general auditor would
have to become more knowledgeable differed among the interviewees. However, the general consensus is that some form of IT-competence will be required as more firms and especially larger companies have more digitalized systems. This leads to the identification and listing of an enabling force (Page, 1977, p. 298), namely the increased demand for IT-competence among auditors. Interviewees talked about digitalization in the future as a process that could potentially increase efficiency and some envisioned the entire process of auditing going as far as to the point where financial reporting in real-time is actualized. Since this envisionment is recognized it applies to the vision of possibilities (V) in the formula of change equation (Dannemiller & Jacobs, 1992, p. 483).

Real-time reporting would mean that the previous way of auditing historical numbers could be changed and auditing would therefore work in a completely new manner where internal controls become even more important. This possibility is in line with the historical developments that are shown in our adjusted model in chapter three based on the historical model by Brown (1962, p. 696), the models illustrates the increasing importance of internal controls for the auditing profession. Other than some speculation and valuable insights about the future, most of the discussion about digitalization was about current and short-term developments in connection to digitalization. Auditors often referred to a process, recognized by this thesis as the first step of digitalization, which is “digitization” (Yoo et al., 2010, pp. 11-12).

The first step is the process when analogue information becomes digital, as in our case when papers and binders gets replaced by files and USB-sticks. The second step of digitalization (Yoo et al., 2010, pp. 11-12) as previously mentioned in this thesis, is when this digital information is utilized to create new ways of working. This has also been recognized in some discussions as for example, when auditors mentioned that they increasingly use IT-auditors as a part of the audit team. Auditors also increasingly started auditing their customers’ more advanced systems containing digital information even though this was mentioned mainly in connection with auditing larger companies. Everything that was mentioned and interpreted as effects of digitalization was mentioned with an undertone of being either new or far from completed. The visions have as previously mentioned also varied and the analysis of auditors’ visions regarding future digitalization is simply that it is firstly complex, secondly positive and thirdly offers a great amount of potential. The enthusiasm shown by auditors towards digitalization is identified and listed as an enabling force (Page, 1977, p. 298). When auditors describe the future use of IT-services as for example “the cloud”, they mention it with a clearly more positive tone then all other comparable topics of discussion. The observed outcome of all interviews is that auditors think digitalization has an important role to play in the future.

Overlooking the interview material one can see that auditors put a lot of trust with younger generations to advance the use of technology, also that auditors working for bigger audit firms is ensured that their IT-departments protect their data. This leads to the analysis that smaller audit firms without an IT-department and consisting of only older employees, seem to partly miss the stated important affiliation with digitalization. The experienced increased stress among auditors seemed to be a topic which also was indirectly connected to digitalization, however the comments made in this study are not enough to speculate in if and how they are interrelated.
Social media
Auditors were fairly unified that the social media usage was not currently widely spread among auditors in Sweden. Some did not use it and most did not use it to a great extent, the consensus was however that it will increase in the future. The reasoning behind this was that there is not much in favour of decreasing its importance. Indications are further made that by younger generations’ wider use of social media platforms, it is likely to be reflected upon the auditing firms as they need to “be out there”. Once again the outlook on the use of social media platforms was mostly positive and even though this was the case among many non-users, they simply had not had the initiative to start using it.

6.4 Analysis of no-change related findings

Use of research
The analysis of no-change related findings is connected to the questions about how auditors use research for professional purposes. As this part is not directly related to answering the research questions purpose it should be stated that it is instead to ensure that the correct answer to the question is given as the purpose of this study is to push for practically relevant research. In order to make sure that practically relevant research topics are suggested this thesis also aims to examine how auditors use academic research as well as research in general. The majority of auditors did not use and had not used academic research directly in their professional careers. Instead many from the bigger audit firms highlighted that they get research in a more practical format from the firm’s own experts and specialist hired to keep updated with their respective area of expertise.

Auditors from smaller audit firms referred to educational courses that was attended from time to time and that this was an indirect way of staying updated. All auditors nonetheless said that trade magazines (e.g. Balans) was frequently read and a much appreciated source of knowledge in regards to research and news. Some auditors questioned whether or not it was important to read academic research articles as it was perceived that the relevant practical parts of it came through other sources than the articles itself. The impression was that auditors received literally too much research material and were therefore forced to sieve out the parts needed to help for example with a concern of a client. The implications are therefore that if researchers want to reach the attention of auditors a published article in a respected journal is not sufficient as auditors do not read them, this can be seen as a failure according to the statement by Dyckman (1989, p. 111) which says that accounting is a profession with a practical character and that research within the subject should be founded on the base of solving practical problems. We instead suggest that one try to catch the attention of experts hired by audit firms or a publisher for a trade magazine for auditors as it seems more likely to reach auditors in this way. Overall the interest and purpose for using research was very practical related. It was mostly short answers that declared that not enough time existed to justify reading much else than the firm’s own intranet or to simply ask a colleague with more knowledge. It appears that general auditors do not have much direct contact to the academic community simply due to lack of time.

Potential of increased interest for academic research
In regards to findings it was not much that can be presented in the area of how to increase interest for academic research. The question was asked to auditors who did not
use academic research and mostly it was stated that it was either not practically relevant to read or that the time was simply too limited. So in this matter this thesis can only present a short analysis on these particular findings, it can be argued that findings indicate that the majority of auditors want more practically relevant research.

**Opinions about how available and understandable research is**
The consensus among auditors is that research is available and understandable. This is in line with the suggestions made by Basu (2012, p. 852), however both practitioners and Basu argues for less academic jargon. Auditors furthermore take part of research more indirectly through sources as the previously mentioned case of the intranet, which then allows for auditors to take the parts and bits of research that is practically relevant to their specific area. In order to use knowledge originating from academic research, teamwork within the firm seem to be key word. This is likely due to the simple explanation that it is most efficient to delegate the accumulation of research on a few employees that distribute the perceived relevant information to other auditors through an intranet.

**Opinions about the practical relevance of research**
As previously mentioned auditors give the impression that academic research is not enough practical relevant. One should be careful in drawing the conclusion in stating that academic research is not useful for practitioners simply because auditors do not directly read academic articles. Many of the auditors said they do not actively search for research, therefore they have no opinion of its practical relevance. The ones who said that they did not find it practically relevant can be divided into two groups: those who wanted to take indirect part of academic research and those who did not see the use of it. The first group wanted to know the essential parts of academic research through experts within the firm and therefore wanted almost like a “practical translation” of the articles by specialists. The second group had some experience with academic research but did not see the point in the use of it, since it was too theoretical to use for actual work.

**Fields in need of more research**
Dyckman (1989, p. 118) suggests that practitioners have a responsibility to develop ideas and present practical innovations for future topics to be studied. Therefore, we aimed to search for practically innovative topics for further research by gathering data, analyse it and also through asking the practitioners themselves. There is a general agreement among auditors that there is no need for further research in any specific areas related to their profession. Furthermore, it seems that auditors do not find research interesting since theory and reality are too separated from each other. However, some areas were pointed out as potential research topics, regulations and how to make it easier for smaller companies was mentioned. Expectations from auditors and customer relations was also mentioned briefly. Another mentioned subject was related to auditors’ independence and behaviour, which was perceived as more interesting than laws and regulations. As there exists no consensus among auditors that no specific new research is needed, no clear guidelines can be easily provided for further research. However, some indications for future topics are provided, which all seem to be practical in relation to the auditing profession.
6.5 Theorization of the findings and construction of knowledge

Institutional change
In chapter three, the future two potential strategies for the auditing profession described by Malsch & Gendron (2013, p. 871) were pinpointed. The first suggested strategy stated that the accounting industry would make use of the commercial acquisition of the new markets for value adding services, in the case of auditing this service is advisory. The second strategy suggested that the accounting industry would preserve and evolve its original professional and symbolic privileges, meaning in this case public trust. Since regulation is forcing auditors to no longer provide advisory services, the second strategy seems more likely and an example of how auditors mentioned that they could evolve the original profession was the aspects of environment and sustainability reporting, which by some was regarded as a potential future market. Furthermore, were two types of agents described namely the “guardians”, which in this case would be traditional auditors and the “innovators” that in this case would be consultants. But in practice, the two types of agents within the auditing profession were not at all recognized during interviews. The reason for this is according to us that it is a theoretical oversimplification behind dividing auditors up into two categories and actually many seemed to enjoy both consulting and auditing.

Formula of change
When summarizing the formula of change, which is stated: D x V x F > R (Dannemiller & Jacobs, 1992, p. 483), the identified factors will be individually discussed, followed by an overall assessment.

D in the equation, which reflects auditors’ dissatisfaction with the current situation, was perceived as noticeable since auditors experience an increased efficiency demand and that some parts of the profession are losing its importance due to competition. This demonstrates an increase on the left side of the equation.

Moving on to the V in the equation, which reflects auditors’ visions of possibilities for the future, it showed that auditors see potential with digitalization as an efficiency tool to the extent that real-time financial reporting is likely to be actualized in the future. Furthermore, auditors today believe that younger auditors in the future will provide technological abilities as common knowledge. These factors further increase the equations left side.

Furthermore, F in the equation reflects how auditors perceive that the first step towards visions has been taken. It was in general observed that auditors work less with papers and more with digital files. Further it was identified that the fundamental parts of the auditing profession are similar today as to the past but that digitalization has a true impact, which even more indicates an increase on the left side of the formula of change equation.

Considering the right side of the equation, which reflects auditors’ resistance to change, indicates a clear decrease towards change resistance. The older auditors show a slight resistance to change in relation to adapting to new technologies but still find the development of digitalization necessary. Some auditors also express a slight concern in regards to IT-security as a consequence from digitalization, however this is not seen as a serious issue and mainly positive feelings are expressed in relation to digitalization.
Furthermore, positive feelings are expressed towards learning and embracing future opportunities and with a younger generation entering the profession, digitalization will follow as a perceived positive outcome.

These factors together indicate a low resistance towards change and according to the model, the resistance will decrease even further in the future since younger auditors are entering the profession, while at the same time older auditors will retire in the near future. This aforementioned generational shift is likely to cause the gap between the two sides in the equation to increase, leading to an even faster pace of change due to digitalization. To end this discussion, we finish by stating it to be evident that $D \times V \times F$ is larger than $R$. Auditors are positive towards the changes digitalization provide and with certainty it is believed that the profession will experience change due to digitalization. Figure 2 presents a summary of the equation and the affecting factors.

**Formula of change**

- **$D$**
  - Efficiency demands
  - Profession becoming increasingly hollow

- **$V$**
  - Efficiency tools from digitalization
  - Younger auditors increase technological knowledge
  - Less papers, more digital files
  - True impact from digitalization

- **$F$**
  - Some resistance among older auditors
  - Some concerns related to IT-security
  - Positive towards digitalization and its future opportunities
  - Younger generation decrease resistance

- **$R$**

*Figure 2. Formula of change*

**Force field theory**

As mentioned in chapter three, there are four main steps in conducting a Force Field Analysis (Page, 1977, p. 298). Firstly, the problem area has to be chosen, this step is completed through our problem background and choice of subject found in chapter one. Secondly, one has to describe the situation and thirdly describe the desired state towards which progress is heading. The second and third step have with the help of auditors been included in the broad discussion in chapter five. The last step will be undertaken in this chapter, that is to say the identification and listing of all forces involved in the situation. In the last step it is important to think about not including potential or desired forces as only currently affecting forces should be listed (Page, 1977, p. 300), therefore has this study only included forces that interviewees already have said have been set in motion. The following **enabling forces** were identified and listed: younger generations entering the profession, increasing demand for IT-competence, enthusiasm towards digitalization and digitalization stimulating opportunities for new jobs. The following **constraining forces** were identified and listed: difficulties with retaining new auditors within the profession and cost of IT-investments.
Younger generations entering the profession, is identified as an important force as it was mentioned by many auditors in the discussion both about present as well as future challenges. The force is likely to escalate the process of digitalization as younger auditors replace older and therefore lead to quicker adaption to technology.

Increasing demand for IT-competence was partly commented by auditors and partly perceived by us as an important enabling force. Many auditors talked about digitalization in the sense that companies are requiring them to keep up with technology in order to stay relevant. Much of this demand was mostly derived to larger companies today, indicating that this demand is and will be of relevance for the future as smaller companies are catching up.

Enthusiasm towards digitalization should definitely be considered as a force since the positive attitude among auditors towards digitalization seems to lower the probability of them resisting it. Digitalization stimulating opportunities for new jobs was definitely one interesting topic brought up by auditors and is extra important in the future as competition among audit firms is increasing. If audit firms successfully increase their provision of quality assurance of for example, sustainability reports in the future, this could partly be a result of the available information generated by digitalization.

Difficulties with retaining new auditors within the profession is seen as a constraining force especially since the newer generation is considered to assist in accelerating the process of digitalization and this problem is considered to be a substantial problem by many interviewees. Cost of IT-investments should be stated as a force although it is more of a problem for smaller auditing firms since the bigger audit firms put much emphasis on their IT-departments and how they are accompanied with much needed expertise. The total result of our force field analysis is the assessment that enabling forces are stronger than the constraining forces. The reason for this is partly our analysis of the interviews and partly that auditors themselves have an undertone that indicates that not only have digitalization slowly started, it is far from definite. The results are combined in figure 2 below in an illustrative arrow chart.
Figure 3. Force field analysis on digitalization
7 Conclusion

The final chapter presents our conclusions based on the discussions from our empirical findings. We begin by answering our three sub-questions and how those answers fulfil our research purpose. This is followed by answering our sub-question related to auditors use of research. After that, both practical and theoretical contributions are examined. When all sub-questions have been answered, our main research question is revisited and answered. Subsequently, suggestions for further research are made, quality criteria are discussed, limitations are clarified and social implications are conveyed.

7.1 Research question and purpose

In order to fulfil the two purposes of this study, our sub-questions will be answered since they have been designed solely to guide the purposes of this study. The first sub-question is as follows: How do auditors perceive past and current changes of the auditing profession? In general, no change of attitude has occurred among auditors towards the profession, however a consensus was that extensive change had occurred within the profession. Auditors from smaller firms were concluded to be more negatively affected by these changes than the others. Over-regulation seemed to have caused the negative change experienced by auditors and the auditors have simply adapted themselves to the changes. The younger generation was pointed out to not have experienced these negative change to the same extent. Not much change has occurred to demographics of auditors except some positive changes in the aspect that the profession became more equal in regards to gender. Auditors further believed that a lot of the technological knowledge in auditing firms has been a result of younger generations entering the profession. Most of the previous changes in regards to digitalization has been identified as “digitization”, which is concluded to be an early stage in the digitalization process. Auditors perceived much of the digitalization to transform information into digital files.

The occurred changes in the auditing profession in regards to digitalization was perceived differently among the interviewees, some had adapted it to a greater extent than others. Mainly younger auditors and auditors employed by “the Big Four” is concluded to have adapted digitalization to such an extent that it was considered to play an important role today. Additionally, when asked how far the process of digitalization had developed, some auditors claimed it was half-way there and some claimed it had not truly started yet. The attitude towards digitalization among auditors was concluded to be positive. To include at least one indicator of how technology is adopted, the use of social media platforms was used. The use of social media platforms was however not considered to be very extensive, except by a few auditors.

Many auditors frequently brought up the standardisation of legal frameworks in Sweden to those of the European Union. This change had a tremendous effect on auditors, especially auditors working for small and medium sized organisations. Furthermore, it was commented that increased work demands were put on auditors, while leaving less room for professional judgement. Another change commented by the auditors was that advisory services and audit services are increasingly separated. These changes were also perceived more negatively among smaller and medium sized audit firms. Among the older auditors, it was pointed out that even though the profession has experienced considerable change, it is fundamentally the same job as when they started. It was
pointed out by some auditors that auditing has become more specialised and knowledge about audit theory has increased, the negative effects were the increased efficiency demands on the profession. Some interviewees also claimed that auditors were portrayed negative in media to a larger extent than historically, the explanation for this was that media have misunderstood auditors’ role and their part in recent scandals. Also, it was mentioned that auditors to a greater extent today are exposed to a risk of getting sued for insurance money. Competitiveness within the audit industry was perceived by interviewees to force audit firms into engaging with activities related to attracting new customers, something that audit firms is currently adjusting to. Retaining personnel was further considered as a present challenge since audit firms had and are having trouble competing with other industries for competent employees. The above discussion highlights all perceived important past and current changes and answers the first sub-question.

The second sub-question is stated as follows: How do auditors perceive futures changes of the auditing profession? Auditors perceive future changes as mainly positive, however it was emphasized that older auditors were less flexible and less willing to participate in new processes as for example digitalization. An important potential future change in the statutory limit for audit obligation was discussed by several auditors. However, if this change was positive or negative had split opinion among the auditors. The main effect was although considered to be caused on smaller audit firms as they potentially could lose many of their future clients. Not many auditors believed that there was a future in setting up their own small independent audit firm as changes and upcoming changes made this risky, with the aspect that it is going to be a very competitive market in the future. Another belief was that the increasingly more advanced internal systems used by audit clients are heading towards a new demand for IT-competence.

In comparison with other topics digitalization is mentioned with a much more positive tone. The main future driver of digitalization stated by interviewees is concluded to be younger auditors. Regarding future IT-security in relation to digitalization, larger audit firms entrust that their IT-department has full control, and is competent enough to ensure the safety of digital information. Even though the use of social media platforms was not presently extensive, a consensus among auditors was that this will increase in the future, and some explained this also due to a generational shift within the profession. A further frequently mentioned topic was that of the ever present process of increasing efficiency within the auditing profession, this process was feared to in the future be out of control as some tendencies towards this could be observed today. A few auditors mentioned that smaller audit firms working with smaller companies have a challenge in adapting to an internationalized market where smaller companies to a greater extent will have international subsidiaries. Future possibilities were mentioned by auditors as to the increased demand for audits related to sustainability and environmental information. These types of audits could create jobs according to interviewees, and the increased demand for sustainability reports have presently been observed to increase. In regards to future competence, social skills were deemed important as they will be needed in a very competitive future market. The above discussion highlights all perceived important future changes and answers the second sub-question.
The third sub-question is stated as follows: *How do auditors perceive the future role of digitalization?* An important finding of this study was that much reliance was put on younger generation to advance the use of technology within the auditing profession. Digitalization as a process was considered as an important factor in the future by the majority of auditors. Digitalization had previously only affected interviewees to some extent, however the relevance of digitalization as a future important factor was widely recognized. Some argued for a larger importance than others and some indicated that the importance depends to some extent on firm size. Moreover, digitalization often referred to as a mean of increasing efficiency. Larger audit firms were in the future believed by some of the participants to have an increased need for specialised IT-auditors. Some of the interviewees commented on digitalization as a process that could take auditing as far as to the point where real-time reporting of financial information is possible, real-time reporting in the future could lead to a substantial change of the entire auditing profession. This discussion in combination with our analysis of three formulas’ related to change conclude that there is not much that is stopping digitalization from playing an important role in the future of the auditing profession, both according to us and auditors. The above discussion highlights how auditors perceive the future role of digitalization and answers the third sub-question.

The sub-question related to practitioners use of research is stated as follows: *How do auditors perceive the role of academic research to shape the future of the auditing profession?* To answer the research question, it can be concluded that the majority of auditors did not read and had no direct input from academic research. Additionally, auditors from larger firms claimed that they got this information indirectly from expertise within the firm in a more practical format. Auditors employed by small and medium sized firms often said that educational courses were attended continuously and through this, a small indirect amount of academic research reached them. The research mostly used by auditors was trade magazines and through these magazines academic research was said to be observed in a practical format. The overall solely use for using academic research is low due to the fact that auditors’ main priority is practical relevance and academic research is considered to be too theoretical. Our interpretation is that auditors require a practical translation and for that reason the perceived direct role of academic research for auditors is concluded to be low.

Through our analysis of our empirical findings and through answering our sub-questions, we conclude that different auditors have different expectations on how digitalization will shape the future of the auditing profession, digitalization will however play a much more important role in the future compared to today. A summary of auditors identified expectations is listed in table 5. The preceding conclusions of sub-question one, two and three answers our research question, which is stated: *How do auditors expect digitalization to shape the future of the auditing profession?*
Table 5. Summary of future expectations

<table>
<thead>
<tr>
<th>Key words</th>
<th>Descriptions of expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digitization</td>
<td>First implemented step towards future digitalization</td>
</tr>
<tr>
<td>Younger Auditors</td>
<td>Will be a main driver for increased digitalization in the future</td>
</tr>
<tr>
<td>Older auditors</td>
<td>Less flexible towards future change in relation to digitalization</td>
</tr>
<tr>
<td>Social media</td>
<td>An indication for the next step taken towards future digitalization</td>
</tr>
<tr>
<td>IT-security</td>
<td>Believed to pose no serious future threat as a consequence of digitalization</td>
</tr>
<tr>
<td>IT-auditors</td>
<td>Are expected to be more needed in the future</td>
</tr>
<tr>
<td>Real-time reporting</td>
<td>Is envisioned to become reality in the future, due to digitalization</td>
</tr>
<tr>
<td>Firm size</td>
<td>Larger firms embrace digitalization to a greater extent than small and medium sized organisations.</td>
</tr>
</tbody>
</table>

7.2 Contribution

7.2.1 Theoretical contributions of this study

This research explored the concept of digitalization, and its preliminary one “digitization”. It analysed the related changes by the use of change theories in order to identify past, present and futures forces that will drive the change towards digitalization of the auditing profession. By doing this, this study aimed to assist the auditing research field by providing an innovative qualitative study. By answering our research questions and applying change theories as diagnostic tools for change in regards to digitalization, this study has made a valuable theoretical contribution to the field of auditing research by building new knowledge. It has opened the field to explore the concept of digitalization from a broad perspective, with a qualitative research that has identified driving forces for change. Furthermore, by laying down a theoretical foundation for further research on change, we as the authors of this study argue for and sincerely hope that this exploratory study inspires and increases incentives to conduct relevant future research.

7.2.2 Practical contributions of this study

We previously discussed how the practical contributions of this thesis will be of use in regard to stakeholders that has an interest in the future of the auditing profession. After presenting our findings, analysis and conclusion we are sure to say that this statement still holds as this study yielded satisfactory results, especially among the data collected that is presented in chapter five. As much of the discussion is interesting but however not specifically relevant for the exact purpose of this study (e.g. the mentioned ongoing process of outsourcing), it can be interesting to read a broad discussion of what practitioners say about the future and ongoing change. To illustrate a stakeholder for which this study might be practically interesting an auditing student can for example, choose to use the findings in this study for practical use. The audit student might want to know how the job-market is perceived by auditors or to see the potential need for IT-auditors. Accounting academic who wishes to reach auditors might also benefit from the
fourth sub-question answered in this study, since the study is broad it can also appeal to a wide audience.

7.3 Suggested further research

When this study was carried out, we had little knowledge about research about the auditing profession, especially in relation to digitalization. However, along this research plenty of topics for further research were both discovered by us, and addressed by the interviewed auditors. Considering the impact of digitalization in relation to the auditing profession, one topic to further investigate could be how smaller audit firms without dedicated IT-departments look upon digitalization, and how they embrace it. Similar research settings could as well be applied to audit firms with only older employees. This would be interesting to investigate further since these two audit groups are perceived to face larger challenges from competition in the industry.

Furthermore, it was discovered that digitalization is a driver for outsourcing of simpler audit services, this could be an interesting topic to address in the future since the Swedish auditing industry could potentially change drastically if more advanced tasks can be outsourced in the future. This could have severe impact on the future role of auditors. Other impacts on the auditing profession in relation to digitalization that could be highlighted in future research is how audit firms’ customers perceive digitalization and if digitalization can impact value-adding services for them. One example of that could be real-time financial reporting and potential possibilities and challenges with that, for both customers and auditing firms. Overall potential risks and possibilities that can be connected to digitalization for the auditing profession, as well as potential ethical issues closely related to digitalization within the auditing profession are also important to focus future research on.

Turnover intentions were noticed as a perceived general problem within the auditing industry, it was mentioned that newly recruited auditors have a tendency to leave the profession due to more attractive working conditions within other industries. This is an issue that could be interesting for future researchers to investigate deeper. How to attract auditors to stay longer in the profession and reasons for why the auditing industry is facing problems to maintain talented personnel.

Overall there seem to be a resistance among auditors towards quantitative research, several auditors expressed that they received heaps of requests to participate in quantitative research via e-mail and it was conveyed that qualitative research, where the auditors can freely speak their mind was favoured to participate in. This indicates that further research should be of qualitative nature and address issues where opinions can be elaborated upon more, compared to in a quantitative study. Finally, an extension to our research in a future setting to further analyse the development of digitalization in relation to the auditing profession could be interesting to study.

7.4 Quality criteria

The quality assessment for this thesis will be conducted with the help of Tracy’s (2010) Eight “Big-Tent” criteria for quality in qualitative research. Tracy (2010, p. 837) argues for the importance to reinvigorate the criteria that make a good qualitative research, Tracy presents a universally applicable framework that is somewhat broader and more
modern than traditional methods for quality assessment. Tracy (2010, p. 838) further argues that quality criteria that are not only supported by the general qualitative community, but also understandable to the broader audience with less experience from qualitative research are important to advocate further knowledge creation.

Tracy (2010, p. 839) presents eight criteria that are broad enough to be flexible and universally applicable within qualitative research, but still adaptable to qualitative complexity and researchers’ different goals and desires. The eight different criteria are: worthy topic, rich rigor, sincerity, credibility, resonance, significant contribution, ethics, and meaningful coherence (Tracy, 2010, p. 839). The different criteria will be described and evaluated one by one in relation to this study.

**Worthy topic**
Tracy (2010, p. 840), explains a worthy topic within qualitative research as a subject often developed from either personal and/or societal events or from academic preferences. Furthermore, a worthy topic is suggested to be timely, interesting, relevant and significant (Tracy, 2010, p. 840). A worthy topic is further described as surprising, a topic that reaches beyond what is usually taken for granted, which makes research within topics with relatively little knowledge particularly interesting, since researches that only prove assumptions to be right are acknowledged as true but not as worth conducting (Tracy, 2010, p. 841). When the topic for this study was selected, it was done with inspiration from a lecture that addressed the current process with digitalization in relation to change in the auditing profession, and the importance to keep up with the development of digitalization. Moreover, collaboration with auditors and their initial feedback about our suggested topic further inspired our choice of topic. Since this thesis presents a topic that has not been widely explored in the past and that practitioners find interesting, timeliness and relevance ensures that we have addressed a topic worthy of research.

**Rich rigor**
To achieve rich rigor when conducting qualitative research, much attention must be given to the methods used when collecting and processing the data necessary for answering stated problems (Tracy, 2010, p. 841). The amount of data must be sufficient to support statements made and conclusions drawn by the researcher, the time spent on collecting significant data is also essential to consider (Tracy, 2010, p. 841). Furthermore, Tracy (2010, p. 841) addresses the importance of collecting the data from a sample that suits the research goals with the use of appropriate methods for interviewing and analysis. Since we interviewed 14 highly educated auditors, we are satisfied with our sample and convinced that they could provide more than sufficient practical and theoretical knowledge since our study brings up subjects directly related to their profession. The decline in new information received per interview also is an indication of that we reached theoretical saturation. We are further convinced that the length of the conducted interviews was sufficient, the auditors could think about and elaborate their answers for as long as they felt was necessary, we never pushed for answers. Additionally, we believe that 14 interviews were a satisfying amount because a perceived theoretical saturation point was reached. However, definite conclusions will be made with consideration that the total amount of auditors in our sample is relatively small in comparison to the total population.
**Sincerity**

According to Tracy (2010, p. 841), sincerity is attained by transparency and honesty throughout the research. Self-reflexivity is a practice to achieve sincerity, which advocates authenticity and honesty about weaknesses and strengths during the whole research (Tracy, 2010, p. 842). Furthermore, researchers that are self-reflexive evaluate response towards them and their impact on others, as well as question their own fondness and ask participants for feedback during the research (Tracy, 2010, p. 842). The in hindsight most rewarding idea for this study was to promote self-reflexivity through encouraging participants to come with feedback at the end of each interview and base the self-reflexivity discussion around the foremost negative but also positive feedback received.

Tracy (2010, p. 842) further promotes first person phrasing to remind about the researcher’s presence to the readers. Therefore, we are never referring to us in plain third-person such as “the authors of this study”. Additionally, transparency is another practice to achieve sincerity and is mirrored in honesty during the research process (Tracy, 2010, p. 842). Transparency further addresses how the topic was selected, the level of engagement, how data was recorded and transcription details (Tracy, 2010, p. 842). This study has provided all information that was relevant to disclose until the point where participants’ anonymity could be threatened. Transparency also includes to acknowledge everyone contributing to the research (Tracy, 2010, p. 842). Sincerity when conducting qualitative research is achieved by considering the needs of everyone affected by the study and not only to look after the researchers own needs (Tracy, 2010, p. 842). When we contacted auditors to negotiate access for interviews, we always made sure to find a time that suited their hectic schedule. Further if a contacted auditor declined to participate or answer a question, we accepted their refusal without asking further questions to avoid putting pressure on their participation.

**Credibility**

Credibility in qualitative research refers to if the research findings appear to be true and real, reasonable and trustworthy (Tracy, 2010, p. 842). Furthermore, the readers should trust qualitative work enough to act and make decisions based on it to make it credible (Tracy, 2010, p. 843). Thick description is a method to achieve credibility and this method has been used in this study to advocate that research should be explained in as much detail as necessary in order for readers to potentially draw conclusions on their own (Tracy, 2010, p. 843). During this research, we gave our best effort to give explanations in such a way that the reader can understand the fundamental meanings and use our presented tools and findings to potentially draw conclusions on their own. Moreover, the empirical findings in this thesis are presented in their entirety but structured with codes to facilitate a more convenient analysis both for the reader, and for us. Small comments as well as long discussions are presented to make sure no important information was excluded.

Crystallization and triangulation are concepts to increase credibility in qualitative research with the purpose to increase complexity and deeper understanding in the field of study, the idea is to explore the addressed topic from different viewpoints using multiple sources of data, theoretical frameworks and several ways of analysing the data (Tracy, 2010, pp. 843-844). It can be argued about to what extent we have achieved this during this study, since one can argue that there will always be more that could have been done but the transparency of this study enables further research to supplement and
extend this one. With limited resources we are still confident that our level of complexity and the insight into the topic are deep enough to be theoretically satisfying as we received excellent findings from our interviews with auditors and our chosen method for analysis is sufficient to provide deeper insights and reflections.

Member reflections is a method to further increase credibility, member reflection is proposed by Tracy (2010, p. 844) to ask for participant feedback during the research, to give them a chance to ask questions, give critique and share their opinions about the research. If participants show interest, give constructive critique, take their time to read the results and find the addressed topic interesting, the contributions are more likely to be credible (Tracy, 2010, p. 844). During the interviews with the auditors, all of them showed genuine interest into our topic and many stated that we found a topic of great relevance and importance, partly this could be since it was originally developed by a fellow confere. Some further explained the eagerness to read our final results. Towards the end of each interview, we gave each auditor the opportunity to add any ideas of own interest, reflect about the interview, give feedback and critique from which we learned and improved from. The member reflection criteria for credibility is by us assessed to be achieved.

Resonance
Resonance is achieved when the researcher manages to have an impact on the audience and gives the reader a sense of belonging, this can be accomplished by either aesthetic merit, generalizability/transferability, or a combination of them (Tracy, 2010, pp. 844-845). Aesthetic merit relates to how the research is presented, if it is presented in a clear way, without jargon and at the same time being understandable to the reader (Tracy, 2010, p. 845). We have tried our best to present our work in a logical, transparent and clear way without unnecessary jargon in relation to our subject, something that the interviewed auditors requested as well. Transferability and naturalistic generalization increase the resonance in qualitative research and are achieved when the readers can identify themselves with the research story, when a feeling is invoked that the context of the research can be applied to the readers’ previous experiences (Tracy, 2010, p. 845). Furthermore, researchers should base decisions on following their instinct to a greater extent, instead of merely give the impression that the research report functioned as instructions for the research (Tracy, 2010, p. 845). We are careful when saying that our findings can be generalized to all Swedish auditors, we are however confident that our research will create a feeling of belonging among many auditors that read this thesis, meaning that auditors can identify themselves with our research. We also saw the need for innovation as described ongoing in this thesis, which made us follow our intuition during decision making. These facts demonstrate that resonance is achieved to a satisfying extent.

Significant contribution
Research contribution becomes significant when current knowledge is measured and the research extend that measured knowledge (Tracy, 2010, p. 845). Furthermore, research that contributes with new understanding, based on previous research but with fresh new insights that future research can be built upon, contributes with theoretical significance (Tracy, 2010, p. 846). Tracy (2010, p. 846) defines research that propose topics for further research and that has an impact on a broader audience as heuristic research, which goes hand in hand with practical significance. A research becomes practically significant when contemporary questions are addressed and useful knowledge are
brought to illuminate and frame these questions (Tracy, 2010, p. 846). We are confident that this research brings significant contribution to the field of auditing research, both theoretically and practically. Digitalization is a contemporary subject and auditors themselves brought this issue to the table. As presented earlier in this thesis, the need for auditing research in relation to digitalization is undoubted present. New knowledge has been provided by us and thus the significant contribution is evident.

**Ethical**

Tracy (2010, p. 847) explains that procedural ethics includes to make sure that participants understand the conditions for participating in the research, that for example participation is voluntary, that information they provide will be store in a secure manner, and that their identity will not be revealed at any point during the study. We have previously explained what participation entailed and guaranteed the participants anonymity in detail, this will not be further repeated in this section. Situational ethics are explained as a reflection on each decision made in each situation throughout the research, reflection about methods and what is worth revealing should be a constant process (Tracy, 2010, p. 84). The standard procedure used by us during this research is that we constantly discussed every decision and its implications with each other, this in order to make sure that every decision was deliberately made to be ethically correct and avoid potential harm. This further relates to relational ethics, which involves that researchers must be aware of their actions and influence on others (Tracy, 2010, p. 847). Again, this was handled through a constant dialogue between us about what actions were right or wrong and what consequences our actions could have in others. Finally, we constantly considered how our final thesis would be seen by the public audience as well as by the participants, we have carefully and accurately presented our findings in a way that interviewed auditors should feel protected and at the same time have the feeling of not being misled or presented in an unrepresentative way. Since we cannot control how people interpret our final work, we tried our utmost to present this thesis in fair terms to avoid potential bias and unforeseen events. This in line with Tracy’s (2010, p. 847) recommendations for exiting ethics.

**Meaningful coherence**

The final criteria that Tracy (2010, p. 848) presents is meaningful coherence. This is reflected if a research fulfils its purpose, if researchers use suitable methods to support the findings and achieve what was intended with the research, further should relevant literature in connection to the central idea behind the study be used. A meaningfully coherent research has a clear connection between the theoretical framework and research design, collection of data and analysis (Tracy, 2010, p. 848). Overall, all parts of the study should be interconnected and all sections should have a purpose (Tracy, 2010, p. 848). We are convinced that all parts of our research have contributed to fulfil our purpose. They have continuously contributed with results in the way we intended them to do and we are especially satisfied with our empirical findings.

### 7.5 Limitations

To show understanding the limitations of this study need to be discussed and therefore this section will try to mention the most aspects in order to facilitate high quality of future research that potentially wants to duplicate or use the limitation to learn from this thesis. Discussion about limitations will start with disclosing the most important limitation. Then subsequently other equal or smaller limitations will be discussed until
all our perceived limitations which had an effect on the results of this thesis have been mentioned.

The undoubtedly biggest limitation is that auditors’ (and similar professions) views on perceived future change and role of digitalization is an under-theorized area, this have caused us to adopt an exploratory research design and to conduct open-ended interviews in which auditors determined the quality and length of answers. Since a large and diversified sample was selected we believe that ideas and thoughts was largely ensured not to being overlooked, from a practitioner's point of view. It should however be stated that it would have been beneficial to have similar studies that could have been used to compare in terms of results and methods.

Monetary and time limitations can also be mentioned to be a considerable limitation. Since the thesis had a structured time frame and was not written on commission there was not much flexibility in terms of expanding the interviews to other countries which would have been an interesting approach as to compare nationalities in terms of digitalization and ideas on future change. The time frame has also excluded meeting auditors in person that could have enabled more personal interviews instead of interviewing through telephone, however the importance of convenience for and risk of influencing the auditors made interviews through telephone an excellent substitute.

Finally, the limitation discussion will end with limitations that were related to internal factors that we as interviewers in hindsight could have improved. The previous limitations were more dependent on external factors, which in some sense was hard for this study to account for in advance. Auditors interviewed gave many personal opinions and this could have been complemented by more follow-up questions regarding how the organization they worked for prepared and perceived change. Auditing firms therefore were partly surpassed in the sense that we in the aftermath think it could have been interesting to supplement the discussion with more organizational related questions, especially for smaller auditing firms in regards to adapting to digitalization. However, since auditors seemed to mention everything deemed important by their standards, nothing of substantial importance is considered to be missed. Additionally, minor technological problems were encountered as two interviews were disconnected one time each due to bad telephone connection. This was no problem as contact could be established within a few minutes and the interview could continue without any further problems. Overall the technical problems were almost non existing and recorded audio files was of high quality and easy to transcribe.

### 7.6 Social implications

Due to the recognized complex aspects of change this study has emphasized the importance of ensuring that all statements made by us, are to be anchored in auditors’ original thoughts and ideas. The purpose for this is that practitioners’ expertise is considered by us to be of uttermost importance to guide the creation of knowledge. Some auditors were on the verge on ending careers that have been as long as 40 years, and it has to be stated that much was to learn from interviewees with such a great history in a profession. The occasionally unified opinions of auditors altogether were therefore considered reassuring when we interpreted findings and developed analysis. However, the fact that young as well as older auditors had personal, interesting and varying thoughts of the future made it easier to structure a broad thesis where not
everything that was stated could be considered a fact, but sometimes it was instead a vision or a hope for change within the profession. The strength of this thesis is that both are included and as long as the reader remembers this, we think it can have positive societal implications.

The potential negative societal implications this thesis can have is that auditors can feel misrepresented or misstated alternatively that the academic community apply or misinterpret this thesis in a way that is destructive for research. As stated in many ethically related parts of this thesis the well-being of the participants is put as the main priority before, during and after this thesis. We will by being available and reachable to the interviewees take responsibility, offer assistance to help and answer for all comments and analyses made in this thesis. In regards to this thesis destructive consequences on the academic community made by either us as researchers or others misinterpreting this study, it should be clarified that this could be a possible scenario as not much research exists in this area and therefore researchers could turn to this thesis for answers. It is therefore sincerely asked by us, that statements and analysis in this thesis are recognized by readers to be a part of a very dynamic environment where unpredicted changes can occur outside the control and analysis of this thesis.

One should consider the above mentioned scenarios although not exaggerate the potential negative effects of this study. We are strongly convinced that the results of this study will have positive effects and that the practice community and academic community is pushed closer, even so if by a tiny small step. Hopefully researchers and practitioners themselves reflect on interesting topics brought up to light by this study. Researchers should sometimes actively seek to be guided by practitioners, according to us this was rewarding and hopefully it made this thesis more relevant. This guidance in combination with a potential increased interest for academic research by auditors could optimistically lead research to prevent practical future problems.
Reference list


SFS 1995:665. *Förorordning om revisorer.* Stockholm: Justitiedepartementet (Department of Justice)


Appendix 1 – Information letter

In Swedish:

Syftet med uppsatsen


Medverkande personer i denna studie är auktoriserade revisorer och valet av deltagare är gjort med hänsyn till att få ett så diversifierat urval som möjligt. Vi har valt revisorer som arbetar för “the Big Four” samt revisionsorganisationer av mindre storlek. Vi har sammanlagt valt 21 deltagare av olika kön samt från olika delar av Sverige.

Vad din medverkan i denna studie innebär


För att säkerställa det ovannämnda kommer vi innan intervjun börjar att begära en verbal bekräftelse på att du som deltagare förstår innebörden av din medverkan, samt att bekräfta din tillåtelse till att hela intervjun ljudinspelas.

Hur den insamlade informationen kommer hanteras


In English:

Purpose and background of this study

This thesis is written by two students from Umeå University studying International Business Program at advanced level within the subject of accounting. The purpose is to
explore what auditors today think about the future of their profession. The importance of this is to find eventual practically relevant topics for future research and motivation behind this is expressed critique towards accounting researchers for the lack innovative and practically relevant research. Open interviews will be held with the purpose of gaining deeper knowledge within the topic based on the participants’ descriptions and anecdotes. Our research question is as follows: How do auditors expect digitalization to shape the future of the auditing profession?

Participants in this study are chartered accountants and the selection of participants is conducted with regards to obtaining an as diversified sample as possible. We have selected chartered accountants who work for “the Big Four” as well as audit organisations of smaller sizes. In total we have selected 21 individuals in our sample, which consists of different genders and from different parts of Sweden.

**What your participation entails**

In order to reach chartered accountant from all over Sweden telephone interviews will be conducted, the interviews will take place from the end of March until the beginning of April 2016 and each interview is estimated to take one hour at one occasion. During the interview, only the authors of this study (Markus & Patrik) and you as the participant will be present. This telephone interview will be audio recorded and will later be transcribed by us, direct quotes will potentially be presented in the final thesis. You as participant will be granted full anonymity and participation in this study is voluntary. You have the right to refuse answering any question and you can end the interview at any point in time without further questions.

In order to ensure the above mentioned, we will start the interview by request a verbal confirmation on that you as the participant agree upon and understand the extent of your participation and what your participation entails. Your consent regarding being audio recorded will also be confirmed.

**How data and information will be handled**

The collected data will only be available to us (Markus & Patrik). In the thesis this data will be processed and an analysis of the data will be presented. The final thesis will present the data in English and in a fashion that will not reveal the identity of you as a participant. When this thesis has been approved by the grading committee, it will be published in the “Digitala Vetenskapliga Arkivet” (DIVA). The outcome of the final thesis being published in DIVA is that it will be regarded as a public document, which means that it will be available to the general public. For further reference, our supervisor Catherine Loins would answer any question and can be reached at catherine.lions@umu.se.
Appendix 2 – Interview guide

In Swedish:

Bakgrund, tidigare erfarenheter och deltagarnas demografi
• Kan du beskriva din karriär som revisor?
  o Hur länge har du arbetat som revisor?
  o Vad är din roll inom din organisation idag?
  o Vad har du haft för tidigare roller?
  o Vad är det bästa med ditt yrke?

Frågor om nuvarande upplevd förändring
• Är det några stora skillnader idag jämfört med när du började arbeta som revisor, det vill säga har ditt yrke eller delar av det förändrats?
  o Om ja, vad och hur?
• Har det skett några positiva förändringar inom ditt yrke?
  o Varför upplever du det så?
  o Hur har du hanterat dessa förändringar?
• Har det skett några negativa förändringar inom ditt yrke?
  o Varför upplever du det så?
  o Hur har du hanterat dessa förändringar?
• Har du märkt av någon form av attitydförändring bland revisorer gentemot din organisation eller yrket som helhet på senare år (10år)?
  o Positiv/negativ
• Vad är attityden gentemot yrkets framtid hos dem som jobbat länge inom yrket respektive dem som jobbat kortare tid?

Frågor om förväntade framtida förändringar
• Tror du att något kommer förändras inom ditt yrke kommande 5-10 åren?
  o I så fall, vad?
  o I vilken utsträckning?
• Vilka möjligheter tror du framtiden kommer att erbjuda ditt yrke?
  o Ex. möjligheter till ökad kundnöjdhet, nya eller fler kunder.
• Vad tror du blir dom största utmaningarna för ditt yrke i framtiden?
  o Ex. utmaningar att behålla kunder.
• Vilka demografska skillnader tror du finns mellan framtida nyanställda och dagens revisorer?
  o Ex, kön, utbildning, ålder.
• Vilka färdigheter tror du kommer efterfrågas av revisorer i framtiden?
  o Mindre/mer viktiga färdigheter?
• Hur tror du framtidens revisionsfirma ser ut?
  o Ex, storlek, lönsamhet, sätt att anställa på och användning av teknologi.
• Håller du dig uppdaterad om ditt yrkes framtid?

Frågor om digitalisering
• Vad kommer du att tänka på när vi säger ordet digitalisering och hur förknippar
du det med ditt yrke?
  o Har digitalisering en betydande roll för dig idag inom ditt yrke?
    ▪ Stämmer det för din organisation?
  o Kommer digitalisering spela en betydande roll för dig i framtiden och
    inom ditt yrke?
    ▪ Stämmer det för din organisation?
  o Har digitalisering en betydande roll för ditt yrke just nu?
  o Finns det något negativt?
  o Har digitalisering en betydande roll för ditt yrke i framtiden?

• Tror du digitalisering kommer ha en inverkan på efterfrågad kompetens hos
  personalen inom ditt yrke i framtiden?
  o Varför?
  o Varför inte?
  o Vad kommer efterfrågas?

• Hur är IT-kompetensen hos revisorer i allmänhet idag?
  o Hur är din IT-kompetens?
  o Tror du att den kommer att förändras i framtiden?

• Tror du att digitalisering kommer föra ditt yrke i framtiden på något sätt?
  ▪ Möjliga följdfrågor på del ett av intervjun med digitalisering i
    fokus. Exempelfrågor:
    ▪ Tror du att teknologi kommer att förändra ditt yrke de
      kommande åren?
    ▪ Vilka möjligheter tror du att teknologi kommer skapa för
      ditt yrke i framtiden?
    ▪ Vilka utmaningar tror du att teknologi kommer skapa för
      ditt yrke i framtiden?
    ▪ Tror du att teknologi kommer ha inverkan på demografin
      på framtida revisorer?
    ▪ Tror du att teknologi kommer förändra efterfrågade
      färdigheter hos framtida revisorer?
    ▪ Om ja, varför?
    ▪ Om nej, varför inte?

• Tror du digitaliseringen kommer ha en inverkan på framtidens IT-säkerhet för
  revisorer?

• Använder du sociala medier i ditt yrke idag? Ex. kundkontakt.
  o Har användandet sociala medier förändrats de senaste åren?
  o Kommer användandet av sociala medier vara annorlunda i framtiden?

Frågor om forskning inom redivision
• Använder du eller har du använt akademisk/bransch/firmans egen forskning
  inom ditt yrke under din tid som revisor?
  o Varför?
    ▪ I vilket syfte använder du forskning?
  o Varför inte?
    ▪ Finns det något som kan få dig intresserad av att använda
      forskning?
      ▪ Vad?
• Anser du att tillräcklig nutida forskning om digitalisering finns, kopplat till ditt
  yrke?
O Om ja.
  • Anser/tror du att den forskning som görs är tillgänglig?
  • Anser/tror du att den forskning som görs är förståelig?
  • Anser/tror du att den forskning som görs är praktiskt relevant?
  
O Om nej.
  • Tycker du forskning om digitalisering i relation till ditt yrke är nödvändig att göra?
  
• Finns det några ämnen eller områden inom ditt yrke som du tycker är i behov av mer forskning?
  o Varför?

Summering
• Har du något att tillägga?
• Har du några frågor angående det vi pratat om idag?
• Har du några synpunkter på hur vi har skött intervjun idag?

In English:

Background, previous experience and demographic of participants
• Can you describe your career as a chartered accountant?
  o How long have you been working as a chartered accountant?
  o What is your current role within your organisation?
  o What previous roles have you had?
  o What is the best things about your profession?

Questions about currently perceived change
• Are there any differences between today and when you started working, have your profession or parts of it changed during your time as a chartered accountant?
  o If yes, what and how?
• Have you experienced any positive changes within your profession?
  o Why do you experience them as positive?
  o How have you managed these changes?
• Have you experienced any negative changes within your profession?
  o Why do you experience them as negative?
  o How have you managed these changes?
• Have you noticed any changes in attitude among auditors towards your organisation or the profession as a whole lately (10 years)?
• What is the attitude towards the future of the profession among auditors with longer experience respectively those with shorter experience?

Questions about expected future changes
• Do you believe that something will change within your profession the upcoming 5-10 years?
  o If so, what?
  o To what extent?
• What opportunities do you think the future will offer your profession?
  o E.g. possibilities for increased customer satisfaction, new or more customers.
• What do you believe will be the biggest challenges for your profession in the future?
  o E.g. challenges to keep customers.
• What demographic differences do you think exist between future new employees and today's workforce?
  o E.g. gender, education, age.
• What skills do you think will be requested from chartered accountants in the future?
  o More/less important skills?
• How do you believe the future auditing firm will look like?
  o E.g. size, profitability, way of hiring and use of technology.
• Do you keep yourself updated about your profession's future?

Questions about digitalization
• What comes to mind when we say the word digitalization and how do you relate it to your profession?
  o Have digitalization in relation to your profession a significant role for you personally today?
    ▪ Is it the same for your organisation?
  o Will digitalization in relation to your profession play a significant role for you personally in the future?
    ▪ Is it the same for your organisation?
  o Have digitalization a significant role for your profession today?
  o Is there something negative?
  o Have digitalization a significant role for your profession in the future?
• Do you believe that digitalization will affect the requested competence within your profession in the future?
  o Why?
  o Why not?
  o What will be requested?
• Do you believe that digitalization will shape your profession in some way in the future?
  ▪ Possible follow-up questions on part one of the interview with digitalization in focus. Example questions:
    ▪ Do you believe that technology will change your profession the upcoming years?
    ▪ What opportunities do you think technology will offer your profession in the future?
    ▪ What challenges do you think technology will create for your profession in the future?
    ▪ Do you believe that technology will change the demographics of chartered accountants in the future?
    ▪ Do you believe that technology will change the requested skills from chartered accountants in the future?
      ▪ If yes, why?
      ▪ If no, why not?
• Do you believe that digitalization will affect future IT-security for chartered accountants?
• Do you use social media within your profession today? E.g. customer contact.
  o Has the usage of social media changed the past few years?
Will the usage of social media be different in the future?

Questions about accounting research
• Do you use or have you used academic/industry/firm research during your time as a chartered accountant?
  o Why?
    ▪ For what purpose do you use research?
  o Why not?
    ▪ Is there anything that can get you interested in using research?
      • What?
• Do you consider sufficient current research about digitalization in relation to your profession existing?
  o If yes.
    ▪ Do you consider this research to be available?
    ▪ Do you consider this research to be understandable?
    ▪ Do you consider this research to be practically relevant for you?
  o If no.
    ▪ Do you think research about digitalization in relation to your profession is necessary?
• Are there any subjects or areas within your profession that you consider is in need of more research?
  o Why?

Summary
• Do you want to add anything?
• Do you have any questions regarding what we have talked about today?
• Do you have any feedback on this interview and the way it was conducted?