Clash of Cultures

Why Organizational Schizophrenia is Bad for Performance

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Abstract

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Keywords: Management control, Professional service firms, Clash of Cultures, Motivational theory, Social psychology theory

Purpose: The purpose of this study is to contribute to the knowledge of why the performance of professional service firms decreases when facing high levels of bureaucracy and identify the major aspects of importance for this change in performance.

Methodology: To answer the research question the study has a qualitative research approach, starting with a theoretical review, followed by a multiple-case study of professional service firms.

Theoretical perspectives: The theoretical framework is based on an adoption Self Determination Theory, Social Identity Theory and various subtheories, to the Clash of Cultures phenomenon.

Empirical foundation: The empirical data consists exclusively of primary data, and is collected through semi-structured interviews with eight participants employed at Deloitte, PwC and KPMG.

Conclusions: This study shows that both motivation theory and social psychology theory provide important contributions in explaining the decrease in performance of professional service firms experiencing a Clash of Cultures. The main findings concern the level of intrinsic motivation of the individual employees, and the consequences of different groupings and the subsequent intergroup behaviours.

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1. Introduction

1.1 Background

Professional service firms (PSF) have a major impact on the economy as a whole, not only does PSF constitute a big part of the economy, but they also exercise a significant influence on other parts of it through their operations. For example, a management consultant usually consults high ranking managers and executives, who are responsible for governing their respective firms which by extension influence entire industries (Lorsch & Tierney, 2002). PSF are still growing at rapid pace and consequently play an even bigger part of the in global economy in the future (Delong & Nanda, 2003).

A positive relationship between size, organizational complexity and degree of formalization has been suggested in several earlier studies such as Caplow (1957) and Grusky (1962), and more recently confirmed in a modern setting by (Faulconbrigde & Muzio, 2007). It is however not just the changes in organizational structure due to an increase in size that have led to tighter control. For instance, a public demand for accountability and transparency manifested by antitrust decisions, political pressure and more demanding administrative requirements in PSF are leading to a formalization of how professions and organizations control their members and employees. Since the 1960s scandals have tainted the public image of scientific research, medical research and practice, legal practice, and judicial neutrality (Friedson, 1984). A more recent example is the financial crisis of 2008 that was followed by new financial regulations in the form of the Dodd-Frank Wall Street Reform and the Consumer Protection Act (Balasubramnian & Cyree, 2014).

This increase in organizational formalization does not align with the ideal work environment for professional as they wish to maintain the autonomy which has previously characterized their work (Copur, 1990). This emergent confrontation between the needs and demands of organizations and professions have been termed the *Clash of Cultures* and have been shown to reduce the organizational and individual levels of performance in PSF (Abernethy & Stoelwinder, 1995). What the literature yet has to explain is why this conflict leads to lower levels of performance.

The ambition of this study is therefore to address this gap in the literature by examining the Clash of Cultures phenomenon from two different perspectives, a motivational and a social psychological. This is primarily done through the use of Self Determination Theory and Social Identity Theory. Self Determination Theory is a theory of human motivation and personality in different social contexts (Ryan & Deci, 2011). Social Identity Theory on the other hand seeks to explain how individuals form social groups and how these categorizations affect behaviour (Tajfel, 1982). In other words, Self Determination Theory focuses on the individual and its *will* to do something, while Social Identity Theory focuses on group behaviour and its consequences for the *ability* to do something. Utilizing

these two separate perspectives will therefore enable this study to examine the Clash of Cultures from different points of view in order to study why it leads to lower levels of performance.

1.2 Purpose

The purpose of this study is to examine if motivational theory and social psychological theory can explain the decrease in performance experienced by professional service firms during a Clash of Cultures.

1.3 Research Question

Why does the performance of professional service firms decrease during a Clash of Cultures?

1.4 Outline of the Thesis

Next, chapter two will describe the contextual setting for the thesis, its development and the major driving forces behind it. Thereafter the theoretical framework will be presented in chapter three, which will describe the main components of the theories used for constructing the interview questions and analysing the data gathered through these. A possible conceptualization of the clash through the two main theoretical perspectives is also provided in this chapter. The research design, methodological approach, and their motivations will then be presented in chapter four. In chapter five the empirical findings of the interviews will be presented and then discussed in chapter six with support of the theoretical framework. Finally, in chapter seven the conclusions of this discussion will be presented followed by the contributions and limitations of the study together with suggestions for future research.

2. Contextual Setting for the Study

A profession is commonly defined as an occupation held by individuals (professionals) who from high levels of education and training gain special insight and skills within a recognized body of knowledge (Professions Australia, 2016). Within academia this definition is often expanded with a varying number of criteria to be met in order for an occupation to be classified as a profession. A commonly used reference point is the one provided by Greenwood (1957) which set the following criteria for the qualification of a profession: it has (1) a systematic body of knowledge/theory; (2) authority; (3) regulations and control of its members; (4) a code of ethics; and (5) a professional culture based on values, norms and symbols. Some traditional examples of professions are medicine, law and accounting (Abbott, 1988).

These aspects set professions apart from other occupations and provide firms operating within a profession industry with a distinct set of identifiable characteristics which significantly differentiate them from traditional organizations (Lowendahl, 2000). This differentiation, most saliently showcased by PSF, presents an organization with a unique managerial and governance setting stemming from these firm characteristics (Freidson 1984), (Abernethy & Stoelwinder, 1995), (Løwendahl, Revang & Fosstenløkken, 2001).

- Services are customized to individual clients based on subjective assessments made by professionals
    - Value creation is knowledge and skill intensive
    - The customization requires a high degree of interaction with clients
    - Output is intangible

- Professionals' behaviour is regulated through social control
    - Socialization through the profession, a community of peers
    - Constraints and limitations are set by professional norms of conduct
    - Control is based on values, attitudes and beliefs

The unique services provided by PSF are called quality-type tasks (Greenwood, Li, Prakash & Deephouse, 2005). The importance of the characteristics of these services, and necessity of viewing PSF as a separate category of organization from a governance perspective, have been highlighted in several studies; Abernethy & Stoelwinder (1995), Greenwood & Empson (2003), Harlacher & Reihlen (2014). This is important to consider when interpreting and analysing the consequences of the recent developments of these firms.

PSF are playing an increasingly important role in economies the world over (Delong & Nanda, 2003). For example, estimates put their aggregate growth in revenue between 1997-2000 at over $200 billion, or 30 %. The largest PSF are also among the world's largest enterprises (Greenwood, et al., 2005). As PSF grow larger the need for a more controlling and bureaucratic form of organizational governance is needed (Faulconbridge & Muzio, 2007). This structural governance change in the control mechanisms employed thusly threatens the need for autonomy that distinguishes professionals by limiting their freedom of judgement in decision-making and the informal social control used to regulate behaviour within the profession.

The necessity for tighter control of professionals in PSF has also been championed as a response to a number of scandals such as Enron. In the wake of the Enron scandal Arthur Andersen, at the time one of the world's largest accounting firms, lost its license to practice as a Certified Public Accountant and was found guilty of criminal charges due to its inadequate auditing of Enron (Gendron & Spira, 2009) (SOU 2004:47). Events like this and the previously mentioned financial crisis of 2008 have led to a loss of trust in PSF and a demand for increased transparency, which by extension has led to both judicial changes such as the Sarbanes-Oxley Act, as well as a more controlled internal environment within PSF (ibid).

Another development concerning the autonomy and control of professionals within PSF is the de-professionalization thesis. This is based around the concepts of prestige and trust in professionals which in turn grants them a certain autonomy and freedom. The foundation of these parameters is the possession of a monopoly over a body of complex, or hard to acquire, knowledge not accessible to lay people (Haug, 1973). As the number of tertiary graduates and overall education have increased significantly since Haug's publication (UNESCO, 2017), and digitalization has enable a radical transformation in the availability of information, this foundation based on a knowledge gap should have been noticeably reduced. Since the monopoly of knowledge have been reduced, the possibility formerly granted to professions to set their own rules have also reduced, resulting in less autonomy and more control (Haug, 1973, 1977).

The reduction in the knowledge gap have led to clients being better able to assess and evaluate the complex and intangible services provided by PSF and thusly increase the legitimacy of their demands for receiving better value for their money (Oppenheimer, 1973). This in tandem with the increased competition among PSF, due in part to their growth, has led to a greater focus on organizational efficiency, central strategic control and cost-reductions (Brock, Powell & Hingins, 1999). This focus has transformed the organizational decision-making and governance of PSF towards the bureaucracy of for example traditional manufacturing firms (ibid). This further limits the autonomy and social controls which used to characterize PSF.

A final aspect of the development in the governance of PSF is that of organizational loyalty. In order to more effectively utilize their most important asset, the knowledge of their employees, PSF increasingly demand higher levels of loyalty towards the organization in which the professionals work (Greenwood, 2005) (Abernethy & Stoelwinder, 1995). This undermines the traditional control tool for regulating professional behaviour, social control. This since the foundation of social control is values, beliefs, and attitudes, which are derived from the identification and loyalty towards the profession to which the professional belongs (ibid). I.e. this attempted shift of loyalty would also shift the locus of control from the autonomy focused profession to the more bureaucracy focused organization.

These developments represent, and are part of, a more controlling and bureaucratically focused culture which gradually has become more salient in PSF. This is manifested through control mechanisms such as standardization, rules and policies, budgets and incentive systems (Abernethy & Stoelwinder, 1995). The formal administrative control this culture has brought is commonly thought of as ill-suited to the previously mentioned characteristics of professional culture and PSF (ibid) (Friedson, 1984) (Faulconbridge & Muzio, 2007). It has thusly led to a Clash of Cultures. This clash's two opposing forces are (1) the autonomy advocated by the social control exercised by professions based outside of the organization; and (2) the bureaucratic use of administrative controls originating within the organization (Copur, 1990). Since these forces, or cultures, have conflicting characteristics, governance philosophies and different locus of control their attempted merger within PSF often entails a number of adverse effects on the organization and its employees; such as lower overall performance and a decrease in job satisfaction (Jackson & Schuler, 1985). The significance of these effects are proposed to be related to the level of role conflict experienced by the employees, which is the degree to which there exists "...the simultaneous occurrence of two (or more) sets of pressures such that compliance with one would make difficult or impossible compliance with the other" (Wolfe & Snoke, 1962, p. 103). This in turn, and in the more specific case of PSF, is determined by the levels of professional orientation of an individual and the level to which the organization tries to enforce administrative controls upon its employees; which are the two origins of the incompatible pressures (Abernethy & Stoelwinder, 1995).

3. Theoretical Framework

3.1 Motivational Theories

Motivation is a central and perennial issue within the field of psychology since it is the core of cognitive and social regulation. But more importantly, in the real world motivation is an important determinant of the level of performance (Ryan & Deci, 2000). Motivation can be defined as those forces within an individual that push or propel him or her to satisfy basic needs or wants (Yorks, 1976). The word motivation is closely linked with the word motive, which describes what induces a person to act in a way, or at least have an inclination for a specific behaviour (Peter, 1956) (Kast & Rosenzweig, 1985). Most psychologists, according to Dessler (1986), believe that all motivation is ultimately derived from the tension of an individual's unsatisfied needs. Motivation can more specifically be conceptualized as a combination of four psychological processes that influence a person's behaviour; arousal, which is the stimulation or initiation of energy/effort to act; direction, which is where energy or effort is directed; intensity, which is the amount of effort expended per unit of time; and finally, persistence, which is the duration of time that effort is expended (Mitchell & Daniels, 2003). When individuals experience tension caused by a need or intention that has not been satisfied they try to reduce the tension by, for example, changing the direction, intensity and/or persistence of their efforts. This is related to the assumption of homeostasis. The assumption of homeostasis is that people try to remain in a state of internal equilibrium, meaning that unsatisfied needs and intentions are motivating because they create an unpleasant state of tension to which individuals want to return balance (Birnberg, Luft & Shields, 2007).

Motivation can be divided into extrinsic motivation and intrinsic motivation. Intrinsic motivation is facilitated and salient when an activity is perceived as inherently interesting, enjoyable and the reward of the activity is the process itself. Intrinsic motivation is important for many reasons. Firstly, only intrinsically motivated employees will engage in contributing to the firm-specific resource pool. Secondly, extrinsically motivated employees will concentrate their efforts on areas where performance is easily measured, other activates such as initiative and team spirit will as a result be neglected. Since the outputs of PSF often are intangible, which increases the difficulty of measuring the output, the need for not neglecting these other aspects is high, intrinsic motivation is therefore better for these quality-type tasks. Thirdly, tacit knowledge is dependent on the intrinsic motivation of the employee, and tacit knowledge is important as only new knowledge is created when tacit and implicit knowledge is combined. Fourthly, activates such as creativity is dependent on intrinsic motivation (Frey & Osterloh, 2002). Intrinsic motivation is important for PSF for these reasons (Greenwood et al. 2005). Extrinsic motivation, on the other hand, is the motivation to perform an activity because it leads to a separable outcome that is desirable (Deci, 1971a). In other words, people can be motivated because they value an activity or because of a strong external incentive. Behaviour can also be derived from a

sense of personal commitment to excel or from a fear of failing. From this research of intrinsic and extrinsic motivation the Self Determination Theory was developed (Lepper, Greene & Nisbett, 1973).

3.1.1 Self Determination Theory

Self Determination Theory focuses on people's inherent growth tendencies and their psychological needs. It looks at the motivation behind people's choices without external influence and interference, and focuses on the degree to which these choices are self-motivated and self-determined, i.e. the intrinsic motivation (Ryan & Deci, 2002). Self Determination Theory is built upon the belief that human nature includes persistent positive features called innate psychological needs. These are the foundation and conditions upon which intrinsic motivation is built and facilitated (Ryan & Deci, 2000). Three such needs have been identified; *relatedness*, *competence* and *autonomy*.

Self Determination Theory can be used to explain the specific nature of these needs, but also to examine the social environments that are antagonistic towards them (Ryan & Deci, 2000). White (1959) referred to competence as people's capacity to interact effectively with their environment. Deci (1971b) found that unexpected positive feedback on a task increased people's intrinsic motivation to do it, and Vallerand & Reid (1984) found that negative feedback decreased intrinsic motivation. Example of this is the competence felt when being able to meet the challenges of a work task (Niemiec & Ryan, 2009). The need for relatedness concerns peoples' need to interact, connect and care for other people (Baumeister & Leary, 1995). Many of the activities people engage in are to experience the feeling of belongingness (Deci & Vansteenkiste, 2004). An example of relatedness is when a student feels that the teacher likes, respect and values them. This relatedness will increase the likelihood of them engaging in the task of learning, whereas those that do not feel this relatedness is more likely to only respond to external contingencies and controls (Niemiec & Ryan, 2009). The level of relatedness is thusly positively correlated to the level of intrinsic motivation felt by individuals. Lastly, autonomy, which concerns people's urge to be in control, to be able to follow their own will and to act in accordance with one's interest and values (DeCharms, 1968). To be autonomous does not mean to be independent of others, but rather that actions and behaviours stem from willingness and a sense of choice (Chirkov, Ryan, Kim & Kaplan, 2003). An example of this is students who willingly spend time and effort on their studies; they are in this case intrinsically motivated to do this (Niemiec & Ryan, 2009).

Cognitive Evaluation Theory

One of the subtheories of Self Determination Theory is the Cognitive Evaluation Theory, which has been used within the field of economics by Fehr & Falk (2002) when they researched the psychological foundations of incentives. Cognitive Evaluation Theory is a theory that explains the effects of external consequences on intrinsic motivation and has the aim of specifying factors that explain variability in intrinsic motivation (Ryan & Deci, 2000). The use of Cognitive Evaluation

Theory is usually based on the premise that a task is interesting so that the employee will want to engage in the task of their own volition (Deci, Koestner, & Ryan, 1999).

Intrinsic motivation is researched by looking at how social and environmental factors facilitate versus undermine it. Social contextual events such as feedback, communications and rewards that create feelings of competence during an action can enhance intrinsic motivation for that action. It is not enough with feelings of competence to maximize intrinsic motivation, it also need to be accompanied by a sense of autonomy (deCharms, 1968). Although Cognitive Evaluation Theory primarily focuses on competence and autonomy, relatedness is also hypothesized to have an effect on intrinsic motivation. Studies such as those by Frodi, Bridges, & Grolnick (1985) and Anderson, Manoogian, & Reznick (1976) have shown that intrinsic motivation is more likely to flourish in contexts characterized by a sense of relatedness.

Extrinsic rewards can undermine intrinsic motivation. Deci (1975), interpreted this as that rewards facilitated a more external perceived locus of causality, which diminished autonomy. It was also confirmed by Deci, Koestner, & Ryan (1999) that all expected tangible rewards made contingent on task performance do undermine intrinsic motivation. However, unexpected tangible rewards do not have a negative impact because they are unexpected and therefore do not influence the motivation to engage in the action. It is not only tangible rewards but also threats, deadlines, directives, pressured evaluations, and imposed goals that diminish intrinsic motivation because, like tangible rewards, they conduce toward an external perceived locus of causality. A theory that explicitly concerns how extrinsic incentives and motivation can affect intrinsic motivation is Crowding Out Theory.

Crowding Out

Crowding Out Theory suggests that extrinsic motivation can undermine intrinsic motivation. One example that showcases this well is Titmuss's (1970) argumentation on the topic of blood donations. He argues that if people received monetary compensation for donating blood then the blood donations will decrease. Crowding out can happen when an activity is both supported by high intrinsic motivation and external intervention, which creates a situation where the agent is 'over motivated'. The agent would perform the activity even if one, or both, of the motivations were reduced. The agent therefore decreases the motivation that is under its control, the intrinsic motivation (Frey, 1996). How much the intrinsic motivation is crowded out depends on how contingent a reward is on the performance desired by the principal, or how strongly the locus of control is shifted from intrinsic to extrinsic incentives. Extrinsic incentives can for example be promotions, prizes or financial rewards. Within an organization, the effects of rewards depend on the context and on how the rewards are applied (Frey, 1997).

3.1.2 The Clash of Cultures from a Self Determination Theory Perspective

When viewing the Clash of Cultures from a Self Determination Theory point of view the type and level of motivation of the individual employees is the focal point. This perspective is used to explain how the increase in bureaucracy and control can play a significant role in changing these two aspects of motivation. As the level of control and bureaucracy constitute parts of both the context in which professionals work and the characteristics of their workplace and work role, this theoretical perspective views the clash as having effects on the motivation of the individuals employed at the affected organizations. For example, if an organization, as a method for improving cost efficiency, increases the level of standardization through new policies aimed at streamlining the ways of working; the autonomy of the employees, with regards to how they perform their work, gets diminished. This in turn affects the intrinsic motivation facilitated by the role and by extension the level of intrinsic motivation of the employees. This is also the case for any changes to the work environment and role of the employees that reduces the amount of perceived autonomy, relatedness or competence.

Since the work performed by professionals is traditionally classified as quality-type tasks, the level of intrinsic motivation is the most important one for performance. The foundation for the clash, the increase in control and bureaucracy, thusly presents a number of changes that through their decimating effect on intrinsic motivation might also be responsible for the lower levels of performance showcased by organizations affected by the clash.

In addition to the changes to the contextual and characteristical foundation of the professionals' role and work environment, the clash might also effect the intrinsic motivation felt by employees through crowding out. If an organization, as suggested before, strives for more control of its employees and a higher loyalty towards the company, the use of mechanisms for extrinsic motivation might very well be used. For example, a compensation system based on the contribution towards the organizational performance provides both control and guides behaviour towards that of a loyal employee through the control mechanisms required to utilize the system (goal-setting, monitoring and so forth) and by providing an extrinsic motivation in the form of monetary rewards. In contrast to the scenario concerning cost efficiency provided above, the aggregate level of motivation can remain the same in this scenario. It is however still problematic as the introduction of extrinsic motivation risks crowding out the intrinsic motivation, i.e. replacing the optimal type of motivation for professionals with a less well-suited one.

3.2 Social Psychology Theories

The social psychology branch of psychology academia focuses on how interactions between different individuals influence and determine behaviour and cognitive processes as well as their understanding of different social structures and phenomena. One of most recently introduced social psychology

theories used within management accounting research is the Social Identity Theory (Birnberg, Luft & Shields, 2007).

3.2.1 Social Identity Theory

The basic concept that Social Identity Theory describes and tries to explain is the processes of how individuals categorize and sort people into different social groups and how these divisions affect their behaviour and cognitive processes (Tajfel, 1982). A social group is defined as a collection of people, ranging from three individuals and upwards, who identify with the group in a collective self-construal sense (we) based on factors such as values or attributes. Individuals can however, independent of group size, act as a member of a group regardless of if any other members are present as long as the behaviour and cognitions is tied to the group identity (Hogg, Abrams, Otten & Hinkle, 2004). The theory revolves around three major processes (Tajfel & Turner, 1979).

- Social Categorization
- Social Identification
- Social Comparison

Social Categorization

The first of these major processes is social categorization which is the process of sorting individuals together into groups. The Self-Categorization Theory revolves around this process and was developed along with the more over-arching Social Identity Theory, of which the Self-Categorization Theory is an important part (Turner & Oakes, 1986). The theory is based on the notion that the self "... exists at different levels of abstraction..." (ibid, p. 241). This can range from personal identity (I, you, he/she) to social identity (we, you, them). The actual formation of different groups, the sorting of individuals to them and the salience of the resulting social categorizations is determined by *perceiver readiness* and *category- stimulus fit* (Turner, Oakes, Haslam & McGarty, 1994). Perceiver readiness is a term used to describe an individual's accessibility to different social categories based on prior experiences, current motives, expectations and values (ibid). For example, someone who has travelled intensely throughout much of their life is more likely to categorize people on the basis of nationality since these categories are more accessible to this individual due to him or her being an experienced traveller.

Category-stimulus fit consist two categories of fit, comparative fit and normative fit (Turner et al., 1994). Comparative fit is the degree to which a category is separable based on comparisons with other 'background' categories in a given context. This definition is based on the principle of metacontrast which states that "a collection of stimuli is more likely to be categorized as an entity to the degree that the average differences perceived between those stimuli are less than the average differences perceived between them and the remaining stimuli that make up the frame of reference" (Turner et al., 1994, p.

455). In the case of a school conference for example, if the type of relation to students is perceived as the most pronounced differentiating factor, then this is the basis for the primary social categorization (e.g. teachers and parents), instead of for instance gender (male and female). Normative fit instead refers to the degree to which the behaviour of members of a certain social category corresponds to the expected behaviour based on the group affiliation (Turner et al., 1994). If for example a large number of medical personnel involved in cancer treatment smokes, this would be inconsistent with what is expected of members of this social category. Thusly the behaviour of the group does not correspond with that expected of knowledgeable people involved in the treatment of cancer, i.e. it is a bad fit.

Different social categories, such as groups, are reinforced through *accentuation* which is a non-conscious process that accentuates similarities within groups and differences between groups (Turner et al., 1994). This process in order words makes the differentiation between different groups easier and more salient. The grouping of individuals leads to stereotyping through the process of *depersonalization*. The more distinctive and homogeneous a certain group is perceived as, the more its members are seen as interchangeable personifications (stereotypes) of that group rather than unique individuals (Turner, 1985). For example an individual wearing a uniform, a pilot cap and sitting in the cockpit of a plane is through perceiver readiness and category-stimulus fit categorized as a pilot. This categorization is followed by the accentuation and depersonalization where the individual is stereotyped as having certain characteristics that are associated with the group he/she has been assumed to belong to, for instance, the competence required for flying a plane. This augmentation, made on the basis of the clothes and location of an individual, places this individual into a social category, pilots. Categorizing people like this is an important factor for enabling people to more effectively orient themselves in their social world and is a constant occurrence (Rooy, Overwalle, Vanhoomissen, Labiouse & French, 2003). Just like categorizing other people into social groups convey certain information and stereotypes of individuals, correct or incorrect, so does sorting oneself into social categories (Tajfel & Turner, 1979).

Social Identification

The second major process is that of social identification; through which an individual categorizes him- or herself to a group and takes on the identity of that group (Tajfel & Turner, 1979). It is important to notice that an individual can, and often do, belong to a myriad of different groups, each with its own social identity and therefore by extension also personal identity (ibid). The identities one take vary depending on the perceived current value and fit; which are based on contextual factors such as situational accessibility and subjective importance. These aspects are determined in the same way as the categorization of others, through perceiver readiness and category-stimulus fit. Only one identity can however be psychologically real at any time, i.e. only one identity can be the most salient source of social perception and behaviour (Hogg et al., 2004).

There are two major factors driving the social identification process, *uncertainty reduction* and *self-enhancement* (Hogg et al., 2004). Uncertainty reduction is the innate need individuals have to understand their social environment and their role within it. Identifying the self with a group, and categorizing the self as part of a group, helps to reduce this uncertainty by providing prototypes that guide individuals on who they are, how they should behave, and how they should view their social world. The greater the uncertainty of the self is, the more attracted an individual is to a social group of significant unity and distinguishability (ibid). The salient prototype in any group has an important function since it acts as the ideal to strive for as the concentrated essence of the group's identity, and thusly also as the comparative tool used for evaluation. Members of the group are evaluated by gauging how prototypical they are and act when determining their social popularity (Hogg, 1992, 1993). The prototype, which is a representative exemplar of the group, is dependent on contextual and situational factors; as these change so does the comparative context and therefore also the comparative fit and behaviour of the group (Turner et al., 1994). These changes can be especially noticeable in new groups and in smaller groups (Hogg et al., 2004).

Another important factor that affects the identification process is the perceived value of membership of a certain group. This is a manifestation of the other major factor, self-enhancement. Self-enhancement is an effect of the fundamental human need for self-esteem (Sedikides & Strube, 1997). This need influences the groups one 'choose' to identify with by changing the perceiver readiness to focus on the aspects of fit, normative and comparative, that distinguishes the characteristics of the group of which membership is perceived as valuable (Hogg et al., 2004). I.e. attraction to a certain group influences which characteristics are focused on to try to create a fit with that particular group.

Categorizing and identifying oneself with a social group leads to the self, to some degree, being viewed as an interchangeable member of the group. This takes place through the same processes as when categorizing others, accentuation and (self-) stereotyping. This directly guides one's behaviour and beliefs towards the norms, value and needs of the group (Turner, 1985) (Hogg et al., 2004). It by extension also leads to conformity, solidarity and trust within the group (ibid).

Social Comparison
Once an individual has identified him- or herself with a group, or several different groups, a distinction can made that was not available during the previous processes, groups that the individual is part of and groups that the individual is not part of. These are called in-groups and out-groups, making a clear distinction between "us" and "them" (Turner, 1975). This distinction has important implications for, and acts as the basis of, intergroup behaviours. The fundamental drive for these behaviours can be found in that membership of a certain group is accompanied by emotional and value significance associated with the membership itself (Tajfel & Turner, 1979). This is in turn makes it the setting for mechanisms fuelled by the previously mentioned self-enhancement factor and its

underlying fundamental human need for self-esteem (Sedikides & Strube, 1997). These mechanisms can be summarized as a competition with out-groups for distinctiveness that reflects positively on the in-group. How this competition is manifested, and in what domains, is determined by the nature of the intergroup relationships (Hogg et al., 2004).

The intergroup social comparisons that these processes produce is thusly not aimed at achieving unity but rather distance between different social groups (Turner, 1975). The pursuit of distinction is further reinforced by the above mentioned processes of depersonalization and accentuation. These lead to exaggerated levels of perceived unity within groups and differences between groups (Turner, 1985) (Turner et al., 1994). The intragroup aspect of these processes is also important to consider from a distinctiveness perspective. Since the prototype is the measuring stick for individuals within a group, members who seek self-esteem achieve this through conformity to this prototype, the norms, and values, behaviours of the group therefore get more homogeneous and concentrated as its members strive for social popularity (Hogg et al., 2004). Those who are successful in these attempts further this concentration since they gain more influence over other members of the group (ibid). The comparison with out-groups does however also in itself contribute to a greater division and distinctiveness between groups through cognitive processes such as "Whatever they are, we are not" (Hogg et al., 2004, p. 259).

As the levels of personal identity is replaced with group identity depending on the degree to which an individual identifies with a social group, so does the locus of satisfaction to fill the need for self-esteem gradually gets transferred from the individual to the group. Thusly the self-enhancement factor is increasingly dependent of the prestige, status and fulfilment of the needs of the group rather than at the personal level (Hogg et al., 2004). In this way, the level at which performance is important shifts from "my task" and "my performance" to "our task" and "our performance" (Lembke & Wilson, 1998). An important effect of this shift is in-group favouritism, which is the preferential treatment of in-group members strictly on the basis that they are in-group members (Tajfel & Turner, 1989). This phenomenon have been shown to occur even when the categorization of groups, and the membership of them, is out of the control of the individuals, an example of this is the experiments of Brewer (1978) where group membership was randomly assigned. The opposite, out-group discrimination, have also been shown to occur both in organically and randomly constructed groups as a way to increase the relative positive distinctiveness of the in-group (Allen & Wilder, 1975).

The occurrence of these biases is linked to a spectrum spanning from interpersonal to intergroup behaviour (Tajfel, 1974). On the one extreme, strictly interpersonal behaviour is determined exclusively on individual interaction and characteristics regardless of the individual's group membership. At the other extreme of the spectrum, strictly intergroup behaviour is exclusively based on group membership with no regards to how individuals may differ from the stereotype (Tajfel &

Turner, 1979). The further towards intergroup behaviour, the more frequent and salient is the occurrence of in-group favouritism and out-group discrimination. The determining factor for where along the spectrum behaviour is categorized is the level of identification (based on perceiver readiness and category-stimulus fit) with the group as previously described. The level of these biases is also affected by whether out-groups are considered a threat to the in-group of not (Tajfel, 1974).

3.2.2 The Clash of Cultures from a Social Identity Theory Perspective

When instead viewing the Clash of Cultures from a Social Identity Theory perspective, the formation and interaction between groups are in focus. From this point of view, the increase in control and bureaucracy acts as a catalyst for the categorization of individuals into groups. The relationship individuals within a company have with bureaucracy and control differs and can therefore act as a differentiator. For example, this relationship can be viewed as a spectrum, ranging from no influence over the shape or amount of control to total control over these aspects. It can also be conceptualized as ranging from those influenced and controlled by bureaucracy to those who influence and control through bureaucracy. Irrespective of these factors the perceived value and benefit of the level of bureaucracy also varies.

Conceptualizations like these showcase that there are multiple ways in which an individual's relationship with, and towards, bureaucracy may be a differentiating characteristic with regards to other individuals; it therefore affects the group formulation, identification and dynamic in organizations where it is significant enough. As described in chapter 2, there are strong indications that PSF are a part of this group of organizations. In this setting, a Social Identity Theory perspective suggests that the increased level of bureaucracy and control may have led to the formulation of groups based on their relationship with the bureaucracy, either through the value they attribute to it or their influence over it, which ought to be closely linked to hierarchy. This is based on the assumptions that employees closer to the top of the hierarchical pyramid both have a greater influence on the organization as a whole than those further down and that their responsibilities to a greater extent concern the organization in its entirety. If these assumptions are granted, the more senior, the more an employee controls bureaucracy rather than being controlled by it and champions the organization's welfare and success to a larger extent.

If the relationship with bureaucracy is a significant enough factor to contribute to the processes of categorizing and identifying with groups, and the comparisons between them, this should thusly be evident through the membership of different individuals to different groups depending on their hierarchical standing. The more differentiating this factor is, which is dependent on perceiver readiness, comparative fit and normative fit, the more salient the occurrence of in-group favouritism and out-group discrimination. These two effects should in turn be able to contribute to the explanation of why the Clash of Cultures has led to lower performance within PSF.

4. Research Method

In order for the authors to acquire a holistic view of the topic, knowledge and understanding of previous studies and relevant concepts, a literature review was conducted in accordance with Bryman & Bell (2015). This allowed for the formulation of a suitable theoretical framework capable of accurately answering the research question. The theoretical framework was used both to construct relevant questions, as a template for the interview guide, and for analysing the information gathered.

The analysis technique used in this study is explanation building, which revolves around constructing a specific research question, often stated as a why question (Woiceshyn, 2012). This acts as the starting point for trying to find a robust explanation of why certain events have led to a certain outcome (Belk, 2012). In order to do this the casual linkage between events must be identified (Woiceshyn, 2012). This has been done by previous studies as they have confirmed that the Clash of Cultures decreases performance, and how the phenomenon manifest itself was described in the chapter 2. The case does however need to be further described to enable the identification and analyse patterns needed to examine and discover the casual connections within the focal case. In order to take the step from casual case to explanatory theory, the researchers must generalize from the particular casual explanations of single or multiple cases and distil the essential casual connections at play (Woiceshyn, 2012).

4.1.1 Research Design

To answer the research question a detailed view of the organisation is needed to allow the determination of whether the firms are PSF that have the preconditions for experiencing a Clash of Cultures; such a view is presented under heading *Selection of Companies* in chapter 4. In order to enable a contextual understanding of behaviours, beliefs and attitudes to determine what causes the decrease in performance, literature study of the chosen firms was conducted in accordance with Barnham, 2015 and Bryman & Bell, 2015.

Interviews were chosen as the method for information gathering since this format gives the participating interviewees the possibility of giving more detailed and in-depth answers. This since they can freely formulate their answers, which gives insight in what they deem important and does not restrict their answers (Qu & Dumay, 2011). To make sure that the interviews stayed on topic but still allowed the pursuit of interesting topics brought up by the interviewees, a semi-structured qualitative approach was adopted. This was achieved by constructing and utilizing an interview guide that ensured that the necessary questions were asked in an effective sequence but still allowed for follow-up questions when deemed valuable (Bryman & Bell, 2015). This guide is included in the appendix.

As stated earlier, an in-depth understanding is needed in order to answer the research question, which is generally easiest to obtain by studying fewer objects. The reason for not choosing to conduct a single case study is that by looking at fewer objects the study is running the risk of only reflecting the specific case, and thereby not being robust or suitable for generalizations (Yin, 2014). In order to ensure that the necessary depth was obtained despite this being a multiple case study, the interviews were designed to span approximately 45-60 minutes each.

It is usually problematic for case studies to ensure a high validity and the possibility to generalize as they typically have a smaller sample size (Mason, 2002). In order to mitigate this risk, an empirical generalization will not be attempted in this study, instead theoretical generalizations will used. This form of generalizations is based on the researchers detailed and holistic explanation of the setting were the research is done, to show that it is not atypical from other settings to the one that the generalization is based upon. There is therefore need to compare the characteristics of the sample to the wider population from which it is drawn (ibid).

4.1.2 Design of Interview Questions

Since the study investigates the subjective perception of individuals, no secondary data is available and all information was thusly gathered during the interviews. Secondary data, if available, should otherwise be used on order to strengthen the results and the credibility of the study (Yin, 2014). As there are no previous studies that use the chosen theories in the focal setting, only inspiration for interview questions could be gathered through the literature review. In order to ensure that the questions were interpreted as intended and generated the information needed, a test interview was conducted. This was done with an interviewee representative of the study group, see table 1. Thereafter the questions and answers were reviewed before the remaining interviews were conducted to increase the validity of the study in accordance with Yin (2014). The questions were constructed with the theoretical framework as their basis to ensure that relevant information could be gathered for answering the research question.

In order to enable the gathering of information concerning factors such as autonomy, competence, and relatedness, numeric data was needed in order to be able to accurately distinguish between several different placements on a spectrum and calculate accurate averages. Therefore quantitative questions were included, which according to Stiles (1993) can be productively combined with qualitative ones. These questions was set to range from 1 to 7 as it according to Cox (1980) is the best scale in terms of reliability, percentage of undecided respondents and respondents' ability to discriminate between the scale values.

4.1.3 Selection of Objects of Study

Selection of Companies

KPMG, EY, Deloitte and PwC – known as the Big Four – were chosen for multiple reasons. Firstly, they are the world's largest professional services networks and thusly employ professionals almost exclusively, they have over 750 000 employees between them, operate across 150 countries and in 2014 they generated $113,7 billion in combined revenues (Carnegie & Napier, 2010) (Doherty, 2014). The Big Four were previously known as the Big Five before Arthur Andersen was excluded after involvement in the Enron Scandal (Carnegie & Napier, 2010). They have thusly to a high degree been exposed to the increased demand of control, transparency and scrutiny following several scandals; as an example, KPMG were subjected to a $456 million fine in 2014 (Shore, 2018). These scandals have also led to a process of de-professionalization (Carnegie & Napier, 2010). This makes the Big Four prime targets for experiencing the Clash of Cultures since the showcase all of the driving forces for the clash. In addition, they supply a multitude of different services through several different business areas and are therefore to some degree representative for many other PSF (ibid).

Selection of Participants

The interviewees should be exposed to high degree of bureaucracy and control in order to highlight the effects of the Clash of Cultures. The research participants should therefore come from the positions with the highest levels of bureaucracy and control. These positions are most likely found at the very bottom of the hierarchical structure, those in the position of what this study classifies as junior associates. The firms had different names on the various hierarchical stages, different number of hierarchical steps, and different time horizons needed to be promoted. In order to be able to divide the employees of the firms into uniform and comparable groups, a five level hierarchical ladder was constructed based on the most common division of employees within the firms, see figure 1. As a result, one participant (number 1) who is a junior associate in his firm was classified as a senior associate; this since he filled the criteria for being classified as a senior associate in the other firms.
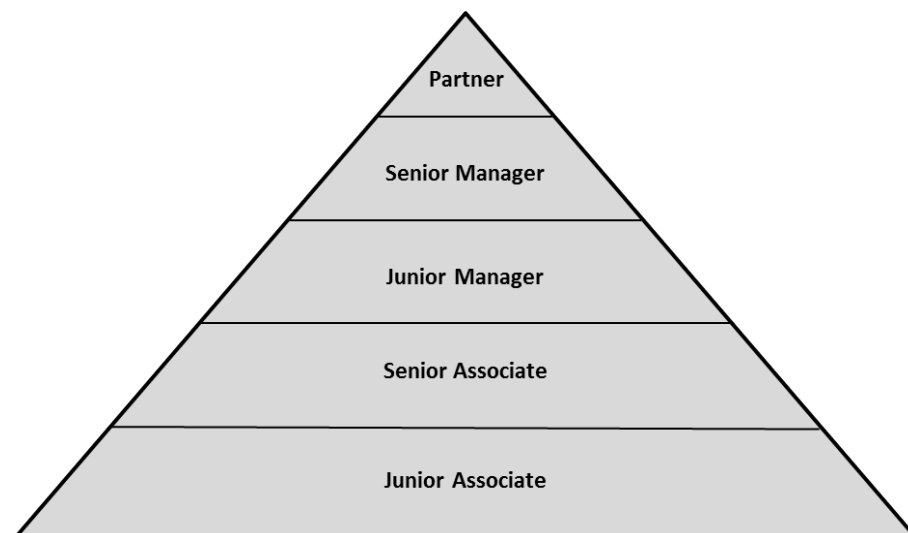

Figure 1

To get a better understanding of the setting and the effects of the setting, individuals that had been in the bottom of the hierarchy but now advanced to the next step, referred to as senior associates, were interviewed as well. The choice of including senior associates as the second object of study was based on information gathered from the test interview. The test interviewee indicated that a significant hierarchical step takes place when being promoted from senior associate to junior manager. This since the junior manager can be fully responsible for a project. This does likely also mean that junior managers are not exposed to the same degree of bureaucracy, which makes them less adequate objects of study in accordance with the reasoning above. The authors therefore choose not to include participants more senior than senior associates. All interviewees were asked about which hierarchical step the thought of as the largest, and the majority confirmed that one of these were advancing to the junior manager level.

The interviewees had to meet some requirements in order to be considered suitable participants. Firstly, they needed be employed at a Big Four firm. They should also at least have been employed at their current position for six months, this since they need to have a good understanding of their role and their environment. Especially questions concerning relatedness and group structure necessitates that they have worked long enough to gain knowledge and an understanding for the group settings. There is no set limit for when this is achieved, the authors deemed six months to be adequate after discussions with the supervisor of the thesis. They should at least have a bachelor's degree so that they can be categorised as professionals. To confirm all these qualifications, questions concerning them were asked.

The optimal study group should include both sexes, participants of different ages, participants working within different business areas and divisions, they should work with employees of all different ranks and the study group it should include representatives from all of the Big Four firms. Although, no consideration will be given to which firm they are employed by as the study do not aim to understand the firms but rather the individuals in the setting and environment that the Big Four constitute. Based on these criteria individuals were chosen in order to create a study group as close to the optimal study group as possible; the study group is however still limited to individuals that were willing to participate in the study. The participants of the study are presented in table 1.

Category	Participants								
Interview number	(Test)	1	2	3	4	5	6	7	8
Interview type	Face-to-face	Telephone	Face-to-face	Skype	Skype	Face-to-face	Skype	Skype	Skype
Date	2018-04-28	2018-05-02	2018-05-02	2018-05-03	2018-05-05	2018-05-05	2018-05-06	2018-05-06	2018-05-08
Duration	55 minutes	45 minutes	55 minutes	45 minutes	50 minutes	55 minutes	60 minutes	60 minutes	45 minutes
Age	27	25	25	24	26	27	30	26	29
Gender	Female	Male	Female	Male	Male	Female	Male	Male	Male
Education	Master	Master	Bachelor	Bachelor	Bachelor	Bachelor	Master	Master	Master
Time in industry	1 year	2 years	3 years	2,5 years	1 year	2 years	6 months	1,5 years	2 years
Time at firm	1 year	2 years	3 years	2,5 years	1 year	2 years	6 months	9 months	2 years
Time at division	1 year	2 years	3 years	8 months	1 year	2 years	6 months	9 months	2 years
Time at hierarchical level	1 year	2 years	2 years	8 months	1 year	1 year	6 months	9 months	6 months
Business area	Consulting	Audit	Audit	Audit	Audit	Risk Mgmt	Consulting	Consulting	M&A
Title	Jr. Associate	Sr. Associate	Sr. Associate	Jr. Associate	Jr. Associate	Sr. Associate	Jr. Associate	Jr. Associate	Sr. Associate
Works with all hierarchical ranks	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Participation in follow-up interview	-	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes

Table 1

Shortcomings and Potential Biases of the Study Group

EY is not represented in the study and only two women are participating. Both of these factors is an effect of the previously mention fact that the study was limited to individuals that were willing to participate and fulfilled the outlined criteria. All of the participants were roughly of the same age. Both this and their time as employees of their current position can be explained by the choice to examine junior and senior associates. As these are at the bottom of the hierarchy is it reasonable that they have been working for a limited time and that they all are quite young.

4.1.4 Interview Design

The interviews were held face-to-face, through video-calls via Skype or by telephone. Both face-to-face interviews and video-interviews allowed the interviewers to achieve better communication with the participants as both parties could see each other; these formats were therefore preferred over phone-interviews. All participants were however not available for face-to-face or Skype interviews, and one interview was consequently conducted over telephone. The interview guide developed in connection with the questions ensured that the interviews stayed on topic and ensured that all desired bases were covered.

All interviewees were informed that they would be to facilitate truthful answers since some of the questions are of a more sensitive nature and it concerned their current workplace. All names have therefore been removed from the transcriptions of both individuals and companies. It should also be noted that all interviews were held in Swedish, therefore all data and quotes have been translated into English.

While compiling the data some interesting connections were found that could not be explored fully by the answers provided. Therefore, two additional questions (see appendix (B) *Follow-up Interview)* regarding these aspects were emailed to the participants. Seven of the eight interviewees answered.

4.1.5 Information Processing

The audio from the interviews were recorded as this allows the authors to listen to the interviews multiple times, which will ensure a higher reliability of the collected and presented data (Bryman & Bell, 2015). The recordings also allowed the authors to use direct quotes which in turn allow the reader to examine the unfiltered data and the interpretations made by the authors. After the interviews were held, the recordings were transcribed in full. The transcriptions were then examined thoroughly by both of the authors to minimize the risk of omitting valuable information. The interpretations of the transcriptions were then compared and potential differences were argued and agreed upon in order to avoid errors and biases with the aim of increasing the reliability of the data in accordance with Yin (2014). Since the questions were created with the help of the theoretical framework it was also suitable to use this framework to categorise the information. The questions asked to the interviewees, and their

answers, were then examined once more to see if any of the gathered information were useful and applicable to other parts of the study than the originally intended ones. This was done since the semi-structured format provides discussions that are relatively broad, and the answers could therefore trespass into the territory of other subjects than the intended ones.

The controls experienced by the participants were divided in to either result controls or action controls. The difference between the two being that result controls try to control the output, while action controls try to control the input (Merchant, 1985). These are divided into separate categories in this thesis as action controls is perceived to be more controlling than result controls; this since action controls take away the ability to exercise one's own judgement (Argyris, 1977).

5. Results

5.1 Motivational Theories

All the participants rated their total motivation in their current employment as above 5 (on a scale of 1-7) with an average of approximately 6.

5.1.1 Extrinsic Motivation

All of the interviewees described that they viewed their current employment as an investment for the future in one way or another; and that this was a motivating factor in their professional life. All but one viewed the learning and accumulation of knowledge and competence as motivating because of the value it holds for their future career. This was described as important in order to either advance within the organization or to reach future career goals outside of the organization. Another common theme in these discussions mentioned by five of the participants was the ability to utilize the competence and capacity assurance provided by being able to include their employment at a Big Four firm in their resume. Some clear examples of these thoughts on motivation are found in the interviews conducted with participant number 3 and 5:

> "I would not choose a job where I do not feel like I have the opportunity to grow and develop. I saw that opportunity here at [the firm], both to develop and advance within the firm but also to use this experience as a launching pad for career opportunities elsewhere."

> "Having worked at a Big Four firm, other employers know your capacity."

Another extrinsically motivating factor, mentioned by half of the participants, was the salary. This was manifested by the interviewees mentioning that the future salary generated by better jobs was a motivation. At the same time the other half of the participants did not view the salary as a motivating factor of their employment. These different views are illustrated by interviewee number 6 and 3:

> "I don't think you should focus on the pay early on in your career." "… that (high compensation) is something that comes later on when you have gathered experience and competence."

> "They money is not what motivates me to work long hours or go to work in the morning. It wasn't something I considered when applying for this job."

5.1.2 Intrinsic Motivation

All of the participants mentioned learning and developing, and utilizing one's competence as a motivating factor in an intrinsic sense. This learning differs from the learning mentioned with regards to extrinsic motivation since it focuses on the motivation of learning itself, not so that one can get a better job or a higher salary in the future, but instead tends to the innate need of learning and utilization of knowledge. Some quotes that highlight this motivation and its distinction from extrinsically motivated learning are gathered from the interviews with participant number 5 and 2:

> "I think that what I do is super fun, to be in touch with big companies and feel that I can use the knowledge I have gained."

> "Learning is interesting and fun in itself."

These quotes also showcase a view held by all of the participants; that they think of their job as both fun and interesting. Another common intrinsic motivation mentioned by a majority of the participants where their co-workers, colleagues and the culture of the firm. Three of the interviewees also highlighted that variation in tasks and assignments were a main driver of their motivation. For example, interviewee number 3 and 6 said the following:

> "It motivates me to work in a team where other people are dependent on me, want me to succeed and do well for myself. "

> "I would die if I ended up in a role where I had to do the same thing every day, it would be terribly boring."

Autonomy

The participants defined what they considered professional autonomy as, the freedom to choose their own tasks; when and where their work is performed; in what order they undertake their tasks; the absence of monitoring; and the freedom to choose how they complete their tasks. Examples of these definitions can be found in the interviews conducted with interviewee number 7 and 2:

> "Autonomy for me is to get a task which is not completely defined so that you have the ability to create something freely within the boundaries of the assignment."

> "Autonomy means that I am free to decide when I start working, when I do certain things and that I can arrange the structure of my day in a way that allows me to do things that I think are more important first, to prioritize."

The average perceived autonomy of the participants in their current employment was 4,6 on a scale of 1-7.

Concerning the level of standardization of their work tasks, the interviewees identified themselves into three different categories, three thought of their work as having a low level of standardization; two felt that their tasks was moderately standardized; and three considered their work highly standardized. Participant number 8 and 3 provide some explanations for their choice of category respectively (low & very high):

> "The end product is always the same in some sense … but the companies are always different so the work will vary every time."

> "It is clearly more towards the standardized approach. In the industry in which I work, we follow a certain methodology that is anchored judicially, but the firm also has its own interpretation of this and its own approach to the given guidelines. There is an incredibly detailed system of how you should work which means that I have to meet a certain number of criteria and there are quite clear instructions on how to do that; so the room for individual interpretations become relatively small."

All but one of the participants felt like they had no or low influence on which projects they were part of, although three felt like they had a big influence on what assignments they were given within the projects. Examples of the inability to choose projects are provided by interviewee number 3 and the ability to influences assignments within projects by interviewee number 6:

> "During my first year, our cycle was already set and planned since last May for the coming high season (January to April). We started working in September so our schedule was basically set for us from the first day we got here. It was already decided what clients you are assigned to and during which periods."

> "It is a mix, but during my last project I had a lot of influence. I told my project manager before the project started that these are the things I would like to do and be part of and that worked well out, I got to do a majority of those tasks."

Only one interviewee could impact when the deadlines were set, and all but one participant said that the deadlines gave a reasonable amount of time to complete the required tasks. The deadlines for projects are almost always decided by the clients, and the deadlines for tasks within projects are usually set by more senior colleagues.

Seven of the eight participants had all of their final work controlled; two also had their work monitored before completion. The control and monitoring was normally carried out by a senior to the interviewees. This is exemplified by interviewee number 3 and 6:

"All of my work gets quality-controlled and monitored during my first year at the firm; as you get more senior, you get more autonomous which is also reflected in the control aspect. A four-eye-principal, that everything that gets delivered to a client gets checked by a second pair of eyes, however still applies."

"Everything is checked before it reaches the customer. Normally this is done by my superior, he proofreads everything before it's delivered."

Two of the participants felt like they had a major influence on which performance and development goals were set for them, the remaining six perceived their influence to be non-existent or low. The majority view is exemplified by interviewee number 3:

"We have standardized goals you are supposed to achieve in order to fulfil your role, we have a pretty bureaucratic structure with pre-defined steps of what is expected for every grade."

Competence

The participants on average perceived their competence as 4,7 on a scale of 1-7. None of the participants said that they felt completely comfortable in performing their work by themselves. A common theme however was that this did not bother them; it was considered as part of the learning curve. An example of this is interviewee number 3:

"We work according to a model where you should perform new tasks continually. When you feel comfortable with a certain task it's time to teach it to someone who is your junior. Therefore, you are almost daily faced with new processes and tasks that you have not performed previously but I never feel any discomfort regarding this since you can always ask someone for help."

None of the interviewees felt that their level of competence was below the average among their peers, three felt more competent and the remaining five felt equally competent as their peers. Two of those how felt more competent also thought that their peers and superiors perceived their competence as above average for the grade. The remaining participants said that their peers and superiors perceived their competence as they did; aligned with the rest of their grade.

All of the participants felt like the firm utilized their competence in an efficient manner, some of them however found the question difficult to answer since they did not really see themselves as having any particular competence, as exemplified by interviewee number 7:

"The skills you have when getting out of school are well, you have no skills. It develops gradually with the tasks and consequently your competence gets to a sufficient level."

All but one of the participants felt like their performance was evaluated correctly. Two of the interviewees thought that it was clear what they were evaluated on, five thought it was quite clear, and one interviewee thought that it was unclear and therefore not done correctly. Most of the evaluations were subjective in nature. Five of the participants only have individual goals set for their development and performance, while the remaining three also had team-level goals to achieve. These three were however uncertain of the distribution between the two.

Relatedness

The participants rated their level of relatedness to different groups on a scale of 1-7, the averages were as follows:

- Associates: 6,6
- Managers: 5,3
- Partners: 4,1
- (Average relatedness for all groups):   5,3

The degree to which the participants worked individually spanned from 30%-80% with an average of about 60%. When they instead were engaged in team-based tasks, all of the interviewees described the cooperation as close. This is highlighted by interviewee number 4:

> "It's close, we divide the work between us but we're all responsible and we keep an on-going conversation on what we are doing and how far we have come. Furthermore, we try to integrate the different tasks if possible".

5.2 Social Psychology Theories

5.2.1 Social Categorization

All of the participants described some of their work experience, prior to being employed at one of the Big Four firms, as bureaucratic. In addition, all but two of them described some of their prior employments as very bureaucratic. Around half also said that they had been working within a context that was characterized as un-bureaucratic and informal. The majority also said that they had been working within a setting that had a clear formal hierarchy that was salient in the culture and everyday operations. These two experiences, bureaucracy and hierarchy, were often linked by the interviewees, for example by interviewee number 3:

> "In [job A] the hierarchical structure enabled the bureaucracy, whilst [job B] was missing the hierarchical aspect and therefore also the bureaucracy."

All of the interviewees also said that they had clearly experienced different hierarchical levels in their current employment which were rooted in the titles and grades of employees. The described differences were wide-ranging but common themes were increased levels of competence, autonomy, influence, and area of responsibility; all of which were described as increasing with the hierarchical level. Interviewee number 6 described these aspects in a way that summarized what was gathered on the subject during the interviews:

> "There are distinct differences between the different hierarchical levels here at [the firm]. For example, what types of projects you are eligible for but also the freedom and roles you have within these projects. You also learn quite quickly that the more senior employees have significant amount on influence on you and your work, through performance evaluations, task assignments and stuff like that."

In addition, one difference that was highlighted by three of the interviewees and described as a clear distinguishing feature was whether your grade includes a sales responsibility and quota or not. This increase in responsibility in the form of generating revenue for the firm was described as a sign that you had advanced to a new group and category of employee. The most major perceived differences were commonly those between senior associate and junior manager, and between senior manager and partner, see figure 2.
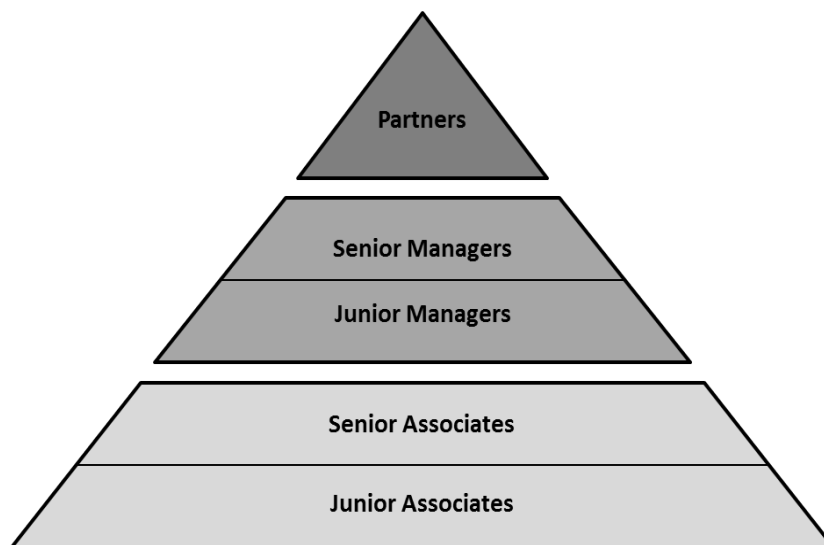

Figure 2

Especially the partners of the firms were described as a separate kind of employee, for example by interviewee number 3:

> "With the partners you immediately notice that they have another kind authority and respect compared to the rest of the firm, there is definitely differences between partners and the rest of us, the mere mortals."

Interviewee number 3 goes on to explain that ownership is what he perceives as the distinguishing factor between partners and "mere mortals". This ownership stake is thought of as having a major effect on the incentives provided by the firm to the different grades, were the financial incentives for partners in the form of a share of the annual profit clearly puts them in a category of their own. The ownership also provides them with a level of influence on the firm which in not matched by any other grade. This, or related, reasoning was common among the participants.

The second major difference identified by the interviewees within the hierarchical structure is the one between senior associate and junior manager. The most salient aspects of this difference were the sales responsibility described above and the authority to sign audit reports for those working within audit, which is echoed by interviewees in the other business areas as well since it is often a junior manager who controls their work and evaluates their performance. The perceived distance of the step to junior manager is exemplified by interviewee number 7:

> "The biggest difference between levels is that of moving from senior associate to junior manager, that separates the wheat from the chaff. As a manager you really have to create business yourself by selling in projects, before and after that step I believe the changes are more gradual."

All of the interviewees said that their superiors tend to act and behave in a manner that is consistent with their formal status, most of them felt that this was the case to a high degree, for example interviewee number 5 and 6 said:

> "I feel that people behave according to their title and the level of their title, you notice who's in charge and they tend to become a bit more dismissive, for example they don't read your mail and then ask you questions which are answered in the mail you sent them yesterday. This can be very irritating; especially since you yourself read all the mail carefully and proofread your outgoing mail several times. In this way there is a real difference between the grades, especially between senior associates and junior managers."

> "Often the partners are more pragmatic, the give a very serious impression. They are also very good at being professional during interactions with clients, this is something that you also notice privately where they are a bit more restricted than other employees. There are also many people how take themselves too seriously just because they have a fancy title."

There was however differences among the participants concerning to what degree they felt that this was the case. Five of the participants felt that people acted in a manner consistent with their formal status to a high degree and the remaining three said that it had some effect on the behaviour, but not a major one. Examples of the second view are provided by interviewee number 6:

> "I don't really think people change their behaviour that much according to their title, of course to some degree but generally not. For instance I had a senior manager help me (a junior associate) by explaining the insurance industry to me for an hour, even though he didn't have to do that and doesn't really have the time."

As shown by figure 2 most of the interviewees divided the hierarchical pyramid into three segments which corresponds with the groups; associates, managers, and partners. When the participants were asked to quantify how uniform these major groups are on a scale of 1-7, all three of the groups were on average classified as somewhere between 4,2 and 4,5; with partners being the most uniform and associates the least uniform. Common motivations of these rankings were given by interviewee number 5 and 7:

> "Of course the partners are unitary, they have all gone through many years of [firm] schooling."

> "We associates are not that uniform, I mean we are still quite new and are therefore still being shaped."

All but one of the participants also said that how you act during interactions with different employees gets affected by which group they belong to. When asked more specific questions, about half said that it feels increasingly difficult to asks seniors for help as their grade increases; most did not differentiate between the reliability of information provided by the different grades; and all but one thought that it was more important to act in accordance with what a higher ranking grade thought was correct than with what a lower ranking grade thought was correct. A common theme, when the interviewees were free to exemplify how their behaviour might differ depending on what title they are interacting with, was that of professionalism and honesty, as described by interviewee number 7:

> "You definitely act differently with different groups, when talking to a partner you are more professional than you are with the other junior associates. With them you're more honest and relaxed, if you don't understand something you ask, if you feel something is wrong you say so and you are more open about what your actual competence level is like. With them [managers] you're kind of in-between, you're more prone to asking questions but still don't want to present yourself as uncertain since you might not get good reviews or the projects you want."

5.2.2 Social Identification

The perceived differences and distance between the different hierarchical levels are also reflected in how the interviewees rate their relatedness to different parts of the organization as described above where colleagues on the same hierarchical level have the highest level of relatedness followed by the managers and lastly the partners of the firm. Several variations of these questions were asked but formulated from different perspectives which resulted in different answers. When asked how they identify themselves, most of the interviewees answered that they identified most with:

- The colleagues at the same hierarchical level as the employee
- The division where the interviewee is employed and stationed
- The firm in its entirety

Although when sorting the loyalty felt towards different parts of the organization the most common order by majority was;

1) The division where the interviewee is employed and stationed
2) The colleagues at the same hierarchical level as the employees
3) The firm in its entirety

In answering these questions, many of the participants made references relating the different alternatives to different groups within the firm, an example of this is interviewee number 5:

> "I do have a lot of confidence in the partners but they are not the main reason you want to perform and deliver, you want to do that for your project manager and the people in your team."

When asked how stereotypical and representative the interviewees felt for different groups on a scale of 1-7 the averages were as follows:

- The colleagues at the same hierarchical level as the employee: 6,2
- The employees at the division where the interviewee is stationed: 5,9
- The employees at the firm in its entirety: 5,6

The interviewees on average ranked their perceived importance of different goals as follows:

1) The goals of the division
2) Their own individual goals
3) The goals of their work team
4) The firm goals

None of the participants ranked the firm level goals as the most important ones to achieve, this was often motivated be making references to the partners of the firm, as showcased here by interviewee number 6:

> "I don't not really relate or care too much about the firm level goals, I personally feel that we have to many partners at [the firm]. Many of them work in Norrland or somewhere like that. They have their own little kingdom and think that they should decide and rule just as much as everyone else."

When asked how attracted the participants were of reaching the positions of manager and partner in the future on a scale of 1-7 the averages were as follows:

- Manager: 5,7
- Partner: 4,0

A common motivation for being more attracted of reaching the position of manager than partner where the perceived distance to, and commitment needed for achieving partnership and that the position of manager gave the most leverage if you wanted to leave the firm.

5.2.3 Social Comparisons

Seven out of eight interviewees said that they had experienced conflicts between different hierarchical groups and six felt that the information flows between groups had room for improvement as they were not thought of as working efficiently. The most common examples given of conflicts revolve around the differences in responsibilities. For instance, a project manager is responsible for the performance of a project and has his/her own performance tied to this, whilst a partner might have responsibility for the performance of several different projects, a geographical region or a specific industry. Different perspectives and incentives like these are described as creating friction between the different hierarchical segments concerning aspects such as how much the employees should work, the amount of customizability that should be afforded to specific projects, and so forth. Some of the information inefficiencies were attributed to these conflicts, as exemplified by interviewee number 5:

> "You deliver what was ordered by your project manager but then a partner comes and is not satisfied with the delivery even though it is in accordance with the directives you got from your manager. You get caught between the two and get conflicting instructions and information so you don't really not what to do."

Others felt that inefficiencies in information and communication flows were an effect of the formal channels of communication, a shared opinion was that they are too rigid and 'serious' which led the participants to not wanting to ask questions as they feared that their senior would find this irritating.

This can be exemplified by extracts from the interview with interviewee number 5:

> "… the clarity in what should be delivered, and when, could definitely be better. This kind of stuff happens all the time [miscommunications]. You don't really want to ask questions constantly either since people think that is annoying, you get the feeling that "you should understand what I mean" which you don't always do."

6. Analysis

6.1 Motivation Theory

6.1.1 Intrinsic Motivation

All but one of the participants found their job interesting and fun, which is an assumption made by both Cognitive Evaluation Theory and Self Determination Theory and therefore a prerequisite for their effective use. It was also confirmed by the interviews that the intrinsic motivation were not at a maximum for any of the participants, i.e. none rated their perceived autonomy, competence and relatedness as being at a maximum. It is therefore possible that their intrinsic motivation is decreased and, or, limited by their professional environment. There is therefore cause to investigate further why it is limited and if it can be explained as an effect of a Clash of Cultures within the firms.

Autonomy

The autonomy felt by the interviewees varied between 2 and 6 with an average score of 4,6. There are several variables present within the firms that can explain this through application of Cognitive Evaluation Theory; one of them being the presence of deadlines. Deadlines make the individual inflexible as he/she must prioritize their time and effort according to the set deadlines. They also expose the individual to the risk of having to work certain time periods in order to finish their work on time. Both of these aspects, flexibility of planning and time distribution, were mentioned by a majority of the participants as part of their definition of autonomy and the effects of deadlines on these should therefore decreases the perceived autonomy. Although all of the participants had deadlines, which most of them could not influence, they thought of them as being reasonable. This should, to some degree, mitigate the above mentioned risk to autonomy since the constraints brought forth by deadlines should not be as tight and salient as if they were thought of as unreasonable.

A second variable of importance is directives, which is an umbrella term for different forms of instructions. Two major directives where found to be present in the firms, how employees are chosen for projects and tasks within these projects; and the standardization of tasks.

The interviewees generally had low, or no, influence on the projects they were assigned to, and few could affect their tasks within the projects. Firstly, this lack of self-determination provides a clear restriction to the perceived level of autonomy of the participants as they cannot choose their tasks. Secondly, a major motivation for many of the interviewees was the opportunity to work with projects that they thought of as interesting. In this way, the lack of autonomy affects directly, instead of indirectly, the intrinsic motivation since the lack of influence on project assignments in all likelihood limits the opportunity for them to be part of the projects that they are most interested in.

The level of standardization utilized by a firm directly influences the level of autonomy of its employees as it determines, and lessens, their freedom of choice in how to perform their tasks. The level of standardization experienced by the participants varied greatly from very low to very high. This diminishes the negative effect of standardization on the perceived autonomy of employees at the firms to some degree, as not all of the participants were exposed to high levels of it; the effect should however still be important to consider.

All of the participants were subject to control, either result controls or both result and action controls. Result controls reduces autonomy through determining what aspects are most valuable and thusly should be prioritized within for example a project. Since these results then are the foundation for evaluations and by extension possibly also rewards, the behaviour of employees is controlled presuming that they want perform their tasks in a manner that is seen as sufficient or good. Action controls limit autonomy in the same way as standardization, by limiting the choice of method for completing work tasks. It does this in a slightly different manner however. The monitoring involved in action controls reinforces standardization standards and other procedural guidelines, but is in itself not a direct limitation of freedom, although it has the same effects on autonomy as it ensures that standardized ways of working, for example, are followed. Action controls are generally experienced as more controlling, and therefore also more restricting of autonomy, than result controls. Since all the participants were subjected to result controls but not to action controls, the effect of the controls on autonomy should be marginally smaller, but as a whole, still highly impactful.

Worth noting is that the participants do not feel completely confident in performing their work tasks. This could potentially reduce some of the effects of directives on autonomy since some guidance seems to be needed, and therefore also potentially wanted by the participants in order to ensure that they perform as well as they wish and develop their competence efficiently.

Many of the interviewees only had a limited ability to influence which goals were set for them, they were instead imposed upon them. This, in itself, decreases the individual's perceived autonomy as goals guide behaviour and in some respects acts a manifestation of personal ambitions and desires. A common ambition, and motivation, for the participants was however to acquire knowledge and competence valuable for their future career. The firms should be proficient in setting goals revolving around this since their ambitions should align with that of the participants; to foster as competent employees as possible. The limitation to autonomy this factor represents is therefore hard to gauge.

In total, many of the factors that can reduce the perceived autonomy of individuals seem to be present in the firms and utilized in a way that according to theory should have an impact. This is well in line with the fact that the average autonomy of the participants is neither high nor low. The wide spread of

how the participants rated their autonomy can partly be explained by the fact that their individual definition of autonomy effects how the factors described above affects their perceived autonomy; and that none of the participants named the same exact aspects when defining autonomy.

Competence

The perceived competence of the interviewees varied between 3 and 7 with an average of 4,7. It is therefore possible that the contextual factors in the firms limit the level of competence felt by their employees. The interviews revealed several such factors that could help in exploring this, the first of which is feedback. The participants normally received feedback through an evaluation at the end of a project or at some other regular basis. Feedback generally increases individuals' perceived feeling of competence and does thusly not limit or reduce it.

There are several aspects which can affect how individuals perceive their own competence. Firstly, how well the tasks assigned to an individual suits and utilizes their competence. For the participants, their tasks are assigned to them without them having much influence on these processes. In addition, the tasks required to be performed in a project is more or less governed by the purpose of the project which is set externally by the client. The tasks are therefore not optimized fully to the presumed competence of the participants and should thusly restrict the level of competence they perceive themselves as having. This does however not seem to be the case since all but one of the interviewees said that they felt that their competence was utilized in an efficient manner. Secondly, the perceived levels of competence can be affected by to what degree individuals are free to utilize their competence in the manner which they feel is the most efficient and effective. As mentioned earlier, there are several restrictions to the autonomy of the participants with regards to how they perform tasks, such as deadlines and standardization. These should also affect the perceived competence of the participants as they are not as free to use their competence in a way that they find optimal. Their performance does therefore not reflect the potential of their competence, and by extension, neither does the feedback they receive. Thirdly, individuals are affected by how their performance is measured and evaluated. This does however, despite being largely subjective in nature, not seem to negatively affect the perceived competence of the participants as all of them felt like they were evaluated correctly and fairly.

Another possible effect of the controls mentioned with regards to autonomy is that individuals feel that the firm do not trust their competence and judgement since it feels the need control their work. As previously mentioned, action controls are generally seen as more controlling than result controls. There is therefore probably also a difference in the effect of action and result controls with regards to perceived competence, where the stronger feeling of being controlled which occurs under actions controls also creates a greater limitation to the perceived competence of the participants.

The fact that the majority of the participants were only evaluated individually facilitates a more accurate comparison of competence between employees. This enables some to increase their perceived competence, while it enables the perceived competence of others to decrease. Whether this is a zero sum game among individuals or not is hard to determine. The participants of this study does however not seem to have drawn the short straw as none of them perceived themselves as having lower competence than their colleagues; and felt that their competence also was perceived as aligned with their seniority group by other employees. Worth noting however, is that this can be a sensitive topic which might lead some to not be completely honest when talking about their own competence.

In summary, there are several factors present within the firms that run the risk of functioning in a manner that acts a limitation of, or reduces, the perceived competence of the participants. These effects do however seem be mitigated to some degree by the fact the participants for example do feel that their competence is used effectively, and that they do not seems to be negatively affected by having largely subjective evaluations. Consequently, there still seems to be a reduction of the perceived competence present, this effect does however not seem to be as quite large as the one for autonomy.

Relatedness

The average relatedness felt towards the different categories of employees (associates, managers, and partners) by the participants had an average of 5,3. The participants ranked their relatedness towards their fellow associates as the highest (6,6), followed by the managers (5,3) and partners (4,1). Since these ratings did not, for any group reach the maximum of seven, there might be factors present within the firms that reduce the level of relatedness felt by employees. The different levels of relatedness felt towards different groups and how these are formed, interact, and the consequences are better explained by Social Identity Theory and will therefore not be focused on in this part of the analysis.

The relatedness can be affected if the individuals are forced into groups or work teams that they themselves have not chosen to be part of. These groups can instead have been created with firms' performance in mind, without considering the relatedness factor. This seems to be the case at the participants' firms since they do not have much influence over what, or who, the work with in projects or within projects. This means that the firms' structure and motives impair the individual's possibility to interact with the people they feel the highest relatedness towards, which should decrease their level of relatedness. Another factor that might affect the relatedness is the amount of teamwork performed, this since collective work and tasks should enable closer relationships and thusly higher relatedness with one's colleagues. On average, the participants spent 30 % of their work in teams, which when it occurred, was described as close.

In total, there does not seem to be many major restrictions to the relatedness felt by the participants in the firms. Some of the effects of the Clash of Cultures that might affect relatedness is however, as previously mentioned, better examined through the use of Social Identity Theory. This analysis might therefore be able to contribute to the explanation of why the participants' relatedness is roughly at the same level as their perceived autonomy and perceived competence despite a relative lack of factors present to explain this through the use of Self Determination Theory and Cognitive Evaluation Theory.

Category	Rating (1-7)
Motivation	5,8
Autonomy	4,6
Competence	4,7
Relatedness	5,3
Estimated Intrinsic Motivation	4,9
Difference	**0,9**

Table 2

In summary, evidence that all three of the components facilitating intrinsic motivation are limited by the firms' setting and environment are found, see table 2. Autonomy and competence seems to be the two who are most severely reduced by the bureaucratic structure in which the participants work, and should thusly affect the intrinsic motivation the most. The main drivers of this reduction appears to be deadlines, standardization, and controls (both action and result) since these three should have a clear effect on both the perceived autonomy and perceived competence of the participants. The fact that relatedness is roughly as far from its maximum level as the other two does not seem to correlate with either the number or strength of the limiting factors found.

6.1.2 Crowding out

It is important to consider the crowding out affect when examining motivation as it could explain lower levels of intrinsic motivation that not could be explained by Self Determination Theory nor Cognitive Evaluation Theory. Most of the participants had lower intrinsic motivation than their total motivation as shown by table 2. This makes crowding out theory important to consider as all of them mentioned at least one extrinsic incentive that motivated them. Two of the interviewees provided answers that indicate that they might be exposed to crowding out, this since their perceived motivation is at a maximum but their estimated intrinsic motivation is not (as they reported their perceived autonomy, competence and relatedness to be less than at a maximum). They therefore run the risk of being overly motivated, resulting in a decrease in the intrinsic motivation.

6.2 Social Psychology Theory

6.2.1 Social Categorization

As showcased by figure 2, the most common grouping of employees is junior and senior associates; junior and senior managers; and partners. These will throughout the remainder of the study be referred to as associates (junior and senior associates), managers (junior managers and senior managers), and partners (partners). All of the participants described the occurrence of different groups, rather than one all-encompassing group of 'firm-employees', as clear. Furthermore, they all independently divided employees in to three broad groups, a majority of which were the same exact groups (the ones mentioned above). This strongly indicates that these groups are the most uniform and distant from each other which according to Social Identity Theory is an effect of perceiver readiness and category stimulus fit (normative fit and comparative fit). These two mechanisms and the processes related to them will therefore now be examined.

Perceiver Readiness

There were several distinguishable features and characteristics attributed to the different groups, these act as the distance creators that separate and categorize the employees of the firms into different groups. Some of the most commonly mentioned of these were the level of competence, autonomy, influence, and area of responsibility; all of which increased with hierarchical level. Since the three main groups described are to a large degree formally structured by the firm, by being tied to grade, it is expected that some of the distinguishing characteristics are directly related to the formal status and level of these groups. Clear examples of this are the level of autonomy, influence and area of responsibility. A high level of autonomy is an effect of low levels of control, among which is a low level of bureaucratic control. A large area of responsibility is formally given by the rules, policies and power structures created by bureaucratic frameworks. A high level of influence is closely related to a large responsibility since this acts a prerequisite for responsibility; in order to be responsible for an area, formal influence must generally be held over the area by the person responsible. Explicit examples were also given by the participants that connected the groups to these distinguishing characteristics; such as the sales responsibility and quotas held by managers, and the ownership stake and influence held by partners.

The fact that these bureaucracy- and hierarchy-related distinctions seemed to be the most prevalent and significant is well in line with theory since all of the participants had previously been employed in a setting that they described as bureaucratic or very bureaucratic, and a majority of them had also experienced formally constructed hierarchies that were salient in their everyday tasks. This generates a high perceiver readiness which in turn makes the categorization of people into different groups based on their hierarchical level and their role within a bureaucracy more available and therefore also more

utilized. The hierarchical level and the role people have within a bureaucracy are closely connected. Those controlled through bureaucracy, those controlling through bureaucracy, and those in between who both control and are being controlled through bureaucracy are all groups that can be tied to the hierarchal and formal authority afforded to different grades. These connections were also made by the participants, who thought of bureaucracy as something enabled by hierarchy. It consequently seems logical that the most distinguishing factors between formally structured hierarchical groups are perceived to be closely connected to bureaucracy by those who have a high perceiver readiness regarding these categorizations. Thusly, the increase in bureaucracy experienced by PSF appears to be a driving force behind the division of the employees into these groups as many of the main distinguishing factors the separates the groups are closely connected to bureaucracy. These formally structured divisions do however also seem to have led to socially distinctive differences that reinforce the groups, an example of which is the mechanism of normative fit.

Normative Fit

In addition to the structurally constructed distinguishing factors tied to different hierarchical levels described above, the interviews also revealed noteworthy social differences tied to the three major categories of employees within the firms. This is clearly showcased by the fact that all of the participants said that their seniors tend to act and behave in a manner that is consistent with their hierarchical rank, with a majority saying that this was the case to a high degree. An example of how the behaviour of employees can reinforce the distinctiveness of groups and their perceived unity is the noticeable difference between associates and managers in the amount of attention they pay to the communications that are carried out through mail. The associates are meticulous when reading and authoring mails and the managers are described as hardly paying attention to the mails sent to them. Experiences like these increase the perceived homogeneity of groups through the process of depersonalization which in turn leads to stereotyping. By attributing this behaviour not only to the manager in the example, but all managers, this behaviour is associated with the managers as a group. This association then becomes a distinguishable feature of managers which increases both the perceived distinctiveness and the perceived homogeneity of this group as the behaviour now is thought of as managerial. The group also gets more distinguishable from other groups through the non-conscious process of accentuation where the perceived similarities within the group, and the perceived differences from other groups, get reinforced. A similar starting point for the processes of depersonalization and accentuation of partners is when they are described as being more serious, professional and restricted, both when interacting with clients and other employees. Just like the managers' seemingly more casual attitude towards mails, this perceived behaviour of the partners matches their higher professional status and hierarchical level relative the associates. In other words, these behaviours match their group memberships and the groups therefore get perceived as more homogenous and distinctive as a result of this strong normative fit.

Worth noting however is that not all of the participants perceived the behaviour of senior employees to correlate with their title to a high degree. A good example of this is the occasion where a manager spent an hour helping a participant even though this was not part of the professional obligations of the manager; who further seemed to go out of his/her way to help the interviewee since the manager did not really appear to have time to help. Here, the normative fit is not nearly as strong as the two other examples provided above since in this case the manager did not act in a way that can be thought of as very senior to the interviewee. As a result, the processes of accentuation and depersonalization (and therefore also stereotyping) do not increase the perceived unity or distinctiveness of the manager group to the same degree. This should also be the case for the two other participants who said that their superiors only acted as could be expected of their hierarchical status to a low degree.

The normative fit of the manager and partner groups seem to be quite strong since all of the participants felt that their superiors acted in a way that is expected given their grade; and thusly seem to increase the perceived homogeneity of the two groups through depersonalization, stereotyping, and accentuation; as well as the perceived distinctiveness of the groups through the linking of certain types of behaviours to the groups through the same processes. In other words, the categorization of employees into different groups based on their hierarchical level and their subsequent roles within the bureaucracy are reinforced by a strong normative fit that strengthens, and increases the number of, the distinguishing factors that act as the foundation of the categorization. The third, and last, mechanism through which people get categorized into different groups is comparative fit.

Comparative Fit

Although there are differences in how the groups and their behaviour is perceived by the participants and there does not seem to be any perfectly synced opinions of the groups, there still seems to be smaller differences within the groups than there are between different groups, these three and others. This is indicated by the fact that the participants rated the unity of all three major groups as above 4 on a scale of 1-7. This can also to some degree be seen as self-evident since these groupings exist and are seen as the most salient. If instead the differences within the groups were perceived to be larger than the differences between the groups or another such frame of reference, the distinguishability of group members from non-group members would be virtually impossible and there for also the grouping of them.

Although the differences between the perceived levels of unity of the groups where not vast, there were still differences according to the participants. The associates where seen as the least homogenous group of the three, the managers as slightly more homogenous and the partners as the group which was most uniform. This ranking is also fairly intuitive since the partners have probably spent the most time at the firm, the managers the second most time and the associates the least amount of time at the firm. The time during which they are affected and adapts to the culture and so forth should therefore differ

between the groups and by extension also their perceived homogeneity. This was also mentioned by the participants, who meant that the associates have not really been shaped yet, whilst the partners have been in this process for a long time. Consequently the comparative fit of the partners seems to be slightly stronger than that for managers and that of managers slightly stronger than the comparative fit of the associates; the distinctiveness of the groups should therefore also be affected accordingly.

The comparative fit of the groups does however not seem to be as strong as the normative fit and should thusly not be as strong of a factor for categorizing the employees into these groups. The ratings of the groups' level of homogeneity are however still all above 4 which indicate that although the effect might not be as strong as others, the comparative fit is still strong enough to act as a mechanism for reinforcing the division of the employees into associates, managers, and partners.

These three major mechanisms described by Social Identity Theory, perceiver readiness, normative fit, and comparative fit, thusly seem to explain how the categorization of people into different groups have been affected and then reinforced by the increased bureaucracy experienced by PSF. The distance between the three major groups, associates, managers, and partners, seems to be quite large since the participants described the step between associates and managers as separating the wheat from the chaff, and characterize partners as different from mere mortals. These differences and distances are however also a result of, and affects, the social identification processes.

6.2.2 Social Identification

During the interviews it became evident that there exist some salient obstructions that guide the identification processes of the participants due to the hierarchical roles created by the bureaucracy. Some clear examples of these are the right to sign audit reports, evaluate the performance of associates, and the previously mentioned sales responsibility and ownership stake of managers and partners. These obstructions make it harder for the participants to identify as members of these groups since they lack the authority and formal standing needed to perform these activities. Another factor that should strongly affect how the participants identify themselves is the innate need to reduce uncertainty. This happens through the conversion towards the prototype of a group as this provides a guide for behaviour and views of the social world. The more stereotypical for a given group an individual feels, the more he/she has in common with that group's prototype and should therefore identify with that group to a higher degree. In this regard the participants felt the most stereotypical for employees on the same hierarchical level as themselves, followed by employees at the division, and lastly employees at the firm. This has in all likelihood had an effect on the ratings of relatedness and the identifications made. The participants primarily identified with other associates and also felt the highest level of relatedness towards this group; followed by the division and the managers; and lastly the firm and the partners.

Another clear indication that the participants thought of partners as the most distant group is that in all of the questions, the firm was never prioritized; instead it was put last three out of three times. The reason behind this saying something about the partners as a group is that numerous motivations for the rankings were made by referencing the partners and, or, partly equating them with the firm. These included that the reason for wanting to perform is the managers and the associates in your team, not the firm's partners; and that one participant did not care about the firm level goals since they are set by partners, some of which, he characterizes as viewing themselves as kings wanting to rule.

Interesting to note is that the shifting of the locus of self-esteem from the individual towards the group seems to have gone so far as to prioritize the group ahead of oneself; as the participants did not rate their individual goals as the most important. This level of self-stereotyping indicates a strong level of identify and relatedness with the given group. In addition, it also highlights a high level of homogeneity within the associate group; this is supported by the high (6,2) rating of the participants own stereotypicality, but not by the fact that the participants thought of associates as the least uniform of the three groups.

Which group(s) people identify with is in part dependent on the perceived value of being part of different groups. This is manifested by people focusing on the aspects of category-stimulus fit and perceiver readiness that enables them to identify with the desired group(s). Indications of this tendency can be found among the participants. On average they were considerably more attracted of becoming managers than partners, and subsequently also more inclined to identify with, and feel relatedness towards, managers than partners.

This perceived value of different identities is also shown more saliently when examining the normative fit of different behaviours during interactions with members from different groups. All but one of the participants said that their own behaviour changed depending on who they interacted with. Thusly they choose to act differently according to the different intergroup dynamics that exist between the three groups. Once again the distance towards managers seems to be shorter than that to partners; this is manifested through the difference in behaviours described by the participants. One describes how the level of professionalism increases with the hierarchical grade of the employee that he is interacting with and that honesty regarding one's competence lowers as the grade increases. These behaviours are strategically motivated as he do not want risk losing out on projects or receiving bad evaluations, so he takes on the identity which mitigates this risk the most. I.e. he takes on the identity that he perceives as the most valuable in a given situation. This is done through changing his behaviour to project a strong normative fit for the identity he is trying to take on during the different interactions.

Another example of this is that all but one of the participants said that it was more important to act in accordance with what a higher ranking grade thought was correct, rather than with a lower ranking grade. This is probably affected by the fact that the participants view the higher grade employees as more competent, it could however also be affected by the perceived value described above as the more senior employees are described as having a major influence on the associates and their work through task assignments and performance evaluations.

6.2.3 Social Comparisons & Implications

The mechanisms examined above all point to the fact that the increase in bureaucracy experienced by professionals within the firms has led to a clear categorization of employees into different social groups. These groups are initially created by hierarchy but get reinforced by the bureaucracy. This happens through the mechanisms described above, who all work towards augmenting different separable traits, behaviours and characteristics created by, or made visible, by the bureaucracy into distinguishing factors for the different groups. In turn, this gets amplified by the innate and unconscious human processes of uncertainty reduction, self-enhancement, stereotyping and accentuation. All of this creates distance between the groups, which get extended further by the struggle for positive distinctiveness carried out by all groups.

This distance seems to have led to consequences that can negatively affect the performance of the firms. Firstly, the priority of the firm and its performance is generally lower than all of the other alternatives. Although the other alternatives are parts of the firm, the organizational commitment itself is an important factor since what is best for an individual, a team, or even a division, is not synonymous with what is best for the organization as a whole. Especially the low rankings of the loyalty towards the firms and the importance of the firm level goals showcase this issue. The question of organizational commitment seems to be connected to the groups since the distance to the firm's partners is the greatest; and these are often referenced by the participants as they explain the low rankings given to the firm in the various questions.

Secondly, conflicts that are fought explicitly between the different groups seem to be common. These are said to often originate within the differences in responsibilities that formally get assigned to the different groups. Conflicts are generally not conducive for high performance. The seemingly frequent occurrence of these conflicts thusly indicates that the distance between groups is large enough to be of consequence for the performance of the firms.

Thirdly, the communications between groups are described as inefficient. A clear example of how this is attributable to the groups and the distance between them is the experiences of participants who describe a hesitance towards asking seniors questions since they are afraid of being perceived as annoying or incompetent. This fear seems to be based on the authority that managers and partners

have been granted by the bureaucracy to hold influence over the associates and their careers. In this way, the groups created by the bureaucracy, and the distance between them, create obvious obstacles that directly affect the efficiency of communications within the firms. The conflicts described above seem to have the same effect, although indirectly, as conflicting views between managers and partners results in different directives being given to associates. Inefficient information flows poses obvious problems for performance since the risk for misunderstandings, uncertainty, and information not reaching its intended target increases.

There are also indications that the distinctiveness of the groups, the distance between them, and the level of identification with them are salient enough the produce intergroup behaviour, as exemplified earlier by the fact that the participants acted differently based on the group membership of the person they interacted with. This intergroup behaviour furthers the division between in- and out-groups. The in-groups and the in-group favouritism that accompanies them are visible in the alignment of rankings for relatedness, identity, loyalty and perceived importance of goals. This alignment is however not as strong as expected as the division occasionally (for loyalty and importance of goals) was ranked above colleagues on the same hierarchical level even though the participants rated their relatedness, level of identification, and level of stereotypicality highest for other associates. I.e. the occurrence of in-groups is strong, but the in-group favouritism seems be quite weak or possibly extended beyond the core in-group of associates to also include the division itself. A possible explanation for this is the fact that the project teams often consist of different employees from various parts of the divisions. In addition, it is worth noting that the colleagues on the same hierarchical level are part of the division as well and the difference in favouritism therefore might by marginal or hard to capture.

The other side of the same coin, out-groups and out-group discrimination is however more prevalent and aligned among the participants. Senior groups are as a whole for example described as dismissive, taking themselves too seriously and rulers in their own mind. The out-group discrimination seems to be strongest against the most distant of the out-groups, partners. For example, one interviewee seems to not care about firm level goals because they are set by partners. Instances of out-group discrimination such as this increases the threats towards performance discussed above through their impact on organizational commitment, conflicts and communications. The out-group discrimination is however not severe enough to affect the perceived reliability of information from the different groups.

7. Conclusion

This study shows that both motivation theory and social psychology theory provide important contributions in explaining the decrease in performance of professional service firms experiencing a Clash of Cultures.

When examining the Clash of Cultures from a Self Determination Theory perspective it is clear that an effect of the increased bureaucracy is a reduced level of intrinsic motivation. This reduction is of importance since intrinsic motivation is central for the quality-type tasks that are undertaken by employees in professional service firms, and thusly for the performance of these firms.

All three of the innate psychological needs facilitating and regulating the level of intrinsic motivation are limited within professional service firms. These all show strong indications of being limited by aspects related to the bureaucratic and management control setting. The most impactful limitations seems to be related to deadlines, level of standardization and the use of controls (both action and result controls), as these have a substantial effect on both the level of autonomy and competence experienced by employees. The most numerous and powerful limiting factors were also found for these two needs and they should consequently also reduce the intrinsic motivation the most. The third need, relatedness, showed both fewer and less influential limiting factors but nonetheless approximately the same average rating as autonomy and competence. This inconsistency could not be explained by the motivational theory used but some indications could be provided by the social psychology theory adopted by the study. This shows that the bureaucratically driven distance between different groups within the firms creates barriers for intergroup relatedness. A difference was also found between the estimated level of intrinsic motivation and total motivation which suggests the presence of extrinsic motivation. Indications were found that employees risk a crowding out if intrinsic motivation, these indications was however not substantial.

When instead adopting a Social Identity Theory perspective of the Clash of Cultures it is evident that the categorization of employees into different groups, and the identification with groups, is reinforced and driven by the increase in bureaucracy and more salient use of management controls. It further also fuels the cognitive mechanisms that create and increase the perceived distances between the groups which by extension affect the performance of professional service firms.

This study shows that groups get constructed horizontally according to what role within the bureaucracy-driven hierarchy employees have in the firms; (1) those who primarily are controlled by bureaucracy, (3) those that mostly control through bureaucracy, and (2) those in between whom both are controlled by, and control through bureaucracy. The distances between the groups are large enough to be of consequence. Of the groups, group (3) seems to be both the most distant and distinct group.

The clear existence of these groups and their distance has several consequences that affect performance. Firstly, both the prioritization of the firm and the organizational commitment is low. Secondly, the occurrence of conflicts between the different groups is frequent. Thirdly, the communications between the different groups are inefficient. The effects of these consequences are further enhanced by the prevalent out-group discrimination. The occurrence of in-group favouritism on the other hand seems to be modest or at least not prevalent, or focused, enough to indicate any impact on performance.

7.1 Contributions

The overall theoretical contribution of this study is an increased understanding and knowledge of how the increase in bureaucracy brought forth by the Clash of Cultures phenomenon decreases the performance of PSF. The problematic merger of bureaucracy and the typical culture of professions has been widely discussed and researched within academia; what consequences it has for the employees, and by extension the firm, from a psychology perspective has however not been covered to the same extent. This is the main theoretical contribution of the study. The study also provides a rudimentary adaptation of Self Determination Theory and Social Identity Theory within the contexts of PSF and management control, areas where the theories are not fully utilized relative their potential according to the authors since the existing literature is scarce.

In addition to the theoretical contribution described above, the study also provides a practical contribution. The conclusions drawn showcase some of the potential pitfalls for organizations of similar characteristics who risk experiencing a Clash of Cultures. It also highlights what aspects seem to be the most potent, and therefore most important to mitigate, in the decrease in performance; this can thusly help organizations to avoid some of the risks associated with combining professionals and high levels of bureaucracy and the salient use of management controls. The authors also argue that some of the effects found of different control tools on motivation and group dynamics should be applicable and useful for organizations other than PSF in a guiding capacity.

7.2 Limitations

As mentioned under the heading *Shortcomings and Potential Biases of the Study Group* in chapter 4, an optimal study group was not achieved. EY is not represented in the study, which would have been preferable as the study then would have had employees from all of the Big Four firms participating. This could possibly have provided further perspectives and thusly also insights. Another important aspect of the firms included in the study is their organizational size. Since these firms are the largest professional service networks in the world, they have different characteristics compared to many other PSF active within the same industry. The conclusions might therefore not by fully generalizable to other firms that are similar in other aspects since these unique characteristics have the potential of

effecting the Clash of Cultures and its consequences differently. The business-driven focus of the services provided by all of the Big Four firms makes the application of the conclusions drawn in this study less than optimal for applying to PSF operating in un-related industries such as law, medicine and education. A final limitation concerning the Big Four worth highlighting is their distinctive ownership structure. This has in all likelihood had effects on the use of management control and other contextual factors relating to the bureaucratic context in a way that is not applicable to other PSF.

The study only included Swedish participants employed in Sweden, the implications of this for the study and its conclusions is hard to determine as they differ depending on what countries one makes comparisons with. There are however in all likelihood important implications related to factors such as the characteristics of different judicial systems, cultures and economies. Furthermore, all of the participants were of similar age which might entail important differences that affect their answers depending on ambitions, experience and attitudes. Only two of the eight participants were female which can have an influence on the study. Finally, the study included fewer participants than needed in order to draw any statistical conclusions based on the data.

There are also some theoretical limitations to the study. All theoretical perspectives of potential importance were not utilized fully. The major example being Crowding Out Theory which focuses on the interplay between extrinsic and intrinsic motivation. A more substantial use of this theory might therefore have provided valuable insights of importance for the conclusions regarding the motivational effects of the Clash of Cultures. It is also important to point out that some of the questions asked during the interviews could be perceived as sensitive as they for example concerned the competence of the participants and their thoughts on colleagues in their current employment. Some answers might therefore not have been completely representative of their views.

7.3 Future Research

Follow-up research into how to best mitigate and prevent the negative effects of the Clash of Cultures based on our findings would provide both theoretical and practical contributions of value. Furthermore, similar studies with a quantitate approach would provide statistical insight to the importance of the different aspects, factors and their effects. It would also be valuable to examine more adequate ways of measuring the effect of different management control tools on the level of relatedness as this was problematic using the theoretical framework and interview guide utilized in this thesis.

As this study only included Swedish participants employed in Sweden, it would be of interest to conduct studies focused on other geographical areas in order to examine potential similarities and differences. Another interesting change of context with the same purpose would be the study of the Clash of Cultures in other types of PSF such as hospitals, law firms or universities; or PSF of a smaller

size than the Big Four firms. To provide a more complete understanding of the phenomenon the inclusion of participants of more senior ranks in future research would also be valuable. Finally, similar studies including different theoretical frameworks could provide additional insight into why the Clash of Cultures affects performance as it does.

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APPENDIX

(A) Interview Guide

Background Questions

1) What is your age?

2) What gender do identify as?

3) What is your educational background?

4) How long have you been working in the industry you are currently employed in?

5) How long have you been working for your current employer?

6) How long have you been working at the division you are currently employed at?

7) How long have you been employed at your current hierarchical level?

8) What business area is you employed at?

9) What is your title?

10) How many hours do you work on average a week?

11) How many employees work at your division?

12) How is the hierarchy structured at your division?

Social Identity Theory

13) What previous employments have you had prior to your current employment?

       (a) Would you describe any of these as bureaucratic?

       (b) Would you describe any of these as non-bureaucratic?

       (c) Did any of them have a clear hierarchical division between employees?

       (d) Did any of them lack a clear hierarchical division between employees?

14) Are there any differences between hierarchical levels at the firm where you are currently employed in your opinion?

       (a) If there are, what are does differences?

       (b) Are there any differences in autonomy?

       (c) Are there any differences in influence?

       (d) Are there any differences in competence?

       (e) Are there any differences in responsibilities?

15) If there are, does any of these differences increase with hierarchical level?

       (a) If any does, which?

16) If there are, between which adjacent hierarchical levels are the greatest differences in your opinion?

17) Do your superiors, from the most proximate to partners, act and behave in a way that is aligned with their formal standing?

        (a) If yes, can you exemplify?

        (b) If no, can you exemplify?

18) Do you primarily feel loyalty towards:

        (a) Your firm?

        (b) Your division?

        (c) Your colleagues on the same hierarchical level as you?

        (d) How would rank these alternatives from the one you feel most loyalty towards to the one you feel the least loyal towards?

            (i) Can you motivate your ranking?

19) How attracted are you of reaching the following positions on scale of 1-7 (1 being that the position is not attractive at all and 7 being that reaching the position is a major goal of your career)

        (a) Manager?

            (i) Can you motivate your answer?

        (b) Partner?

            (i) Can you motivate your answer?

20) How stereotypical and representative do you feel for the following groups on a scale of 1-7 (1 being the complete opposite to the stereotype and 7 being identical to the stereotype)

        (a) The employees of the firm?

        (b) The employees of the division?

        (c) The colleagues at the same hierarchical level as you?

21) How would you rank the importance of the following goals according to you?

        (a) Your individual goals

        (b) The goals of your work team

        (c) The goals of the division

        (d) The goals of the firm

        (e) Can you motivate your ranking?

22) How uniform do you perceive the behaviour and members of the following groups to be on a scale of 1-7 (1 being not uniform at all and 7 being identical)

   (a) The partners

      (i) Can you motivate your answer?

   (b) The managers (junior and senior)

      (i) Can you motivate your answer?

   (c) The associates (junior and senior)

      (i) Can you motivate your answer?

23) Do you behave or act differently depending on what hierarchical level the person you are interacting with belongs to?

   (a) If you do, how?

24) Do you feel equally comfortable asking members from all hierarchical levels for help concerning your work tasks?

25) Do the level of trust you have in information differ according to what hierarchical level the information comes from?

26) Do the importance you feel for acting in accordance with what someone believes to be correct depends on their hierarchical level?

   (a) If you do, why?

27) Have you experienced conflicts between different hierarchical groups?

28) Have you experienced conflicts between employees (based on/originating from) their hierarchical level?

   (a) If you have, can you please exemplify?

29) Do you perceive the information flows and communication channels between different hierarchical groups as efficient?

   (a) If not, can you please exemplify?

30) Do your primarily identify yourself as:

        (a) An employee at your firm?

        (b) An employee at your division?

        (c) An employee at your hierarchical level?

        (d) How would you rank these alternatives from the one you identify most as to the one you identify least as?

                (i) Can you motivate your ranking?

Motivation

31) What motivates you in your work?

32) Do you find your work interesting enough to motivate you?

33) Do you find your work enjoyable enough to motivate you?

34) Does the knowledge you acquire act as a motivation with regards to being valuable in your future career?

35) Does this employment motivate you in terms of the ability to include it on your resume?

36) Does the financial compensation you receive motivate you in your work?

37) How motivated do you feel in your work on scale of 1-7 (1 being not motivating at all and 7 being extremely motivated)

Autonomy

38) What is your definition of autonomy in the work place?

39) What is your perceived level of autonomy in your current employment on scale of 1-7 (1 being not autonomous at all and 7 being extremely autonomous)

40) How standardized are your work tasks?

41) How do you get assigned to projects and assignments within projects?

        (a) Can you influence these processes?

42) How do deadlines for the projects you are part of and your assignments within these projects get set?

       (a) Can you influence these processes?

43) Are the deadlines reasonable in your opinion?

44) How much of your work is controlled or monitored?

       (a) How does it get controlled and monitored?

       (b) Who controls or monitors it?

45) Do you have any influence on the performance and development goals that are set for you?

Competence

46) How much of your work do you feel completely comfortable in performing by yourself?

47) How competent do you feel in your work role on a scale from 1-7 (1 being not competent enough to perform any task and 7 being competent to perform all tasks optimally)

48) In how much of your work do you feel more competent than your colleagues on the same hierarchical level?

49) How competent do you think your colleagues on the same hierarchical level as you perceive you?

50) How competent do you think your most proximate superiors perceive you?

51) If difference between the three perceptions, why do you think this is the case?

52) Does the firm utilize your competence in an optimal way in your opinion?

       (a) If not, do you understand why?

       (b) If not, how do you feel about this?

53) How does your performance get evaluated?

       (a) Is it subjective, objective or both?

       (b) If both, what is the distribution between the two?

54) Is it clear to your what parameters you get evaluated on?

       (a) If not, what is unclear?

55) Do you feel that your evaluation and evaluations processes are fair?

     (a) If not, why?

Relatedness

56) To what degree do you feel like you have a close and affectionate relationship with the firm's associates on scale of 1-7 (1 being not at all close and affectionate and 7 being extremely close and affectionate)

57) To what degree do you feel like you have a close and affectionate relationship with the firm's managers on scale of 1-7 (1 being not at all close and affectionate and 7 being extremely close and affectionate)

58) To what degree do you feel like you have a close and affectionate relationship with the firm's partners on scale of 1-7 (1 being not at all close and affectionate and 7 being extremely close and affectionate)

59) How much of your work is performed individually and how much of your work is performed in teams?

     (a) If any work performed in teams, how close is the cooperation within the teams?

(B) Follow-up Interview

1) Do you get evaluated individually, as a team or both?

                (a) If both, what is the distribution between the two?

2) Who evaluates your performance?