UNIVERSITY OF SUSSEX

SUSAN ANNE SMITH

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THE GOVERNANCE AND ACCOUNTABILITY OF PROFESSIONAL ACCOUNTANCY BODIES – A CASE STUDY OF THE COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES

JANUARY 2020
Declaration

I hereby declare that this thesis has not been and will not be, submitted in whole or in part to another University for the award of any other degree.
Acknowledgements

The process of completing this thesis has led me on a learning journey during which I have developed a deeper self-understanding and continually evaluated the profession to which I belong. I was fortunate enough to be mentored, guided and supported by many who have already walked this path and who have offered fresh perspectives on the challenges along the way.

My primary supervisor, Professor Iqbal Khadaroo (United Arab Emirates University) has provided unwavering focus and calm guidance over my PhD journey. His constructive approach has helped me develop my research skills and focus my thoughts. Iqbal has worked with me on various conference papers, which has helped me develop as a fledgling researcher. My secondary supervisor, Dr Galina Goncharenko (University of Sussex Business School) has also influenced, challenged and encouraged me in equal measure. This constant support for my work and belief in my abilities has been greatly beneficial, challenging me to progress my thinking and develop my research skills. Their timely advice and constructive critique of my work has helped me to develop my ideas and the structure of my thesis.

I would like to thank my colleagues, the session chairs, discussants and participants of the European Accounting Association Annual Conference 2019, the British Accounting and Finance Association Annual Conference 2018, and the British Accounting and Finance Association Doctoral Colloquium 2017 for their constructive criticism and feedback.

This PhD arose from my curiosity around the governance of the accountancy profession, which developed as I have become increasingly involved with the Institute of Chartered Accountants in England and Wales (ICAEW). I would like to acknowledge the ICAEW and the members of its Council for their willingness to share their time and expertise. Without their ready agreement to participate I would have had a very different research project.

Finally, I would like to share my appreciation of my colleagues who have encouraged me in my research and supported my constant juggling of work, research and family. To my students I can empathise with the challenges you face in completing your studies.

To my husband, Mark, and my children, Katherine, Max and Alice, I thank you for your patience and understanding of the many holidays, weekends and evenings spent working. To the children I hope my benign neglect is forgivable and this small achievement will inspire each of you to follow your dreams with the determination required to succeed.
Abstract

The objective of this thesis is to contribute to the understanding of the processes of governance and accountability of a large professional accountancy body based on the case of the Council of the Institute of Chartered Accountants in England and Wales (ICAEW). The research questions examined how the ICAEW Council is governed, how it exercises accountability to the membership and other stakeholders and how the variety of interests of the Council members are shaping the governance of the ICAEW. As governance structures and processes determine the criteria for obtaining a professional qualification and attaining membership of professional accountancy bodies, it is important to understand their structures of governance and accountability practices.

A Bourdieusian analytical framework was used to provide insight into the following key themes of the thesis: the governance structures of the ICAEW, the vested interests of those forming the Council, the claims to act in the public interest, and the approach to balance the competing interests of the members. Empirical evidence was collected through a series of 25 semi-structured interviews with members of the ICAEW Council.

The findings reveal that the public accountability of the ICAEW to its membership and other stakeholders is constrained by its structures, which lead to imbalances in the interests represented within the Council. This challenges the Council’s ability to adequately reflect the public interest in the policy making process. At the same time, the ICAEW deploys the concept of public interest as a legitimating tool in its accountability discourse with stakeholders to maintain and enhance its symbolic power.

In addition, the findings also demonstrate that the composition of the ICAEW Council aims to symbolise its accountability and inclusivity to its membership. For instance, the findings reveal that the District Society network is a conduit to accountability for elected members. Finally, the study emphasises that the increasing heterogeneity of the membership will intensify the pressures on the governance and accountability structures. Therefore, the continuous development and transformation of the current governance and accountability practices is required to maintain the symbolic power of the ICAEW and its capacity to represent the profession as a whole.
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AAA</td>
<td>American Accounting Association</td>
</tr>
<tr>
<td>ACA</td>
<td>Associate of the ICAEW</td>
</tr>
<tr>
<td>ACCA</td>
<td>Association of Chartered Certified Accountants</td>
</tr>
<tr>
<td>AIA</td>
<td>American Institute of Accountants</td>
</tr>
<tr>
<td>AICPA</td>
<td>American Institute of Certified Public Accountants</td>
</tr>
<tr>
<td>APC</td>
<td>Auditing Practices Committee</td>
</tr>
<tr>
<td>ASCPA</td>
<td>American Society of Certified Public Accountants</td>
</tr>
<tr>
<td>Big Four</td>
<td>Deloitte, EY, KPMG and PwC (taken together)</td>
</tr>
<tr>
<td>CAWW</td>
<td>Chartered Accountants Worldwide</td>
</tr>
<tr>
<td>CAI</td>
<td>Chartered Accountants Ireland</td>
</tr>
<tr>
<td>CGA-Canada</td>
<td>Certified General Accountants Association of Canada</td>
</tr>
<tr>
<td>CICA</td>
<td>Canadian Institute of Chartered Accountants</td>
</tr>
<tr>
<td>CIMA</td>
<td>Chartered Institute of Management Accountants</td>
</tr>
<tr>
<td>CIMA-AICPA</td>
<td>Chartered Institute of Management Accountants – American Institute of Certified Public Accountants</td>
</tr>
<tr>
<td>CIPFA</td>
<td>Chartered Institute of Public Finance and Accountancy</td>
</tr>
<tr>
<td>CMA Canada</td>
<td>Certified Management Accountants of Canada</td>
</tr>
<tr>
<td>CPD</td>
<td>Continuing Professional Development</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FCA</td>
<td>Fellow of the ICAEW</td>
</tr>
<tr>
<td>FRC</td>
<td>Financial Reporting Council</td>
</tr>
<tr>
<td>GAA</td>
<td>Global Accounting Alliance</td>
</tr>
<tr>
<td>HMRC</td>
<td>Her Majesty’s Revenue and Customs</td>
</tr>
<tr>
<td>IASB</td>
<td>International Accounting Standards Board</td>
</tr>
<tr>
<td>ICAEW</td>
<td>Institute of Chartered Accountants in England and Wales</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>---------</td>
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</tr>
<tr>
<td>ICAS</td>
<td>Institute of Chartered Accountants Scotland</td>
</tr>
<tr>
<td>IFAC</td>
<td>International Federation of Accountants</td>
</tr>
<tr>
<td>IRB</td>
<td>Institute Regulatory Board</td>
</tr>
<tr>
<td>ISC</td>
<td>ICAEW Student Council</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
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<td>UK</td>
<td>United Kingdom</td>
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Chapter 1

Introduction, motivation of this study, research questions, contribution and organisation of this thesis

1.1. Introduction

‘Accounting, because it is a central social phenomenon of capitalist modernity, is at the heart of economic processes’ (Chiapello & Baker, 2011, p. 158).

The primary objective of this thesis is to examine the governance and accountability of a professional accountancy body. The processes and structures of the accountancy profession seek to foster a trust relationship between accountants and those who rely upon their work (Macdonald, 1995). The trust relationship is a central pillar contributing to the credibility of the profession and its members. However, it is periodically subject to high profile shocks (e.g., Worldcom, Enron, Carillion) where professional practice is brought into the public consciousness and the accountability of the profession is scrutinised. Such events frequently result in a readjustment of the relationship between the profession and the state in the form of additional legislation (e.g., Sarbanes-Oxley) designed to regulate the activities of accountants.

Professional bodies typically hold their members to account through enforcing the norms of membership (Greenwood, Suddaby, & Hinings, 2002) e.g. Codes of Ethics. However, the privilege of professional bodies to self-regulate is increasingly subject to attrition in response to contemporary views on the incompatibility of membership functions from regulation, e.g., the Law Society and the Solicitor’s Regulatory Authority.

Membership of professional bodies is typically achieved by proving one’s worthiness by means of adherence to the norms of entry in exchange for the designation as a professional (Willmott, 1986). Admittance as a member enables individuals to secure access to certain areas of work, e.g., audit, or to command a superior price for their output (Matthews, 2017).

In the UK, the state has legitimated professional groupings by means of Royal Charters; this creates the constitutional framework for such organisations:

‘it would greatly promote the objects for which the said societies have been instituted and would also be for the public benefit if the members thereof were incorporated as one body as besides other advantages such incorporation would be a public recognition of the importance of the profession and would tend to gradually raise its character and thus to secure for the community the existence of a class of persons well qualified to be
The grant of a Royal Charter provided accountants with a ‘Chartered’ status. Later, when the Charter was extended, a commitment of the body to act in the public interest as a counterbalance to the self-interest of its members was introduced (ICAEW, 1948). This additional accountability is problematic as the Royal Charter provides limited and, to date, largely unchallenged means of recourse (Mitchell & Sikka, 2004; Sikka, Willmott, & Lowe, 1989).

The governance and accountability mechanisms of professional membership bodies are of interest (Willmott, Cooper, & Puxty, 1993) as the work of these bodies and their members is a significant contributor to societal stability, e.g., law, accountancy, journalism, and architecture. Governance of professional membership bodies necessarily differs from the corporate (Brennan & Solomon, 2008), public (Osborne, 2010) and charity sectors (Hyndman & McDonnell, 2009), where clearly defined codes and structures have been constructed to define lines of accountability, e.g., to shareholders and donors.

The governance structures of professional membership bodies typically draw upon those empowered as the representatives of the wider membership. Accountability to the membership is typically instituted through democratic processes that persist despite often low levels of engagement with the processes by the wider membership (Knoke & Prensky, 1984). The imbalances in representation created by the election processes lead to co-options.

This thesis focuses on the governance and accountability of the Institute of Chartered Accountants in England and Wales (ICAEW); this is a leading accountancy professional body in the United Kingdom with over 149,000 members globally (FRC, 2018a). It draws on Bourdieu’s relational concepts of capitals, habitus, symbolic power and violence (Bourdieu, 1998) to empirically examine the governance and accountability of the ICAEW. It is significant as it addresses questions of public accountability to the membership and beyond as well as the political accountability of the individual Council members. Imbalances in representation can result in the amplification of certain interests in the governance processes and threaten the symbolic power of the ICAEW as a whole.

1.2. Motivation for the study

The accounting profession occupies a significant position of power in society by both constructing the narratives through which the economy and society operate (Hines, 1988) and
through its employment of significant numbers of graduates (High Fliers Research, 2019). It trains graduates and other aspiring members in the tools and techniques of accounting (Burchell, Clubb, Hopwood, Hughes, & Nahapiet, 1980), as well as providing them with an enabling qualification as members of a professional body. The qualification (the ACA) provides access to a range of roles facilitating increased earning potential in comparison to similar candidates who do not hold the qualification (Matthews, 2017).

The mechanisms of governance and accountability of the profession, both to its members and the wider stakeholders, are important in furthering our understanding of the role of the profession in an evolving social, economic and political landscape (Sikka, 2001). However, limited existing research has addressed these issues from the perspective of governance and accountability of a professional body (exceptions include Noguchi & Edwards, 2004, 2008a, 2008b; Ramirez, 2009). This thesis aims to address the gap in our knowledge of the governance and accountability of professional accountancy bodies through the study of the ICAEW. The study focuses on two aspects of accountability (Sinclair, 1995); public accountability to the membership and beyond; and, the political accountability of Council members to their constituencies. This helps to frame the research questions to focus on structure and agency within the context of the case study.

Whilst some studies have shed a degree of light on the ‘black box’ of the ICAEW’s governance processes, they do so primarily from an historical perspective (Willmott et al., 1993). The contemporary insight into the perceptions of those who form part of the governing Council, provided by means of adopting an interview-based research method and situating the discussion within a Bourdieusian framework, is novel. It contributes to better understanding accountability and power relationships within the context of a professional membership body.

The ICAEW represents an important site for studying governance and accountability due to its significant role in shaping the policies and practice of accountancy within the UK (Broadbent, 2002). It is also important in a wider context as other accounting bodies have used it as a role model for their own organisation (Chua & Poullaos, 1993).

**1.3. Research questions**

Professional bodies differ from both corporate and charity structures, as they are membership bodies, sustained and governed by their members. This governance model is common to many not-for-profit bodies including trades unions and co-operatives. However, a distinct structural
difference for professional bodies is that many in the UK are incorporated by means of a Royal Charter granted by the Privy Council (The Privy Council, 2017). This specialised framework creates a barrier to the formation of other competitor bodies, at least in the short term, but also carries with it a ‘public interest’ role for the Charter’s recipient.

The institutionalisation of a commitment to the public interest requires a careful balance to be drawn between the economic self-interest of members and the reputational power of the body to which they belong (Lee, 1995). The contemporary environment has seen an increase in heterogeneity in the once homogenous membership base of the ICAEW. In part, the growth of large, international multi-disciplinary professional services firms, known as the Big Four, has led to an increased gap between the norms, work undertaken and reward mechanisms of the elite within the profession and the remainder (Carter & Spence, 2014; Ramirez, 2009). At the same time, the field of employment of members has evolved over time and the majority are now employed in the business sector rather than in a practice (FRC, 2018a). As a result, the professional identity of a Chartered Accountant has also adapted to contemporary working practices (Hanlon, 1998); however, it is unclear the extent to which the governance and accountability of the ICAEW has also adapted to reflect these changes.

External influences increasingly redraw the boundaries and shape the structure and governance of the profession in the form of external regulators, e.g., through local regulators (Financial Reporting Council (FRC)), through the EU’s role in approving accounting and auditing standards, and through the International Federation of Accountants (IFAC), which has an increasingly global role in setting standards for Education, Auditing and Ethics alongside the International Accounting Standards Board’s (IASB) role of developing accounting standards. These socio-politico factors have continued to erode the traditional power of the professional bodies, resulting in a redefinition of their boundaries and attempts to extend their members’ work into new areas, e.g., legal services.

Two research questions have been posed to address governance and accountability through a case study of the ICAEW. The first relates to the public accountability of the ICAEW and the second relates to the political accountability of the individuals who comprise the Council of the ICAEW. The questions are interrelated and seek to explore the relationship between structure and agency within the context of the case study through a Bourdieusian lens. The research questions are discussed in the sections below.
1.3.1. Research Question 1: How is the ICAEW governed and to what ends?

How is the ICAEW governed?
This research question addresses the public accountability (Sinclair, 1995) of the ICAEW to its membership and beyond.

Accountability to the membership is established through the mechanisms of representation and the hierarchical committee structure. This helps to expose the imbalances within the Council which lead to the amplification of certain interests. In addition, accountability differences are brought to light between co-opted and elected Council members.

Accountability beyond the membership is examined through the concept of the public interest and its role in the governance processes of the Council.

The governance structures are instrumental in maintaining the delicate balance between the self-interest of members in furthering their accumulation of economic capital (Matthews, 2017; Suddaby, Cooper, & Greenwood, 2007) and the commitment of the professional membership body to the public interest (Lee, 1995).

To what ends is the ICAEW governed?
The governance structure is oriented to maintain the symbolic power of the ICAEW and the ACA credential. The pursuit of strategies to maintain the symbolic power require the assent of the governance structure. It is important therefore that the governance structures are accountable to the membership who is affected by changes in the symbolic power of the ICAEW in the form of reduced earnings potential, increased competition or constraints to their scope of operations for example. In this respect, the governance structure seeks to repel external incursions into its boundaries.

1.3.2. Research Question 2: What are the interests of Council members and how do they shape the governance of the ICAEW?

What interest groups do Council members represent?
This sub-question relates to the political accountability of the Council members to their constituencies. It focuses on the mechanisms of representation for Council members. The election process is the primary mode of establishing accountability to the membership. However, in its current form, it leads to an imbalance in the interests represented within the Council. In part this is due to the processes of candidature and nomination which tend to favour certain profiles.
The imbalances result in the need for co-options to supplement the elected Council members and add legitimacy to the Council’s governance structures.

An analysis of the election statements helps supplement the interview evidence.

**How do the interests of Council members shape the governance of the ICAEW?**

This sub-question seeks to compare the capital profiles of elected members and how they influence the governance of the ICAEW. Elected members typically seek capital accretion through accessing new networks and marketing themselves as Council members. It is recognised that members’ capital profiles are not static and evolve over their career (Carter & Spence, 2014), often resulting in those who are more established being able to evidence the capitals required to the electorate.

Co-opted members are typically co-opted as a result of their established capitals and therefore, are instrumentalised in this process by the ICAEW, lending the governance processes an external legitimacy.

1.4. **Contribution to literature, theory, policy and practice**

The thesis contributes in a variety of ways to the literature, theory, policy and practice. The distinct areas of contribution are outlined below.

1.4.1. **Contributions to the literature**

This thesis contributes to the opening of the ‘black box’ on the governance and accountability of the ICAEW by means of semi-structured interviews with those participants in the governance structure or the Council, and thereby provides an important contribution to our understanding of the ICAEW and its governance and accountability mechanisms in contemporary terms. This approach contrasts with many historical studies of professional body minutes and other public documentation (see for example, Noguchi & Edwards, 2004, 2008b, 2008a; Ramirez, 2009). Insight is offered into the Council members’ perspectives and the extent to which they converge in place of the professional body’s own ‘official account’, which is often documented in the literature.

The research explores two forms of accountability (Sinclair, 1995): public accountability to the membership and beyond; and the political accountability of the members of the ICAEW Council to their constituencies. In so doing, it contributes to a greater understanding of the concept of
the public interest and its rhetorical adoption by the ICAEW as part of its technical core (Oakes et al., 1998). The interview process revealed the absorption of the term into the governance structures of the ICAEW.

In line with the framework developed in Brennan & Solomon (2008), this thesis extends the boundaries of corporate governance research into the field of professional membership organisations through the study of the Council and its composition. It adds to existing studies that adopt qualitative techniques to understand core governance bodies, e.g., Boards (Tremblay, Gendron, & Malsch, 2016). In doing so, the work explores a single case study centred on the ICAEW, also contributing to a broadening of the methodological approach in this field.

1.4.2. Contributions to theory

The study also contributes to the growing body of literature within the domain of accounting, using Bourdieu’s framework to help to explain governance and accountability concepts (Lukka & Vinnari, 2014). The application of Bourdieu’s analytical framework to the sub-field of a professional body is novel, and it helps to structure and deepen the analysis through consideration of aspects of governance and accountability mechanisms of the ICAEW and their participants.

1.4.3. Contributions to practice

The study reflects on the contrasts in accountability between elected and co-opted members, together with the structures that control the processes of appointment. Elected members are accountable to their local constituency and the accountability mechanism is the District Society, however co-opted members do not share the same accountability to the sector that they ostensibly represent. As such, they do not represent the views of their sector. The prima facie balance that they bring does not increase the political accountability of the Council, which is only attached to elected members.

The path to election has been shown to be closely aligned to the District Society structure; this is predominantly practice-based thereby leading to an imbalance in representation of the membership within the Council, and the use of co-options as a means of addressing the imbalances. These imbalances in representation may have contributed to the detachment of the majority of the membership, evidenced through low engagement with the democratic processes (Noguchi & Edwards, 2008b).
1.5. Structure of the thesis

To answer the research questions posed, this thesis is organised as follows:

1.5.1. Chapter 2: The governance of the accountancy profession

The governance of the accountancy profession is outlined in Chapter 2 through an examination of the role played by professional accountancy bodies in organisations and society. It examines what is meant by governance of such membership organisations and to whom they are accountable. In doing so, the tensions between the self-interest of the members and the public interest commitments of the professional body are examined to further understanding of the accountability of the profession.

1.5.2. Chapter 3: A Bourdieusian lens on the accountancy profession

This chapter outlines Bourdieu’s relational theory and examines how aspects have been translated into the accounting literature before detailing how a Bourdieusian lens will be applied in this study. The case for the application of Bourdieu’s theory is made through the establishment of the accountancy profession as a field of analysis and the ICAEW as a relevant sub-field. This analytical framework enables the examination of the professional body at both the structural and agency level with the linkages made through the more ephemeral concept of the habitus.

1.5.3. Chapter 4: Research methodology and methods

The research paradigm adopted is a critical one, and the implications of this methodological approach are examined from an ontological and epistemological perspective. This is linked to the selection of a qualitative method to facilitate a critical approach: the researcher’s positionality is examined as part of this process. Data were secured through a series of semi-structured interviews with the members of the Council. Secondary data were also used to supplement interview findings from publicly available information. The case study choice is outlined and justified by reference to its leading position as a professional accountancy body and the rich data obtained through an in-depth study of the governance structure.

1.5.4. Chapter 5: The structure and governance of the ICAEW

Chapter 5 answers the first research question: **How and to what ends is the ICAEW governed?** The empirical findings at the structural level are outlined in this chapter, which examines the accountability of the ICAEW to its members and beyond through its governing Council. In so
doing, this chapter considers the composition of the Council and the mechanisms that facilitate or constrain the representation of, and accountability to, the membership as a whole. The changing contemporary environment is shown to have influenced the governance aims of the ICAEW as it responds to the globalisation of accounting regulation, and its limited international footprint in comparison to other rival accountancy bodies, e.g., ACCA, AICPA-CIMA. This chapter draws on empirical evidence obtained from interviews and secondary data analysis.

1.5.5. Chapter 6: Council members’ appointment, interests and the implications on governance and accountability

Chapter 6 answers the second research question: **What are the interests of Council members and how do they shape the governance of the ICAEW?** In so doing, it examines the political accountability aspects of Council membership. Political accountability is established through the election processes, which are investigated through an analysis of election statements combined with interview evidence. The resultant imbalance leads to co-options to secure the input from established leaders in certain sectors.

A comparison of the capitals of the different types of Council member is undertaken to help explain the ways in which the interests of those members shape the governance of the ICAEW.

1.5.6. Chapter 7: Discussion and analysis of findings

A discussion and analysis of findings from the empirical chapters is undertaken in Chapter 7 by drawing on elements of Bourdieu’s framework to help frame a better understanding of the sub-field of the ICAEW. It critically examines the challenges and tensions involved in governing a professional body as well as the motives of, and incentives for, those participating in the process of governance.

1.5.7. Chapter 8: Conclusions

The final chapter provides a conclusion to the thesis, summarising the prior chapters and the main empirical findings, as well as outlining limitations in the research and identifying suitable areas for future research. It also outlines the implications for policy and practice resulting from the PhD thesis.

1.6. Conclusions

This chapter has provided a background to the research and the motivation of the researcher to undertake the study. It has outlined the two research questions and how they were answered.
The chapter also outlines the various contributions made by the thesis to theory, policy and practice, before outlining the structure of the remainder of the thesis. The next chapter provides an overview of the literature on the governance of the field of the accountancy profession before focusing on the sub-field of the ICAEW.
2.1. Introduction

Accountants are powerful social actors who play an important role in determining what is accounted for, to whom, and for what purposes (Cooper & Robson, 2006; Willmott, 1986). Accountants create and control the financial narrative on which society moulds its behaviour. Not only is the output of the accountants’ work significant, but accountancy remains a significant contributor to ‘UK economic activity’ (Radcliffe, Cooper, & Robson, 1994, p. 607). In so doing, the accountancy profession and its tools assume a privileged position of trust in society: ‘There is no full picture. We make the picture. That is what gives us our power: people think and act on the basis of that picture!’ (Hines, 1988, p. 254).

The structures that enable and regulate this privileged position are therefore of particular interest to modern society (Abbott, 1988; Friedson, 2001; Macdonald, 1995). Whilst much attention has been paid to the governance of private sector entities and charities, the governance of the professional associations, housing and regulating groupings of those classified as professionals has been relatively under-researched (Ramirez, 2009). The governance and accountability of professional bodies is important from the perspective of their role in society and the legitimacy of their processes in the eyes of the membership and the sectors they serve.

The necessary tension between maintaining the structures that reinforce the position of accountants, and the wider accountability of the profession to its stakeholders, is examined through the role of professional accountancy bodies (Willmott et al., 1993). This requires a continual balancing of the public and political accountability of the professional body to perpetuate the trust that society places in accountants whilst maintain legitimacy amongst the membership.

This chapter outlines the roles of professional accountancy bodies in organisations and society in Section 2.2, considering the governance and accountability of such. The field of UK professional accountancy bodies is then reviewed in Section 2.3. In this section the governance and accountability of the ICAEW is problematised through an examination of significant historic events (Noguchi & Edwards, 2008a; Shackleton & Walker, 2001). Section 2.4 concludes the chapter.
2.2. Roles of professional accountancy bodies in organisations and society

‘Professional associations are *primarily*, but not exclusively, political bodies whose purpose is to define, organise, secure and advance the interests of their (most vocal and influential) members’ (Willmott, 1986, p. 556)

Professional accountancy bodies create professional identity through managing members interests’, including ‘the status associated with the differentiation of “professional” from other types of labour’ (Willmott et al., 1993, p. 1). The designation of ‘professional’ elevates the position of those claiming this title (Willmott, 1986) and fosters a trust relationship with those who seek their services. As the recipients of such services are often reliant on their execution for regulatory purposes, e.g., financial accounts, taxation and other filings, the work product and its quality is somewhat intangible in contrast to the goods sold, for example, by retailers (Macdonald, 1995). The work of accountants is therefore significant, as management and owners place their trust in them to provide high quality, reliable information on which they can take strategic and operational decisions, both internally within organisations and externally within capital markets.

To foster this trusting relationship, professionals are subject to a test of competence in the form of professional examinations, supplemented by a period of practice before they can seek entry to a professional body (IFAC, 2015). Moreover, as members of a professional body, qualified accountants are required to abide by the rules and regulations thereof, for example, Codes of Ethics (IFAC, 2018b), and continuing professional development requirements (IFAC, 2018a). Other characteristics that have often been accepted as distinguishing professions remain under discussion. For example, closure is often cited as a mark of profession, both in relation to membership and market (Larson, 1977). For UK accountancy, however, this has remained problematic as there have always been multiple routes to membership of professional accountancy bodies in the UK and the Royal Charters do not exclude alternative groupings, rather distinguishing between qualified and unqualified accountants (ICAEW, 1880). In practice, in the early stages of the profession the educational requirements may have acted to prevent large sections of the public from being eligible to become accountants (Kirkham & Loft, 1993). Some commentators have focused on the mutual economic benefits derived from membership of professional bodies rather than the service and altruistic aspects that are often emphasised in the literature on the professions (Macdonald, 1995).
‘The pronounced aims of early societies in promoting the improved status and prestige of the profession often sounds like a drive for collective upward social mobility, but could be construed as a desire for economic advantage.’ (Matthews, 2017, p. 315)

This economic focus is supplemented by the three important tasks performed by professional bodies as membership organisations. First, they offer an internal space where interaction can take place and sub-groupings can represent themselves in the negotiation of norms. This is an important aspect of the governance process. Second, they represent the profession to external bodies, e.g., the state, other professions. Finally, they perform a monitoring role ensuring that members adhere to the normative rules created, and disciplining those who do not (Greenwood et al., 2002).

In the UK, the professional bodies are constituted through a special instrument, a Royal Charter, issued by the Privy Council and are subject to oversight by this body (The Privy Council, 2017). One of the conditions of the grant of a Royal Charter is that it should be in the ‘public interest’. In many other jurisdictions, e.g., the US, the professional accountancy body is constituted by means of differing enabling legislation but has similarities in the content of such a constitutional framework, including a responsibility to the public interest (e.g., AICPA). The discussion of the public interest is often interlinked with the economic self-interest of members (Lee, 1995; Matthews, 2017). The specific enactment of the public interest has been much debated in both the academic (Sikka et al., 1989) and professional sphere (Izza, 2017), and it is a concept that has the capacity to influence the mode of governance (Willmott et al., 1993); this is discussed further in Section 2.2.3. The next section considers what is meant by governance of professional membership bodies and how it differs from other governance structures.

2.3. What is meant by governance and accountability of professional membership bodies?

‘Governance has been defined to refer to structures and processes that are designed to ensure accountability, transparency, responsiveness, rule of law, stability, equity and inclusiveness, empowerment, and broad-based participation. Governance also represents the norms, values and rules of the game through which public affairs are managed in a manner that is transparent, participatory, inclusive and responsive. Governance therefore can be subtle and may not be easily observable. In a broad sense, governance is about the culture and institutional environment in which citizens and stakeholders interact among themselves and participate in public affairs. It is more than the organs of the government.’ (UNESCO, 2017)

The concept of governance has risen in prominence over recent years as popular focus has been directed to corporate governance in the wake of various corporate scandals. In part, the reaction
to corporate failure and the rhetoric of accountability helped fuel increased managerialism and the expansion of governance tools and frameworks to the public (Osborne, 2010), charity (Hyndman & McDonnell, 2009), and not-for-profit sectors (Cornforth, 2003). Despite the increasing body of research into governance beyond corporate structures, it remains the case that the concept of governance is most closely linked with corporate governance; this includes the activities of the Board of Directors or body representing the owners or the key stakeholders of the entity. In professional membership organisations, the distinction between those who govern and the manner in which stakeholders benefit from good governance is more problematic as trust in the work of professionals is hard to quantify and professional bodies are typically self-governing thereby disciplining their own members.

Historically, within professional bodies there was little difference between the values of the volunteers, full-time staff and members as they all shared the same professional grounding as members of the grouping. However, as the professional bodies themselves have become professionalised (Friedman & Mason, 2006) and experts have been brought into the executive function, e.g., marketing, policy and events, the mediating role of the governing body has evolved to represent the views of the membership in the political sphere, to resolve conflicts of opinion between users of services provided by the body and those charged with the provision of such services (Brennan & Solomon, 2008). This governance gap (between object and subject of governance (Friedman & Mason, 2006)) is likely to continue to widen as membership grows and the administration becomes increasingly complex. Unlike corporate governance, which is dominated by an agency perspective (Brennan & Solomon, 2008), the relationships within the governance structures of professional bodies would appear to be less easily quantifiable.

To date the study of governance has been extended by adapting existing theories to different structures of governance (Christopher, 2010). The multi-theoretical governance approach has been adopted in relation to co-operatives and mutual associations (Cornforth, 2004), the non-profit sector (Stone & Ostrower, 2007), and democratic member-based organisations (Spear, 2004). In the context of professional membership bodies, the accountability structures are important contributors to the legitimacy of the governance process. Accountability is commonly understood to mean ‘being called to account for one’s actions’ (Mulgan, 2000, p. 570). It is the taking responsibility for actions and providing relevant explanations (Roberts & Scapens, 1985). Three features are identified as important when establishing accountability, the external nature, an interaction between those giving an account those calling for the account which is accepted as legitimate and a form of authority over those called to account e.g. sanctions (Mulgan, 2000).
Accountability can be expressed as a construct of governance. Research has identified a broadening of the scope of concept leading to a ‘chameleon quality’ (Sinclair, 1995, p. 219). For example, Sinclair lists five forms of accountability; political accountability, public accountability, managerial accountability, professional accountability, and personal accountability (Sinclair, 1995). In this analysis, the final two forms of accountability are personal or internal therefore in keeping with Mulgan’s (2000) concept of responsibility. Managerial accountability takes place both within the organisation as well as between the organisation and those with whom it contracts (Messner, 2009) so has a dual nature straddling the internal/external.

This thesis focuses on two forms of external accountability derived from the literature, the political accountability of the individual Council members and the public accountability of the Council to the membership and those beyond. Whilst the Council is also responsible for overseeing managerial accountability via the Board this is not a focus of the thesis.

‘Accountability can be framed by four interrelated questions (who, to whom, for what and by which means)’ (Joannides, 2012, p. 244).

The table below uses the questions outlined by Joannides (2012) to help frame the accountability of the Council as a collective and the accountability of the individuals who comprise the Council.

**Table 2.1: Forms of accountability**

<table>
<thead>
<tr>
<th>Accountability questions</th>
<th>Public</th>
<th>Political</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form of accountability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Who</td>
<td>The Council</td>
<td>Council members</td>
</tr>
<tr>
<td>To whom</td>
<td>Membership; broader stakeholders</td>
<td>Constituency</td>
</tr>
<tr>
<td>For what</td>
<td>Ensuring the objects of the professional body are met</td>
<td>Representation of views from across the profession</td>
</tr>
</tbody>
</table>
2.3.1. Political accountability of Council members

Political accountability is achieved through the governing Council’s composition with geographic constituencies electing representatives (Friedman & Mason, 2006) and co-options being used to fill gaps in representation. The representative nature of the Council is important as the failure to structure the governance mechanisms effectively to reflect the self-interest or sectoral interests of members may lead to an undermining of the overall system of governance (Willmott et al., 1993).

As a result, the processes of representation are of interest in understanding the manner in which the elected Council members are representative of their constituency and the extent to which they are accountable to the constituents that they purport to represent. As the membership increases in heterogeneity the capacity of the Council to effectively represent the interests of the membership becomes increasingly important (Ramirez, 2009).

The existing literature has not yet addressed the political accountability of the Council members:

‘the operation of mechanisms intended to represent the membership of professional bodies and foster participation in institutional life have hardly been addressed at all’ (Ramirez, 2009, p. 382)

Through examining the political accountability of the Council members and the appointment processes this thesis adds to our understanding of the representation and accountability mechanisms of professional accountancy bodies.

2.3.2. Public accountability of professional accountancy bodies

As outlined in the prior section the public accountability of professional accountancy bodies is twofold: firstly to the membership and secondly to other stakeholders. The Council is accountable for ensuring that the professional body operates within its constitutional structures and is held to account by its membership via membership votes, the annual general meeting or by other stakeholders through enforcement of its constitutional structures. For example, there
have been a number of occasions where members of the ICAEW have challenged the authority of the Council through lack of support for proposals to merge with other professional accountancy bodies (Noguchi & Edwards, 2008b). Noguchi and Edwards (2008b) attribute the rejection of the merger proposal to the lack of representation of the concerns of the general membership within the Council. This has also been the case with other professional accountancy bodies, however the dissent was subsequently overcome and successful mergers took place e.g. Canada (McFarland, 2014); AICPA and CIMA (AICPA, 2016).

Public accountability beyond the membership derives from the constitutional structures of professional accountancy bodies which include commitments to the public interest, for example the 1988 AICPA Code of Conduct (Mintz, 2018) or IFAC (IFAC, 2012). The understanding that accountancy serves the public interest (Willmott, 1990) is often repeated within the literature on the professions, without a clear exposition of what the public interest actually is.

Willmott et al. identify two primary ways that the profession may be considered to serve the public interest (Willmott et al., 1993). Firstly, the capital markets perspective whereby accountancy can be argued to serve the public interest by facilitating the smooth operation of the market by following the appropriate standards of professional behaviour (Dellaportas & Davenport, 2008) i.e. a normative approach. Secondly, a wider conception of the nature of accountancy and therefore the public interest which incorporates interest group ideas from political theory. However, accountability beyond the membership is problematic as it is difficult to frame who the relevant public is and what interests are deemed relevant along with the processes of accountability (Joannides, 2012). Accountability to multiple interested groups reflects the aggregative approach to the public interest (Cochran, 1974) and is acknowledged to suffer from the inability to specify an appropriate means of aggregating the interests of those beyond the membership (Bozeman, 2007a). Some professional accountancy bodies have attempted to address wider interests by appointing public interest Council members e.g. ICAS (ICAS, 2018) although this step suffers from criticisms related to the interests of those members.

The public interest focus of the thesis is on extent to which the ICAEW can be held accountable for its actions by means of its Royal Charter and members’ adherence to the Code of Ethics.

**Public accountability – constitutional structures**

For the constitutional structures to create meaningful governance frameworks, professional bodies must be publicly accountable to their members and others who seek to invoke their provisions. For example, the Royal Charters afforded to UK professional membership bodies contain various commitments in exchange for the Chartered designation.
There is a paucity of research on the public accountability of professional membership bodies resulting from two factors, first, the objects of the Royal Charters afforded to Chartered bodies are wide and open to interpretation, and second, the processes of recourse are limited. As a result they have rarely been explored by researchers and only in the context of one body, the ACCA (Sikka et al., 1989).

In theory, at least, public accountability to the membership is less problematic than for those beyond. Any member may table ‘resolutions at annual general meetings, or by organising extraordinary general meetings, and directing policies.’ (Mitchell & Sikka, 2004, p. 399). However, Mitchell and Sikka (2004) also reflect that this is not realistic due to the practical aspects of undertaking such tasks.

Sikka et al. sought recourse for what they perceived to be a breach of the terms of the ACCA’s Royal Charter however, ‘when contacted the Privy Council Office stated there were no clear procedures or a policy for monitoring compliance with Royal Charters’ (Sikka et al., 1989, p. 62). This is reiterated by the Privy Council:

‘If you believe that a Chartered body is in breach either of its Charter or of the general law then the correct recourse is to the body itself, in the first instance, via the body’s own complaints procedure, details of which can usually be found on its website.’ (Privy Council, 2020)

The mode of enforcement of the Charter objectives has also been somewhat unclear. In the past, where a dispute has arisen with members, it was held that the courts could not intervene as the professional body (ACCA) was constituted under Royal Charter and was therefore subject to a different form of redress whereby a ‘Visitor’ is appointed by the Lord Chancellor on behalf of the sovereign (Mitchell & Sikka, 2004). However, in a subsequent case, ACCA supported an argument that the prior case had been decided incorrectly and the courts were indeed the appropriate forum (Mitchell & Sikka, 2004). This uncertainty has been clarified by the Privy Council’s current guidance which indicates that recourse should be to any relevant Regulator after exhausting the Charter holder’s complaints processes and ultimately via the courts (Privy Council, 2020). In practice, the accountability mechanism is via the political accountability of the Council members.

Public accountability – self-regulation of the profession

The Council is accountable to the membership and stakeholders beyond members’ adherence to the norms of membership of the professional body as outlined by the constitutional
framework. This privilege of the UK profession to self-regulate remains contingent upon political confidence in the conduct of the profession (Robson, Willmott, Cooper & Puxty, 1994). Whilst some emphasise that accountants see this as an essential characteristic of what it means to be a professional (Robson et al., 1994), self-regulation remains the subject of an ongoing negotiation between the profession and the government. Periodically the government has redrawn the boundaries of the profession and its' activities through the expansion of its own regulatory role (Radcliffe et al., 1994; Robson et al., 1994) e.g. the creation of regulatory bodies including the Financial Reporting Council (FRC) which has an oversight role over certain areas of operation. As such, further external lines of accountability have been enforced upon professional accountancy bodies and their members.

Self-regulation includes ensuring that members work is of an acceptable level through the setting of educational requirements, continuing professional development policies (Paisey & Paisey, 2018), the provisions of the ethics code, and attendant disciplinary procedures (ICAEW, 2011, 2017). It is this monitoring role (Greenwood et al., 2002), by means of formal processes, that ensures that individual members’ pursuit of self-interest is restrained and which protects the collective enterprise of the profession.

Research on codes of ethics identifies that they also play a part in defending the organisational self-interest. Parker’s model of self-interest identified five functions of a code of ethics: professional insulation, interference minimisation, self-control, professional authority, and socio economic status preservation (Parker, 1994).

‘Specified disciplinary processes and periodically observable disciplinary actions may be invoked by the accounting profession as symbolic actions designed to demonstrate the profession’s supposed ethical attitudes and commitments to outsiders. This phenomenon could be described as disciplinary symbolism.’ (Parker, 1994, p. 516)

The effectiveness of the disciplinary processes has been questioned in the literature, often in response to crises precipitated by high profile failures to adhere to these norms, e.g., AICPA (Lee, 1995), ICAEW (Willmott et al., 1993), CAI (Canning & O’Dwyer, 2001; O’Regan & Killian, 2014). Lesage, Hottegindre and Baker (2016) extend research on ethical codes from the Anglo-American countries to the state regulated French environment finding that there was a linkage between offences that were visible that were punished more severely than those which were not.

In response to the criticisms of the disciplinary processes of the professions in general in the UK, political pressure has resulted in a dissociation of the disciplinary processes from norm setting
role of professional bodies, with independent regulatory bodies created, e.g., for UK solicitors (SRA, 2019). The dissociation of disciplinary processes from the professional body is intended to increase public accountability for enforcing the regulatory processes of the professions in response to the criticisms outlined above.

This section has outlined and problematised the nature of governance and accountability of the accountancy profession. Political accountability of professional bodies to their membership requires effective processes of representation and engagement of the membership with these processes to ensure that their interests are adequately represented. The public accountability of the Council is achieved through pursuance of the objects of the professional body. These objects are enforceable by members through the processes of governance e.g. the AGM and wider stakeholder groups by means of the complaints and disciplinary procedures.

The next section will consider the specific landscape of the UK accountancy profession and introduce the case study body, the Institute of Chartered Accountants England and Wales (ICAEW).

### 2.4. The field of professional accountancy bodies in the UK

This section explores the field of professional accountancy bodies in the UK, highlighting some unique features of the UK accountancy profession. It is important to understand how the proliferation of professional accountancy bodies in the UK affects the market for accountancy services and the wider interactions with external stakeholders and the membership. Consideration is also paid to the global role of the ‘Big Four’ in their relationships with the professional bodies. Finally, the case study body is introduced and its importance as the focus of the study is outlined.

#### 2.4.1. The context of the UK accountancy profession

The UK is unusual in the persistence of multiple professional accountancy bodies largely differentiated by status (Johnson & Caygill, 1971) and geography in the case of the ICAEW, CAI and ICAS. Further, the large international footprint of two of these bodies (ACCA and CIMA) sets them apart from the pattern experienced in other countries. In part this was facilitated by the historical development of accountancy in the Empire and Commonwealth (Annisette, 2000). A strategy of international expansion has been argued to have enhanced the status of these bodies who focused on early international expansion as a response to the barriers created within in the UK field of accountancy (Johnson & Caygill, 1971).
The UK professional accountancy bodies represent an important site for study as the UK also differs significantly from many other countries who have entrenched professional accountancy training within the university field (Annisette & Kirkham, 2007). Instead, those who seek to enter the profession can enter by a variety of routes, of which the graduate route has been the most dominant since the 1960s following the expansion of the university sector (Hopper, 2013). Rather than requiring a specific accounting or business-related degree, entrance to training for any of the bodies is open to all graduates. In this sense the profession has developed a relationship with the university as a whole rather than a specific department (Annisette & Kirkham, 2007). Annually, the accountancy and professional services sector employs approximately 4,500 graduates in the UK (High Fliers Research, 2019).

Further, in contrast to many jurisdictions, the UK has not limited entry to the profession to graduates alone and other routes to entry continue to exist. It is possible that such routes to entry may experience an upsurge in numbers following government policy to encourage the use of apprenticeships by employers in an attempt to drive greater social mobility into what it terms the ‘elite professions’ (Social Mobility Commission, 2019).

The outcome is that the profession registers students across a variety of sectors with certain professional bodies dominating various sectors (Figure 2.1). To date, the Big Four have been amongst the most influential graduate recruiters in the UK and have typically favoured the practice-oriented qualifications offered by ICAEW, CAI and ICAS. To some extent this is evolving, and other accountancy qualifications are now offered by these firms reflecting their diverse business lines. At present they remain secondary qualifications. In order to expand their footprint and reflect the increasing heterogeneity of the field of accountancy and the membership base, many formerly practice-oriented professional bodies have expanded their training to other sectors.
The UK Field of Professional Accountancy Bodies

<table>
<thead>
<tr>
<th>EMPLOYERS</th>
<th>Public sector</th>
<th>Business</th>
<th>Practice Small</th>
<th>Big Four</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other E.g. academia</td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>PROFESSIONAL BODIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIMA</td>
</tr>
<tr>
<td>ACCA</td>
</tr>
<tr>
<td>ICAEW, ICAS, CAI</td>
</tr>
<tr>
<td>CIPFA</td>
</tr>
</tbody>
</table>

Figure 2.1 The UK field of professional accountancy bodies

Source: Devised by author

2.4.2. The Big Four and their extended influence in the field

Within the UK context therefore the Big Four have been a powerful historic influence on ICAEW and ICAS. This stems from the interaction of their founding partners with these bodies and extends to the modern day control of listed company audits, spanning 99% of the FTSE100 and 96.7% of the FTSE250 in 2017 (FRC, 2018, p. 47), and graduate training. The experience of auditing quoted companies is important to help guide the work of the relevant professional bodies in defending and retaining this important area of expertise. As regulators have a market focused perspective, trust in audit is a critical consideration in their drive to create market transparency and stability. The importance of audit as an income generator has declined over time for the Big Four as they have expanded their services across a broad range of disciplines, but the relationships built in this area often lead to additional work. According to the FRC, in 2017 audit represented 20% of income with non-audit services to audit clients adding a further 10% to Big Four revenues (FRC, 2018a, p. 43).

It is important to the standing of the professional body to retain the engagement of the Big Four; this is because it has been shown in the US context that a lessening of engagement with this stakeholder group reduced the power of AICPA as a gateway to prominence in the sector with others filling the resultant gap (Sellers, Fogarty, & Parker, 2015). In essence, the increased diversity in the leadership of AICPA came at the price of a reduction in prominence of the body as a whole.

In relation to the ICAEW, the view has been expressed that:
‘The Institute has in fact long been suspected to be the creature of the bigger firms, the only ones able to second full-time staff to it and with the necessary networks and influence to carry the voice of the profession’ (Ramirez, 2009, p. 403)

Whilst members do not appear to be formally seconded from the Big Four, they do participate in much of the committee work that feeds into policy and consultation responses. This is not necessarily reflected in the composition of the ICAEW Council to which the Big Four members tend to be co-opted rather than elected. This view appears to elevate the status of members in practice (and specifically the Big Four) and marginalises the 66% of working membership (FRC, 2018a) who are working outside practice.

As the Big Four now operate at a global multi-disciplinary level, it may be that a regulatory gap has opened up between national regulators (professional bodies) and the transnational regulatory bodies, e.g., IASB, IFAC (Suddaby et al., 2007). The Big Four are arguably increasingly autonomous from the professional bodies (Malsch, Gendron, & Grazzini, 2011) yet still need national legitimacy to be able to influence practices (Ramirez, Stringfellow, & Maclean, 2015). This need for legitimacy drives engagement with the local professional bodies to protect their interests, but also in turn benefits the professional bodies through large amounts of expert input from volunteers that would otherwise have been difficult to secure.

2.4.3. The governance and accountability of the ICAEW

In this section, the existing literature investigating the governance and accountability of the ICAEW is evaluated with a focus on the central concepts of public and political accountability, which form the basis of the research.

Whilst the early literature on the professions took the form of a trait-based analysis detailing the collection of attributes required to be accepted as a profession (a functionalist approach), this approach gave way to an interactionist approach whereby the professional body is viewed as a ‘basic organisational element for defining and securing a respectable and valued social identity’ (Willmott, 1986, p. 557). More recently, a critical approach has been adopted that, at least in its initial framings, linked the professional bodies to social mobility (Willmott, 1986); it has since been advanced through studies of state-profession power and interest relationships (Matthews, 2017; Robson, 1991; Walker, 2004). The critical approach has created a framework within which the study of the profession can be advanced through the examination of interactions in the context of the wider environmental factors, e.g., social, political and economic. As the external environment remains dynamic, the professionalisation project ‘is continually being managed and reproduced’ (Radcliffe et al., 1994, p. 603).
The governance and accountability aspects previously addressed in the literature are appraised in relation to the focus of this thesis.

**Public accountability to stakeholders**

Professional accountancy bodies emerged in England in the second half of the 19th century in response to the disturbance of existing jurisdictions created by the Bankruptcy Act 1869 (Walker, 2004). The Act enabled accountants to assume the role of creditor-appointed trustees in bankruptcy. This was an important step against a backdrop of significant losses from bankruptcy that were of a national concern (Walker, 2004). The establishment of the accountancy profession in England followed a similar pattern to events in Scotland, and the formation process has been described as ‘little more than a series of copy-cat events as local accountants sought the credibility and authority of Scottish chartered accountants’ (Lee, 1995, p. 51). Therefore, a motivating factor in the establishment of membership bodies in England was to protect the existing work of accountants and extend their jurisdiction to bankruptcy work.

Whilst they were originally formed on a regional basis in London, Liverpool, Manchester and Sheffield in differing manners (Walker, 2004), they soon consolidated (Lee, 1995) and the grouping gained a Royal Charter in 1880 (ICAEW, 1880). This provided legitimacy to the professional body and afforded it a position of public accountability, protecting the public from unscrupulous practitioners (Walker, 2004; Willmott et al., 1993).

The Royal Charter established the governance framework and entrenched the right of the ICAEW to control admission through examinations and a period of practice, and to regulate its members. In so doing, the status of members was elevated and the ‘symbolic values of the profession – expertise, altruism, autonomy’ could be leveraged to secure improved remuneration (Willmott, 1986, p. 559). However, the significant barriers to entry have often resulted in new challengers to ICAEW in the form of the alternative professional accountancy bodies formed by those excluded, and by nature of the stringent entry requirements in the form of articles or location of members (Annisette, 2000; Cooper & Robson, 2006). In particular, this led to an opportunity for ACCA and its predecessor organisations to expand internationally (Annisette, 2000; Briston & Kedslie, 1997).

Later, the state granted ICAEW members exclusive rights over the audit of companies by way of the Companies Act 1900 (Sikka & Willmott, 1995), and which was extended to a monopoly in the Companies Act 1948. This exclusivity over audit formed the backbone of the ICAEW members’ work, as there is no protection of the term ‘accountant’. Public accountability of the
ICAEW for the work of accountants has diminished as other competing bodies have gained Royal Charters and the resulting legitimacy, e.g., ACCA, CIMA. In addition, audit thresholds have increased, resulting in a contraction of the market for audit services.

Public accountability to the membership

Members form a heterogeneous grouping (Radcliffe et al., 1994) working in a wide range of settings ranging from practice large and small, business, third sector, government and academia. As such, effective representation of members’ interests is often a balancing act achieved through the composition of the Council (primarily an elected body of regional representatives) and the committee structure (Ramirez, 2009).

The apparent disconnect between the leadership (the Council) and the wider membership of professional accountancy bodies has been catalogued through a number of historic analyses (Noguchi & Edwards, 2008a; Shackleton & Walker, 2001). In part, these events have been tied to a strong identification on the part of members of the more prestigious body rejecting mergers or amalgamations with other bodies, which they viewed as of a lower status (Walker & Shackleton, 1995, p. 482). In this respect, it is notable that it is often the smaller practitioners who are trading on their credentials as members of a particular body who have been particularly active in rejecting such proposals (Ramirez, 2009).

In the international context, a similar disconnect was illustrated by means of the 2004 merger failure between the Canadian Institute of Chartered Accountants (CICA), the Certified General Accountants of Canada (CGA-Canada) and the Society of Chartered Management Accountants of Canada (CMA Canada) (Guo, 2018; Richardson, 1997), also of AICPA’s global credential (in conjunction with CIMA) (Fogarty, Radcliffe, & Campbell, 2006). However, both liaisons were subsequently agreed, with the Canadian bodies merging in 2014 (McFarland, 2014) and the AICPA and CIMA link-up being formalised through the creation of a new body in 2016 (AICPA, 2016). The recent trend for merging into a larger professional body confirms the belief that this will translate into professional influence (Halliday, 1985); indeed, this has been shown in the historical context of the merger of AIA and ASCPA (Detzen, 2018). However, it remains unproven whether an international merger, e.g., AICPA and CIMA, will translate into increased professional influence on the international stage.

With the emerging research focusing on the execution and aftermath of the Canadian merger, Guo (2018) alludes to the perceived superiority of titles creating an initial barrier to merger. “There appeared to be a sense of self-elitism among many CAs and, to a lesser extent, CMAs and
CGAs as well.’ (p. 2). The Canadian merger created a new designation: Chartered Professional Accountant (CPA). In common with prior mergers, an underlying theme of recent mergers has been to secure political power and leverage (Detzen, 2018), either nationally or internationally.

There are two major incidents in ICAEW history where the membership has rejected the plans of the leadership. The first was a scheme of merger presented in 1970 that had already been approved by five of the six bodies in the UK (Noguchi & Edwards, 2008b; Shackleton & Walker, 2001). This rejection was closely linked to fears of brand dilution (Shackleton & Walker, 2001) from the admittance of members from other bodies and resulted in 64.1% of the membership taking part in the vote (Noguchi & Edwards, 2008b). Noguchi and Edwards assert that the outcome of the vote was in part attributable to the under-representation of certain groupings of members on Council, which was ‘dominated by the big London firms’ (p. 21). Following this event, the electoral system to Council was overhauled to enable district society-based elections by postal ballot (Noguchi & Edwards, 2008b). However, postal ballots did not lead to increased engagement but continued member apathy, with elections from 1973-1994 reported to have ‘turnouts ranging from 15.2%-24.1%’ (Noguchi & Edwards, 2008b, p. 33) and the most recent Council election in 2017 reporting a turnout of 5.8% (Electoral Reform Services, 2017). This calls into question the legitimacy of mandate of those elected by so few of the membership (Spear, 2004). Noguchi and Edwards (2008b) go as far as to claim such events ‘highlight the persistent lack of authority of the Council’ (p. 2), citing a series of debacles that continued to challenge Council in the period to 1998.

The poor engagement of the membership has been attributed to an oligarchic leadership (Noguchi & Edwards, 2008b). However, Noguchi & Edwards focus on the Council as a proxy for leadership whilst in the current structure it may be the case that it is the Executive function that is acting as a counterbalance to the oligarchic tendencies. As discussed in Section 2.3 the managerial accountability of the Executive is not a focus of the thesis.

Following the failed merger attempts, two reports were commissioned in quick succession to examine the governance of the ICAEW, known as the Tricker report (Tricker, 1983) and the Worsley report (Worsley, 1985) after their chairmen. The discourse surrounding the reports has been analysed as opening the black box of governance, which is often taken for granted in research on the professions (Willmott et al., 1993). Of ‘significance is the belief that internal and external pressures in the Institute were, and are, exerting potentially disabling effects on its governance’ (Willmott et al., 1993, p. 73). The Tricker report (1983) suggested structural change to reflect the segmentation of members on Council thereby strengthening perceived
weaknesses in political accountability. The Worsley report (1985) recommended the creation of new mechanisms in the form of Faculties and Representative Boards that would appease the diversity of interest without unsettling the fundamental structure of the Council, thereby seemingly addressing public accountability concerns without affecting the underlying structure. These limited reforms were those adopted.

According to Noguchi and Edwards (2008b), an underlying factor in maintaining the traditional structure of Council in the ICAEW was the desire to maintain political influence in negotiating with the government on professional matters (Richardson, 1997). Low participation levels of themselves may not be indicative of oligarchy and may highlight a tacit acceptance of the status quo.

Even following the implementation of the recommendations from the Worsley report, it appears that the public accountability of the ICAEW was not been strengthened, as hoped. Again, when situations of strategic importance have been presented to the membership for ratification, the remoteness has been shown to result in revolt, e.g., merger proposals involving CIPFA in 1990 and 2005 that generated votes of 36% and 44% of members (Noguchi & Edwards, 2008b).

The tension between maintaining the membership base and addressing public accountability concerns, through securing a voice on the world stage comprising increasingly large international accountancy bodies, may be mediated to some extent through a more active management of the looser alliances, e.g., CAWW (Chartered Accountants Worldwide), GAA (Global Accounting Alliance). This would enable some level of catch-up across the membership bodies and facilitate a critical mass, without reopening the hierarchical issues of merging with other UK-based bodies (Samsonova-Taddei & Humphrey, 2014).

‘in establishing effectively “institutional networks of support”, usually centred around particular policy issues or common areas of concern, they can also enable participating bodies to gain a louder voice and influence within national, regional and global regulatory circles. This can reinforce and respond to any detected faltering in existing homogenising tendencies but can also redirect homogenising priorities around new or revised sets of international standards, which are seen to be more closely aligned to the interests of the particular collective and reinforce (and extend) the status of global professional elites’ (Samsonova-Taddei & Humphrey, 2014, p. 923)

The risks associated with a consultation of the membership may be circumvented in this manner. Adopting this strategy would allow the ICAEW to access some of the benefits of scale, without the costs associated with a full-scale international expansion or merger, and serve to
maintain the status of the qualification thereby maintaining public accountability to both the membership and wider stakeholder groupings.

**Political accountability – representation of the membership**

The literature charts the drive for engagement of new and emerging groupings of members has though historic analyses (Noguchi & Edwards, 2004, 2008a) illustrating systematic dominance of members in practice in developing strategies and ensuring their passage through Council. Three groupings have been researched to date, the small practitioner (Ramirez, 2009; Ramirez et al., 2015), members in business (Noguchi & Edwards, 2008a), and the Big Four (Suddaby et al., 2007).

The profession tends to be treated as cohesive when in fact there is a complex interplay between unity and heterogeneity (Ramirez et al., 2015). This notion raises questions regarding a common identity and interests and the possibility of domination by certain segments who act to define the membership as a whole either through their size or reach. This is important, as the professional bodies play a significant role in institutional change processes as a product of their regulatory responsibilities and could lead to inadequate policies or recommendations from committees. The implied ‘intra-organisational conflict between sections of the membership of a professional accountancy body is an under-explored research area’ (Noguchi & Edwards, 2008a, p. 124).

Some segments, including the small-practitioner segment, are considered under-represented through the official representation channels as they have insufficient resources ‘to afford to be represented at these institutions’ (Ramirez et al., 2015, p. 1355). This can lead to policies that do not reflect the concerns of the membership, for example, the process of implementation of audit monitoring indicates that the hierarchy led to the processes being unsuitable and overly onerous for the smaller practitioner (Ramirez, 2013).

The limited changes designed to better reflect and engage the membership have generated little underlying change and may have contributed to the continued disaffection with the representative processes on the Council. For example, the percentages of those participating in the elections to the Council have continued to decline from 15% (Worsley, 1985, p. 41) to the lower levels experienced today (Electoral Reform Services, 2017). However, apathy is commonly observed in other democratic membership organisations, with Spear reporting that only 1-5% of members of UK consumer co-operatives participated in board elections (Spear, 2004), and Parker also observing that ‘very few association members ever offered themselves for election
to the board’ (Parker, 2007, p. 1464). The representative nature of the Council is further explored in Chapter 6 to help answer Research Question 2.

**Expanding governance and accountability mechanisms**

The tension between the public accountability to the membership and other stakeholders has led to a number of instances, charted by the literature, where the ICAEW adopted a reactive stance to changes in its operating environment. The first led to a lesser role internationally, the second to a delayed response to changing social norms and the final one to a continued disaffection of members in business.

A restrictive approach to training and admittance stems from the original charter and the desire not to open membership to accountants in the Commonwealth countries. Annisette (2000) characterises the ICAEW as a ‘status’ body founded on exclusionary tactics based on competence, social class, gender, nationality and wealth, reinforced by a series of demanding examinations and lengthy apprenticeships or articles (Annisette, 2000; Johnson & Caygill, 1971).

The ICAEW’s overseas strategy led to the ICAEW playing a ‘less significant role in the Commonwealth than it has in Britain’ (Johnson & Caygill, 1971, p. 160). First, the significant number of members who already practiced in the Commonwealth was a significant contributor to the ICAEW strategy overseas (Johnson & Caygill, 1971). ICAEW members were frequently ‘exported’ to Commonwealth countries to oversee British corporate interests or perform governmental functions. In many countries there was no local stock exchange, creating a demand for audit or financial reporting until the years following the transition to self-government. As a result, ICAEW accountants frequently trained local staff to join ACCA, who had adopted an international expansion strategy in contrast to that pursued by ICAEW, which was slow to adapt its examination and training requirements to facilitate international membership growth (Annisette, 2003). The comparatively small international footprint has led to the ICAEW’s reduced influence with the international standard setters and therefore in its accountability to both members and stakeholders for its contribution to accounting standards.

Second, the admittance of women to ICAEW was finally executed through a change in legislation, i.e., the Sex Discrimination (Removal) Act 1919 passed in the wake of the First World War, rather than in response to the extended lobbying of female accountants and the decision to admit women in 1909, e.g., Mary Harris Smith who became a member in 1920 (Walker, 2011). The analysis of this change in policy highlights the protectionist approach adopted by ICAEW and the
resistance to social change that led to other bodies admitting women significantly earlier than ICAEW.

‘An overtly separatist solution was also propounded by Ethel Ayres Purdie, who in 1909 became the first woman to be admitted to a (lesser status) professional organisation, the London Association of Accountants.’ (Walker, 2011, p. 205)

The failure to reflect changing social norms led to the forced changes by means of legislation creating public accountability. For example, the reactive nature of the ICAEW may lead to further regulation to separate its disciplinary processes or change the composition of the Council to include independent members.

Finally, the recognition of the trend for significant numbers of members to work in business was not initially embraced, requiring members to ‘leave the profession’. Noguchi and Edwards traced the trend for members to leave practice and work in business and the resultant struggle for representation in Council (Noguchi & Edwards, 2008a). The marginalisation of members in business was effected through the initial requirement that members resign when they left practice, and the later requirement for only Fellows (a designation bestowed on those who had worked in practice for five continuous years) to be eligible for Council (Noguchi & Edwards, 2008a). The intra-organisational conflict between business and practice-based members reflects the evolution of professions from autonomous individuals, e.g., partners in legal or accountancy practice and doctors, to employees of wider structures, e.g., companies and the NHS (Hanlon, 1998). The tension continues to grow as practice members now form a smaller grouping than those outside of practice yet the public accountability of the ICAEW remains primarily focused on practice members.

2.5. Conclusions

This chapter has reviewed the concept of governance and accountability in relation to professional accountancy bodies. It outlined the focus on public and political accountability adopted in this thesis and the selection of the ICAEW as an individual case study, reflecting its position as a leading professional accountancy body in the UK.

The interplay of governance and accountability of the profession to members and the broader stakeholders of the ICAEW have inspired the research questions. Therefore, central to an understanding of the governance and accountability of the ICAEW Council, is developing an insight into how and to what ends the body is governed (Research Question 1). This question is concerned with the public accountability aspects of the Council. It is also important to
understand the interests of the Council members and how those interests contribute to shaping the governance of the ICAEW (Research Question 2). This research question focuses on the political accountability of the Council. This PhD thesis seeks to provide answers to these important questions.

This chapter has provided an understanding of the governance and its implications for accountability of professional membership organisations by drawing on themes originating in the sociology of the professions, governance and accountability of democratic membership organisations to problematise governance and accountability at the ICAEW and develop the research questions. The next chapter outlines the theoretical lens adopted by this thesis which serves to enrich and deepen the analysis.
Chapter 3

A theoretical framework for understanding the governance of the ICAEW

3.1. Introduction

This chapter draws on aspects of Bourdieu’s relational theory to provide a skeletal framework for understanding governance and accountability of the ICAEW Council. Bourdieu’s theory helps deepen the analysis by making linkages between the structural aspects of the ICAEW Council and the agency of those who comprise its membership. In so doing, it helps address the public and political accountability questions that are central to the thesis. In this context, Bourdieu’s analytical tools serve as a method theory or lens through which the workings of the ICAEW Council can be better understood (Lukka & Vinnari, 2014).

Bourdieu’s position as a leading sociologist and political activist has influenced the work of social scientists over a sustained period. His work developed a contemporary critique through uncovering and foregrounding the accepted power relationships and interests embedded in daily life, thereby embracing a critically and politically engaged epistemology, e.g., his earlier works focusing on the Algerian war (Bourdieu, 1962). The social analysis advanced by Bourdieu acknowledges the fluidity of the current state of affairs; this is achieved through the compliance of the actors, thereby providing a means of bridging the gap between the structures and the agency of individual actors in the field (Bourdieu & Wacquant, 1992).

Bourdieu’s writings have been used as a framing device in the literature across a range of professions to provide insight into the relationships between the actors and the structures that house them, e.g., law (Bourdieu, 1986a), architecture (Stevens, 2002), politics (Davis, 2010), and journalism (English, 2016). In the study of accounting, Bourdieu’s concepts have been used to help explain and further our understanding in a variety of areas, e.g., accounting academic elites (Fogarty & Zimmerman, 2019; Lee, 1999), social mobility (Ashley & Empson, 2016; Duff, 2017), the work environment (Lupu & Empson, 2015), and the import of business planning techniques into the arts (Oakes et al., 1998).

Bourdieu’s analytical tools assist in theorising the capitals of those who engage with the governance of the ICAEW as Council members, and the ability of the professional body governance structures and processes to exercise symbolic power and violence over certain factions of its membership and external actors, thereby reproducing the status quo. This
approach therefore offers ‘a way of conceptualising the relations between accounting
associations, relevant publics and lay members’ (Neu, Friesen, & Everett, 2003, p. 73).

The remainder of the chapter is organised as follows: the next section outlines the primary
elements of Bourdieu’s theory that will be adopted in this thesis. Section 3 outlines how
Bourdieu’s theory has been translated into the accounting literature. Section 4 outlines the
translation of Bourdieu’s theory adopted to answer the research questions posed. Section 5
provides a summary of the chapter.

3.2. Constructs of Bourdieusian theory

‘The notion of profession is dangerous because it has all appearances of false neutrality
in its favour’ (Wacquant, 1989, p. 37)

The framework advanced by Bourdieu comprises a theory of social structure or field, power
relationships or capitals, and the individual or habitus (Chiapello & Baker, 2011). The field is
considered a useful framing concept to help explain the multiple interactions of the social world.
However, the field boundaries can be delineated differently depending on the perspective of
the inquiry (Shenkin & Coulson, 2007). This section explores the ideas of field, the concepts of
capital and habitus, and the interplay between symbolic power and symbolic violence in field
maintenance.

3.2.1. Field

The concept of field is refers to a structured space which is organised around a collection of
capitals. The management of the field is an ongoing endeavour. Bourdieu argues that the
concept of a profession is socially constructed; this goes some way to explaining why the general
theories of professionalisation do not apply uniformly (Abbott, 1988; Friedson, 2001; Larson,
1977).

Rather he invites us to look beyond:

‘instead of taking the notion of “profession” at face value, I take seriously the work of
aggregation and symbolic imposition that was necessary to produce it, and if I treat it as
a field, that is a structured space of social forces and struggles’ (Bourdieu & Wacquant,
1992, p. 243)

In this view, the appropriate unit of analysis of the professions is at the field level (Bourdieu &
Wacquant, 1992). The method for analysing a field has been articulated by Bourdieu to include
three steps. First, an analysis of the field in relation to the field of power or state; second, a mapping of the relationships between the positions occupied by the agents or institutions competing within the field; and third, an examination of the habitus of agents (Wacquant, 1989).

3.2.2. Capitals

‘The strategies of agents depend on their position in the field, that is, in the distribution of the specific capital’ (Wacquant, 1989, p. 40)

In Bourdieu’s conception, agents are a bespoke mix of what is termed capital. Capital is intertwined with the concept of field and cannot exist independently (Malsch et al., 2011), i.e., the field attributes its own value to various forms of capital. Capitals include economic capital (funds), social capital (connections and relationships), cultural capital (which is a mix of embodied capital, e.g., etiquette, speech and manners), objectified capital (which is the material items reflecting class, e.g., clothing, accessories), and institutional capital (e.g., credentials) (Wacquant, 1989). The capitals are fluid and can combine and substitute for each other, enabling those endowed with such capitals to ultimately convert them into economic capital (Malsch et al., 2011). The amount and type of capital the actors have differentiates their positions within the field’s hierarchy (Golsorkhi, Leca, Lounsbury & Ramirez, 2009). The hierarchical structure of the field results in certain positions that can only have one occupant but which command the structure (Bourdieu & Wacquant, 1992). Within the Council, these positions could be the President and other officeholders.

In each field, the balance of capitals differs, creating a unique structure (Oakes et al., 1998) and the field deploys its symbolic powers to regulate the capital exchanges of participants. Part of the power of the field is transferred to professionals by means of the institutional capital; this signifies belonging or credentials that can lead to clashes in strategies to increase the value of these credentials, both at the group and individual level (Wacquant, 1993a, p. 27).

Social capital

Social capital relates to the benefits to individuals from participation in groups and the attendant sociability used to create the group itself (Portes, 1998). Social capital enables actors to access other capitals but itself requires the ‘investment of both economic and cultural resources’ (Portes, 1998, p. 4). Social capital can be increased both spontaneously through interaction and consciously through networking (Richardson, 2017).
The sources of social capital are found in others with whom the actor associates rather than being inherent in the individual himself (Portes, 1998). The motivation of field members to provide the essential links to others is variable and can range from the instrumental to the transactional (Portes, 1998). The transactional view represents a collection of obligations that can be repaid in various forms. Whilst the majority of social capital research focuses on the positive effects of social capital, there are also negative consequences, including ‘exclusion of outsiders, excess claims on group members, restrictions on individual freedoms, and downward levelling norms’ (Portes, 1998, p. 15).

Social capital research has informed a wide range of disciplines across sociology, political science, economics and organisation studies (Adler & Kwon, 2002). This breadth reflects the reality that social ties obtained in one form can often be used for other purposes (Coleman, 1988).

**Cultural capital**

‘Bourdieu introduces the concept of cultural capital in order to interpret individual tastes as an accumulated stock of knowledge. Individuals adopt strategies that enable them to acquire the required cultural capital to secure particular positions in the social hierarchy.’ (Trigg, 2001, p. 113)

Cultural capital comprises elements of embodied capital, objectified capital and institutional capital. The possession of the various forms of cultural capital required by the field enhances the credibility of the actor as a full member rather than a peripheral member. Each form of cultural capital helps to establish an actor’s claim to credibility within the field. Embodied capital refers to how the actor presents itself, in other words it is closely bound to the body (Bourdieu, 1986b) and appearance (Carter & Spence, 2014). Objectified capital reflects the impression that the actor makes through material presentation, e.g., the office environment (Carter & Spence, 2014). Institutional capital reflects the credentials that field members possess (Bourdieu, 1986b), including the education that participants in the field have received and includes university degrees as well as professional qualifications.

Differential cultural capital can be helpful in framing ideas of exclusion i.e. four forms of exclusionary behaviour: ‘self-elimination, over-selection, relegation, and direct selection’ (Lamont & Lareau, 1988, p. 158). This can help deepen an understanding of the reasons why differential forms of engagement exist across the membership of a field.
Economic capital

Economic capital is the final form of capital accumulation and can be realised by owners by means of translating other forms of capital.

‘while economic capital is not necessarily a “trump card” on all fields, economic capital is one of the easiest forms of capital to translate into other forms of capital and is therefore always important’ (Cooper & Coulson, 2014, p. 243).

Bourdieu asserts that this is the most important form of capital (Bourdieu, 1986b) as it enables individuals to access more exclusive forms of education and occupation and so perpetuate their capital reproduction.

3.2.3. The bridging concept - habitus

‘The habitus is not only a structuring structure, which organizes practices and the perception of practices, but a structured structure: the principle of division into logical classes which organizes the perception of the social world is itself the product of internalization of the division into social classes.’ (Bourdieu, 2010, p. 166)

Wacquant explains the habitus in more detail by splitting it into an individual and institutional habitus. The individual habitus is dependent on the unique combinations of attributes and experiences. The attributes form the basis of selection for membership of groupings and institutions. At the institutional level ‘settings that inculcate, cultivate, and reward distinct but transposable sets of categories, skills and desires among their participants can be fruitfully analysed as sites of production and operation of habitus’ (Wacquant, 2014, p. 120).

Habitus is the most widely criticised part of Bourdieu's theoretical framework. The criticisms focus on different aspects of the concept: the implied inevitability, the contradictions perceived in Bourdieu's concepts of habitus, and through the idea of misrecognition.

The impression can be formed that the agent is an almost passive product of an inevitable process, implying that the actors have little opportunity to determine their own destinies (Burawoy, 2012). Bourdieu argued that individuals can ‘step back and gain distance from dispositions’ (Bourdieu & Wacquant, 1992, p. 136).

Others consider that there are two separate and contradictory strands to Bourdieu’s theory. First, the habitus that appears to place agents in objective structures, and second, his ‘practical theory’ that may provide a means of navigating the structure-agency conundrum (King, 2000, p. 417).
‘Under practical theory, individuals are constrained by being embedded in social relations with other individuals, whose opinions decide upon and inform the legitimacy of their actions but they are not determined by rules which exist prior to social agreement’ (King, 2000, p. 421)

Social position is continually being negotiated and renegotiated ‘which allows for intersubjectively meaningful but creative social action’ (King, 2000, p. 431). Therefore, the interaction between actors has been argued to be more significant than suggested in Bourdieu’s writings as it helps shape dispositions and is central to the formation of dispositions, formed by and forming habitus: ‘the habitus of an organisational or professional actor therefore becomes attached to the organisational or professional field in which they operate’ (Duff, 2017 p.1088).

Habitus has also been criticised through studies of domination in both capitalist and socialist regimes (Burawoy, 2012). These studies claim that the notion of misrecognition is important to the habitus concept. ‘Mystification is the term we use to describe the social process that produces the gap between experience and reality for all those who enter a specific set of social relations’ (Burawoy, 2012, p. 191)

Burawoy goes on to differentiate between the universal nature of mystification and outlines that misrecognition ‘is the result of an individual’s internalized habitus (that in turn mediates and reflects social processes)’ (Burawoy, 2012, p. 191)

‘Symbolic domination through misrecognition, however being universal cannot discriminate between societies. Bourdieu falsely generalises from his conception of contemporary France and precapitalist Kabyle to all social orders. He cannot – and, indeed, makes no attempt to – explain how it is that state socialism collapses whilst advanced capitalism endures.’ (Burawoy, 2012, p. 192).

In contrast to symbolic domination through misrecognition derived from the habitus, symbolic domination may be achieved through mystification derived from continuing social relationships. In this analysis, Burawoy (2012) argues that capitalism requires mystification creating stability whilst socialism cannot sustain a protracted hegemony and therefore flitted between coercion and legitimation.

‘In the final analysis, habitus is an intuitively appealing concept that can explain any behaviour, precisely because it is unknowable and unverifiable. Bourdieu never gives us the tools to examine what a given individual’s habitus might be. It’s a black box. We infer the habitus from behaviour - a shop lifter is a shop lifter because she has the habitus of a shop lifter. We only know the habitus from its effects; there’s no theory of its components or how they are formed as in psychoanalytical theory. In short, habitus is not a scientific concept but a folk concept with a fancy name - a concept without content that might equally well be translated as character or personality. We can contest the
notion of habitus as being unfalsifiable and unscientific, but I have taken the even stronger position, namely that we can dispense with any such deep psychology when it comes to understanding the breakdown of social orders.’ (Burawoy, 2012, p. 204).

The common theme is that the habitus is adaptive to the field under consideration and it is created through the belief system of the participants within the field that the field is legitimate and the game is worth playing (Carter & Spence, 2014). Without this ‘mystification’ or belief system, the field breaks down. As a result, the field must continually work to legitimate itself, offering benefits to the actors for their participation. It can be thought of as a framework in which actors direct their actions towards practical functions (the game) and thereby achieve certain benefits within the hierarchical field (structure) (Shenkin & Coulson, 2007).

3.2.4. Symbolic power and violence

Symbolic power and violence offer a means of regulating the field and maintaining the field specific capitals whilst defending the boundaries and excluding outsiders.

‘The state is at the bottom of the great reservoir of symbolic power, the central bank of symbolic credit which vouchsafes acts of consecration, such as the granting of an academic title, an identity card or a certificate – so many acts whereby the authorised holders of an accredited authority asset that a person is what he or she is, establish both what the people are and what they have a right to be’ (Wacquant, 1993a, p. 39).

Bourdieu’s conception of power differs from other established theories of power relationships by combining a structural and agency-based perspective, e.g., Althusser’s theory imposing onto individuals and the bottom-up approach that envisages power diffused through networks, e.g., Foucault (Wacquant, 1993b). There is some agreement with Foucault in the following respects: first, power is inherent in social relationships and the fabric of the actors, second, it takes multiple forms, and third, it can be enacted both consciously and unconsciously. However, Wacquant (1993b) observes there are some key differences. First, Bourdieu prioritises the institutions that replicate economic and cultural capitals through state approved processes. Second, power operates through control of internalisation of symbolic violence by actors, often without their acknowledgement of the state of affairs.

Field level struggle is characterised as symbolic violence with ‘non-physical limiting influences exerted on individuals’ (Gracia & Oats, 2012, p. 307). It creates order through the disguise of legitimacy and is therefore reliant on the authority to which the actors defer (Gracia & Oats, 2012). This enables the symbolic acts of violence to appear normal and acceptable to those within the field (Tremblay et al., 2016).
‘Resistance is, however, highly problematic because symbolic domination is absorbed like air and represents and invisible pressure to which individuals are perfectly adapted’ (Stringfellow, McMeeking & Maclean, 2015, p. 89).

Examples that are often used to illustrate symbolic violence include gender relations (where women are portrayed as weaker), and class relations (where the upper classes are portrayed as more intelligent than working class).

3.3. Translation – the import of theory

‘Translation involves a dual transformation process: both the idea and the actors’ interests in the idea change along the way’ (Chiapello & Baker, 2011).

The import of theory from another discipline naturally involves some transformation and adaptation to the context at hand (Killian, 2015). This creates a translation gap that can vary in significance (Chiapello & Baker, 2011). Some approaches that have been adopted in the accounting literature to date are discussed below with a view to informing the translation of Bourdieu’s concepts into this thesis.

The existing accounting literature citing Bourdieu indicates that a variety of approaches has been adopted towards incorporating his analytical framework. Some researchers present a critical analysis of the author’s position in the social field (Neu, 2006; Oakes et al., 1998), whereas others offer a more limited discussion of the method adopted (Duff, 2017). There is also evidence that some of the literature adopts a relational approach (Stringfellow et al., 2015), whereas other work overlays a Bourdieusian analysis onto historic artefacts (Gracia & Oats, 2012). It has also been remarked that:

‘The citation of French authors in AOS\(^1\) may therefore be somewhat ritualistic, manifesting the authors belonging to and participation in a particular field rather than providing a central argument for the articles’ (Chiapello & Baker, 2011, p. 149).

Malsch et al. (2011) also identify a divide between politically engaged studies and those that are less politically engaged. The politically engaged studies are ‘politicized through the ways in which it problematizes power relationships and mechanisms involved in the production and reproduction of domination within fields’, whilst the less politically engaged studies ‘remain less socially and politically committed when discussing and problematizing domination’ (Malsch et al., 2011, p. 208). Examples of studies that problematise domination include those focusing on

\(^1\) AOS – Accounting Organizations and Society (A leading accounting journal)
the reproduction of elites in US academic accounting (Fogarty & Zimmerman, 2019) or the executive committee of the American Accounting Association (AAA) (Lee, 1999).

Prior research has also used Bourdieu’s writings to complement other theories. For example, power dynamics have been explored by researchers who have drawn on both Bourdieu and Foucault to advance understanding of the operation of power (Malsch et al., 2011). Others have employed Bourdieusian concepts of field and capital to enhance institutional analysis (Oakes et al., 1998). However, some commentators consider Bourdieu’s concepts to be relational and therefore set an expectation that they are adopted holistically to be effectively translated into contemporary research contexts, criticising a piecemeal approach (Malsch et al., 2011).

On the other hand, it is also argued that advances in understanding and theory stem from innovation and creativity rather than the rigid adherence to existing structures (Malsch et al., 2011). Malsch et al. find that many studies omit the habitus in their literature review and point to the complex nature of the concept, discussed in Section 3.2.3, which evolved over time in Bourdieu’s own work. In fact, they note that it was primarily used in theorising rather than in empirical work by Bourdieu himself.

Field

The dynamic nature of the field has been studied through the linkage of a change in policy to a rebalancing of the field and the capitals within it, finding that both the types and amounts of capital changed as new groupings were created within the field (Neu, 2006).

‘the analysis highlights how the ability of accounting to change social groupings may mean that accounting is not only constitutive of public spaces but of notions such as the public interest itself’ (Neu, 2006, p. 392)

Field analysis has also been applied to historical events to understand the construction of practitioners in France (Ramirez, 2001). In doing so, Ramirez demonstrates that the actors’ position in the field is dependent on their capital mix.

‘As far as professional fields are concerned, legitimacy in a particular field is, therefore, the outcome of both collective actions such as intra-professional disputes and the specific way assets constituted in other fields (e.g. credentials, experience acquired in other professional fields) are translated and enacted in the professional field.’ (Ramirez, 2001, p. 393)

By adopting a field analysis, Ramirez benefits from the more flexible nature of the concept in contrast to class, which tends to have a fixed nature. The ongoing field maintenance project
encompasses the fluidity of the external and internal forces relevant to the profession, as well as the internal and external hierarchies (Ramirez, 2001). The importance of this ongoing field maintenance project has also been researched in relation to specialisations, e.g., the tax field (Gracia & Oats, 2012).

**Capitals**

Bourdieu’s capitals have also been adopted as constructs to help structure research on social mobility in terms of entry to the profession. Despite the recruitment rhetoric based on objectivity:

> ‘the reality is that the requisite capital profile is associated with attendance at an independent school, or a highly rated state school in a middle-class locale, family links, or in Bourdieusian terms, economic, social and cultural capitals. These capitals combine to create a field-specific form of symbolic capital: reputational capital.’ (Duff, 2017, p. 1103)

It is this reputational capital that enables those at the Big Four to convert their capital mix to economic capital with more ease than those at lower ranked firms. The study identifies two distinct sub-fields, the Big Four and the mid-tier. It also alludes to the recruitment of school leavers on apprenticeship schemes as indicating that reputational capital can be created without recourse to the high levels of social, institutional or cultural capital envisaged by Bourdieu.

Research has also identified a changing capital mix during an actor’s career as accountants move through the hierarchy with commercial pressures of foremost importance for partners (Carter & Spence, 2014). The mix required to accede to partnership has changed over time, and continues to evolve in response to both internal and external pressures. They found that the traditional values of the profession, e.g., independence and technical excellence, are ever more in tension with the commercial embodiment of the partnership for which there is strong competition to prove the most commercial (Carter & Spence, 2014).

At a field level, Bourdieu’s concept of cultural capital enables a review of the delineation between the undisputed rules or knowledge base and the adaptation to changes in the field:

> ‘For Bourdieu, a practice that is deemed ‘technical’ is one that has gained the status of being taken for granted. It is technical because it is not challenged. The ability to claim a practice as taken for granted or technical is part of the cultural capital of a field. It is part of what those in the field are able to define as natural and legitimate.’ (Oakes et al., 1998, p. 263)
Drawing parallels from the curatorial profession studied by Oakes et al. (1998), the accountancy profession’s technical core is reflected in the body of knowledge amassed by members who have gained the institutional capital and legitimacy of attaining membership; this is also evidenced in the professional ethics and the commitment to the public interest. The shift created by the adoption of business planning techniques created a form of external imposition of tools and techniques into the field; this resulted in an adjusted value system for the creation of symbolic capital through revenue generation by business units (Oakes et al., 1998). The power of the business planning techniques is attributed to the unacknowledged symbolic violence they have imposed on the field in question, i.e., museums and cultural sites. ‘The power of pedagogy lies in actors’ complicity in their own control, not only changing themselves but also what is valued in the field in which they operate.’ (Oakes et al., 1998, p. 288)

These findings that actors changing themselves to fit the evolving value system within the field are also reflected in the findings that actors evolve to match the field metrics of success (Carter & Spence, 2014), and often do so with extreme and unquestioning levels of commitment (Lupu & Empson, 2015).

**Habitus**

The habitus of the accounting profession has been researched through the tacit understanding of the meaning of a true and fair view (Hamilton & Ó hÓgartaigh, 2009). The habitus of an accounting professional is marked by the process of education that members undertake as well as the group norms that are absorbed by the members of the profession e.g. Codes of Ethics. Habitus has been shown to adapt as accountants progress their careers e.g. (Spence & Carter, 2014) rather than remaining fixed throughout.

Lupu and Empson found that the mid-career professionals in their study had the capacity to reflect on their sacrifices to progress their careers but that they present them as inevitable rather than a trigger for fundamental change. As a result, ‘those who are successful at playing the game will only engage in a form of reflexivity that is permitted within the rules of the game’ (Lupu & Empson, 2015, p. 1333), and, as such, normalise behaviours and practices that outsiders to the field may view differently.

**Symbolic power and violence**

Symbolic capital and violence concepts have been used to provide a framework for analysing the imperial field of accountancy (Poullaos, 2016). The symbolic power of the designation ‘CA’
as a marker of quality and prestige was examined through attempts by the British professional bodies to retain exclusive use of the term, using it as a type of violence against those who were not ‘CAs’ and portraying them as lesser accountants (Poullao, 2016). Importantly the presence of the state as a powerful actor capable of providing legitimacy to the profession is identified by the analysis. The loss of control of the ‘CA’ designation by the British professional bodies led to a weakening of the symbolic power of the British, and contributed to an emergent hierarchy of ‘CA’ bodies. The fine line between symbolic power and symbolic violence is an important contribution to the literature on the professions.

Research has shown that actors are often complicit in the process of symbolic domination through their practices, e.g., banks’ lending practices, professional bodies’ re-classifying smaller practitioners as ‘business advisors’ (Stringfellow et al., 2015).

‘Acting as the representative voice of its members, professional institutes participate in legitimising and ensuring the misrecognition of its members to processes of naming that diminish the ‘professional’ identity of smaller practices by classifying them as business advisors. The Big Four already dominate in audit, tax and insolvency (considered to be specialist knowledge areas of accounting work), and the actions of professional institutes serve to further secure the Big Four’s ascendancy and symbolic power over the field’ (Stringfellow et al., 2015, p. 95)

Through the external adjustments, groups of actors in the field increase symbolic capital whilst reducing that of others in response to the backdrop of attrition of legally protected work (audit) and increasing competition from other types of accountants. Professional bodies have been complicit in the programmes of symbolic violence against groups of members.

3.4. Applying Bourdieu – translation to a professional body context

‘Every group has its more or less institutionalized forms of delegation which enables it to concentrate the totality of the social capital, which is the basis of the existence of the group (a family, a nation, of course but also an association or party), in the hands of a single agent or a small group of agents and to mandate this pleni-potentiary, charged with plena potestas agenda et loquendi [full power to act and speak], to represent the group, to speak and act in its name and so, with the aid of this collectively owned capital, to exercise a power incommensurate with the agent’s personal contribution.’ (Bourdieu, 1986b, p. 251)

In the case study context, the ICAEW Council is charged with representing the membership and at the same time is accountable both individually (political accountability) and collectively (public accountability) to the membership and a wider grouping of stakeholders. The ability to investigate the relationship between research questions related to both structure and agency
using Bourdieu’s concepts helps to deepen the analysis by helping to make visible the processes of marginalisation experienced by some groupings within the seemingly objective processes of governance and accountability.

3.4.1. RQ1: How is the ICAEW governed and to what ends?

This research question comprises two parts, a) how is the ICAEW governed, and b) to what ends is the ICAEW governed. As outlined in Chapter 2 this research question helps to further our understanding of the public accountability of the ICAEW to its members and broader stakeholders through its governance structure. Bourdieu’s concepts in relation to the two parts of RQ1 are shown in Table 3.1 below.

Table 3.1: Bourdieu’s concepts in relation to RQ1

<table>
<thead>
<tr>
<th>Bourdieu’s concepts</th>
<th>How is the ICAEW governed?</th>
<th>To what ends is the ICAEW governed?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Symbolic power/violence</td>
<td>Symbolic capital maintenance</td>
</tr>
</tbody>
</table>

Source: Devised by author

Chapter 5 helps to answer these questions from the interviews with members of the Council who explicate the relationship between the governance structure and the public accountability of the ICAEW to its membership and to those beyond through the Royal Charter framework.

a) How is the ICAEW governed?

This part of the research question is answered in four sections in Chapter 5. Section 5.3.1 details the governance role of the Council, Section 5.3.2 outlines the empirical findings related to the accountability to the membership, Section 5.3.3 includes interviewee responses in relation to the accountability of the committee structure to the Council and Section 5.3.4 presents findings in relation to accountability beyond the membership.

Concepts of symbolic power and violence are used to help explain the governance structures of the ICAEW and its public accountability to the membership and its stakeholders. The governance processes may serve certain interest groupings within the membership due to the imbalances created within the Council which leave it susceptible to marginalising certain groupings of the
membership through its actions e.g. naming and categorising subsets of the membership (Ramirez, 2009).

b) To what ends is the ICAEW governed?

The governance of the ICAEW is primarily directed to performing three tasks and which are highlighted by the interview quotes in Section 5.4: symbolic power maintenance (Section 5.4.1), withstanding symbolic violence (Section 5.4.2) and the symbolic power and violence involved in managing agendas internally (Section 5.4.3).

Significant maintenance work continues to be devoted to the continued symbolic power of the ‘Chartered Accountant’ designation (Poullaos, 2016) to ensure continued status and economic capital for the membership as a whole. This is also manifested in the ongoing boundary maintenance (Chua & Poullaos, 1993) required in response to the continual erosion of the right to self-regulation and formal legislative interventions recalibrating the field, e.g., increasing audit thresholds, apprenticeship levy, and the resulting reorientation to a commercial ethic (Suddaby et al., 2007).

3.4.2. RQ2: What are the interests of Council members and how do they shape the governance of the ICAEW?

This question is also addressed through two sub-questions, What are the interests of the Council members and how do they shape the governance of the ICAEW? As outlined in Chapter 2 this research question seeks to further our understanding of the political accountability of the Council members to their constituents. Bourdieu’s concepts in relation to RQ2 are outlined in Table 3.2 below.

Table 3.2: Bourdieu’s concepts in relation to RQ2

<table>
<thead>
<tr>
<th>Bourdieu’s concepts</th>
<th>What interest groups do Council members represent?</th>
<th>How do the interests of Council members shape the governance of the ICAEW?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capitals</td>
<td>Capital accretion</td>
<td></td>
</tr>
</tbody>
</table>

Source: Devised by author
a) What interest groups do the Council members represent?

To answer this sub-question, the research evaluates the mechanisms of political accountability through the different capital mixes of elected and co-opted (including ex-officio) members. For elected members, the establishment of credibility with the local electorate is important to secure both nomination and election.

An analysis of the election process is undertaken in Section 6.3.1 and the capitals presented to the membership are mapped through an evaluation of the election statements and the instructions provided to potential candidates by ICAEW (ICAEW, 2018a). These instructions, combined with the requirement to source a number of nominations, may be construed as a form of symbolic violence as those who cannot comply with the forms of credentialism may exclude themselves from the process (Lamont & Lareau, 1988). As such, potential entry is effectively blocked.

This specific genre of social capital within the geographic electoral constituency must be cultivated at a local level, and the ICAEW district society structure has traditionally provided the means to achieve this (Ramirez, 2009). Further, for those who aspire to officeholder positions, the Council acts as an electoral college; therefore, developing social capital within this elite grouping is important. As this grouping changes significantly every two years through elections, the work is ongoing and rivals may appear through co-options, e.g., David Matthews, ICAEW Vice President 2018/19, is a Senior Large Firm Partner co-optee.

Institutional capital in the form of education is expected to be relatively homogenous for candidates as the majority have passed through university and all have achieved membership of the ICAEW, which itself results in the grant of the institutional capital of the ACA (FRC, 2018a). Other forms of institutional capital that are often used to differentiate between members include a large firm background (and have been through the socialisation processes adopted by such firms) (Carter & Spence, 2014), and membership of the District Society.

This secondary analysis is supplemented through understanding the Council members’ own views of the critical success factors. The insights of those who were unsuccessful would contribute to additional clarity into what it takes to be elected or co-opted, and represents a limitation of the study.
The analysis also investigates the capitals of those co-opted (including ex-officio) to the Council in Section 6.2.2 and the interests they represent as well as their accountability. This enables a comparison between the two types of Council member to be developed.

b) How do the interests of Council members shape the governance of the ICAEW?

The interests of the Council members in capital accretion and transition through the sub-field serve to shape the governance of the ICAEW. Section 6.3.1 outlines the elected Council members’ capital accretion strategies whilst Section 6.3.2 reflects upon the significant investment made by all members of the Council to the ICAEW.

In part understanding the influence of the interests of the Council members also requires understanding their personal context, including other volunteering commitments, family status, career stage, employment type and distance from the centre (Nesbit & Gazley, 2012). For many, the employer is an important intermediary who may seek to further their own interests through enabling professional volunteering or constrain professional volunteering where they do not perceive an increase in the capitals of the individual which can be transformed into economic capital (Wilson & Musick, 1997). As a result those who are self-employed are often less constrained by such considerations and more inclined to volunteer professionally (Nesbit & Gazley, 2012).

Table 3.3: Forms of capital in the case context

<table>
<thead>
<tr>
<th>Form of capital</th>
<th>Example in the ICAEW sub-field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic capital</td>
<td>Service within ICAEW seen as a means of furthering the likelihood of promotion with employer or increasing client base</td>
</tr>
<tr>
<td>Social capital</td>
<td>Network of influential members who are at the centre of the strategic decision-making process who may provide business or career opportunities</td>
</tr>
<tr>
<td>Linguistic capital (subset of embodied cultural capital)</td>
<td>Learning when to speak, what to say, and furthering interests/influencing the decision making process</td>
</tr>
<tr>
<td>Symbolic capital</td>
<td>Status as a member of Council, committee member or officeholder which can be leveraged to gain credibility with others outside the group.</td>
</tr>
</tbody>
</table>

Source: Devised by author
Table 3.3 above outlines potential capital accretion strategies that may be adopted by Council members to help explain how different strategies may shape the governance of the ICAEW.

3.5. Conclusions

This chapter has outlined the constructs of the Bourdieusian analysis and the translation to the field of accounting through the existing literature. The problematic nature of the ‘habitus’ is highlighted together with the major criticisms. The result has been that habitus has often been excluded in translation to the field of accounting. Whilst the use of both singular concepts and the relational approach has been adopted in the accounting literature with success, it is proposed to use the concepts of capitals and symbolic power/violence to help explain the governance and accountability of the ICAEW Council.

Drawing on Bourdieu’s concepts in this thesis helps to strengthen the analysis by deepening it through the use of the theoretical concepts which facilitate an examination of both the membership and the structure of the ICAEW Council. This is important within a membership organisation where the agents are both the subjects of governance and those with the power to govern.

The next chapter outlines the research methodology and methods adopted.
Chapter 4
Research methodology and methods

4.1. Introduction

This thesis seeks to investigate the governance and accountability of a professional accountancy body by means of a case study of the Council of the ICAEW. In so doing the following research questions have been designed and answered by the empirical work detailed in Chapters 5 and 6:

1. How is ICAEW governed and to what ends?
2. What are the interests of Council members and how do they shape the governance of the ICAEW?

Drawing on Bourdieusian concepts to structure the study (Chapter 3) and the existing literature on the field of accountancy outlined in Chapter 2, the public accountability of the ICAEW to members and broader stakeholder groupings is investigated by answering the first research question. The second research question helps to address the political accountability of the Council members to their constituency. This chapter evaluates the methodology and methods employed in conducting the research and answering the research questions of this thesis.

This chapter is organised as follows. The next section provides an overview of the various research paradigms within the field of accounting and outlines the selection of a critical paradigm for the research. The following section discusses and justifies the research methods employed in the study to collect data, and the alignment between the paradigm and methods adopted. Finally, the case study is detailed with an extended description of the interview process, together with analysis of the coverage profile of the selected pool of interviewees. The chapter concludes with a summary of the methods and methodology adopted to answer the research questions.

4.2. Research paradigms

‘Paradigms are about several things, most notably about what is to be studied, what kinds of research questions are supposed to be formulated in relation to these subjects, with what methods these studies should be conducted, and how their results should be interpreted’ (Lukka, 2010, p. 111)
In their original conception, Guba and Lincoln (1994) suggested that the research paradigm will depend on three key questions, the ontological question, the epistemological question and the methodological question, with each filtering in a coherent manner to the next (Guba & Lincoln, 1994). Classification of research paradigms is necessarily a simplification and is adopted to help explain the general characteristics of different research paradigms. Ontology refers to the researcher’s understanding of reality and is important as it helps define the viewpoint adopted by the research in terms of how things are and what we know. Epistemology is interlinked with a researcher’s ontology as it is the way in which we know things. It ‘represents the philosophical underpinnings about the nature or theory of knowledge in various research traditions’ (Haynes, 2017, p. 284). Research paradigms reflect the belief system of the researcher.

The categorisation of paradigms has been subject to expansion since Guba and Lincoln’s original categorisation in 1994 to include positivism, post-positivism, critical theory, constructivism and participatory approaches (Guba & Lincoln, 2005b). The paradigms are presented as somewhat of a continuum, with each reflecting specific ethics or axiology, ontology, epistemology and methodology (Guba & Lincoln, 2005a). Although not included in the original categorisation, Guba and Lincoln now argue that axiology should be reflected in the paradigmatic discussion (Guba & Lincoln, 2005a, p. 200). They argue that to do so incorporates values and ethics within the framework, leading to an improved convergence of interpretivist paradigms.

The epistemological scale ranges from objectivity (most closely associated with positivism) to co-creation (most closely associated with constructivist research). Critical research displays diversity in its epistemology (Gendron, 2018a) rather than a single approach. The ontological scale ranges from realism to relativism, with the positivist view that reality can exist independently from the researchers often considered naïve (Guba & Lincoln, 2005a). Positivist methods tend to be data sample driven and are believed to be generalisable to the full population, often employing statistical analysis to establish the veracity of certain hypotheses. It has been observed that ‘the distinction between subjectivism and objectivism- which lies at the heart of the original typology [Morgan and Smircich 1980]- has been disputed’ (Cunliffe, 2011, p. 651).

As a means of addressing the complexity, Cunliffe proposed moving from the continuum presented by Morgan and Smircich to knowledge problematics; objectivism, subjectivism and inter-subjectivism (Morgan & Smircich, 1980). Objectivism equates to positivist research as it assumes a realist ontology and an objectivist epistemology enabling the researcher to detach
themselves from the researched (Haynes, 2017). Subjectivism considers knowledge to be socially constructed and the researcher has a role in creating the reality.

‘Researchers, therefore, need to ask research participants how they experience time, place, and progress (historicity) because these are human experiences accomplished in practices, interactions, or discourses in a variety of ways (recursive, ruptured, or hegemonic).’ (Cunliffe, 2011, p. 656)

The intersubjective position draws on a relational ontology in which ‘meanings are made during interactions with others, thus are multiple, shifting and always embedded in a time and place’ (Haynes, 2017, p. 287). In this conception, the research methodology enables the researcher to be a primary part of the sense making process resulting from the subjective epistemology.

Whilst the fluidity between paradigms is acknowledged, the discussion that follows will focus on the accepted accounting paradigms to add clarity to the distinctions in research technique. Research in accounting spans a variety of paradigms but does not combine different paradigms as to do so would reflect differing underlying beliefs. However, within each paradigm a mixed method approach can be adopted (Guba & Lincoln, 2005a). The next section will outline the dominant paradigm in accounting research, outlining why this has not been adopted in this thesis. Section 4.2.2 introduces the alternative paradigms used in accounting research, and Section 4.2.3 outlines the rationale for the selection of a critical paradigm.

4.2.1. Positivist paradigm in accounting research

Whilst the positivist paradigm remains dominant in the United States, outside of the United States there is now a broader range of paradigms contributing to publications. The positivist view reflects a specific ontology, epistemology and methodology that distinguish it from other research paradigms. The prevailing ontological belief is one of ‘realism’ (Guba & Lincoln, 1994, p. 109) inferring that it is possible to uncover a single truth. This is paired with an objectivist epistemology that assumes that the researcher can study ‘the object without influencing or being influenced by it’ (*ibid.* p. 110). This leads to the ability to produce research that can be reproduced by following the methods prescribed. The methodology employed by positivist researchers is to test hypotheses or ideas about how things work and limiting (controlling for) external influences that may affect the study. To some extent this has given way to post-positivism under which the ontology, epistemology and methodology have been modified somewhat to reflect and control for the imperfections associated with realism and objectivism (Guba & Lincoln, 1994).
Much accounting research is characterised by a narrowly defined US centric mainstream that is focused on the positivist paradigm (Lukka, 2010). Positivists assert that empirical observations can lead to the formation of general rules in the research field. The growth in positivist research was made possible as a result of the expansion of statistical techniques fuelled by advances in computing power, the availability of large databases of corporate information, and the dominance of economics-based academics in the accounting subject area. Often, researchers adopting a positivist paradigm do not consider any alternative approach (Lukka, 2010). The dominance of this methodological approach typically ‘emulates the hard sciences’ (Inanga & Schneider, 2005, p. 227), but has little impact on practice. As a result, the positivist approach is often criticised, as it does not take into account the contextual effects that can help to explain the studied phenomena.

The reliance on positivism in accounting is in contrast to other branches of the social sciences, as illustrated by the quote: ‘while positivism is completely passé in the philosophy of science, it still seems to underpin the dominant mode of accounting research’ (Lukka, 2010, p. 112)

The effect of the historic dominance of the positivist research tradition has been an increasing homogeneity in the research output with the following consequences. First, contributions are often marginal, and second, a large range of unexplored data is created but not followed up as it falls outside the standard methodology (Lukka, 2010). Others go as further, questioning the methods: ‘we contend that the reported research is nothing more than correlation analysis’ (Inanga & Schneider, 2005, p. 228).

The substantial reliance on datasets derived from survey and databases risks reinforcing the status quo (Gallhofer & Haslam, 1997). Further, the methodology prescribes the use of certain research instruments (Gallhofer & Haslam, 1997) thereby restricting the creativity and insight possible through a pluralist approach. For these reasons, it is not proposed to adopt a positivist approach in this thesis. The research questions seek to understand the operation of power in relation to an in-depth case study of one professional accountancy body. This necessarily involves rejecting the positivist approach for a contextual analysis recognising the inherent subjectivity of all research.

4.2.2. Alternative paradigms in accounting research

Two major alternative paradigms are present in accounting research, the constructivist and the critical paradigm. Constructivism reflects a relativist ontology whereby: ‘realities are apprehended in the form of multiple, intangible mental constructions, socially and
experimentally based, local and specific in nature, and dependent for their form and content on the individual persons or groups holding the constructions’ (Guba & Lincoln, 1994, p. 111). In this case the epistemology is subjectivist with the research findings being created as the work progresses. Methodologies are dialectical and hermeneutical (Guba & Lincoln, 1994). The constructivist approach seeks to understand and interpret constructions through research.

For Guba and Lincoln (1994), critical theory is used as a ‘blanket term’ covering a range of paradigms whilst constructivism reflects a move to ‘ontological relativism’ (p. 109). Specifically, critical theory adopts an historic realism ontology whereby the structures of society are taken as real (Guba & Lincoln, 1994). Gendron (2018a) argues that critical accounting research presents a diversity of epistemologies and is continually evolving, defining and redefining its boundaries.

Some categories the methodological approach is ‘dialogic and dialectical’ (Guba & Lincoln, 1994, p. 110) reflecting the interaction between the researcher and the subject to uncover power relationships whilst others are more open to a variety of research methods which seek to uncover the processes of marginalisation at work in society (Gendron, 2018a).

‘A critical understanding of the role of accounting processes and practices and the accounting profession in the functioning of society and organisations with an intention to use that understanding to engage (where appropriate) in changing these processes, practices and the profession.’ (Laughlin, 1999, p. 73)

The fundamental difference between a positivist paradigm and a critical one relates to the imperative for change derived from research. Positivists view action as an injection of subjectivity to an objective study (Guba & Lincoln, 2005a). Analysing the status quo is not sufficient for critical researchers who seek to uncover the conflicts within society, identify potential for change and, as a consequence, to stimulate action (Lukka, 2010).

The following section outlines the rationale for this approach for adopting a critical research approach for this thesis and its fit with the theoretical lens adopted for the research.

4.2.3. Selection of a critical paradigm

Critical accounting research serves two purposes; to improve our understanding of how accounting is experienced in society; and, to increase awareness of how accounting forms incursions into our lives thereby stimulating reflection and change (Roslender & Dillard, 2003). Whilst critical accounting research is not prescriptive in its approach (Gendron, 2018b) there are some common themes which help to define its boundaries including its challenge to accepted
practices and beliefs, better understanding the operation of power in society and its consequences which marginalise some groups.

Critical research can therefore:

‘be conceived of as a pluralistic arena made up of qualitative studies\(^2\), essays, and certain types of quantitative research. The theoretical lenses used by critical scholars vary greatly, from Marxism to more contemporary thinkers such as Michel Foucault.’ (Gendron, 2018a, p. 2)

This thesis adopts a critical paradigm as it seeks to better understand the governance and accountability of the ICAEW. It is important as the policies and practices of the profession affect not just the membership but wider society due to the trust placed on the work of accountants, which forms a basis for transactions, financing and employment amongst other things.

It draws on elements of Bourdieu’s theory to help uncover the power relationships and organise the analysis by bringing to light the consequences of existing practices (Chua, 1986). The ICAEW is in effect an ‘organized interest group’ (Chua, 1986) with an agenda to secure increasingly lucrative work (Matthews, 2017). In so doing, it operates with certain structures that derive from its constitutional documents. The research questions seek to identify and reflect upon the conflicts that are created by the existing processes of governance and accountability, which result in the marginalisation of certain groupings of the membership and the amplification of others.

Situating the research in a case study helps to provide rich contextual detail informed by theory and problematising the status quo. To gain insight into the extent to which the members of the Council accept the existing processes the primary research method was interview based. As the researcher has adopted a relatively subjectivist approach a qualitative approach contributes to ‘seeing the social world from the point of view of the actor’ (Bryman, 1984, p. 77).

Critical researchers seek to highlight the functions of accounting and also to transform practices (Neu, Cooper & Everett, 2001). Neu et al. expand on the transformative goal through explaining that: ‘most of us “intervene” in a myriad of ways- for teaching, to letters-to-the editor, involvement in politics, commentaries in the media, to other forms of community service’ (Neu et al., 2001, p. 736). The goal of this thesis is to inform the governance and accountability of the

\(^2\) ‘a certain type’ of qualitative study. Not every qualitative study can be critical.
ICA EW, and other professional accountancy bodies, through drawing attention to the domination of certain interests and the resultant dysfunctional consequences.

The contribution of critical researchers to changing practices is important. For example, Bourdieu contributed to the furtherance of ideas related to interventions by researchers through his later actions and writings (Cooper & Coulson, 2014). Those categorised as collective intellectuals demand co-ordinated engagement in social interventions amongst academics and other activists (Cooper & Coulson, 2014). For this grouping, the challenge is to consider the politics of the field rather than one’s own self-advancement. In this approach ‘researchers must disseminate their work beyond the academic field’ (Cooper & Coulson, 2014, p. 242). This approach has been embraced by a number of leading academics who have communicated their insights beyond the academic world including Puxty (Gallhofer & Haslam, 1997), Sikka (Sikka, 2018) and others. There is no one approach to engaging in the processes of change and intervention is necessarily a long-term outcome:

‘I view intervention from a broad perspective, including the dissemination of studies and essays in academic and non-academic journals, comments made in the classroom, commentaries made on blogs and more traditional media, and so on.’ (Gendron, 2018a, p. 8)

Building networks is important for some critical researchers i.e., to enhance social capital to ensure that the researcher’s voice will be heard (Neu et al., 2001, p. 758). Bourdieu’s own belief that the academic field would suffice to diffuse social change altered over time and led to a change of strategy to take on the role of an activist or agitator for change, in part due to the confluence of a number of environmental changes in France at that time (Cooper & Coulson, 2014).

It is important to recognise that intellectuals are usually part of the dominant class and that the utmost they can do is to use their power to provide a forum for the dominated. This is because they cannot fully comprehend their situation or the investment that those dominated agents have in the status quo (Neu et al., 2001).

“Critical” accounting research is dominated more than we would surely like to be by white, male, Western, Anglo-Saxon and middle class researchers. The perspectives of, for example, women, the poor, the working class, ethnic minorities, those beyond the English-speaking world, those form “developing” countries, those of the indigenous peoples, those of the “emotional” – the perspectives of those most unlikely to write critically and interpretatively on accounting- are surely still very much under-represented and under-played if not entirely absent.’ (Gallhofer & Haslam, 1997, p. 79).
The thesis adds to the existing work on the professions by providing an in-depth case study of the governance structures and accountability processes of one leading professional accountancy body. In so doing, the contribution offered is to what is termed ‘domain theory’ within the accounting profession (Lukka & Vinnari, 2014). The contribution is therefore to the body of knowledge of professional membership bodies set within the context of the accountancy profession. The rich data generated by adopting the interview method was in part possible due to the position of the researcher. This is carefully considered in relation to the research subject in the methods section.

Whilst it has been debated which theoretical perspectives can provide a useful lens for structuring critical accounting research (Chiapello & Baker, 2011), the appropriateness (Llewelyn, 2003), extent and accuracy of such intellectual borrowing has also been called into question (Laughlin, 1999). In response to these methodological issues, Llewelyn (2003) offers a framework to provide clarity on the linkage between the conceptual framing of qualitative accounting research and theory. Whilst conceptual framing is important in offering a means to understand and order empirical findings, it is unclear how the ‘grand theories’ offered by prominent philosophers can be applied in empirical settings (Llewelyn, 2003). The adoption of Bourdieu’s relational theory accords with what Lukka and Vinnari term a method theory, helping to frame the study and develop an understanding of the object of the study within a different domain (Lukka & Vinnari, 2014). The new understanding generated through conducting the study offers the opportunity to contribute to domain theory (Lukka & Vinnari, 2014). In accordance with this view, the research is focused on contributing to the field through adopting Bourdieu’s concepts as a method theory. It is also acknowledged that there remains a continuing lack of consensus on what may be termed a theoretical contribution (Lowe, De Loo, & Nama, 2016). Whilst Lowe et al. (2016) disagree with the prima facie clarity provided by Lukka and Vinnari, they consider that localised translations of method theories can generate a relevant contribution, such translations can also contribute to the partial loss of foundational concepts from the method theory (Kamla & Komori, 2018). Additionally, they draw attention to the evolving body of the method theory, for example, due to new publications, e.g., Latour (Latour, 2018), or exploration of new areas of the author’s publications, thereby indicating that there may be some mutual dependence between method and the domain. However, the original authors refute this claim by asserting that the separation was clear in the original study (Lukka & Vinnari, 2016).
The approach adopted in this PhD research study accords with applying a method theory (Lukka & Vinnari, 2014) to the domain of the professional accountancy body and therefore also fits with what Llewelyn characterises as theorising settings: ‘Level four explains specific social, organisational or individual phenomena in their settings’ (Llewelyn, 2003, p. 674).

The research methods that were employed to conduct the investigation and answer the research questions are now considered in the following section.

### 4.3. Research methods

A critical paradigm does not prescribe the research method, rather this research is driven by: ‘the concern to challenge and ultimately change existing social structures by denaturalizing the power relations that are embedded within them’ (Anisette & Cooper, 2017, p. 90)

A qualitative approach has been adopted as it complements a critical paradigm that seeks to uncover power relationships, which are often hidden in the official accounts of various bodies and individuals. Through a dialogic approach, those participants who are dominated by the existing structures may be able to reflect better on their own submission and thereby foster action.

The research methods outline the empirical evidence collection processes adopted to answer the research questions. The methods are qualitative as the questions seek to understand the context of governance of the ICAEW and are dependent on the contextualisation of the information (Lee & Humphrey, 2006). By selecting an interview approach, theory can be used to help make sense of the observed problem and is useful in cases where the internal dynamics are not readily transparent.

A recognised limitation of adopting a critical approach is that it tends to be embraced by a certain social, ethnic and gender group that assumes that the researcher themselves is emancipated and can reflect on their position in the process. To some extent this is mitigated through the reflexive practices outlined in Section 4.3.3.

This section is structured as follows: first, the methods adopted in critical accounting research invoking Bourdieu’s theories are reviewed to identify the suitability of certain methods and how the researchers obtained access to the field of study, together with any positionality concerns. The following section (Section 4.3.2) discusses the ethical issues raised by this research; this leads to Section 4.3.3 that considers the reflexivity of the researcher in addressing the
positionality matters related to the research project. Finally, in Section 4.3.4, consideration is paid to the case study method and its limitations in terms of generalisability in contrast to the depth of understanding and contextual analysis that would not otherwise be achieved.

### 4.3.1. Bourdieu’s framework and research methods

Bourdieu’s analytical framework has been used in conjunction with a variety of research methods within the critical accounting research community. A review of a selection of articles published in the critical accounting research journals of Accounting, Organisations and Society, Critical Perspectives in Accounting and Accounting, Auditing and Accountability Journal for the qualitative research methods adopted indicates the following approaches adopted by some of those papers which adopted a Bourdieusian lens (Lukka & Vinnari, 2014).

Archive analysis is often undertaken where an historical or critical event, e.g., Gracia & Oats (2012), is being examined and the researcher wishes to identify and capture the responses at that time, either through the ‘official accounts’ or through less formal oral histories. This is typically framed as a case study. Some notable examples and the context in which they are used include Neu et al. that uses discourse contained in the Canadian Chartered Accountant magazine to examine ethical discourses (Neu et al., 2003). They use the magazine as it was both official and timely (monthly). They argue that character-based ethical discourses are a type of embodied cultural good, in contrast to rule-based ethics that are an objective cultural good. Poullaos (2016) uses an historical analysis based on comparing the ICAEW and the Canadian profession, drawing on symbolic capital and symbolic violence from Bourdieu. The empirical data comprise primary sources from the archives.

> ‘Analysis of the material is based upon i) Pierre Bourdieu’s remarks about names and credentials in conjunction with ii) his theorisation of the state’s power over naming and iii) his notions of symbolic capital and symbolic violence, applied both at ‘state’ and profession level; and iv) a chronological tracking of the manifestations of and interactions between the above elements; and other contextual factors impinging upon the events under analysis.’ (Poullaos, 2016, p. 16)

Another research method undertaken in Bourdieu-inspired studies is an interview based approach, e.g., Duff (2017) and Lupu & Empson (2015); this is often supplemented by reference to documentary evidence, e.g., Stringfellow et al. (2015). The incorporation of documentary evidence can help to reinforce themes arising from the interviews. However, it should also be recognised that documentary evidence might not always be a desirable mode of corroboration as it forms an official account, and some of Bourdieu’s concepts are focused on the agent’s perceptions of themselves and the field in which they are positioned. For example, the symbolic
power relationships uncovered by Stringfellow et al. (2015) where the interview approach was adopted to uncover the domination of the individuals by the field of accountancy:

‘problematic issue that such agents were unlikely to be able to articulate the mechanisms of domination and symbolic violence themselves, and the researcher must seek to unmask these taken-for-granted power relations’ (Stringfellow et al., 2015, p. 90).

As the actors are part of a complex web of institutional relationships rather than individuals, submissions to an official enquiry were suitable supplements for uncovering the wider web of dominance. In their study, Lupu and Empson (2015) undertook interviews with professionals to determine their experiences of work-life pressures within the field of accountancy to examine Bourdieu’s ideas of habitus and illusio within firms. With their selection of interviewees, who were mid to late career, they were able to reflect to some degree on the drivers of overwork and the sacrifices that they had undertaken in the quest for recognition as a master player, i.e., the battle for symbolic capital (Lupu & Empson, 2015, p. 1332). It is clear that, for employees in the early career phases, it is difficult to recognise the fact they are caught up in the game: ‘As they work relentlessly long hours they have no time for the reflexivity required to question how things are done. As a result, unable to resist, they comply with and perpetuate the rules of the game’ (Lupu & Empson, 2015, p. 1330).

A third notable section in methods discussions adopting Bourdieusian theories relates to the position of the researcher in relation to the field of research. In some papers, cursory detail is provided of the methods used and the rationale for their adoption. Notably, this discussion appears more developed beyond the main critical accounting journals e.g. Oakes et al. (1998) discuss the fact that the methods adopted in the study put the researcher in the role of a:

‘“peripheral member’ not only conducting formal interview by also talking with insiders over coffee and beer, sharing the occasional meal, and attending workshops and meetings about planning and performance measurement, although not participating in the actual work of the participants’ (Oakes et al., 1998, p. 265)

This is in contrast to the more assimilated group member role that others have adopted (Parker, 2007). The methods section also discusses the practice of reflexivity and the role of the researchers in drawing parallels between their experiences within academia and the field researched. Neu (2006) also discusses his positionality within the research methods section: ‘Given that the ability to undertake this research was clearly related to my position in this social field, it is important to acknowledge this social positioning’ (Neu, 2006, p. 397).
Both papers mentioned above adopt a range of methods to supplement the interview methods and possible bias arising from the researcher’s position. Notably, Neu (2006) discusses how he mapped the field both pre- and post-reform and the sources used to undertake this task.

Killian (2015) also discusses that the adoption of a Bourdieusian analysis to a new setting is effectively a translation with the attendant adaptation to the circumstances of the research project. It is not, and cannot ever be, a replication of Bourdieu’s work. This is due to a range of factors, including the breadth of Bourdieu’s writings, the fact he wrote in French rather than English, and the differing contexts in which his field work was conducted, both in time and setting, e.g., his field work, the political environment. As such, even an holistic adoption of Bourdieu’s framework is only ever a form translation (Kamla & Komori, 2018; Malsch et al., 2011).

Bourdieu’s framework has therefore been adopted in the accounting literature in a variety of different ways and does not dictate the research method adopted. The following sub-section outlines the importance of following the protocols of research ethics of the University and how they were applied to the field work part of the research.

4.3.2. Ethics

As a researcher, I am continually aware of the ethics of research and my position in relation to those I wish to interview. I applied for and obtained ethical approval to conduct research interviews following the University of Sussex ethical guidelines. The approval was granted under reference ER/SS706/11 on 7 June 2017. All participants were provided with an information sheet about the research and advised of their ability to withdraw their contribution at any time; they were also asked to sign a consent form acknowledging their participation in the research (Appendices 1 and 2).

The fact that I have a shared experience with the interviewees, in terms of the professional qualification and membership of the ICAEW Council, elicited a trust relationship rather than a hostile one where the researcher is viewed with scepticism (Dunne, Pryor & Yates, 2005). All respondent identities will be kept confidential and only their general characteristics will be disclosed in the research so as not to identify their contribution.

However, I also have a background of knowledge that may drive my questioning, even though it is not directly incorporated into my research. This provided the potential to guide my research into areas that are not apparent to the external observer. The reflexive process facilitated
through a research diary has helped me to address this potential bias to some extent, combined with triangulation of data and corroboration through interview transcripts. The following sub-section explores the underlying need for researcher reflexivity in this research context.

4.3.3. Reflexivity

‘empirical research will be partial, despite any truth claims to the contrary, and thus it would be better to be clear about the biases and exclusions before launching into empirical detail’ (Laughlin, 1995, p. 65).

Reflexivity is concerned with how I, as a researcher, reflect the data collection process and the sensemaking process attached to it (Haynes, 2017). The goal of reflexivity goes beyond reflective practice and, whilst they are often used interchangeably, they have different meanings, being more of a continuum from reflection to critical reflection to reflexivity (Finlay, 2008). Reflexivity can be used in a variety of ways depending of the ontology, epistemology and methodology of the researcher (Haynes, 2017). The common approach to reflexivity includes an examination of the researcher’s role in the various stages of research and how this interacts with the object of the research (Alvesson & Skoldburg, 2009). As such, the practice of reflection, being self-aware and critically evaluating one’s own responses to research settings forms part of the researcher’s own life-long learning journey (Finlay, 2008).

I adopt a subjectivist view of reality that acknowledges my position in the research process and the construction of meaning at a particular point in time (Haynes, 2017). This approach acknowledges the fact that as a member of the ICAEW, I have direct experience of the organisation and the designation of Chartered Accountant is part of my identity. As such, this enables me to use interviews as my primary research method, helping to facilitate ‘an inside view’ (Bryman, 1984, p. 78).

Further, I am an active member who has recently held the position of President within the District Society organisation (May 2016-April 2018). In June 2017 I was elected to the Council of the ICAEW, the body I am researching. I need to be conscious of my position of power in relation to the research and any preconceptions that I bring to it. However, my position places me in a position to offer a unique insight (Burawoy, 1998) into how the membership body operates and the decision-making processes. My ability to undertake this research is closely linked to my position within the field, in common with Neu (2006). As research cannot be value free, I have adopted a reflexive approach to bring these issues to the fore (Guba & Lincoln, 2005) and kept a research diary to facilitate this process.
To fulfil the objective of my thesis I mobilised a range of methodological instruments (Parker, 2014) and I found keeping a research diary useful. It is important for a qualitative researcher to keep reflective notes while performing the interviews to identify methodological issues e.g. around the interview questionnaire as well as supplementing the interview transcription (Nadin & Cassell, 2006). The research diary supplemented my interview notes and recorded my impressions of the interview experience, the attentiveness of the interviewee and any distractions or barriers created by the environment in which the interview took place. This helped me to adjust my interview style for different participants and take into account a variety of factors which may not be captured from the transcripts and interview notes alone e.g. where the interview was conducted (neutral space, their office, skype), how open or defensive the participant was to the interview process. However, the research on reflexivity cautions the tendency towards self-indulgence in reflexive accounts (Nadin & Cassell, 2006). As such, whilst the research diary supported my work it is not used as a direct source of quotes in this thesis.

For example, reviewing the research diary following the pilot interview phase in conjunction with the interview transcripts and notes helped guide my decision to adjust the interview schedule to provide an increased focus for the main study through the decision to exclude theme 3 (section 4.4.5). During the writing up phase it helped guide my selection of quotes from interviewees with an increased reliance placed on those who were fully attentive to the process rather than distracted or guarded in their response. As an illustration interviewee 24 had clearly forgotten that the interview had been scheduled and was slightly flustered. The more personal questions at the start of the interview guide typically put interviewees at ease, and in this case, led to them opening up about their strategy for gaining election unopposed (Quote section 5.4). Interviewee 12 was a high-profile member who was under time pressure to get to their next appointment. As a result the interview was one of the shortest of all the interviews at just 40 minutes (Table 4.4), but the focused nature provided some interesting perspectives on how the individual had benefitted from their position as a co-opted member to the Council (Quote section 6.2.2) along with insights into their capacity to represent the sector from which they were co-opted.

Reflexivity has guided my consideration of the impact that I had on the choices and assumptions I have made from the perspective of ontology, theory and methodology (Haynes, 2017). I have been conscious of the power relationships between me as the researcher and the participants. The familiarity with me as a legitimate member of the Council enabled me to draw on a degree of empathy, which may have generated a deeper level of disclosure from participants. In
common with Haynes’ findings (Haynes, 2010) there was a dichotomy between the closure of the organisation (which embargoes minutes for a period of ten years) and the disclosure of the individuals who contributed to the research.

Other research adopts a similar level of reflexivity to Guo, who examines the merger of the three Canadian accounting bodies from the perspective of members whilst highlighting his own membership of one of the bodies involved in the merger process (Guo, 2018). This potential bias was limited in the study through a reflexive approach and the inclusion of lengthy quotes and detailed explanations of how he interpreted them. An appreciation of the richness of quotes and their context helps to provide a sense of honesty (O’Dwyer, 2004), thereby encouraging the reader to put their trust in the rigour of the research.

Parker also adopted a reflexive approach to his position researching boards of professional associations of which he was a member:

‘Where research site access is opportunistic, as occurred with this study, the researcher already had familiarity with and a role in the research setting. On one hand the risk of ‘culture shock’ in an unfamiliar world is greatly reduced but then the researcher must consciously work at developing their research role while aiming at ‘fresh’ research insights rather than resorting to intuitive interpretations as a pre-existing native.’ (Parker, 2007, p. 1462).

In these instances the researcher was both an insider and outsider in the process as they were part of the research site, making it important to take account of the impact that the research may have on individuals in conjunction with the actual research process (Haynes, 2017). In this instance, the power of the researcher must be carefully considered as they progress their research.

‘Reflexive methodologies link with ontology and epistemology to integrate ethical, social and political judgements on the research process and hence the use of reflexive practice can increase accountability for the knowledge that is produced, This is an important responsibility for reflexive accounting researchers – to consider not only the process but the outcomes of their research, and the possibilities for social benefit, emancipation and wellbeing that reflexive research might engender.’ (Haynes, 2017, p. 295)

The following sub-section outlines how the choice to develop a single case study is an appropriate approach to help answer the research questions posed in this PhD. It seeks to outline the beneficial aspects of the case study approach, as well as the potential limitations that may be experienced by adopting this research method and how they might be mitigated.
4.3.4. Single case study

‘The rise of case study methodology has been one of the significant trends in accounting research during recent years.’ (Lukka & Kasanen, 1995, p. 71)

Case studies represent a means of explaining complexity in a specific social and organisational context. As such, a trade-off is made between generalisability and complexity (Lukka & Kasanen, 1995) and ‘The difficulty for the researcher lies in attempting to differentiate between those aspects of behaviour that are potentially generalizable, and those that are context-specific’ (Berry & Otley, 2004, p. 233)

Some argue that ‘there does not and probably cannot exist predictive theory in social science’ (Flyvbjerg, 2006, p. 223). As such, it is important not to overstate the case (Lukka & Kasanen, 1995). However, Lukka and Kasanen (1995) also argue that the case study has a greater potential for generalisability than generally understood. They consider that issues of induction in both statistical and case study methodologies create a degree of inherent uncertainty in all empirical studies. Added to this, situational knowledge outside of the study is important in the generation of generalisable and relevant results (Lukka & Kasanen, 1995). In relation to the possibility of generalisation, in case studies the literature is divided into two extremes (denial of ability to generalise, denial of generalisation as a legitimate aim) and a moderating view. Those who deny the ability to generalise the limited study often find support in the literature as the limitations are often emphasised by case study researchers, thereby reinforcing this view of their work. At the other pole, the aim is often argued to be a deep understanding of the research object. This is supported by the addition of ‘single’ as a justified object of research in philosophy (Lukka & Kasanen, 1995, p. 77). Others argue that a quality case study can give rise to generalisation of a theoretical or analytical nature (Yin, 2013):

‘within the practically achievable standards of accounting research, high quality case studies may produce credibly generalizable results. In descriptive case studies, contextual generalization rhetoric provides a way to move from isolated observations to results of a more general status. Therefore the researcher has to understand and communicate the real business context and uncover deeper general structural relationships. Contextual generalisation rhetoric rests on the convincing linkage of relevant history, institutions and markets around the case to the argumentation net of the study.’ (Lukka & Kasanen, 1995, p. 85).

The case study provides a basis for rich insight ‘with a theoretically informed case study capable of being viewed as a story woven around a chosen theoretical framework’ (Humphrey, 2014, p. 55), although not all agree with this statement, e.g. Lillis (2008) who considers a direct
theoretical contribution to be critical to the qualitative case study. Typically, a successful case study is characterised as one that ‘can convince the reader of the validity of the case description and analysis, i.e. it makes a credible impression’ (Lukka & Kasanen, 1995, p. 75).

The use of a single case study as the focus of the fieldwork reflects the special nature of the ICAEW within the field of professional accountancy bodies (Siggelkow, 2007). To date it has been the focus of many case studies on the development of the profession in the UK in view of its close relationships with the Big Four and the political establishment. This has enabled inferences to be drawn and applied to other contexts and professional accountancy bodies (Siggelkow, 2007). In so doing gaps in the existing knowledge of the governance and accountability of the ICAEW Council can be identified and start to be filled. Other considerations for the adoption of a single case include ability to access the field of research i.e. the Council of the professional body and the depth of the data that it was possible to collect by means of interviews with the Council members. It is unlikely that comparable access would have been possible with other professional accountancy bodies e.g. the Council of the ACCA. As a result a different study would likely have been undertaken which may have provided contrasting data but lacked the detail that the current study offers.

Bourdieu’s theoretical concepts help to organise and deepen the analysis by providing an organising tool for the empirical study. This helps illuminate the relationship between the individual Council members and the structure of the Council and provides a means of relating the research questions to each other.

4.4. The case study – the ICAEW

As the professional bodies in the UK have often provided a template for the establishment of similar bodies in other countries, particularly the former Commonwealth, they have often been studied as single cases in prior research, e.g., Annisette (2000), Bakre (2014), Chua & Poullaos (2002), although the internal governance structures have, to my knowledge, not yet been researched.

The ICAEW Council is the site for the research as it is ultimately responsible for the governance of the Institute. The committees could equally provide a fruitful site for future governance and accountability research. However, their membership and their appointment criteria are not publicly available with appointments subject to approval by the nominating committee. Further,
the hierarchical structure in place relates more closely to questions of managerial accountability rather than the political and public accountability focus of this thesis.

It is accountable to the membership and beyond as the governance body of the ICAEW and its composition generates a political accountability for the Council members. The Council members are charged with three major roles as outlined in the Governance Handbook (ICAEW, 2017b) through the representative role, the holding to account role, and the approvals role. The representative role reflects the accountability to the membership, the holding to account role reflects the managerial accountability through the Board function (this is not a focus for this thesis) along with ‘upholding the public interest’. As outlined in Chapter 2, the public interest is typically upheld through the Code of Ethics and the related disciplinary processes. The process of debate within the Council is designed to operate as a mechanism to further the public interest, rather than the external monitoring of the Charter terms (Privy Council, 2020). The third role is the approvals role that requires approval of certain proposals, including the operational plan and annual budget.

As the Council members are charged with the roles outlined above, their experiences as part of this governance body are of interest in furthering an understanding of how the governance and accountability roles are discharged in practice.

Table 4.1 outlines the methods and sources used in this case study along with the rationale for their use.

**Table 4.1: Case research methods, sources and purpose**

<table>
<thead>
<tr>
<th>Methods</th>
<th>Sources</th>
<th>Purpose</th>
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| Semi-structured interviews (primary data) | Council members – elected, co-opted (including ex-officio) | • Insight into political accountability of Council members, processes of representation  
• Insight into the public accountability of the Council to members and beyond |
| Analysis of documents (secondary data) | Election statements | • To help understand the mechanisms of representation and political accountability |
|                               | Published profiles of the Council members | • Provide detail on role, sector, geographic area, whether elected/co-opted/ex-officio, year of |
4.4.1. The structure of the ICAEW Council

The basic structure of the governing Council can be traced back to the Royal Charter (ICAEW, 1880, 1948) and is predicated on a high involvement of engaged member-volunteers (Friedman & Phillips, 2004; Ramirez, 2009). The ICAEW governing Council is formed of up to 125 members comprised of elected, co-opted and ex-officio members. There are up to 85 elected members (Bye-law 32) representing geographic constituencies. For constituencies outside of the UK some members have been selected from an ‘electoral college’ as the transition is made to full elections.

Up to 25 members may be co-opted to the body (Bye-law 36) typically to ensure representation from leading firms and to fill sectoral representation gaps in the elected Council. Up to 15 ex-officio members may also be appointed by virtue of the other positions they hold and helping to bring continuity to the governance process (Bye-laws 36A, 36B). These ex-officio members are chairs of the ICAEW faculties e.g. Audit and Assurance, the Student Council and the Practice and Members Committees or have previously served as President of the ICAEW i.e. Past President, Immediate Past President. As the ex-officio members are co-opted by position, they are analysed as part of the wider co-opted group.

The governance structure is illustrated in Figure 4.1 above and comprises a mix of governance committees, policy development committees and advisory committees. The Council is supplemented by the ICAEW Board (a mix of executives and elected members) as well as a Regulatory Board for specific areas under which ICAEW operates as a regulator e.g. in respect of legal services offered by members including probate. The ICAEW Board acts as the link between the strategic Council and the operational Executive function and therefore performs a role akin to a corporate board of directors, in holding the executive to account. It is composed of 17 members, six executive directors, two non-executive directors, the three officeholders of the
day, three elected Council members and the three chairs of the major boards (Technical Strategy, Members and Commercial and Learning and Professional Development).

The semi-detached Regulatory Board (‘IRB’) is comprised of 12 members – six lay members and six members who are not part of Council or the Board and reports directly to Council. The Council is supported by a network of committees considering areas such as Technical Strategy, Ethical Standards, Sustainability etc. and Council members contribute to those committees supplemented by additional volunteers and supported by specialist technical staff from the Executive function.

Figure 4.1 Governance structure of the ICAEW

Source: www.ICAEW.com
4.4.2. The research questions

The research questions were developed alongside the literature review conducted in Chapter 2. Research on accountability emphasises the importance of its external nature, the legitimate interest of those calling for an account and a form of authority over those called to account (Mulgan, 2000). Whilst the concept of accountability has broadened over time the thesis focuses on two aspects of external accountability, political and public accountability (Sinclair, 1995) as related to the ICAEW’s Council. Table 2.1 answers the accountability questions raised by Joannides (2012) in relation to who is accountable, to whom, for what and by what means in the context of the ICAEW Council. To date the accounting literature has not explored the governance of the professional accountancy bodies by examining the governing Councils, their composition and the interests concerned. Rather, it focuses on official documentation e.g. minutes in the wake of specific events e.g. failed merger plans. This research adds to the existing literature on professional accountancy bodies, their governance and accountability through its focus on the Council of the ICAEW.

This focus helped to organise the literature on the accountancy profession, leading to the formulation of the two main research questions and the sub-questions. The first research question asks: How is the ICAEW governed and to what ends? It addresses the governance of the ICAEW Council and its public accountability both to its membership as well as its wider stakeholders. In so doing it seeks to address the tension between the self-interest of members and the public interest commitments of the Royal Charter framework within which the governance activities are conducted.

The structure of the Council was outlined in section 4.4.1. It relies upon a geographic constituency network which forms the basis for elections to the Council. However, there are also members who are able to join the Council via other routes e.g. co-options or ex-officio. As these posts are not remunerated it is important to understand the interests that drive members to put themselves forward for election or co-option. A better understanding of the interests of the Council members can help to explain extent to which the decision-making body represents the concerns of the membership in its work. The second research question asks: What are the interests of Council members and how do they shape the governance of the ICAEW?

Drawing on elements from Bourdieu’s theory helps to organise and deepen the analysis which seeks to address the interplay of structure and agency within the ICAEW Council. Other potential theoretical frameworks tend to focus on one aspect i.e. either structure or agency rather than
the relationship between them. The first research question addresses the structures of the ICAEW Council, and the second the agency of the Council members.

4.4.3. The interview process

As a member of the ICAEW Council (elected in June 2017), I approached existing Council members through my personal network, focusing on those who were at least mid-way through their first term rather than those elected in 2017 or recently co-opted. This was to ensure that the interviewees had some experience of participating in the ICAEW Council to draw on when answering the questions posed. Initial approaches were either made verbally at Council meetings or by email. Interviews were recorded and professionally transcribed so that they could be reviewed in detail should there be any ambiguities in interpretation. Interviews were planned using the ‘triptych of literature review-theoretical framework-research domain’ (Mahama & Khalifa, 2017, p. 324). This helped guide the sub questions for development through the interviews and the follow up questions asked during the interviews. The accounting literature that inspired the questions asked did so primarily as examples of the application of Bourdieu’s concepts to accounting research rather than providing detailed questionnaires that could be adapted by the researcher.

The interview questionnaire (Appendix 3) was constructed to help answer the research questions. The questionnaire commenced with questions about the interviewee and their route to membership of the ICAEW Council prior to probing their employer’s perspectives in relation to membership of the Council and their perceptions of the benefits accrued from their position. It was decided to structure the interview guide to move from a focus on the individual to the broader structures of the ICAEW. The questions were expected to provide insight into the capitals of the Council members, members’ strategies to secure a position on the Council and the influence of various interest groups operating within the Council. This helped to provide a better understanding how representation of the membership occurs in practice. Follow up questions typically sought to substantiate the interviewee’s opinion. This helped answer the second research question regarding the political accountability of the Council members.

The first research question was then addressed through interview themes 2, 3 and 4. Ultimately, following the pilot interviews (section 4.4.3) theme 3 was excluded in the main study (section 4.4.4). Theme 2 asked questions about how the Council manages its accountability role moving from the general question in theme 2.1 ‘Why is Council important?’ to more specific questions about the member’s role on the Council and its governance. Theme 4 helped answer questions
related to the effectiveness of the governance of the ICAEW and the challenges it faces. Placing it at the end of the interview questionnaire typically resulted in an openness from the interviewee about the influences of the ICAEW’s governance and how it can reconcile the interests of its stakeholders.

Table 4.2: Relationship between research questions, interview questions and Bourdieu’s concepts

<table>
<thead>
<tr>
<th>Accountability</th>
<th>Research question</th>
<th>Question (Theme, sub-question)</th>
<th>Bourdieu’s concepts (Cpt 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>How is the ICAEW governed?</td>
<td>2.1, 2.3, 2.5, 3.1, 3.2, 3.3</td>
<td>Symbolic power/violence</td>
</tr>
<tr>
<td></td>
<td>To what ends is the ICAEW governed?</td>
<td>2.2, 2.4, 3.4, 4.1, 4.2</td>
<td>Symbolic capital maintenance</td>
</tr>
<tr>
<td>Political</td>
<td>What interest groups do Council member represent?</td>
<td>1.1, 1.2, 1.3, 1.4</td>
<td>Capitals</td>
</tr>
<tr>
<td></td>
<td>How do the interests of Council members shape the governance of the ICAEW?</td>
<td>1.1, 1.5, 1.6</td>
<td>Capital accretion</td>
</tr>
</tbody>
</table>

Source: Devised by author

The adoption of interviews as a means of data collection provided the opportunity to collect information on the actor’s interests in three ways (Annisette & Cooper, 2017). First, to ascertain facts consistent with interest. Second, the data provided evidence of beliefs, and finally, the interviews provided insight into feelings. In using interview data in this way it is important ‘for the researcher to make a clear distinction between ‘fact’ and opinion/belief’ (Annisette & Cooper, 2017, p. 61). One means of doing so is to check information on past events back to source documentation.

The interview process is likely to generate a number of contextual effects (Burawoy, 1998). First, interview effects, in which the interviewer’s profile and presentation or the manner in which the interview is conducted affect the responses elicited as part of the process. Second, respondent effects, in which different respondents interpret the questions differently based on their own experiences and position. Third, field effects are noted that recognise that the interview cannot be isolated from its socio-economic context or the period in which it is undertaken. Finally, situation effects can undermine the representativeness of the respondents in a range of ways. I attempted to mitigate these effects through the similarity of my profile as a member of the ICAEW to the respondents and my knowledge of appropriate behaviour within this context. This similarity to the interviewees also helps to address a number of the perceived weaknesses of
critical accounting research and the ability of the researcher to fully understand the environment of those they are researching (Neu et al., 2001).

The use of a pilot study helped to ensure that the questions were sufficiently clear; further clarification could be sought during the course of the interviews if it became apparent that certain questions were problematic. It is difficult to mitigate the potential propensity of respondents to try to provide answers that please the researcher, however, the nature of the research was explained clearly to the interviewees and the confidentiality of their responses and anonymity was highlighted.

The selection of a style of interview can affect the outcome of the research significantly and, as such, the rationale for selection of one method in preference to another is significant. There are three main types of interview: fixed, whereby the same questions are asked to all respondents in the same way without deviation, thereby facilitating comparability but at the same time constraining the ability to follow up interesting points (Burawoy, 1998); a narrative approach that allows respondents to lead the discussion (Mishler, 1991) but may compromise comparability and replicability, and finally, the semi-structured interview that has an outline of questions but enables follow up of emerging lines of enquiry (Qu & Dumay, 2011). I adopted a semi-structured approach in this thesis as it enabled me to investigate a certain range of themes but also provided sufficient flexibility to take the opportunity to further the questioning in response to the interviewee’s concerns.

The following sub-section outlines the initial pilot study. This was comprised of five interviews designed to ensure that the questions posed were generating an appropriate type of response to help answer the research questions posed by the study.

4.4.4. Pilot study

A pilot study of five interviews with elected members was conducted in the period from 28 July to 20 September 2017 (Table 4.3). The interviewees for the pilot study were selected as more junior members of the Council who fitted the selection criteria and were elected rather than co-opted (co-option is often reflective of the seniority of an individual). Interviews were conducted in person, typically in the ICAEW Business Centre or at the participants’ offices, except one that was conducted via Skype, and lasted around an hour. An interview guide was developed, guided by the research questions and elements of Bourdieu’s theory (Table 4.2). Each participant signed and dated a consent form after reading the information sheet for the study. This information sheet outlined the ability to withdraw at any time, as well as the anonymisation of the data
collected. Both documents are included in Appendices 1 and 2 to the thesis. Of the five members approached for interview all agreed.

As the interviews progressed my interview technique became more developed and I found that my ability to follow up statements to elicit a greater understanding of the Council members’ responses improved. In addition, my research diary helped me to reflect on the demeanour of the participants and any external distractions at the time of the interview and my thoughts on whether they were using the interview to pursue a particular agenda. For example, interview 1 was conducted via Skype and was the longest of all the interviews, primarily due to distractions around charging of devices and intermittent broadband connection. If the interview had taken place further into the series, I would have had more confidence to focus obtaining an in depth discussion on a sub set of the questions rather than persisting with the full interview guide.

Table 4.3: Pilot study details

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Date of interview</th>
<th>Duration</th>
<th>Gender</th>
<th>Decade became member</th>
<th>Elected/Co-opted/Officeholder</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>28 July 2017</td>
<td>76 minutes</td>
<td>M</td>
<td>2010s</td>
<td>Elected</td>
</tr>
<tr>
<td>2</td>
<td>1 August 2017</td>
<td>46 minutes</td>
<td>M</td>
<td>1980s</td>
<td>Elected</td>
</tr>
<tr>
<td>3</td>
<td>31 August 2017</td>
<td>57 minutes</td>
<td>M</td>
<td>1980s</td>
<td>Elected</td>
</tr>
<tr>
<td>4</td>
<td>8 September 2017</td>
<td>55 minutes</td>
<td>F</td>
<td>1990s</td>
<td>Elected</td>
</tr>
<tr>
<td>5</td>
<td>20 September 2017</td>
<td>64 minutes</td>
<td>M</td>
<td>1980s</td>
<td>Elected</td>
</tr>
</tbody>
</table>

Source: Devised by author

4.4.5. Main study

Following a detailed review of the data collected during the pilot phase, some questions were refined and the remainder of the interviews were conducted under similar conditions (Appendix 3). At this stage, Theme 3 relating to the Council-Executive relationship was excluded as interactions were mediated through the board by means of the managerial accountability structure as well as through direct interactions with the Council.

The details of the interviews are provided in Table 4.4 below. I interviewed 25 members of Council (there were a total of 92 members as at June 2017) mainly at the ICAEW or in their offices. Interviews lasted between 37 minutes and 76 minutes. Overall, four interviews were conducted by Skype where members were based overseas, or it was not possible to arrange a
physical meeting. The selection of interviewees was informed by the overall profile of the Council, in terms of length of service, sector of employment, constituency, age, gender, ethnicity, etc. (McKinnon, 1988). Those appointed in the 2017 for the first time were excluded from the pool of interviewees as they had limited experience of the Council processes at the time of the interviews. This amounted to 16 new members who were either elected, stood uncontested or were co-opted for the first time. As such, the potential pool of interviewees amounted to 76 members (32% coverage). The interviews took place between July 2017 and June 2018.

Table 4.4: Main study details

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Date of interview</th>
<th>Duration</th>
<th>Gender</th>
<th>Decade became member</th>
<th>Elected/Co-opted/Officeholder</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>28 July 2017</td>
<td>76 minutes</td>
<td>M</td>
<td>2010s</td>
<td>Elected</td>
</tr>
<tr>
<td>2</td>
<td>1 August 2017</td>
<td>46 minutes</td>
<td>M</td>
<td>1980s</td>
<td>Elected</td>
</tr>
<tr>
<td>3</td>
<td>31 August 2017</td>
<td>57 minutes</td>
<td>M</td>
<td>1980s</td>
<td>Elected</td>
</tr>
<tr>
<td>4</td>
<td>8 September 2017</td>
<td>55 minutes</td>
<td>F</td>
<td>1990s</td>
<td>Elected</td>
</tr>
<tr>
<td>5</td>
<td>20 September 2017</td>
<td>64 minutes</td>
<td>M</td>
<td>1980s</td>
<td>Elected</td>
</tr>
<tr>
<td>6</td>
<td>12 October 2017</td>
<td>47 minutes</td>
<td>F</td>
<td>1980s</td>
<td>Ex-officio</td>
</tr>
<tr>
<td>7</td>
<td>20 October 2017</td>
<td>61 minutes</td>
<td>F</td>
<td>1990s</td>
<td>Elected</td>
</tr>
<tr>
<td>8</td>
<td>22 November 2017</td>
<td>49 minutes</td>
<td>M</td>
<td>1980s</td>
<td>Co-opted</td>
</tr>
<tr>
<td>9</td>
<td>12 December 2017</td>
<td>74 minutes</td>
<td>M</td>
<td>1970s</td>
<td>Elected</td>
</tr>
<tr>
<td>10</td>
<td>11 January 2018</td>
<td>54 minutes</td>
<td>M</td>
<td>1970s</td>
<td>Elected</td>
</tr>
<tr>
<td>11</td>
<td>11 January 2018</td>
<td>57 minutes</td>
<td>F</td>
<td>1980s</td>
<td>Elected</td>
</tr>
<tr>
<td>12</td>
<td>1 February 2018</td>
<td>40 minutes</td>
<td>F</td>
<td>2000s</td>
<td>Co-opted</td>
</tr>
<tr>
<td>13</td>
<td>22 February 2018</td>
<td>53 minutes</td>
<td>F</td>
<td>1970s</td>
<td>Ex-officio</td>
</tr>
</tbody>
</table>
A recognised challenge in data collection is the minimisation of the necessary selectivity involved to avoid the creating of a bias; this can be addressed through increasing the researcher’s exposure to the field of study to gather further primary data, e.g., longer observation period, more interviews (Messner et al., 2017). At the stage where additional interviews yielded little new information, the researcher was satisfied that a degree of saturation had occurred. A total of 25 interviews were deemed sufficient as this represented 27% of Council as at June 2017 (92 members) and 32% of the defined pool of eligible interviewees.

The representativeness of the sample in relation to the interviewee pool and the full Council is shown below in Tables 4.5, 4.6, 4.7 and 4.8.
Table 4.5: Interviewees grouped by experience (i.e., decade of qualification)

<table>
<thead>
<tr>
<th>Decade</th>
<th>Interviewees</th>
<th>Interviewee pool</th>
<th>Overall Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>60s</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>70s</td>
<td>20%</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>80s</td>
<td>40%</td>
<td>42%</td>
<td>37%</td>
</tr>
<tr>
<td>90s</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>00s</td>
<td>8%</td>
<td>8%</td>
<td>10%</td>
</tr>
<tr>
<td>10s</td>
<td>8%</td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Source: Adapted by author, ICAEW, 2017a

It is the case that the distribution of professional experience broadly matches the available interviewee pool, which differs from the overall Council profile through the recent election of an increased number of members who qualified in the 2000s. This was the product of a concerted campaign to encourage an increasing number of contested elections and is discussed more fully in Chapters 5 and 6.

Table 4.6: Interviewees grouped by employment sector (as at June 2017)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Interviewees</th>
<th>Interviewee pool</th>
<th>Overall Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practice</td>
<td>52%</td>
<td>55%</td>
<td>53%</td>
</tr>
<tr>
<td>Business</td>
<td>28%</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Other</td>
<td>20%</td>
<td>20%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Adapted by author, ICAEW 2017a

The sectorial mapping is broadly representative of the interview pool, with a slightly higher weighting of business members selected for interview. This grouping is particularly under-represented within Council; therefore, they represent an important group of informants when exploring the interests they represent and the barriers to a more representative sectoral participation.
Table 4.7: Interviewees grouped by mode of appointment

<table>
<thead>
<tr>
<th></th>
<th>Interviewees</th>
<th>Interviewee pool</th>
<th>Overall Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elected</td>
<td>64%</td>
<td>60%</td>
<td>62%</td>
</tr>
<tr>
<td>Co-opted</td>
<td>16%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Ex-officio</td>
<td>20%</td>
<td>15%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: Adapted by author, ICAEW 2017a

The interviewee profile was also mapped by type of member, i.e., elected, co-opted and ex-officio members. The pool of interviewees is broadly matched to the overall Council. The mix of co-opted to ex-officio members who were interviewed was slightly heavier in ex-officio members of Council. These are members who have been appointed by virtue of office held, e.g., Chair of a Faculty or an ICAEW Officeholder; they are therefore viewed as leaders within the Council. Their perspectives offer the potential to enrich the research through their experiences of such leadership positions and the interactions they have experienced within the Council of members. Throughout the remainder of the thesis the ex-officio members have been analysed as part of the group of co-opted members as they are effectively co-opted by their position.

Table 4.8: Interviewees grouped by gender

<table>
<thead>
<tr>
<th></th>
<th>Interviewees</th>
<th>Interviewee pool</th>
<th>Overall Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>64%</td>
<td>71%</td>
<td>73%</td>
</tr>
<tr>
<td>Female</td>
<td>36%</td>
<td>29%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Source: Adapted by author, ICAEW 2017a

The gender split of interviewees was also mapped, with the interviewees comprising slightly more females than might be expected in relation to the overall Council gender mix. This may be attributed to the inclusion of three female ex-officio members to reflect the experience of holding office from both gender perspectives. As the overall membership of the ICAEW is 28% female (FRC, 2018a), although in contrast the overall student membership is 43% female (FRC, 2018a), it appears reasonable to include a higher proportion of females in the interview pool. As might be expected, female members are typically younger.
4.5. Data analysis

‘The analysis of interview data, as with all qualitative data, is a sense making and interpretive process that requires, creativity, sensitivity, diligence and rigour’ (Mahama & Khalifa, 2017, p. 334)

A three stage method was adopted for the data analysis: data reduction, data display and data interpretation (O’Dwyer, 2004). The data reduction process involved engaging with the interview transcripts, the interview notes and other data in the form of reports and candidate election statements. The transcribed interview scripts were reviewed in detail to ensure familiarisation of the researcher with the full dataset and that the emergent themes were clearly identified. This was combined with the interview guide, notes taken by the researcher during the interview process, and reflections from the research diary. Where the script was unclear the recording was replayed as a check on accuracy. This enabled me to ensure that the interview data were as accurately represented as possible.

Following a general reading of the complete dataset and manual note-taking on developing themes, the data were then organised through a coding process developed by the researcher as part of an iterative process until no further concepts emerged (Mahama & Khalifa, 2017). NVivo software was used to facilitate the coding process and ultimate selection of quotes for inclusion in the empirical chapters of the thesis. This was followed by a period of reflection (O’Dwyer, 2004).

Data display is concerned with the presentation of the data through coding of emergent themes. The completeness of this process was significantly aided by NVivo, which collated the codes assigned within the programme. This enabled me to have easy access to the full range of responses within each code, facilitating the contextual comparison and selection of appropriate quotes.

Data interpretation concerns the key findings arising from the data collected. Following a theme-based analysis, the focused findings were detailed and contradictions in the data were identified. Bourdieu’s analytical tools helped to structure the sensemaking of the data and the analysis.

Two rounds of candidate election statements (2015 and 2017) were also read, reviewed, coded into NVivo and incorporated into the analysis of the election process in Chapter 6. These comprised 46 candidate statements for 2017 and 34 for 2015. It should be noted that they do not cover every constituency (30 in 2017 and 33 in 2015 Table 5.4) as candidate statements for
seats that were not contested were not published. Limitations exist in drawing inferences from the election statements as it is not possible to know the criteria applied in the voting process by constituents, e.g. reference to the photos to make decisions, reading statements, effects of ordering of statements etc. or in fact whether extensive personal networks are more important in securing the votes required. In Chapter 6 notation has been used to depict successful/unsuccessful candidates.

The data analysed was used to help answer the two research questions and are mapped in Table 4.9 below.

### Table 4.9: Research questions, empirical findings and concepts addressed

<table>
<thead>
<tr>
<th>Research questions</th>
<th>Empirical chapter</th>
<th>Concepts</th>
<th>Chapter sections</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. How is ICAEW governed and to what ends?</td>
<td>Chapter 5</td>
<td>Public accountability to membership</td>
<td>5.3.2, 5.3.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Public accountability to broader stakeholders</td>
<td>5.3.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Symbolic power/violence</td>
<td>5.4</td>
</tr>
<tr>
<td>2. What are the interests of Council members and how do they shape the governance of the ICAEW?</td>
<td>Chapter 6</td>
<td>Political accountability</td>
<td>6.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capitals</td>
<td>6.3</td>
</tr>
<tr>
<td>Source: Devised by author</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A further strategy that can be used to add credibility to accounts is triangulation, which is discussed in detail below.

**4.6. Triangulation of results**

‘the convergence of data collected from different sources, to determine the consistency of a finding’ (Yin, 2013, p. 241).

Triangulation can include additional data sources, methods, researchers and theories (Messner et al., 2017). The literature remains inconsistent on the importance of triangulating data. The proponents argue that the corroboration of certain data from multiple sources strengthens the
credibility of the study, e.g., Yin on case study methods (Yin, 2013). However, others argue that triangulation should be context specific and the extent may rely on the strength of the qualitative data collected:

‘What data the researcher needs to make an argument about an organisation depends on the argument. Further data can support of question the relations made between the initial data and the argument. It is, however, misleading to call such support triangulation because it suggests that some certainty has been gained in the capture of an objective reality’ (Ahrens & Chapman, 2006, p. 834).

‘Not all qualitative researchers are able to obtain sufficient access to organizations to engage in participant observation. Nor are they always able to collect multiple sources of data that are relevant to their question of interest. Such “failures” do not compromise the value of well-executed, interview-based qualitative research.’ (Lillis, 2008, p. 240).

It has been claimed that triangulation reflects a desire ‘to establish the credibility of qualitative data in quasi-positivistic terms’ (Baxter & Chua, 2008, p. 109). Therefore, it may be more appropriate to consider the plausibility of the accounts provided by informants and whether those accounts consistently detailed similar themes. Often critical researchers uncover domination that is legitimised in the official accounts through controlled information flows to external stakeholders, as well as internal legitimisation rhetorics that seek to maintain the status quo.

In this study, secondary data (Table 4.10) were used ex ante helped to shape the line of questioning and ex post to compare to interview findings (Yin, 2013). This was useful to help lay the foundation for the research as the Royal Charter and Bye-laws provide the framework under which the ICAEW operates. These publicly available documents provide an external view into the official governance framework of the body. Other secondary data, in the form of reports and other artefacts, were used to benchmark the official account created by ICAEW; therefore, the susceptibility of those documents to impression management techniques is recognised through the reflexive research process.

Table 4.10: Analysis of secondary data, rationale and timing

<table>
<thead>
<tr>
<th>Analysis of documents (secondary data)</th>
<th>Rationale</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Election statements</td>
<td>To help understand the mechanisms of representation and political accountability</td>
<td>Ex ante to gain insight into elected members election statement prior to interview</td>
</tr>
<tr>
<td>Published profiles of the Council members</td>
<td>Provide detail on role, sector, geographic area, whether elected/co-opted/ex-officio, year of qualification to add to understanding of representation and accountability</td>
<td>Ex ante to understand composition of the Council and guide selection of interviewees</td>
</tr>
<tr>
<td>Governance structure</td>
<td>Role of the committees and relative hierarchy</td>
<td>Ex ante and ex post to confirm understanding from interviews</td>
</tr>
<tr>
<td>Charter and Bye laws</td>
<td>Governance and accountability framework</td>
<td>Ex ante to understand the structure Ex post to confirm understanding form interview data</td>
</tr>
</tbody>
</table>

*Source: Devised by author*

In the analysis, based on the interests of the members of Council (Chapter 6), reliance was placed on the published election statements as this is the limited information that members receive on which to base their voting decision. The election statements are published on the ICAEW website and were collected for the past two rounds in 2017 and 2015, together with the voting results.

However, the availability of quality secondary sources was limited as a result of the ten-year embargo on Council minutes, which meant that such data were not related to the time period discussed with interviewees. The nature of the ‘official account’, generated in a standard format and style, may also have shaped the research in a particular way through the creation of an officially cleansed version of reality (Rose, 1991). In the following empirical chapters, weight was placed on the participants’ own accounts of the processes of governance and the corroboration of themes as part of the interview process. The reliance on participants’ accounts is likely to provide insight into the processes of governance and accountability in a way that meeting minutes cannot. As a result, I do not believe that the integrity of the research has suffered.
4.7. Conclusions

This chapter has outlined the research methodology and methods applied in this study. I adopt a critical paradigm after careful consideration of the ontological and epistemological implications of doing so. I am also mindful of Laughlin’s assertions that all empirical research is ‘partial and incomplete’ and is influenced by the researcher’s choices in relation to theory and methodology (Laughlin, 1995, p. 65). The research methodology and method are designed to facilitate an improved understanding of the influence of power exercised through agents and structures on the governance of member-governed professional bodies. A case study was conducted of the ICAEW as a leading UK professional membership body in accounting. The selection of one professional body as the site for a sub-field analysis has led to a richer analysis of the governance and accountability dynamics within this setting and enabled me to identify the interests of participants within the structure.

The primary research method was to undertake a series of semi structured interviews with members of the ICAEW’s Council over a period of 11 months from July 2017 until June 2018. Secondary data were also collected from a range of published sources to help shape the interviews and to provide corroboration for certain assertions made by participants. The interviews provide a level of insight into the governance and accountability of the ICAEW, which are not covered in the ‘official accounts’ produced by the body in relation to its governance processes e.g. minutes. This helped answer the two research questions of the thesis.

The interview process was supplemented by an analysis of the election statements prepared by candidates in the last two rounds of Council elections. This additional analysis contributed to an understanding of the processes of representation and the political accountability of the elected members of the ICAEW Council.

The following chapters present the empirical findings to help answer the distinct research questions, with Chapter 5 addressing research question 1 and Chapter 6 addressing research question 2. A discussion of the research findings follows in Chapter 7.
Chapter 5

The structure and governance of the ICAEW

5.1. Introduction

This thesis aims to examine the governance and accountability within a professional accountancy body through focusing on the ICAEW as a detailed case study. The intention is to illuminate the power relationships operating within the governance structures of the professional body. This is relevant as the governance and accountability of the profession and the power of the large firms has recently come under renewed scrutiny in response to continued corporate failures, e.g., BHS (FRC, 2018b), Carillion (Competition and Markets Authority, 2018; Kingman, 2018). As the ICAEW is constituted as a professional membership body, the capacity of its governance structure to represent the membership and their interests is critical to its long-term sustainability.

This chapter answers the first of the two research questions, related to how the ICAEW is governed and to what ends. This is done through breaking the analysis into two sub-questions asking, first, how is the ICAEW governed and second, to what ends it is governed. The following chapter (Chapter 6) answers the second research question, i.e., what are the interests of Council members and how do they shape the governance of the ICAEW?

Although previous work has addressed the history and structures of the ICAEW, e.g., Walker (2004), it has not focused on the role of the Council and Council members within the network of power relationships. My study addresses this gap through capturing the perspectives of the Council members who collectively govern on behalf of the membership. This is important because the Council is the ultimate decision-making body within the ICAEW, and therefore the perspectives of its members are relevant to an understanding of the governance process and the influence of power from a variety of sources on this group.

It argues that the ICAEW’s governance structures privilege certain interest groupings whose voice is amplified within the Council, whilst other interests remain under-represented. In part, this is due to the historic position of the District Society network that can play a critical role in the selection and nomination of candidates for election to the Council. However, accountability ties to the wider membership are difficult to maintain without established mechanisms of representation. Co-options are used to partially remedy the representation deficits arising
within the Council and to help to reflect the wider membership composition. The interviews reveal that co-opted members are not accountable to the membership in the same manner as elected members who represent a specific geographic constituency. As a result, the extent to which the current governance structure is capable of reflecting the public interest in its deliberations is called into question.

The ICAEW represents its members in the political sphere both nationally and internationally. In so doing, it balances both the self-interest of members and the public interest that relies on trust in the profession and the work of its members. It is argued that for the ICAEW to fulfil its public interest duty, it is important that it retains its symbolic power and scale to secure a voice in the various international standard setting bodies.

Bourdieu’s relational theory was outlined in Chapter 3 to offer a possible explanation of how the structures of the ICAEW affects its governance. Chapter 4 outlined and developed the research methodology and method that has been adopted in this thesis. The semi-structured interviews undertaken with Council members form the basis of the empirical work and offer a unique insight into the governance processes within the ICAEW.

The chapter is organised as follows. The next section outlines the origins of the current governance structure, while Section 5.3 explains how the ICAEW is governed and how public accountability is managed both to the membership and other stakeholders. Section 5.4 addresses the second part of the research question by asking to what ends the ICAEW is governed, and offers some insights into the maintenance of the symbolic power of the ICAEW and both internal and external symbolic violence affecting the governance and accountability processes. Section 5.5 concludes the chapter.

5.2. The creation of a market for professional accountancy services – the role of a Royal Charter

The ICAEW is constituted as a membership organisation, meaning that it is governed by its members for the benefit of its members. Membership organisations are typically governed by a representative group of members, which in this case is the ICAEW Council. This governance group is principally elected from the membership through geographic constituencies. Professional membership bodies differ from other membership bodies in the UK as they have typically been constituted by means of a Royal Charter, which grants the use of the term ‘Chartered’ in exchange for undertaking certain obligations. This is a form of state consecration
of a new form of capital, i.e., the ACA, creating what Bourdieu calls a nobility (Bourdieu, 1998). In other jurisdictions, similar protections have been afforded to professional groupings by the state by means of constitutional documentation, e.g., the AICPA. This is also the case for other professional bodies outside of the field of accountancy.

The first Royal Charter was granted in 1880 and adopted the following rationale:

‘it would greatly promote the objects for which the said societies have been instituted and would also be for the public benefit if the members thereof were incorporated as one body as besides other advantages such incorporation would be a public recognition of the importance of the profession and would tend to gradually raise its character and thus to secure for the community the existence of a class of persons well qualified to be employed in the responsible and difficult duties often devolving on Public Accountants.’ (ICAEW, 1880, p. 1)

The grant of the Charter therefore created a field in Bourdieu’s terms for the provision of public accountancy services by creating a grouping of Chartered Accountants. This provided assurance to the public that members had demonstrated expertise in accounting through meeting the criteria of membership, including education and ethics. By granting a Royal Charter, the Privy Council segregated the accountancy market into those who were qualified, and thereby ‘Chartered’, and those who were not. This enabled those accountants who had attained Chartered status to access more complex and lucrative work (Matthews, 2017). It also enabled the government to distance itself from the regulation of the market for accountancy services through transferring the responsibility to the professional body (Willmott et al., 1993).

A Supplemental Charter was issued in 1948 that broadened the scope of activities to the wider accountancy market using the term ‘professional accountant’ (ICAEW, 1948) in place of the term ‘Public Accountant’ adopted in the original Charter (ICAEW, 1880). The extension of scope was granted subject to the ICAEW submitting to further responsibilities. This was the first time the term ‘public interest’ was enshrined in the Charter.

‘The principal objects of the Institute are:

(i) to advance the theory and practice of accountancy, finance, business and commerce in all their aspects, including in particular auditing, financial management and taxation;

(ii) to recruit, educate and train a body of members skilled in these arts;

(iii) to promote and safeguard the rights and interests of its members in all matters affecting the profession;

(iv) to preserve at all times the professional independence of accountants in whatever capacities they may be serving;

(v) to maintain high standards of practice and professional conduct by all its members; and
(vi) to do all such things as may advance the profession of accountancy in relation to all or any professional services which may be provided by its members or by persons or bodies comprised wholly or partly of members, whether in public practice, industry, commerce and the public service.’ (ICAEW, 1948)

Since the grant of the Supplemental Charter there have been significant shifts in the external environment that have put pressure on the ICAEW’s structures and governance mechanisms, e.g., the reduction in statutory protection of certain forms of work, the growth of multidisciplinary professional services firms, globalisation of the profession, and widespread competition from other professional bodies.

These changes, combined with the growth in membership from 14,000 at the time of the Supplemental Charter (ICAEW, 1948) to the current 149,298 as recorded by the FRC (FRC, 2018a), have led to a professionalisation of the Executive function and a redefinition of the relationship with the Council through the creation of the ICAEW Board. The Board acts as an important intermediary between the Council and the Executive, providing oversight of operational decision-making with both elected and ex-officio Council members present alongside the Officeholders and the Executive Directors. Elected members are charged with reporting back to the Council from the Board meetings.

The next section examines how the ICAEW is governed within the constraints of the Royal Charter framework.

5.3. How is the ICAEW governed?

The governance of the ICAEW is important as the professional body undertakes various roles on behalf of the membership, including a representational role that protects and defends the collective (Ramirez et al., 2015), disciplining members who do not follow the rules of membership, and typically also undertaking some kind of wider duty to the public interest. This differs from other modes of governance in charities and corporates due to the power relationship between the professional membership bodies and those governed. Arguably, membership is an intrinsic part of members’ identity as professionals, enabling them to access various employment opportunities (Matthews, 2017) that are not available to non-members.

The accountability of the professional body operates at two distinct levels; first to the members and second to a wider grouping of stakeholders as outlined in Chapter 2. The self-interest of members may not always be commensurate with the interests of stakeholders beyond the membership, or the public interest (Lee, 1995). The discourse of the ICAEW seeks to provide
members with the freedom to pursue individual self-interest subject to certain limitations, whilst its policies and representational role reflects the public interest (Izza, 2017). The tension between the self-interest of members and the professional body’s public interest responsibilities has been highlighted through extant research; this outlines the public interest cushion that softens the pursuit of the self-interest of individuals (Willmott et al., 1993). To date, research has examined these tensions from the outside rather than from the lived experiences of those forming part of the governance process. This thesis adds to the literature in this area through capturing these perspectives by means of interviews with Council members.

The following sub-sections examine the governance role of the Council (Section 5.3.1), the Council’s accountability to the membership of the ICAEW (Section 5.3.2), the accountability of the committee structure (Section 5.3.3), and the Council’s accountability to the wider stakeholders of the ICAEW (Section 5.3.4).

5.3.1. The governance role of the Council

The governance structure places the Council in a pivotal role between the members and the Executive who have operational responsibility. Additionally, an almost unseen layer of governance exists that feeds directly into these formal arenas, namely the committee structure.

The members of the Council have three major roles as outlined by the Governance Handbook (ICAEW, 2017b). First the representative role, second the holding to account role, and finally the approvals role. The representative role reflects the accountability to the membership, the holding to account role reflects the managerial accountability through the Board function (this is not a focus for this thesis) along with ‘upholding the public interest’. As outlined in Chapter 2, the public interest is typically upheld through the Code of Ethics and the related disciplinary processes. The process of debate within the Council is the primary mechanism outside of the disciplinary process to further the public interest, rather than the external monitoring of the Charter terms (Privy Council, 2020). The third role is the approvals role that requires approval of certain proposals, including the operational plan and annual budget.

As illustrated in Chapter 2 the accountability to the membership is demonstrated through the constitutional structures, including the ratification of certain proposals at the AGM (Table 2.1).

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3 For details on the structure of the Council, please refer to Chapter 4.
‘Well, council as you say is the ultimate governing body subject to the membership who have to decide certain things at the AGM.’ I\textsuperscript{113} Ex-officio

The defeat of the Council’s proposals to merge with other professional accountancy bodies has drawn researchers to the conclusion that ‘Actions by the rank and file have persistently shown that Council’s authority remains seriously diminished’ (Noguchi & Edwards, 2008b, p. 38). This implies that the role of Council representing members’ interests is not as effective as envisaged. In part, this may be a result of the governance structures designed to facilitate representation of the membership.

For many Council members, the dialogue with their constituents is relatively weak, and engagement with the election processes is limited leading to unpredictable results from membership votes. The public challenges to the Council’s authority may have arguably resulted in a reduced willingness to adopt proposals that require ratification by the membership.

5.3.2. Accountability to the membership

In common with many social groups, the general membership concentrates power in the subset of members who form part of the Council that they formally charge with representing the views of membership (Bourdieu, 1986b). As the ICAEW is a membership body governed by and on behalf of the members, an examination into how it is governed necessarily involves exploring the accountability relationship between the general membership and their representatives on the Council. Members join the Council either as elected geographic representatives or co-optees, creating the potential for differences in accountability mechanisms.

Accountability to the membership is formally maintained through the Council and the Governance Handbook elaborates this facet of the role as follows: ‘Ensuring the views across our profession are heard in helping to set the strategy’ (ICAEW, 2017b). Whilst the direct link between the membership and the elected Council member is present on a geographic basis, the link is weaker for those who are co-opted to represent a specific sector, e.g., public sector, business member, as their capacity to represent the sector is variable.

This section argues that accountability to the membership is established through effective processes of representation, which affect the composition of the Council. The important role of the District Society network is examined in establishing a structure to facilitate accountability to the membership at a local level. It also reflects upon the low engagement of the membership with the election process and some recent measures which seek to reengage the membership. The elected members are supplemented with those who are co-opted to remedy
representational deficits. However, the co-opted members do not have the same accountability to their constituency as elected members.

**Representation of the membership**

Of the overall 92 members of Council as at June 2017, 25% were co-opted and 13% were ex-officio or co-opted by virtue of position, e.g., Chair of a significant committee or officeholder. Taken together as co-optees these members form a significant and influential grouping within the Council chamber.

The underlying composition of the Council reflects the belief that elections will secure a representative Council who will be accountable to the membership. The electoral constituencies are mapped to the District Society network, which plays an important role within the ICAEW structure; it also helps to create a forum for dialogue to take place between members and their representatives. The relationship between the District Societies and ICAEW has been problematic over time (see for example Ramirez (2009) who documents numerous reports over an extended period). Historically, District Societies were a useful network to disseminate technical advice and training for practitioners (I3 Elected comments) and therefore operated as a hub enabling members to network and share practice.

The District Society network has faced increased pressures in recent years from three long term trends. First, in a digital environment, technical guidance can be centrally disseminated and consumed on-demand through webinars. Second, the membership is increasingly heterogeneous and has differing needs, and finally, as member numbers increase outside of the UK, the limits of replication of the District Society structure are becoming apparent. ‘the task of representation of the membership has become more complex as differences have grown amongst its membership.’ (Ramirez, 2009, p. 403)

Interviewees often compared the role of an elected Council member to that of a Member of Parliament to explain the representational processes. However, a fundamental difference exists because Members of Parliament have a political affiliation that is clearly outlined and consistently applied, whilst Council members vote on a case-by-case basis and need not reflect consistent opinions. Each Council member’s judgement and expertise is shaped by their professional experience, e.g., small practice, Big Four, etc., and understanding of the interests of members and the public.

‘I feel that I am entrusted by people who I do not necessarily know to use my judgment and expertise for the best interests of members in the public interest.’ 17 Elected
There exists a more tenuous relationship between co-optees and the sector they have been co-opted to represent. They are not appointed by the whole of their sector and may have somewhat limited experience outside of their current role. Comments from interviewees indicate that co-opted members’ understanding of representation and accountability is markedly different from that of the elected members.

‘Or just to bring a public-sector perspective, [...] I do not represent the whole of the public sector.’ I12 Co-opted

‘I’m always kind of trying to look at things through the lens of business, but that’s a very wide constituency.’ I23 Ex-officio

Yet the governance handbook (ICAEW, 2017b) does not make an exception for the more limited extent to which co-opted members can undertake a representative role.

‘It’s a bit more difficult for co-opted members I think as individuals to be accountable because, you know, if you are, say the co-opted charity member; I’m not sure how you’re going to get back to the community of charities. So, I think it’s a one-way flow then, really, you know. You’re there in case there are issues coming up which might affect charities and I think communicating that back is...is very difficult, really.’ I6 Ex-officio

This creates a gap between what is formally expected and practice. As such, it would appear that a veil of wider representation is created through the co-option process, without co-opted members necessarily being able to represent or be held accountable by the sector they have been co-opted to represent.

**Composition of the ICAEW’s Governing Council**

To establish accountability to the membership is important that the Council reflects the views of the membership; therefore, balancing sector interests, gender, and seniority are all important factors to ensure that decisions are reflective of the membership’s interests.

The large number of members of the Council ensures a degree of geographic diversity through District Society constituencies, and representation is weighted by membership numbers. As such, the size of Council, whilst large, is not wholly unusual in comparison to similar organisations whose Councils vary greatly in size, e.g., the ACCA has 36 Council members (ACCA Global, 2018) and approximately 204,000 members (FRC, 2018a), or the AICPA Council that has up to 265 members (AICPA, 2006) and in excess of 400,000 members.

‘In the council, I suppose one of the things that surprised me is the size of the council as a sort of a governing body. We’ve had quite lively discussions.’ I12 Co-opted
Interviewees did not identify the size of the Council as a barrier to effectiveness at the strategic level and many discussed the quality of debate in a positive manner.

The overall numbers of Council members cannot be increased without alteration to the Bye-laws and seeking approval of the Privy Council, which is a cumbersome process. It is therefore unlikely that the Council will increase in size overall. At present, the wide geographical diversity does not match the sectoral weightings, despite the use of co-options to ensure that certain key stakeholder groupings are represented at the appropriate level, e.g., Big Four firms, public sector, Student Council and academia.

The composition of Council is not static and over time it has changed as international representation has increased. However, this has been at the expense of a measured sector representation.

'We had one member ring fenced for business in each society at least and one from practice. And so, in my constituency, you’d have two members. .... But eventually we agreed that we would go down to one per constituency which then created headroom so we could then significantly increase the international representation.' I13 Ex-officio

The historic influence of the District Society as a means of securing nomination and votes remains, whilst the practice sector has contracted as the primary employment sector for members. This calls into question the District Society network as a conduit to local members. Practice members tend to form more of a homogenous grouping than those in business who occupy diverse roles and may have sector specific interests, e.g., retail, manufacturing. It may be the case that it would be more relevant to represent the interests of business members by significant sectors in which they are employed rather than geographically.

The data below were extracted from a combination of published election statements and the profiles of Council members per the ICAEW website, and has been compared to the FRC data published on membership sector groupings. The results (Tables 5.1, 5.2 and 5.3) indicate a clear over-representation of practice members; this challenges conclusions in relation to the under-representation of small practice members (Ramirez, 2009; Ramirez et al., 2015). The under-representation of business members is consistent with prior research (Noguchi & Edwards, 2008b; Willmott et al., 1993).
Table 5.1: Elected Council members by sector

<table>
<thead>
<tr>
<th>Composition</th>
<th>Practice</th>
<th>Business</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 elections</td>
<td>57%</td>
<td>20%</td>
<td>23%</td>
</tr>
<tr>
<td>2017 elections</td>
<td>48%</td>
<td>39%</td>
<td>13%</td>
</tr>
<tr>
<td>Total 92</td>
<td>49% (14 Big 4)</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Overall Council as at June 2017*</td>
<td>53% (38% non-Big 4)</td>
<td>24%</td>
<td>24%</td>
</tr>
</tbody>
</table>

*includes those who may have been elected to seats uncontested

Source: Adapted by author

Table 5.2: Composition of the ICAEW’s membership (excl. retirees)

<table>
<thead>
<tr>
<th>ICAEW global member profile</th>
<th>Practice</th>
<th>Business</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34%</td>
<td>53%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: FRC, 2018a

Table 5.3: Interview pool by sector

<table>
<thead>
<tr>
<th></th>
<th>Interviewees</th>
<th>Interviewee pool</th>
<th>Overall Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practice</td>
<td>52%</td>
<td>55%</td>
<td>53%</td>
</tr>
<tr>
<td>Business</td>
<td>28%</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Other</td>
<td>20%</td>
<td>20%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Source: Adapted by author

The mix of groupings in the Council was commented on by interviewees, who focused on the large number of small practitioners involved in the Council being closely linked to their ability to control their time in a way that many business members and those working in mid-tier firms cannot.

‘virtually everyone coming through the district society route outside of London is a small firm practitioner. So, we’re way over represented with that view on Council.’ I2 Elected

Whilst the above quote overstates the actual number of smaller practitioners (see Table 5.3), they are significantly over-represented within the Council and are often more able to participate
in the affairs of the Institute due to their ability to direct their own time, thereby amplifying the voice of this interest grouping.

Another member noted the polarisation between the Big Four and smaller practitioners, with the mid-tier even more significantly under-represented and often omitted from detailed compositional analysis.

‘I don’t think that the mid-tier of the profession is represented strongly, because they are too busy earning money than giving back.’ 10 Elected

On the other hand, few high-profile Council members from the Big Four come through the election process, with the majority of those at partner level being co-opted and more junior Big Four staff seeking election.

‘I think if you’re already in a high-profile role, it can be difficult to stand because it’s quite a blunt instrument this election process, so you could easily not get elected even though you are very well qualified.’ 13 Ex-officio

One interviewee identified that the higher engagement from practice members reflects their interest in ICAEW’s lobbying powers with the regulators:

‘Probably also because they’re the ones where your regulations and changes have an impact. If the FRC wants to do something and wants to regulate something, it does affect the practicing member in a way that it doesn’t affect the business member.’ 12 Elected

The difficulty in standing as a business member was also remarked on by interviewees, with some commenting that the lack of flexibility in working practices that often results in business can have a negative effect on the capacity of members to devote time to the Council:

‘I think practice is normally fairly forward-thinking in terms of flexible working but it’s much harder to do through in a large corporate.’ 11 Elected

The weighting towards smaller practitioners in the Council influences the debate in a certain manner and can result in other perspectives not being considered, although the Chair does actively work to manage the agenda (see Section 5.4.3).

The role of the District Society Network

The relevance of the traditional route to election via the District Society network is increasingly being questioned by members. They focused on two areas: the engagement of the District Society with local members and its relevance to members outside of practice. This is important
as most members work outside of practice (Table 5.2) and their interests must be represented if the ICAEW is to continue to represent its members.

Since the inception of the ICAEW, the District Societies have played a role in the governance and representation structures. The accepted route to election involved being a member of the District Society and often having previously served in the role of President. As the membership has become more heterogeneous and technology can connect people in an increasingly flexible manner, the structure has continued to come under increasing scrutiny. The quotes below are from elected members representing different geographic constituencies.

‘There isn’t enough engagement with the district society because people don’t see its relevance.’ I3 Elected

‘If XX disappeared, no one would care.’ I1 Elected

Often, elected members outside of practice queried the relevance of attendance at District Society meetings.

‘I was the only finance director on Council. Certainly, the only finance director of a listed company [...] why would I want to go to a District Society when all the other people there will be sole practitioners or small practitioners?’ I2 Elected

Other elected members tended to err on the side of caution. This may be linked to the fact that they have invested time in this structure to create a relevant network of engaged members who will vote for them (i.e., cultivating their social capital (Bourdieu, 1986b)).

‘I think it is the local representative organisation of the ICAEW, so it acts as the local face of the ICAEW but it is that important two-way channel, and I think it...it’s an important method of sort of disseminating information about what the ICAEW is doing to members. It’s not the only method.’ I6 Ex-officio

Interviewee 6 has risen through the District Society system to an ex-officio position, yet still qualifies their opinion through acknowledging that the District Society is now one of many communication channels.

The current push to strengthen the links between the Council members and the District Societies (I6 and I7 below) could be viewed as a protectionist response to instances of non-affiliated candidates succeeding in local elections. The following quote illustrates the appearance of democracy masking the anxieties over ‘others’ succeeding in the election process.
‘In principle, nothing wrong with contested election, but when you’ve got a single member seat, it’s really important you don’t get the wrong person on council. Otherwise, they’ve severed the link and there is no requirement even though you’re an ex officio member of the local district society, there’s no requirement for you to turn up. If you choose not to, there’s nothing you can do about it.’ 116 Elected

The comment appears to accord the District Society with the power to decide who the right person should be. This implies that there is often an unseen process of selection of candidates and anointment of successors who are deemed worthy by the group, thereby excluding others from standing against them.

The apparent institutional weakening of the District Society’s power contrasts with the move to reinforce the relationship between elected members and their District Society. This has resulted in some members questioning their accountability and modifying their behaviour to prioritise attendance. This could be explained as an attempt to discipline the Council members by the officeholders to maintain the impression that there is a clear communication channel for members through the District Society to the Council.

‘I think it important that the Council members should sit on the District Society and communicate back and raise issues.’ 16 Ex-officio

‘now I’m going to because Fiona [Wilkinson Deputy President 2018/19] basically looked at these societies and said, come on, you guys, you need to be going to your district societies if you’re the elected people. So, I’m going to redouble my efforts to get there, which is quite right.’ 17 Elected

Member Engagement with Existing Processes – the Status Quo

The current representational structure leads to the marginalisation of certain views and many members do not engage with the regional structures or the election process. This occurs because members are often voted onto the Council either unopposed (Table 5.4 below) or by elections, which are characterised by low levels of member turnout. This raises questions about the strength of the mandate of those who are voted onto the Council (Noguchi & Edwards, 2008b).

‘I mean I have to say how democratic is it when the turnout rates are so, so low.’ 12 Elected

In many ways this appears to illustrate the operation of Bourdieu’s concepts of duality as the ideal of democracy often masks the power of the District Society to select its preferred candidates (Bourdieu, 1998). Frequently it appears that the competition takes place behind the
scenes and, as one member remarked, candidates will position themselves in a way to try to ensure they stand unopposed to avoid any surprises from the electorate. This is achieved through cultivating the appropriate social and cultural capital through the District Society structure, and so these members will be viewed by others as master players thereby ensuring that they do not even have to contest the seat.

‘I was unopposed, although to be unopposed, one has to manoeuvre into that position to start with.’ 124 Elected

Table 5.4 below illustrates the extent of the contest for election with an increase in contested seats in 2017. However, this may be attributable to the dynamics of those constituencies rather than an increased level of engagement.

Table 5.4: Contested Council seats

<table>
<thead>
<tr>
<th>Number of seats</th>
<th>2015</th>
<th>2017</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncontested seats</td>
<td>12</td>
<td>7</td>
<td>19</td>
</tr>
<tr>
<td>Contested seats</td>
<td>21</td>
<td>23</td>
<td>44</td>
</tr>
<tr>
<td>Total seats for election</td>
<td>33</td>
<td>30</td>
<td>63</td>
</tr>
</tbody>
</table>

Source: Adapted by author

The low level of member engagement with the process appears to reflect a ‘gigantic free-riding problem, as less diligent members enforce on the more successful all kinds of demands backed by a shared normative structure’ (Portes, 1998, p. 16). This phenomenon is often referred to as ‘becalming’ and is a recognised by-product of oligarchy (Zald & Ash, 1966). Voss and Sherman note that the disengagement is not inevitable as originally envisaged (Michels, 1968) but can be reversed in the right circumstances, which are often precipitated by changes in leadership and changes in the operating environment (Voss & Sherman, 2000). These findings hold promise that there may be a reinvigoration of the membership’s engagement.

‘It’s a problem of virtually every organisation I think I’ve ever been involved in. From public companies downwards, the voting numbers are relatively small. Generally, people only get involved, in my experience, if there is something majorly going wrong.’ 15 Elected

In an attempt to encourage wider engagement with the election processes, recent rounds of elections have been accompanied by centralised marketing campaigns to encourage engagement from the wider membership (Appendices 4 and 5).
Re-engaging the Membership

The relevance of a predominantly practice-based geographic structure has come under renewed scrutiny in face of the structural problems identified above. Technology is likely to play a major role in enabling a wider range of members to participate and curate their interests, as well as enabling the ICAEW to reach out to a greater range of members who would not traditionally participate in the District Society structure.

‘For me, you have to find a way of touching people locally. But the big difference now compared to when I first got involved is technology. So, 20 years ago, 10 years ago the institute couldn’t reach out to an individual member and tailor communications to what their interests are. You can do that now.’ 115 Elected

This seems to be a transition that is in progress. As a result, there is a duality in the messaging between those who are part of the District Society, and therefore exposed to the control discussed above, and those who are not and respond to the open call for nomination that is disseminated centrally to members. The institutional messaging distributes invites through social media and direct emails to members rather than relying on personal knowledge of the election process (see Appendices 4 and 5). This contrast between the openness of the institutional messaging and the closed nature of the constituency threatens the control of the District Society.

However, the institutional messaging is portraying an aspirational image of the Council through the use of the profiles in the social media campaign. All three of the Council members featured in this campaign are co-opted rather than elected to the Council. It could be argued that these are the types of Council members that ICAEW is seeking to create a more diverse and balanced Council rather than the existing pool of elected members.

The comments from the interviewee below indicate that there have been some perceptible changes as a result of this type of campaign.

‘But in the last two or three elections, we’ve seen quite a big shift to encouraging almost a disruptive element into the council and I use disruption in a good, healthy way. Because there were more open invites to prospective members to say, “Yes, you too can be part of council. Stand for it.”’ 13 Elected

For those who do not form part of these groupings and are not subject to the unwritten rules, the fact they succeed as ‘others’ reflects the diminishing power of the existing District Society structure.
‘What I’m representing is a group of people who don’t engage. I think there’s a lot of us that get our qualifications and then don’t have anything to—don’t engage, aren’t in audit, not interested in audit.’ I14 Elected

The findings presented in this section illustrate that there is a problem of representation on the Council, which undermines its ability to represent the sectorial interests of the membership as some voices are marginalised. This is not fully addressed by the co-option process as there are no established accountability links for co-optees to their sector.

It has outlined the differences in the representative role of the Council members for elected and co-opted members, and draws attention to ongoing and largely unresolved struggles within the ICAEW to strengthen the links between the membership and its governance body, despite a significant period of reform (Noguchi & Edwards, 2008a). Whilst many continue to question the contemporary relevance of the District Society network within a heterogeneous profession, it continues to exercise significant power over the election process through its ability to provide members with the requisite social capital to secure nomination and votes. This process favours those who can invest significant time and effort to cultivate their position, tending to appeal to those who can control their time. There is a sense of gradual change in the processes of elected representation as mentioned in the section above. However, this adaptation may not come quickly enough to maintain the relevance of the ICAEW in the eyes of its members and the stakeholders it serves.

5.3.3. The accountability of the committee structure to the Council

This sub-section focuses on the power exercised by the committee structure and the ability of those who enter as committee volunteers to convert their external status into positions of leadership through co-options to the Council.

A significant amount of technical and policy work is conducted through the myriad of the ICAEW committees, e.g., Learning and Professional Development and task-based working parties (see Figure 4.1 for a structure diagram). The committees are classified into three groups:

- governance committees to which Council members are typically elected e.g. the Board, Nominating Committee

- governance/policy development committees or Boards from which the chair is co-opted as an ex-officio Council member and which report to the ICAEW Board (except for the Institute Regulatory Board which is semi-detached and reports directly to the Council), and
- specialist/operational/advisory committees which report into the Boards including the Faculties

The committees outside of the governance committees, comprise members of Council and volunteers who are classified as ‘active’ members who put themselves forward for consideration, or who are approached for specific skillsets relevant to the work of the committee. The contribution of expertise to committee work is part of expected activities for Council members, and the majority contribute to the running of the ICAEW in this manner.

‘there’s an expectation of council members participating in committees.’ I8 Co-opted

Vacant committee positions are advertised through the Council and externally to members, with application by CV and covering letter for consideration by the nominating committee, which reports directly to the Council (Figure 4.1). This instrumentalisation of members is part of the ‘enterprise’ of the professional body (Bourdieu, 1998). It ensures the acquisition of expert labour without remuneration, and therefore partially obscures the cost of running the professional body. Further, those who become part of the committee structure are susceptible to the ‘illusio’ of service to the profession and often take on increasing amounts of work on behalf of the ICAEW. As Bourdieu reflects, ‘the exploitation is masked’ (Bourdieu, 1998, p. 116).

Whilst from the professional body perspective the appointment process to the committees is clear and transparent, this was not always the understanding of the interviewees.

‘Do you know one of the things you never understand about the Institute is how it appoints people to committees? I have never ever had a clue of that.’ IS Elected

Whilst Ramirez (2009) argues that the Institute has been instrumentalised by large firms, this does not appear to be the case in the formal structure of the Council (see Section 5.3.2) and the Board. The unseen nature of committee composition may indeed reflect this instrumentalisation. He goes as far as to assert that:

‘One of the sources of the bigger firm’s power in the profession is that they have sufficient technical and human resources to be represented at these institutions’ (Ramirez et al., 2015, p. 1355).

Contributions to technical committee work can be shared across groups of specialists from the larger firms, enabling them to shape the agenda outside of the Council forum. These committees also function as a means of knowledge exchange as members get to know their counterparts in
other firms. Interviewees widely acknowledged that the committees have an implicit hierarchy in the institutional structure. For example:

‘There is a hierarchy at those committees. There’s definitely a hierarchy with the important committees which lead to becoming say, a board member or becoming president.’ I3 Elected

This hierarchical nature of the structure was re-iterated by another interviewee who highlighted the importance of serving on the Board as a staging post for those seeking election to office:

‘At the last minute, somebody said to me, “If you’re serious about standing for office next year, it would look pretty odd if you didn’t stand for Board at this election”, so I did.’ I22 Ex-officio

As such, the majority of those who wish to progress to officeholder have usually served on the ICAEW Board either as an elected Council representative or ex-officio member by virtue of chairing another Board, e.g., Members Board.

This is the route by which many co-opted members from the Big Four succeed in securing officeholder positions without running the gauntlet of the general membership, e.g., David Matthews, KPMG Partner and Vice President 2018/19, was Chair of the Technical Strategy Board. For those who do not have an automatic seat on the Board the result is fierce competition to secure a seat and thereby join the pool of suitably qualified candidates seeking election to ofﬁcership. Members self-nominate for the elected Board positions and votes are cast by single transferrable vote; therefore it is important to have already created a circle of support within Council.

From the Board, the next step is to stand for election to Vice President, which locks a candidate into the path to President. Often there is intense competition to secure the required eight unique nominations for officeholder and find favour amongst the members of the Council as the elections are also decided on by means of a single transferrable vote.

The committee structure therefore serves as an important network to secure experts’ input into various work areas of the ICAEW, whilst creating a mechanism to identify potential co-optees to the Council. These members may eventually become future officeholders without becoming involved in the politically charged and emotive issues around the District Society network.

‘certainly, if you look at the Presidential candidates, quite a few of those have been – successful ones, have been co-opted onto Council in their time rather than being elected.’ I9 Elected
Only one of the three officeholders for 18/19 has come through the District Society network. The interviewees have alluded to the power of the committees in the ICAEW structure and the ability of the Big Four to instrumentalise their work, without necessarily generating a visible presence in the Council. This ensures that the democratic appearance of the ICAEW remains intact without drawing the attention of external stakeholders. The committees also serve the interests of the ICAEW through ensuring a pipeline of potential co-optees who have been trialled through the committee structures as loyal servants to the profession.

The next section asks how the public interest and self-interest of the Council members interact in the governance structure.

5.3.4. Accountability beyond the membership

The claim to act in the public interest is important in establishing the accountability of the profession beyond the membership and retaining its position (symbolic power). The inherent tension in answering the four questions of accountability outlined in Chapter 2 (Joannides, 2012) led to the argument that the public interest is primarily served through the Code of Ethics and the decision making processes of the ICAEW Council.

Interviews probed members’ understanding of the public interest and compared it to the governance handbook discussion of the public interest remit. The continued ambiguity surrounding the use of the term ‘public interest’ (Bozeman, 2007b) was identified and commented on by a number of interviewees.

‘But I mean the big debate’s around what do we mean by public interest.’ I13 Ex-officio

Others offered definitions that could be applied to both the institution and the individual, reflecting a moral duty to behave in a certain manner:

‘if you’re looking for the definition of public interest, it’s to do the right thing when it’s hard to do it.’ I16 Elected

‘The public interest is, it’s so simple. If it smells bad and you wouldn’t want to see it in the Mail on Sunday, there’s a problem.’ I19 Elected

As discussed in Chapter 2, in accounting, the public interest is often linked closely to the functioning of the capital markets (Dellaportas & Davenport, 2008). One interviewee identified the broader conceptualisation of the public interest that may enable it to adapt to the wider concerns of society, e.g., sustainability.
‘I think as we reflect on the future of our profession and how we remain relevant, we, I hope, are always going to have a very important role to play in the capital markets, but I don’t believe our only role will be in the capital markets, and that’s why I define the public interest more broadly.’ 120 Ex-officio

This view was further reinforced through interviewees’ explanation of the importance of moving beyond the financial reporting sphere as a means of furthering the practice of accountancy and addressing public interest concerns:

‘How do we demonstrate that us existing achieves this public interest remit of putting quality accountants out there that can change the world and make the world a better place? And I think there has been thought about that. So, moving towards in the direction of looking at what else we should be accounting for and the institute’s concern about things like the sustainable development goals I think is important towards making us more relevant.’ 14 Elected

The interviews revealed some differences in Council members’ and the ICAEW’s conceptions of the public interest. At the institutional level, the role of the Council is elaborated through the Governance Handbook, reflecting a narrow conception of setting the standards of behaviour and enforcing them through the Regulatory Board.

‘Upholding the Public Interest and holding the Board to account in support of the ICAEW Strategy.
ICAEW upholds its public interest remit via the ICAEW Regulatory Board. Council holds the Board to account through the scrutiny of the Board’s activities through receipt of reports and updates from the Chief Executive, the Board minutes, the Elected Members of the Board and a quarterly review of the Board Priorities and the Operational Plan.’ (ICAEW, 2018b)

Despite the narrow conceptualisation of the Governance Handbook, the public interest operates at a collective level whereby the governance structure of the Royal Charter provides a framework to measure the strategic direction of the membership body. In addition, the prevailing political and policy environment also serve to drive contemporary understanding of the public interest, either by the ICAEW as a response to mounting pressures, e.g., the creation of the Institute Regulatory Board (IRB), or by government as a means of compulsion, e.g., Apprenticeship Levy.

Importantly, there is no individual requirement to consider the public interest as long as members follow the ethical code as: ‘That is our public interest duty, that is what will preserve and enhance all our reputations, and that is what makes chartered accountants special.’ (Izza, 2017)
The representative nature of the Council is important in ensuring that an appropriate Code of Ethics is agreed that will apply to the full membership, irrespective of geography or sector.

‘I mean it’s built into an awful lot of what we do and of course, a lot of the public interest at this stage is in the disciplinary processes which are now for good or bad effectively divorced from Council.’ 15 Elected

In this view, the Codes by which members must abide create a means of regulating the pursuit of the self-interest of members, and the semi-separation of the enforcement processes further serve to reinforce the public interest responsibilities of the ICAEW to regulate its members’ behaviour.

The quotes below illustrate that the public interest is not always well specified in briefing papers so that it is a guiding principle for decision-making:

‘And I think actually we do rely to an extent to the executive to say, “Yes, but we have a public interest duty on occasions”. I think it’s probably not so high up in Council’s mind overall.’ 118 Elected

To some extent this might result from a gap in the induction processes for new Council members who may not always have a clear conception of the public interest and how it might be considered within the Council. This reflects the continued tension between the self-interest and the public interest. The prevailing assumption is that, within the Council, members make decisions concerning the ICAEW strategy in the public interest through the debate process and in accordance with the Royal Charter terms.

‘I think some Council members if you actually said to them, remember our duty is to speak in the public interest even if that isn’t in our members’ best interest, we’d still be quite shocked that, you know, the fact that is the obligation.’ 122 Ex-officio

The relationship between the Charter and the decision-making process is important in balancing the self-interest and preserving the exchange rate of capitals for members. The Charter serves to obscure the economic truth of the profession (Bourdieu, 1998).

‘Because we’ve got a Royal Charter. And the Charter then requires us because of the privileges we perhaps give it there to make sure that we’re doing things for the greater good. And if we personally benefit either as firms or individuals, that’s okay. But ultimately the more important thing is we make sure that the society at large benefits from what we are providing collectively.’ 113 Ex-officio

As such it is the Council is entrusted with pursuing the objectives of the Charter. In this sense, the processes of the Council become important in ensuring that representation is balanced, and
stakeholder perspectives are considered. This capacity is questionable given the concentration of small practitioners within the Council.

The malleability of the concept of the public interest has distinct benefits as it can endure changes in societal expectations (Sorauf, 1957).

‘that’s why the phrase has been there for so many years and it’s a useful phrase because you should understand it innately what the public interest is. You can’t define it because it can mean so many different things to different people at different times.’ 13 Elected

The structures of the ICAEW have changed over time in response to evolving societal expectations that are considered in the public interest. This has been manifested by the ability of the ICAEW to respond to such challenges through adaptations in its governance without fundamentally changing the underlying structures created by the Royal Charter:

‘But I think the Institute over the years has been very much trying to respond to that with things like, and I can’t think of all of them at all of the cuff but just like having open sessions as part of the Council meetings. So, we’re trying to make what we’re doing open, making the membership of all the regulatory board, all the IRB [Institute Regulatory Board] committees at least 50%. So, we have been changing our position as society’s expectations have changed about that.’ 13 Ex-officio

The Council is an approval body with the power to reject proposals. This power was also discussed by interviewees in terms of a process-based understanding of the public interest (Cochran, 1974). It is this symbolic power to reject proposals that helps to legitimise the entire governance structure.

‘But if the structures in place and the underlying committees on board are right, that’s all accounts we should be doing but it’s churning a whole load of stuff back frequently, it suggests the underlying structures are wrong.’ 15 Elected

One interviewee commented on the wider public interest issues and suggested how they may be considered in the governance structure by means of a panel type system. This would reflect more of an aggregative view of the public interest (Cochran, 1974). However, the process of the selection of interests to represent would remain largely subjective (Bozeman, 2007a), which is a drawback of this approach:

‘we don’t focus on public interest issues very clearly or sufficiently. We don’t define them. We don’t debate them specifically. [...] I think we should have a...we should have a public interest panel and a members’ panel that advise Council on the impact on the specific groups.’ 17 Elected
An advisory panel approach would facilitate the consideration of a wider stakeholder group in the strategic process within the Council, and the introduction of lay members to a public interest panel could ensure that specific consideration was paid to policy impact on a wider range of stakeholders beyond the narrow capital markets or members perspectives. As such, the understanding of public interest would reach beyond the definition advanced by Dellaportas and Davenport (2008). For example, The ICAS has established public interest members of Council and who are charged:

‘To complete, in collaboration with the other Public Interest Members of Council, an Annual Report on the Council’s conduct of business in the preceding year, commenting on the Council’s adherence to ICAS’ Charters and statutory obligations and functions.’ (ICAS, 2018)

The ICAS rules (section 11) mandate that at least 10% of the Council shall be comprised of Public Interest members (ICAS, 2014). Whilst this approach may not take into account the perspectives of all interest groupings, it does provide some independent oversight of the Council process and the extent to which the self-interest is balanced with the public interest through those processes (Cochran, 1974). This challenge may be systematically lacking in the current governance structure as the linkage is more implicit.

‘I think we aren’t good at that piece of self-challenge that says, are we balancing the interests of lots of different sets of stakeholders here.’ 120 Ex-officio

This section has highlighted the instrumentalisation of the public interest by the ICAEW. It outlined divergences in the Council members’ understanding of the term and the gap between their understanding and that put forward in the Governance Handbook, which suggests a purely normative conceptualisation. The findings indicate that governance processes refer to the Royal Charter and the processual aspects of the public interest alongside a recognition of external pressures arising from an aggregative perspective. The capacity of the processual aspects to consider the public interest is called into question as a result of the election process that creates a concentration of small practitioners within the Council. The following section answers the second sub-question regarding the governance goals of the ICAEW.

5.4. To what ends is the ICAEW governed?

This section considers how the current governance structure maintains and reinforces certain positions to answer the second part of the first research question – To what ends is the ICAEW governed? The governance processes are principally directed to maintaining the symbolic power
of the professional body for the benefit of current and future members whilst managing the relationship with key stakeholders to retain this status.

‘The profits which accrue from membership in a group are the basis of the solidarity which makes them possible. This does not mean that they are consciously pursued as such, even in the case of groups like select clubs, which are deliberately organised in order to concentrate social capital and so derive full benefit from the multiplier effect implied in concentration and to secure the profits of membership – material profits, such as those derived from association with a rare, prestigious group.’ (Bourdieu, 1986b, p. 249)

This sub-section considers the symbolic power maintenance aim of the governance and accountability process (Section 5.4.1), how the ICAEW governance structures adapt to the symbolic violence inflicted upon them (Section 5.4.2) and the internal symbolic power and violence exercised to further certain agendas (Section 5.4.3).

5.4.1. Symbolic power maintenance

Ongoing investment in the maintenance of status and resources is important as ‘professional associations, like political bodies, need to cater for the aspirations and needs of their membership’ (Ramirez, 2009, p. 403). The status and relevance of the ICAEW were important elements of the discussion with interviewees, who often linked status to ideas of exclusivity and influence at the highest levels within business and government. In the discussions, the membership footprint was closely associated with the maintenance of power (as business is international) and representation within policy fora, e.g., IFAC is partially linked to size.

Interviewees identified that there is a clear requirement for a sustainable business model to ensure the continuation of the ICAEW in face of the rapid expansion of alternative qualifications and the pace of change in the broader business environment.

‘So, the biggest challenge I think is around finding a place where we can come around, get an effective relationship with all our stakeholders, and from which we can also prosecute our strategy which is about getting more people to join.’ 113 Ex-officio

Some interviewees were clear that scale was important as it creates the power to influence policy and practice on an international scale thereby enhancing the accountability to the membership as participants within the process rather than as following policies set by others. Others identified the risks to relevance that might also result in the demise of accountancy as a profession.
‘I do see the ICAEW in a leadership role, leading the profession to remain relevant in the future, because I think there are lots of things happening, disruptive technological change, societal change, slightly closer to home all of the stuff about what should an audit do. Anyway all of those things could lead to an outcome where the accountancy profession just becomes less and less relevant, less and less valuable to society, and the Institute could lead us to our demise or could lead us out of that and make super relevant, so for me that’s the biggest challenge.’ I20 Ex-officio

Others were even more critical in their approach, advocating an appraisal of the social purpose of the accountancy profession.

‘I think as a profession, we should actually be starting from first principles which is do we need to exist at all?’ I25 Co-opted

An examination of the field of professional accountancy bodies provides important insight into the environmental pressures that are currently affecting the governance of the ICAEW. ACCA has capitalised on its extensive international footprint and overtook the ICAEW’s membership base some time ago. The rapid expansion of ACCA has resulted in a significantly younger membership profile (Figure 5.1) and so it does not face similar challenges to its income stream that the ICAEW does from a mature membership base.

Figure 5.1 Age profile of global membership of the largest UK domiciled professional accountancy bodies

Note: % of members under 25 is 1% or less for each professional body

Source: FRC, 2018a
Members’ impressions of the global standing of the ICAEW reflect a reduction in the symbolic status of the qualification in relation to some other professional qualifications; these other qualifications are both international and have a significant membership base.

‘as much as we love our qualification, we are slipping behind in the world. The CFA (Chartered Financial Analyst) has widely out-ranked us I would say. ACCA [...] when I started you know you could sort of look down on that but now it’s definitely a contender.’

If the ICAEW is pursuing meaningful international growth as a means of retaining its power and ensuring its sustainability as a leading professional accountancy body, it would appear likely that an adjustment to the rate of exchange between academic and economic capital (Bourdieu, 1986b) may need to be accepted by the membership. However, evidence suggests that the membership questions the growth imperative.

‘I do think growth for growth’s sake is a stronger maxim than quality for long-term sustainability’s sake.’

As discussed in Chapter 2, the historic desire to closely control access to the symbolic capital of the ICAEW has resulted in a relatively late entry to the international market. Two factors have prompted this change of strategy. First, the aging profile of the membership has prompted the interest in accessing growth markets to maintain membership income and second, the migration of accounting standard setting to international bodies requires increased membership scale in comparison to other professional bodies to secure seats on the IFAC. As such, the habitus of a professional accountancy body has evolved.

‘I think what the institute is trying to be in five years’ time is an international organisation, and today it isn’t, it is a UK organisation with some international adventures and outposts.’

The ability to influence the IFAC’s decision-making process is important for professional bodies who have, effectively, ceded power to this body for the standard setting processes in audit, education and ethics, and to the IASB for financial reporting. It is arguable that the ICAEW cannot effectively fulfil its Charter objectives without accessing growth and the resultant rights of representation internationally, leading to a justification on the grounds of public interest rather than economic benefit to the members.

As such, this can be considered a means of protecting and enhancing the capitals of members.
‘I think now you do have to have a global position......you know, in the...in the global economy. And I think it’s...it’s making sure our voice is still heard. So, for example, you know, the fact we don't have a full seat at IFAC, in spite of the fact we put a million dollars a year into it...’ 16 Ex-officio

Other members were more sceptical about pursuing a membership growth strategy:

‘Why do we want to provide capital for [...] for growing the business and creating 300,000 instead of 150,000 accountants?’ 124 Elected

This small practitioner appears to be focusing on his self-interest as a member rather than the wider public interest and the future sustainability of the profession.

Some members, whilst accepting the global aspirations, questioned the ability of the strategy to deliver on its aims.

‘I’m not convinced that the ICAEW will be an effective global professional body. I don’t think its global strategy is [...] I don’t think it’s well thought out.’ 125 Co-opted

Alternative routes to organic growth to achieve significant international scale may include a merger or some form of strategic alliance. Whilst the ICAEW appears to be debating its strategic approach, the wider field of accountancy is evolving and competitor bodies are merging and creating alliances to generate the required scale to compete internationally and secure representation within important global accountancy bodies.

‘I think the challenges are the mergers and the alliances that are taking place between other organisations.’ 16 Ex-officio

Prior failures of merger proposals were linked to the perception that the symbolic capital of the ICAEW would be tarnished (Noguchi & Edwards, 2008b). Given the prior disconnect exposed between the leadership and the general membership, it is unlikely a general vote would be a favoured course of action. An alliance with other Chartered Accountancy bodies would appear to be more likely (Samsonova-Taddei & Humphrey, 2014); this would enable smaller bodies to co-ordinate their representation and access financial and political economies of scale.

‘I’d rather focus on collaboration and network with other accountancy bodies around the world to make us a stronger profession together rather than seeking to say its all about ICAEW and the number of members we have.’ 120 Ex-officio
Other interviewees were clear that ICAEW must be proactive in its change agenda to adapt the identity of a Chartered Accountant and provide clear leadership to address the challenges it is facing.

‘And if you look at the fundamentals of trust and integrity, education, embracing the future, if we do these things now there is no reason we shouldn’t be around in another 137 years. But if we become a reactive profession, we won’t be around in 10. If we don’t think globally we’ll be part of a bigger organisation. If we don’t embrace and lead on digital, we will get left behind by those who do.’ I22 Ex-officio

The ability of the ICAEW to confront the challenges it faces and have a robust debate was also questioned, implying that it continues to be reactive rather than proactive. This calls into question the effectiveness of the governance process and the interests that are served by the current structures.

‘So, I think that the international strategy and the relevance of auditing and the future relevance of our profession around that are big challenges, but I don’t think the Institute is robust enough to have that debate.’ I25 Co-opted

This section has discussed the directions in which the ICAEW is being steered to survive in the changing global accountancy environment, as well as the challenges it faces if it wishes to maintain and grow its international influence. Whilst the ICAEW had a historically powerful international position, that has long since been overtaken by other professional bodies who have grown their memberships rapidly. The focus has moved from a national accounting infrastructure (professional bodies, standard setters) to an international infrastructure in which scale is an important measure for representation. At the present time, it appears that there is no clear consensus on how to balance the competing demands. The next section looks at the context in which the ICAEW operates.

5.4.2. Withstanding symbolic violence

The ICAEW is accountable to a range of external stakeholders including international bodies, government, regulators (including the FRC and HMRC) as well as the Big Four. The social capital associated with the ICAEW and its membership has historically enabled it to use its network of relationships with such actors to the benefit of the membership.

This political representation role has been a major feature of the ICAEW’s work since the grant of the original Royal Charter (Noguchi & Edwards, 2008a). An interviewee highlighted the umbilical link between the ICAEW and politics as follows:
‘But we are involved in politics and you have to accept that, not because the profession wants to be involved in politics but because politics has become involved with the profession.’ IS Elected

At the same time, the ICAEW is pushing into regulated areas commonly associated with other UK professional bodies, e.g., probate, which has been historically undertaken by solicitors. This ensures an elevated exchange rate of capital for members (particularly smaller practitioners) that may partially counteract the general market trend of decline in this sector of the market.

The government has adjusted the symbolic capital of the profession periodically through legislation, e.g., increases in audit thresholds. This contributed to the number of firms registered with the ICAEW for audit reducing by 11% over the period from 2015-2017 (FRC, 2018a, p. 25)

The relationship between the ICAEW and the government therefore requires ongoing maintenance through lobbying and other activities conducted by the Executives and Officeholders.

Recent attempts to expand the jurisdiction of the ICAEW to extend its remit in relation to legal services have proved problematic. This is because the incursion into this area normally reserved for lawyers has resulted in a rejection by the Lord Chancellor, which has subsequently been partially successful on appeal (Sweet, 2019).

‘I find the legal services position interesting as to why- if we are such good professional or chap and chapesses, why should anybody object to us helping with the provision of those services, but perhaps they think we’re accountants, why should we mess about stuff we don’t understand, but that is clearly- that’s a very stark indicator that there are external influences, and it’s difficult to work out whether that’s necessarily just pure you know, just things finding their own level or whether there is a degree of self-interest from other bodies in that.’ I9 Elected

In the wake of the recent Carillion collapse, a wave of investigations have been announced or undertaken into the audit market in the UK (Brydon, 2019; Competition and Markets Authority, 2018; Kingman, 2018; Sikka et al., 2018). The power of the ICAEW to make representations to various government bodies and contribute to the ongoing debate, continues to steer the debate to reflect the interests of its members. In this respect, the ICAEW is in a powerful position to act as an intermediary in the policymaking process, representing member views and maintaining a dialogue with government. For example, when the Business, Environment and Industrial Strategy Report was published, the Chair, Rachel Reeves MP, presented the findings in a keynote speech at the ICAEW (Business, Energy and Industrial Strategy Committee, 2019).
Whilst the legally protected audit area is no longer the major source of work for members, it remains one of the few areas that are reserved for practice members, and is therefore closely intertwined with the identity of an ICAEW member and the ICAEW itself. This is at the core of the public interest duty as a loss of confidence in the work of accountants, both through external reporting and auditing and internally within businesses, would affect the overall functioning of the economy with the effects being felt internationally.

The retention of credibility in the eyes of the public is important and can be employed to justify the status quo:

‘public disaffection with the role that we play [...] will result in the government getting involved and stopping us doing something or telling us how to do other things. So that’s very important.’ 116 Elected

Many members also recognised that the concentration of power in the hands of the Big Four also makes the ICAEW vulnerable, particularly in relation to the pipeline of student members (Stringfellow et al., 2015).

‘The Big Four stop training Chartered Accountants; we haven’t got a business model.’ 116 Elected

Whilst there have been measures to facilitate the training of members outside of practice, a significant increase would be required to offset the effects of the loss of a Big Four firm as a training employer (Duff, 2017). The ability to significantly influence the route to membership accords the Big Four the power to instrumentalise ICAEW and the ACA curriculum to satisfy their requirements (Stringfellow et al., 2015).

Politico-economic factors affect the governance of the ICAEW as it is forced to publicly defend the protected audit core on behalf of its members and mediate an acceptable solution. Such threats have resulted in an increased impetus to expand the boundaries of regulated work in certain areas to substitute a diminishing scope in others. As a result, the Executive and the Officeholders are engaged in significant political lobbying activities. The next section considers how the Executive function influences the governance processes of the ICAEW.

5.4.3 Symbolic power and violence in furthering agendas

As the scope and size of the ICAEW has increased, an Executive function has been put in place and has expanded to undertake the operational role of running the professional body. A major
part of this role is to manage the external stakeholder relationships through representation, lobbying and consultation to promote the interests of the ICAEW and its membership.

‘So, I think part of the Executive’s function is to manage those stakeholder relationships rather than Council members doing it, or Council as a body doing it, actually.’ 13 Elected

Whilst this is a necessary function that is instrumental in maintaining stability and continuity within ICAEW, as volunteers rotate both through officeholder positions and through Council, it is also important that there is sufficient scrutiny of its activities (managerial accountability). The balance of power in the governance structure is maintained through the Board, which comprises both members of the Executive, Council and independent members. Managerial accountability is not a focus of this thesis, however the role of the Executive in setting agendas and orchestrating the Council processes has implications for the governance of the ICAEW and the accountability of the Council and is considered in this section.

The expansion of the executive function reflects the professionalisation of the ICAEW and a need for a stable strategic and operational environment:

‘back and around the time when I came on Council, certainly the late ‘90s, the direction of travel could change every year... depending on who was President.’ 19 Elected

Further, the size of the ICAEW meant that it was no longer practical for volunteer officeholders to take on the operational role as the learning process required resulted in a diminished effectiveness and significant variability as rotation occurred.

‘we need a strong executive, a strong staff presence to run the shop, because it’s a big shop, but it’s supposed to be run on behalf of its members and so that perhaps needs attenuated from time to time.’ 19 Elected

Interviewees recognised that the Chief Executive is a powerful actor within the ICAEW and has the ability to direct the focus of the organisation and expand his role if unchecked.

‘So, if you’ve got a Chief Executive, they are...they are bound to accrue power to themselves and that indeed is undoubtedly what Council wanted, you know.’ 16 Ex-officio

Members alluded to the cross-over between strategic and operational decision-making and debate, noting that incursions into the operational result in duplication of activity and do not make best use of the forum to debate strategic matters.

‘It’s an evolving role where the role should be in my opinion, it is one of oversight and setting strategic direction, they are all volunteers of course, there’s no remuneration, it’s
enough being on council, so I think it should restrict itself to strategic direction and oversight, it should not be delving down into executive matters. I feel quite strongly that the council should not be doing a job that we are paying someone to do, that person should do it.’ 110 Elected

Some members also criticised the quality of the agenda setting that can be difficult to manage at the strategic level due to the number of operational items that are reserved in the byelaws for decision by the Council, e.g., annual subscription rates. The blurring of the types of decision required tends to result in criticism from the Council members.

‘I think the Council sometimes perhaps struggles to get its agenda in the right space.’ 112 Co-opted

Others point to a padding out of the agenda with ‘fillers’, which do not necessarily fit with a strategic decision-making remit. This appears to be at the expense of full debate of the major strategic challenges highlighted earlier.

‘I am, yeah I sometimes think it's sort of there's a bit of filling up with some education thoughts […] It's not sort of relevant to the oversight of the running of the Institute.’ 18 Co-opted

Some interviewees pointed out that the Council may be unaware of potential bias in the briefing packs that they feel can be orchestrated to lead the Council to certain outcomes that are desired by the Executive.

‘I have criticised Council for it as well sometimes, which is a lot of the papers are not—they are not unbiased. They lead you towards a decision…’ 15 Elected

In this scenario the Council is heavily dependent on the Board level scrutiny of agenda items. However, there is a risk that the Council members on the Board may be caught up in the illusion of strategic decision-making without the reflexivity to question the presentation of matters for decision-making.

‘the Council can only scrutinise to the extent that it has been briefed effectively by the Executive or the board.’ 112 Co-opted

Other comments reflect a management of the agenda by the Executive:

‘In theory, the chairman controls the agenda, but I don’t believe that he really does have a say as to what's on it and not on it. I think my perception is that comes from the CEO. And again, one assumes that the President, in theory, has some say over it, but I would think it's much more along the lines that he's able to add to it.’ 14 Elected
Some interviewees were critical of the tight control maintained over the Council debates to ensure that the agenda is covered and decisions are made. This level of control also has the effect of constraining spontaneity and may reduce legitimate questioning from the Council members.

‘There’s clearly a lot of attempts to keep everything on script with the intention being to get questions submitted in advance. So that people can already know what they are and have answers ready for them. Now, there’s a good efficiency point there but on the other hand, I think it does enable greater scripting of and greater directing, stage management of these things.’ I4 Elected

The scripted nature of Council meetings was also attributed to the role of the Chairman in managing the agenda during the meetings, and the Executive function who supports the management of the Council meetings.

‘The chairman takes you back on piste and there’s a controlled message that they need to get done by a certain amount of time. And with all these governance police kind of people around, they won’t let you go off piste. I think that’s a shame, because it means that I almost know what’s going to happen in a meeting before I go to the meeting.’ I3 Elected

The interviewee below talks of socialising ideas to ensure that concerns are addressed in advance of Council debate. She is an ex-officio member of the Council who has presented numerous papers for debate, and has found that the consultative approach is most effective in securing a mandate to advance ideas. However, these consultations are often restricted to the most influential members of the Council, closing out others who may have valid opinions.

‘When it works well [...] council is hugely beneficial. And if you share the idea with Council at the right time, it gives you the mandate to go on and do look at it further, which is excellent. The Executive have all learned their own ways of coping and the thing they mustn’t do is take Council for granted or Council gets very touchy. And I think there’s an awful lot to be done not at Council meetings around talking to people and developing ideas and sharing them and dealing with concerns and so on that will then help when we get to Council having a more healthy debate.’ I13 Ex-officio

This approach to ensuring the agenda has a smooth passage through the Council was confirmed by another member who termed the socialisation processes as the necessary ‘backwork’.

‘I said otherwise you’re going to get the grumpy old men standing up and rejecting it. And it’s about communication. If communication is right, you get things done.’ I19 Elected
Other interviewees were more critical of such approaches and talked about the management of the agenda through various back channels to socialise ideas and gain support prior to the Council meeting, and indeed through planting supporters within the Council debate.

‘It’s not just the Executive, it’s the Executive in league with the certain you know, members of the board and Council who have pre-discussed what’s going to happen in this performance. And I feel that I’m going along as a member of that performance, but also, a member of the audience really. And I’m going to watch this play out, and nothing new is going to happen. […] There’s not the engagement because it’s so well controlled.’

I3 Elected

The interviewee quoted above is an elected representative who, whilst influential in his workplace, is conscious that he is not part of the most influential groups within the Council. As a result, he feels excluded from the debate as he does not have the social capital within the Council to be party to the discussions shaping significant papers for the Council, or to influence others through membership of leading committees within the committee hierarchy. Yet he continues to participate as he attaches a value to his membership of the Council that outweighs his feelings of being manipulated.

The often symbolic nature of the Council proceedings constrains the Council’s ability to hold the Executive to account, and the quotes selected reinforce the view that ‘whilst they are capable of reflexivity, those who are successful at playing the game will only engage in a form of reflexivity that is permitted within the rules of the game’ (Lupu & Empson, 2015, p. 1333). As such, the members are caught up in the illusion of the game that predisposes them to collude with (rather than challenge) the actions of those who are dominant in moulding the field, i.e., collusio (Gracia & Oats, 2012, p. 307). However, there remain examples of situations in which Council has flexed its muscles and rejected a proposal with (I22) citing a case where a direct approach had been made to a potential co-optee rather than through the nominating committee as outlined in the processes.

‘with hindsight, I think that the point could have been made without causing the embarrassment we then caused.’ I22 Ex-officio

This section has outlined the symbolic power and violence applied in furthering agendas within the Council and thereby influencing the debate and decision making process. Tension was revealed in the interviewee process, with a perception that the agenda is stage-managed through socialising ideas and the pre-submission of questions prior to the debate. There was also evidence of a periodic testing of the relationship that indicates that the Council can still exercise its powers where it feels it is necessary.
5.5. Conclusions

This chapter has answered the first research question by using empirical evidence from the interviews with Council members to illustrate their perceptions of how the ICAEW is governed and to what ends.

In so doing, the chapter has investigated the accountability of the Council to the membership and its broader stakeholders. It has illustrated the dichotomy between the open calls to stand for election and the power of the District Societies in attempting to control the processes surrounding Council elections. The District Societies continue to wield significant power within the Council process, despite critical questioning in relation to their contemporary relevance to the membership. It has also been shown that these groups have posed a recurrent problem for ICAEW (Ramirez, 2009); however, they retain a privileged role in the governance structure. The linkage of elected members to these geographic constituencies, and the attempts to ensure that they attend District Society meetings, tends to encourage practitioners to stand, creating an imbalance in the sectoral representation on the Council leading to the need for co-options. The accountability of co-opted members to the membership is shown to be limited, as they do not have a direct link to the relevant sector from which they are co-opted.

The accountability of the committee structure to the membership is established through the Boards and co-options of their Chairs to the Council. This network of committees enables potential future co-optees to be identified and some of them are then parachuted into the Board through appointment to certain ex-officio positions. This contrasts with the route for elected members who must seek election as a Council representative to the Board. Board membership is generally accepted by members of the Council as a pre-cursor to standing as an office-holder and carries a certain status as a result.

Accountability beyond the membership is established through the dialogue of the public interest, which frees the members to pursue actions in their self-interest subject to compliance with the Code of Ethics. The debate within the Council ensures that the public interest is considered in the decision making process, however this assumes that the interests of the membership are balanced effectively.

Maintaining the symbolic power of the ICAEW is a major concern for those at the heart of the governance process. It has been shown that the governance process is largely defensive and reactive rather than ambitious and pro-active. This is primarily due to concerns to maintain the
rate of exchange of symbolic to economic capital for members. This stems from a denial of the economic drivers for the ICAEW and reflects a reluctance to change the initiation process to ensure survival.

Historic reluctance to merge or expand internationally has left the ICAEW overly dependent on the Big Four to train accountants and it is consequently seeking an organic expansion strategy. In this sense, it will be increasingly difficult to fulfil the objectives of the Royal Charter and maintain accountability to its membership if the ICAEW is marginalised internationally. The body itself will be increasingly prone to instrumentalisation by the Big Four through their control of the pipeline of new members.

Interviewees also identified that, to some extent, the Council process is subject to the powers of those who set its agenda referring to the orchestrated nature of proceedings. However, the members of the Council are complicit in their own domination by the Executive, with only occasional instances of rejection of proposals.

The next chapter answers the second research question that asks, What are the interests of Council members and how do they shape the governance of the ICAEW?
Chapter 6
Council members’ appointment, interests, and the implications on governance and accountability

6.1. Introduction

Chapter 5 examined the structure and governance of the ICAEW and its accountability as a membership organisation, working to reconcile its accountability to the membership and its broader stakeholders. It also reflected on the aims of, and influences on the governance processes of the ICAEW. This chapter answers the second research question, which asks; What are the interests of Council members and how do they shape the governance of the ICAEW? The main question is further split into two sub-questions to help structure the investigation. These sub questions ask the following: What interest groups do Council members represent, and How do the interests of Council members shape the governance of the ICAEW?

Achieving a greater understanding of the interest groupings within the Council and their respective capitals, helps provide insight into the operation of political accountability. Although previous work considers the actions of the ICAEW as a whole (Noguchi & Edwards, 2004, 2008a; Ramirez, 2009), it has not yet specifically addressed the interests served by those at the heart of its governance structure. This chapter seeks to redress this gap.

Entry to the governing body of the profession conforms to what might be classed as the creation of an elite seeming to offer possibilities for entry to all members by means of open elections (Williams & Filippakou, 2010), despite the discussion with interviewees revealing a number of hidden barriers. To help answer the first sub-question, for elected members an initial analysis is performed of the election statements produced by those seeking election investigating the common themes. This is the information the general membership can use on which to base their voting decision. The election address analysis is supplemented by material from interviews with the members of the Council to further understand the interests served. In contrast, co-opted members are appointed to represent specific interests within the Council, which are typically underrepresented through the election processes and ex-officio are appointed by virtue of other positions they hold.

Findings indicate that the District Society network plays a significant role in the election processes through facilitating nomination and providing candidates with the relevant social capital to establish credibility through the election statement with the wider membership. It also
provides the accountability link to the local membership, as the elected Council members are ex-officio members of the District Society Committee. As outlined in Chapter 5 this structure tends to privilege those in practice at the expense of members working outside of practice. Co-options are designed to address some of the representation gaps resulting from the election process. However, there is limited accountability to the sector from which co-options are made.

The second sub-question focuses on the interests of those seeking election or agreeing to co-option to the Council and how they shape its governance. The findings reveal that elected members often seek to strengthen their capital profiles through involvement in the ICAEW Council. This is in contrast to those who are co-opted to tend to lend their existing capital profile to the ICAEW as a legitimating tool enabling claims to speak on behalf of the membership. Both types of Council member are susceptible to being subsumed into the hierarchies of the ICAEW and some devote significant amounts of time to participation in committees. This is often easier for those who have achieved a certain level of autonomy in their career to undertake, also leading to a concentration of interests.

The underlying risk is that the governance mechanisms of the ICAEW are deeply entrenched in an historical structure of the profession and do not reflect the current configuration of members, resulting in a failure to effectively address contemporary issues facing the membership.

The chapter is structured as follows. Section 6.2 helps to answer the question of what interest groups the Council members represent, relying on a combination of election statements and interview data. It also contrasts the capitals of those appointed through differing routes, i.e., election or co-option/ex-officio appointment. Section 6.3 answers the second part of the research question regarding how the interests of the Council members shape the governance of the ICAEW. Section 6.4 examines the implications for the governance and accountability of the professional body. Section 6.5 concludes the chapter.

6.2. What interest groups do Council members represent?

The Council represents an elite grouping of members with a major share of authority over a larger grouping, in this case the general membership. The existence of an elite charged with governance is an accepted product of democratic societies in which a subset of members are entrusted with governance duties (Richardson, 1989). As such, it appears appropriate to associate the Council with the elite of the ICAEW (Lee, 1999).
The election process takes place every two years with approximately half the seats coming up for election in each period. In theory, this should ensure a healthy turnover of Council members whilst retaining institutional stability. In practice, however, many members have sought multiple re-elections and have held seats for long periods; this contrasts with current Board best practice recommendations that call for maximum tenures of nine years (FRC, 2018c). The number of consecutive terms is limited for co-opted members, thereby ensuring a more frequent rotation of composition and the ability to address short-term diversity deficits in this manner.

The recurrent election of members has also contributed to the Council composition lagging that of the membership, despite significant evidence of the benefits associated with diversity within decision-making bodies.

‘you can’t move on diversity if people block the positions.’ 110 Elected

The interview process seeks to provide insight into what capitals are valued by the members who join the Council. It uncovers some of the struggles that take place in the process of becoming a Council member, and the apparent differences between elected and co-opted members.

‘Although those struggles might appear meaningless for agents external to the field, they are crucial for its members’ (Golsorkhi et al., 2009, p. 784).

Interviewees’ comments help to illustrate types of struggles they face in becoming members of the Council and managing the accountability to their constituents. This helps to further our understanding of the political accountability of Council members. This section is organised as follows. The next sub-section considers the role of the election processes in establishing political accountability and section 6.2.2 outlines the interests of co-opted members.

6.2.1. Election processes: establishing political accountability

Elections establish political accountability and typically encourage a range of candidates to stand and enable the electorate to exercise their judgement in the choice of who to vote for. This is done by comparing challengers’ track records against the incumbent, and thereby enabling a democratic choice of representative for the geographic area. The findings indicate that whilst this process appears open, the election process actually serves to constrain diversity and privileges certain interest groupings, reinforcing the dominance of small practitioners within the Council. The capacity to connect with local issues and effectively represent more than a narrow group of members is called into question by the interviewees and threatens the political
accountability ideas that underpin the current governance structure. Some of the comments were surprising given elected members have been successful under the existing structures.

**Evidencing social capital: meeting candidate requirements**

For those who are considering putting themselves forward for election, the first point of reference is the election briefing, which explains the nomination process and provides guidance in relation to the election statement that each candidate is required to produce (Figure 6.1). This process may be considered a form of symbolic violence designed to ensure that those who do not conform are excluded (Gracia & Oats, 2012). This appears to be objective but, in reality, serves to exclude certain types of members who, in the eyes of the existing elite who control what is considered to constitute merit, do not possess the requisite cultural capital to govern (Fogarty & Zimmerman, 2019). In this regard, whilst the strict guidelines are *prima facie* helpful, they are likely to result in various combinations of the four forms of exclusion: self-elimination, over-selection, relegation, and direct selection (Lamont & Lareau, 1988).

It is probable that the election briefing itself results in some members exercising self-elimination prior to commencing the process. For those who wish to stand, one of the first barriers that a potential candidate must overcome is securing nomination by the requisite number of members registered in the appropriate constituency. There are three main ways of securing the requisite nominations from other members: 1) working in practice with other members; 2) by cultivating a network of members through the District Society, and 3) through broader social networks. The ability to generate sufficient nominations represents a first step to evidencing suitability to represent members. If a member does not have a local network, their ability to represent those members would appear to be questionable.

<table>
<thead>
<tr>
<th>What should I include in my candidate statement?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Make a personal introduction – tell your story so voters have insight into what you can offer</td>
</tr>
<tr>
<td>• Say why you want to be elected to Council</td>
</tr>
<tr>
<td>• In what ways have you been involved with ICAEW?</td>
</tr>
<tr>
<td>• This could be as a member of a working group or committee or perhaps Council itself. You may be involved in local society activities or meet with ICAEW members and other professionals in wider groupings or at work. Or you might have qualified not too long ago and could bring that perspective and involvement.</td>
</tr>
<tr>
<td>• What experiences would you bring to the role of a member of Council?</td>
</tr>
</tbody>
</table>
It seems to be easier for those in practice to secure the appropriate number of nominations from constituents, as they are more likely to work with other members. Those working in business, the public sector, or in another capacity may not routinely interact with other members. This has the effect of resulting in the over-selection of practice members.

Importantly, prior involvement in the ICAEW infrastructure is useful to secure the social capital required to achieve nomination (Figure 6.1). For example, 67% of successful members in the 2015 election mentioned involvement with the District Society, and 70% of successful candidates (excluding international constituencies) in the 2017 election.

‘I think personally I would like to see a much different nomination system or ideally no nominations at all to be able to stand for council. [...] In reality, it’s usually just asking you, “Do you know five other chartered accountants?”’ I18 Elected

The nominations system reinforces the interests of those who operate within certain social groupings whilst resulting in self-elimination of those who do not form part of such groupings. The whole nominations process can be viewed as part of a currency of obligations and often creates an expectation of reciprocity; this may be immediate or deferred and may not even need to be repaid in the same form (Portes, 1998).

‘I think my perception, the fact that from a lot of the other statements, candidates that I’ve seen previously and lists of who nominated them indicated that was a lot of sort of cross-nomination by existing Councillors, had always made me think it was a bit of a closed shop.’ I4 Elected
The District Society often facilitates the practice of cross-nomination of candidates, with committee members endorsing their favoured candidates through nomination. It is also a means of controlling the actions of those who rely on such endorsement and may create a deferred obligation, which can be called in at a future date.

This quasi-gift of the candidature by the District Society was also highlighted by another interviewee.

‘So the guy who was the practicing Council member decided to retire and I was asked if I would take it on because I just stepped down as District Society President. So it made a lot of sense because it only came up once in a blue moon, it was either, well do it or you might lose your chance to do it.’ 116 Elected

It may be the case that to those outside of practice (without extensive social networks) who need to garner support outside of their workplace, that the District Society can provide a means to connect with members and generate support. This process requires a sustained commitment to the District Society and its committees.

‘what it can provide is a way to get these signatures if you’re already involved.’ 118 Elected

District Societies mirror the Council constituencies and are local groupings of members that organise training and networking events. It would also appear that the incentives for practice-based candidates to be involved in the District Societies and their activities are greater than for business members who often network on a pan-professional or industry focused basis rather than in a role specific way. The District Society network is therefore a contributor to the concentration of small practitioners on the Council. A reform of this established link could encourage a more representative group to become involved in the workings of the professional body. However, throughout its troubled history, reform of the District Society structure has been minimal as the status quo has been vociferously defended by interested parties (Willmott et al., 1993).

As outlined by I4 below, to be successful outside of the District Society route requires candidates to have alternative means to access similar sized networks of members. In this case the candidate in question, whilst not a typical profile, accessed a substantial network of practitioners through her personal network.
'I think it’s to do with being known. So, in the group I was elected for instance, a public sector employee got elected. That’s very unusual. However, she is someone who through her home relationship is connected with practice.’” 14 Elected  

**Challenging the status quo: contesting elections**

A contested election provides a positive choice for members and encourages them to consider who their preferred candidate may be and what they are offering to bring to the role. In some circumstances (over-selection), less qualified candidates offer themselves against those who are deemed well qualified by the District Society or the central infrastructure. This is a likely by-product of the open call for candidates (see Appendices 4 and 5). However,

‘the problem I think in a sense is it’s not a level playing field because the institute put out a series of announcements saying there is a vacancy on Council. That... when I read that, I might chuck my hat into the ring and have a go at it. And so, it’s encouraging...contested elections. In principle, nothing wrong with contested election, but when you got a single member seat, it’s really important you don’t get the wrong person on council.’” 116 Elected

It appears that whilst the power of the District Society to control candidacy for the Council is subject to challenge, there are members who remain keen to perpetuate the control of the District Society. This is because it continues to offer the primary route for accountability to the membership who elect Council members.

Others are happier to contest the control of candidature by the District Society rather than conforming.

‘So, it was essentially that the seats felt like they were in the gift of the District Society management committee.’” 121 Elected

The interviewee above later disclosed that he had been encouraged to stand for election in his district by the Executive who were perhaps trying to provide a wider field of candidates for election. This may indicate that those who are sympathetic to the central agenda are being encouraged to stand. It is notable that this candidate later conformed to the discipline of the District Society and attended meetings in his capacity as the local elected Council member.

Relegation can serve to result in less qualified candidates ‘making up the field’ rather than mounting a strong campaign. This appears to be a factor that differentiates those who are active locally within the District Society network from those who are not. However, it seems that these active members often represent the small but powerful grouping of District Society members rather than members more generally:
'I think if you’ve just been the local president, you’ve got better profile. So, the other person that stood wasn’t particularly known in the society. So, I think I got about twice as many votes as he did. So, but not enormously different but even as a president, you don’t necessarily get to know that many people even though you try very hard.'

To operate as an effective democratic process, members should be able to exercise their rights to select their preferred candidate. Whilst the number of uncontested seats (an example of direct selection) has fallen slightly over the period, it remains significant overall at over 30%. Taken in isolation, the number of uncontested seats is an indicator of disinterest from the membership (Parker, 2007). As such, the interests of the disaffected are not represented within the Council, and therefore the overall strategic direction of the ICAEW, as there are limited alternative outlets for such voices to be taken into account.

Reasons for the number of uncontested seats may include the reputation or symbolic capital of the candidate, which acts as a deterrent to others to compete alongside general apathy. Some interviewees alluded to adopting specific tactics to ensure that they did not need to run the risk of the election process to secure their Council seat.

‘I was unopposed, although to be unopposed, one has to manoeuvre into that position to start with.’ 124 Elected

The political act of closing down potential opponents and securing full support of the District Society to ensure that others do not stand in contest is not often transparent to outsiders but had been adopted by some of the elected interviewees.

‘There was an incumbent and I talked to him about wanting to stand and he decided not to stand against me.’ 17 Elected

Table 6.1 below shows the numbers of uncontested and contested seats in the last two major rounds of elections incorporated into this study. A widespread social media campaign and direct encouragement to stand from members of the ICAEW staff resulted in a larger number of contested seats in 2017.

Election processes: shaping the narrative through election statements

In contested elections, the election statement can provide insight into the candidate’s suitability and their intentions. The statement is combined with candidates having extensive local networks, which they have cultivated either through the District Society network or through their workplace. Interviewees considered the election statement as a means of garnering additional votes from those outside their range of contacts. Securing additional votes is
important given the low overall member engagement with the voting process, therefore candidates need to have a broad appeal in their election statement to ensure that they can pick up any additional votes.

‘So, I think the people who aren’t actively involved and don’t know any of the individuals but have an interest in voting will read what someone’s written.’ I15 Elected

The number of candidates contesting seats increased (Table 6.1), in part in response to changes in the nominations process with each candidate requiring just five nominations in 2017, in contrast to 2015 where up to ten nominations were required depending on the seat. Further, a concerted email and social media campaign was undertaken by the ICAEW to encourage members to stand for election. Despite this, the most heavily contested constituency was the newly introduced Europe and Eurasia constituency, with ten candidates contesting two seats. It also generated a greater percentage of members voting than other smaller geographic constituencies (15.4% (Electoral Reform Services, 2017)). This goes some way to indicating that the linkage between very local operations and member engagement can be overcome through modern communication channels.

Table 6.1: Contested seats in recent ICAEW elections

<table>
<thead>
<tr>
<th>Percentage of seats</th>
<th>2015</th>
<th>2017</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncontested</td>
<td>37%</td>
<td>23%</td>
<td>30%</td>
</tr>
<tr>
<td>Contested</td>
<td>63%</td>
<td>77%</td>
<td>70%</td>
</tr>
</tbody>
</table>

Source: Adapted by author

This section seeks to develop insight into the likelihood of being successful in Council elections based on evidence from the 46 candidate election statements for the 2017 election. Prior investigations indicate that success may depend on a variety of factors including the following:

‘Technical expertise, contribution to the work of the ICAEW, political influence in the outside world, a wide range of knowledge and experience, social contacts, fame, popularity, seniority and various other factors probably play a part in the election of a member to the Council.’ (Noguchi & Edwards, 2008a, p. 141)

Voting turnouts are typically low in the Council elections (2017 5.8% (Electoral Reform Services, 2017)). Those who vote can be divided into two groups: those who know the candidate and vote without necessarily reading the election statement, and those who do not know the candidate but who use the election address as a means of guiding their decision. Therefore, it is important that all candidates establish their credentials with the full range of members rather than relying
on a subset to support them. Whilst some candidates focused on certain segments, e.g., business Candidate 45, practice Candidate 29, family Candidate 30, none of these candidates were successful against others who sought to establish credibility with the full range of members in their constituency. Because voting turnouts are low, it is hard to quantify the potential number of voters falling into the target grouping within the constituency and the extent to which any target group might actually vote.

For example, one member standing on a business-focused mandate voices the underlying symbolic violence felt by business members in their candidate statement:

‘Do you ever feel that ICAEW does nothing for members like you?

More than 40% of members work in business. Yet the Institute Council is dominated by members in practice – even though they comprise less than a third of membership.’

Candidate 45

This candidate was not successful in their bid for election. Disaffected members are likely to be precisely those who do not engage with the election process. Further, the adoption of a business-based mandate means that this member was also likely to push away practice-based voters who may represent the more active group of voters in these elections.

Successful candidates tended to focus on common themes, perhaps as a result of the guidance on election statement structure issued to all candidates (Figure 6.1). Quotes are illustrative of the three key themes from the 2017 statements (Appendix 6); they include candidate number plus S denotes successful candidates, number denotes unsuccessful candidates.

The themes were extracted, from both a manual reading of the statements followed by developing a coding structure for the candidate statements based on the election guidelines, in NVivo. The four main themes were linked to the candidate’s accountability and participation in the ICAEW governance as shown in Table 6.2:

Table 6.2: Themes extracted from 2017 election statements

<table>
<thead>
<tr>
<th>Theme</th>
<th>Candidate statement guidance (Table 6.1)</th>
<th>Linkage to accountability and governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enthusiasm</td>
<td>Say why you want to be elected to Council</td>
<td>Establishing credibility</td>
</tr>
</tbody>
</table>
**Theme 1: Enthusiasm**

The enthusiasm of the candidate for the role and the ICAEW as a body was mentioned by many successful candidates, and relates to the election statement guidance (Table 6.1), which asks candidates to establish motivation for standing and therefore credibility with the membership. Candidates articulated this enthusiasm in two different ways: at the organisational level of the ICAEW with candidates expressing their belief in the professional body and secondly at the level of the individual members within the constituency.

Some candidates used the word ‘passionate’ to denote their affinity for ICAEW.

‘*I am as passionate now as I was then about the future of our Institute.*’ Candidate 14S

Others directed their enthusiasm to the individual members and their concerns through establishing their appeal with the full spectrum of members and their concerns.

‘*I am passionate about helping our members wherever they work, in business or practice, small or large, in X, including working with professional standards to simplify our ethical code, to make our disciplinary procedures more human.*’ Candidate 17S

The establishment of a credible motivation to be involved is important in creating a rapport with the electorate who will see to place their votes with candidates who establish their passion for the role and so appear to be likely to undertake it in a responsible manner.

**Theme 2: Representation**

A substantial number of successful candidates mentioned representation of the membership, or diversity. The ability to appeal across the range of members is important for candidates who...
seek election. This is because the voting turnouts are low (Electoral Reform Services, 2017) and it is important not to alienate any potential voters.

‘I wish to continue representing the interests of members of ICAEW in a constructive manner, and to serve on Council on behalf of both the [constituency] members and members in general.’ Candidate 10S

The candidate below appeals to younger members and the stereotype of a Council member as typically older and more established in their careers. This candidate established their credentials as an active member who has had extensive involvement within the student society and as chair of the local Younger Members grouping within a large constituency. Their existing network of younger members within the constituency, combined with multiple seats up for election at the same time, may have contributed to their success.

‘to continue to represent the needs and views of all ICAEW members, especially the younger members.’ Candidate 9S

Representation is an important aspect of the election process as voters seek candidates who they can relate to either by sectorial interests, gender or age.

‘I am passionate about helping our members wherever they work in business or practice, small and large.’ Candidate 17S

However, as identified appealing to a narrow group of members is not typically a successful strategy as it can alienate other member groupings. As a result most successful candidates frame representation in a broad and inclusive manner rather than a sector specific manner.

**Theme 3: Two way communication**

This theme establishes the accountability link as a two way process with the District Society network providing the means of reporting back to the constituency.

For example, one candidate established their credentials in the following manner:

‘I attend Committee meetings and member events giving detailed feedback from Council and receiving input from members’ Candidate 20S

The reinforcement of the accountability of candidates differentiates those who are already part of the ICAEW structures e.g. the District Society and those Candidates who were not. This displays a more nuanced understanding of the role of a Council member, which is not apparent from the general guidance, which asks candidates to establish their credibility through prior involvement with the ICAEW.
‘In what ways have you been involved with ICAEW?’ Table 6.1

Those who cannot establish prior involvement with the ICAEW were typically unsuccessful e.g. Candidate 30, Candidate 19.

**Theme 4: Changes to the professional environment**

The final major theme discussed highlights the environmental pressures under which the profession is operating, e.g., technological change, Brexit.

‘The profession is currently under pressure from many directions.’ Candidate 10S

These themes help to establish candidate credibility with the electorate by identifying them as candidates who understand the operating landscape and have the ability to provide an active contribution to steer ICAEW through the strategic challenges that it faces.

‘In a world of seemingly accelerating change, I believe that the ICAEW needs to continually adapt itself to become truly agile, in deed as well as in word.’ Candidate 1S

In the 34 candidate statements from the 2015 elections (Appendix 6) fewer candidates mentioned their passion or motivation for standing and regulation was a frequently cited theme in the statements, together with globalisation and the protection of the Chartered Accountants’ qualification. Again, it was noticeable that those who stood on a specific mandate were unsuccessful in comparison to candidates who appealed to the full membership in their election statements.

This section has evaluated the election processes as a means of representation and reflected on the barriers that prevent a more matched composition between the Council and the general membership. For elected candidates, a seat on the ICAEW Council is worth the investment in building their campaign and profile to secure election. They go about this in a variety of ways, the most reliable of which is involvement in the District Society, which helps to build a circle of potential supporters who are already engaged with the ICAEW and therefore likely to vote. This need for a network of contacts is combined with the requirement to appeal broadly to other constituents who are not active within the District Society network. The election statement process, and the careful selection of themes to emphasise, can help to appeal to those outside the candidate’s immediate network. Overall, the process has been shown to encourage certain groups to participate. The next section compares elected and co-opted members of the Council.
Election processes: reinforcing the interests of the dominant

In both elections, a significant number of successful candidates were from practice (2015 57%; 2017 48%). This results in an over-representation of practice members on the Council (53% at June 2017 v FRC reported 34% (FRC, 2018a)) and affects the overall representation of other segments of the membership as a result. Whist significantly more business and other members were successful in 2017, this did not serve to redress the balance (24% at June 2017 v 53% FRC reported (FRC, 2018a). Of the practice-based members elected in 2015, only two worked for the Big Four; there was only one in 2017. As such, the Big Four are also significantly under-represented within the elected members of the Council. The resultant mix of members within the strategic Council is likely to significantly affect the concerns debated within the forum and the manner in which decisions are made.

The interviewee below suggests that it may be the case that voting strategies of members vary depending on the constituency profile.

“But there do seem to be particular profiles that get elected. I think it has more impact when you’ve got very big constituencies. If you’ve just got one person standing for one place, then I think it’s more judged on the individual. But I think if you’ve got eight places up for grabs and people are looking at a whole range of potential people, they’ll probably try and pick a branded mix of candidates.” 113 Ex-officio

Following generally accepted research on corporate boards that finds that female representation is a matter of social justice, it follows that gender balance within the Council would also appear to be an important factor contributing to the ongoing legitimacy of the profession (Lehman, 2019; Tremblay et al., 2016). The gender split of candidates in contested seats broadly reflects the composition of the membership, which was 28% female as at 31 December 2017 (FRC, 2018a) and Council 27% female as at June 2017. In terms of analysis, the high-level numbers do not tell a representative story as each constituency differs in terms candidate profile as mentioned above by 113.

Most candidates tend to defend their seats successfully; however, there remains a real possibility that candidates will not be elected, as reflected in Table 6.3. It would appear that women are generally more likely to defend a seat with no defending candidates failing to be elected in the last two rounds of elections. It also seems that males are more likely to stand speculatively with many newcomers failing to be elected. Gender mix is only one contributor to the dynamics of the election process as sectoral differences, age and the statement themes are likely to have a significant impact.
6.2.2. The interests co-opted members

The co-option process offers an opportunity to address the imbalance in interests in the Council generated through the election process. For example, it ensures representation of senior partners from the Big Four, leading business members and younger members. If the election processes were effective in securing full representation of the membership base, co-options would not appear to be a necessary feature of the governance process.

‘I think the co-options give an excellent opportunity to help improve the diversity of council.’ (117 Co-opted)

Co-options ensure that the interests of the dominant firms are represented within the Council thereby adding legitimacy to the Council processes. The preoccupation with relevance outlined in Chapter 5 underlies the strategic importance of involvement of the Big Four within the workings of Council. A lack of presence within the Council would heighten the dissociation between the dominant firms and the remainder of the profession (Sellers et al., 2015), potentially resulting in a diminished symbolic status for the ACA qualification or even replacement by an in-house or competitor qualification.

‘I think if you’re already in a high-profile role, it can be difficult to stand because it’s quite a blunt instrument this election process, so you could easily not get elected even though you are very well qualified. And it’s the output of all that which results in us having co-options.’ (113 Ex-officio)

Table 6.3: ICAEW Council election success by gender

<table>
<thead>
<tr>
<th></th>
<th>Elected and defending</th>
<th>Elected, not defending</th>
<th>Not elected, not defending</th>
<th>Not elected, defending</th>
<th>Total candidates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 Females</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>2015 Males</td>
<td>8</td>
<td>5</td>
<td>10</td>
<td>3</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total 2015</strong></td>
<td><strong>13</strong></td>
<td><strong>8</strong></td>
<td><strong>10</strong></td>
<td><strong>3</strong></td>
<td><strong>34</strong></td>
</tr>
<tr>
<td>2017 Females</td>
<td>4</td>
<td>2</td>
<td>7</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>2017 Males</td>
<td>10</td>
<td>7</td>
<td>12</td>
<td>4</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total 2017</strong></td>
<td><strong>14</strong></td>
<td><strong>9</strong></td>
<td><strong>19</strong></td>
<td><strong>4</strong></td>
<td><strong>46</strong></td>
</tr>
</tbody>
</table>

*Source: Adapted by author*
Another member outlined a different view of the need for the co-option of high-profile partners from leading firms.

‘Our co-options tend to be to bring Big Four or top 12 firms in where they’re under-represented because they can’t be bothered standing for election because they think they’re too busy.’ 116 Elected

One Big Four partner outlined his recollection of his co-option as an approach from the Head of Audit within his firm:

‘He asked me would I take one of our places on Council.’ 18 Co-opted

This partner had been involved in a number of the ICAEW committees prior to his co-option to the Council; this may have identified his commitment to the ICAEW within his firm and likely willingness to undertake the role. He went on to highlight that the Big Four have many routes to interact with the ICAEW and Council membership, whilst visible, is predominantly symbolic.

‘being on the Council is only a part of the firm’s engagement with the Institute.’ 18 Co-opted

Another Big Four co-optee outlined the implicit expectation from the firm in relation to their participation as the firm’s representative on the Council:

‘I think also [the firm] then places an expectation on me that this is a bit unsaid, but I definitely think this is true, that given their support may extend however long I do at the ICAEW […] then they expect me to make sure that our view and opinions are properly represented in the ICAEW, and everybody I work with is grown up enough to realise that doesn’t always translate into [the firm], always gets their own way.’ 120 Ex-officio

A co-opted academic member, discussed his route to co-option in the following terms:

‘One of co-options at Council is for AA member, and the person before me, XX, had finished their co-option period, and YY, who’s the BB manager of the ICAEW contacted me and said that they’d been discussing who would be a suitable person to put up for nomination instead of XX, and asked if I’d be willing to do it because they felt I was a sort of a suitable person.’

The general perception of interviewees was that the nominating committee has been actively managing the co-options’ processes to improve the mix of members.

‘I think the nominations committee has been very proactive in trying to get a much better mix of people.’ 12 Elected
Table 6.3 reveals an emerging route to the Council as members of the ICAEW Student Council (ISC) are co-opted to the Council for a year and then a follow-on period of three years to bring their term to four years, in line with elected Council members.

‘the fact that the ISC [ICAEW Student Council] chair shouldn’t just be a year’s appointment that it should receive an appointment equivalent to a full council member. So, the idea will be they have a year as chair and then three years afterwards so a four-year term as a method of increasing diversity.’ 11 Elected

The creation of this route is also likely to help increase gender diversity amongst the co-opted members as student members are 43% female (FRC, 2018a). In addition, the members of this grouping are likely to form a pool of master players who are deeply entrenched in the workings of the ICAEW so that they continue their commitment beyond their term of co-option and strive for officership roles, becoming the new heirs. In fact, the use of Jessica Bernardez and Vincenzo Leporiere in the 2019 Council election campaign (Appendix 5) indicates that the ICAEW is striving to portray itself as young and vibrant.

The majority of co-opted members tend to be significantly higher profile than the elected members and are generally approached to join the group. In contrast, members who have been elected have frequently invested significant time and effort to position themselves for success with the electorate. For co-opted members, rich social capital is important in generating extensive networks within the sub-field (Gracia & Oats, 2012) resulting in a strong reputational capital (Duff, 2017). They are frequently contributors to committee work prior to co-option. The initial investment in committee work through exchanging the institutional capital of their employer for the symbolic capital of policymaking helps to ensure that they come into focus for the nominating committee when considering co-options and conferment of the title of a member of the Council. This co-option process reflects the group sanction of the symbolic capital of the member, whilst at the same time granting additional rights to the holder of the position (Bourdieu, 1989). Their advancement through the sub-field may also be linked to their professional habitus as they have an instinctive and ‘a serious understanding of the field’ (Carter & Spence, 2014, p. 958).

Table 6.4 below outlines the members who are co-opted and those who are ex-officio. The officeholders are ex-officio appointees, together with those who are chairs of the major committees. It shows the various reasons for co-options and therefore the sector or constituency to which the member represents in the Council. Beyond the ex-officio co-options there are a number of specific co-options to ensure representation from senior partners of the
Big Four as well as Group A firms. Senior representation from these firms is essential to support the ICAEW’s claims to represent the profession. Other co-options result from gaps identified in the distribution of the membership of the Council by the nominating committee e.g. public sector, younger member, academic.

Table 6.4: Ex-officio/Co-opted members of the ICAEW Council as at June 2017

<table>
<thead>
<tr>
<th>Name</th>
<th>Ex-officio/Co-opted</th>
<th>Reason for Ex-Officio Position/Co-Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nick Parker</td>
<td>Ex Officio</td>
<td>President</td>
</tr>
<tr>
<td>Paul Aplin</td>
<td>Ex Officio</td>
<td>Deputy President</td>
</tr>
<tr>
<td>Fiona Wilkinson</td>
<td>Ex Officio</td>
<td>Vice President</td>
</tr>
<tr>
<td>Jan Babiak</td>
<td>Co-opted</td>
<td>Senior member in Business, technology and sustainability</td>
</tr>
<tr>
<td>Jessica Bernardez</td>
<td>Co-opted</td>
<td>ICAEW Student Council</td>
</tr>
<tr>
<td>Jeremy Boss</td>
<td>Ex Officio</td>
<td>Chair IT Faculty</td>
</tr>
<tr>
<td>Ben Cairns</td>
<td>Co-opted</td>
<td>Senior Insolvency Partner</td>
</tr>
<tr>
<td>David Canning-Jones</td>
<td>Co-opted</td>
<td>Large Firm Partner</td>
</tr>
<tr>
<td>David Carr</td>
<td>Ex Officio</td>
<td>Chair Business &amp; Management Faculty Committee</td>
</tr>
<tr>
<td>Kathryn Cearns</td>
<td>Co-opted</td>
<td>Member working with Public Sector</td>
</tr>
<tr>
<td>Noel Clehane</td>
<td>Co-opted</td>
<td>Member in the EU</td>
</tr>
<tr>
<td>Paul Etherington</td>
<td>Co-opted</td>
<td>Large Firm Partner</td>
</tr>
<tr>
<td>Mark Fong</td>
<td>Co-opted</td>
<td>HKICPA Representative</td>
</tr>
<tr>
<td>Dato’ Gan</td>
<td>Co-opted</td>
<td>ASEAN Representative</td>
</tr>
<tr>
<td>Oliver Grundy</td>
<td>Co-opted</td>
<td>Large Firm Partner</td>
</tr>
<tr>
<td>San Gunapala</td>
<td>Co-opted</td>
<td>Large Firm Partner</td>
</tr>
<tr>
<td>Stephanie Henshaw</td>
<td>Ex Officio</td>
<td>Chair Financial Reporting Faculty Board</td>
</tr>
<tr>
<td>Neeraj Kapur</td>
<td>Ex Officio</td>
<td>Chair Financial Services Faculty Board</td>
</tr>
<tr>
<td>Pam Kaur</td>
<td>Co-opted</td>
<td>Member in the Banking Sector</td>
</tr>
<tr>
<td>David Lim</td>
<td>Co-opted</td>
<td>Member in SE Asia</td>
</tr>
<tr>
<td>Hilary Lindsay</td>
<td>Ex Officio</td>
<td>Immediate Past President</td>
</tr>
<tr>
<td>Gilly Lord</td>
<td>Ex Officio</td>
<td>Chair Audit &amp; Assurance Faculty Committee</td>
</tr>
<tr>
<td>Rob Mann</td>
<td>Co-opted</td>
<td>Younger member</td>
</tr>
<tr>
<td>Kate Mathers</td>
<td>Co-opted</td>
<td>Public sector</td>
</tr>
<tr>
<td>David Matthews</td>
<td>Co-opted</td>
<td>Senior Large Firm Partner</td>
</tr>
</tbody>
</table>
From the table above, it can be seen that this elite grouping is predominantly male (74%) and similar to the gender mix of elected members (72% male). The mix increases to 77% male when the ICAEW officeholders are excluded. Most notably, all of those co-opted by virtue of their position as Partners, representing either the large or Group A firms, are male. This is likely to be a result of the limitations of the pool of available candidates, and is consistent with 80% of Big Four partners reported as male (Marriage, 2018). It may also reflect a gendered internal process of nomination by those firms.

Those who are co-opted often talk of the accepted groupings within the Council and reflect what might be classified, in Bourdieusian terms, as the class struggle between various types of elected members, particularly the small practitioner groupings (Bourdieu, 1989). This can create a barrier to engagement with the real issues as a biased view pervades the discussion.

‘I think the very small practitioners, and I’m in danger of generalising and I don’t mean to generalise, but there are- I think there is a group of small practitioners who, I say this slightly flippantly, but I think it’s actually sort of true, who are united by their hatred for the big firms.’ 120 Ex-officio

Co-opted members therefore access elevated positions to which the elected members must work to occupy. However, they cannot do so without the consecration of the existing group as the nominating committee reports directly to the Council (Bourdieu, 1986b). It is arguable that those most successful at playing the game (in this case developing a high profile career) are also those who become most susceptible to be captured by it (Lupu & Empson, 2015). However, many co-opted members also often contribute widely to professional groupings across the
sector and therefore possess a degree of reflexivity, which those who focus solely on the ICAEW may not.

This grouping of interviewees appeared to view their presence on the Council in a more strategic manner and often referred to how they could capitalise on their involvement though developing their social network.

“They’re fascinating, really useful contacts, hopefully in a two-directional way as well.”

I12 Co-opted

Or being exposed to new areas that are commensurate with the status accorded to a Council member and the resultant organisational legitimacy with different fields, e.g., journalism and politics.

“I have just loved being involved in the politics and I’ve loved doing the work with the press. If it hadn’t been for ICAEW I wouldn’t have done any of that stuff.”

I22 Ex-officio

One member who was co-opted into a specific role felt that their expertise was not drawn upon, which resulted in a lack of certainty around their purpose as a co-opted member. These comments reflect the adoption of his symbolic capital to provide legitimacy without drawing on his expertise.

“well, it frustrates me because I wanted to be an active contributor and I thought Brexit was probably the biggest topic ever for a Council member and the EU to be active on.”

I25 Co-opted

The conduct of members of the Council within the chamber may also differ between elected and co-opted members. This was commented on by interviewees, who drew attention to the embodied cultural capital in the form of knowing when to speak and how to behave in this forum. It appears that a group of Council members will talk on any topic rather than allowing others who have particular expertise to contribute. This means that those in officeholder positions, or other positions of power, tend to weight the attention they pay to members accordingly.

“I’m not thinking about them as individuals but as representing a particular section of the membership or a particular kind of expertise who we would particularly listen to. [...] And there are some who are, you know, just wise-heads who you know are going to come up with a view that the debate will eventually end up [...]. And also, people like X who won’t speak at every council meeting but when he does, you know what you’re getting, it’s absolutely 100% something you should take on board. And others perhaps I wince a bit when they stand up because I know I’m going to get a rant, but I try not to discount it even if it’s a rant.”

I22 Ex-officio
The interviewee above is describing the variation in habitus of members and appears to describe co-opted members as having adapted better to the field than those elected to it. The existing profile and reason for the co-option of these members may mean that they have developed a higher level of linguistic capital through their work, which forms an advantage within the ICAEW Council forum. This accords with the implicit privileging of certain types of linguistic competence within the Council, excluding or discounting the views of some members who feel they are contributing to the debate (Topper, 2001).

The interviewee below also considered that some of those who might be crowded out in the Council may be actively contributing through the committee work and influencing the policies and practices of the profession in that manner.

‘They’ll speak on almost everything and it crowds out other people. Now it doesn’t necessarily crowd it out in terms of those people aren’t chosen to ask questions, but people just don’t speak, and there are some people who you hardly ever hear from on council.’ I17 Co-opted

However, this is not a universal inequality of capital distribution within the Council, and members who speak on matters where they can offer insight or challenge display a more nuanced understanding of the habitus of the Council.

The interviews demonstrate that the capital mix is different for co-opted members who are often courted because their existing profile adds legitimacy or specific skills to the composition of the Council, e.g., Big Four Partners, academics, public sector. They lend their status to the overall Council who appropriates it in its discourse on the profession, thereby adding to its own legitimacy.

The following section explores the interests of Council members and how they shape the governance of the ICAEW.

6.3. How do the interests of Council members shape the governance of the ICAEW?

This section seeks to answer the second research sub-question: How do the interests of Council member shape the governance of the ICAEW? In so doing, an understanding is developed of the agenda that these members bring to the Council and the extent of the accountability felt to the membership.
The ICAEW has provided all members with a form of symbolic capital through the ACA qualification (Poullaos, 2016). This form of symbolic capital is officially sanctioned through the ICAEW’s Royal Charter, enabling all those who meet the conditions for its grant to command an elevated price in the market (Matthews, 2017). As Bourdieu explains, it is the official legitimisation that enables the ACA to have a ‘universal value’ for holders (Bourdieu, 1989, p. 22). For a certain minority, this creates a ‘bounded solidarity’ or identification through the community, which can create a deep seated motivation to participate (Portes, 1998).

‘the ultimate thing is I think most people are just quite content to, just to pay the membership subs and know that they don’t know what the ICAEW does and they don’t really care what the ICAEW does.’ I1 Elected

An elected member highlighted a differential cultural capital across the membership, with those in senior positions judged by their performance rather than whether they are a member of the ICAEW. In this sense, the ACA acts as a facilitating mechanism to enable members to access various career opportunities, but which diminishes in importance as a reputation and track record are established.

‘If you’re a CFO, people will know that you’re CFO. They’ll judge you by the success of your organisation when you want to move. So, it’s really for people like myself, my wife, who are still making it in their career where they, you know, people are looking for that accreditation still.’ I1 Elected

It appears that many members view their membership in an instrumental manner and often have little association with the ICAEW beyond maintaining their annual subscription renewal and continuing professional development attestation. In this circumstance the member’s affiliation to their employer’s values, culture and infrastructure is stronger, which may help to explain why the largest firms come under repeated criticism for their practices.

‘So, there are a lot of people for whom the membership to the Institute is a ticket to a good job and whatever. And an awful lot of people never pay for the membership because it’s a big accountancy firm or a big bank that pays for the membership.’ I11 Elected

This may explain why those who do engage with the election processes often cite a range of reasons for doing so. For some there was a degree of instrumentality underlying their involvement with the ICAEW.

‘I found myself on my own, I needed clients, so I needed a network, so I joined [the District Society], and I’ve been there ever since.’ I9 Elected
This is typically tempered by the fact that for most elected members there are multiple motivators for engagement that include the altruistic.

‘I used to think everybody on Council was completely there to make a difference and be altruistic. [...] it certainly dawned on me that everybody that was on Council was on Council for several reasons and that one of them is being altruistic, but others could well be to do with, well I’ll meet people or I’ll get knowledge that would be helpful, or I’ll understand what the issues are. So, I think that it varies across people.’ 113 Ex-officio

Often members, who are already engaged with ICAEW or known in some way, are receptive to gentle encouragement to stand for election as a Council member.

‘What we need to do is just focus on the part of the continuum and people who are on that continuum where they don’t quite want to engage, do things that will help them realise that actually its good for them to engage.’ 117 Co-opted

There appears to be a strategy within the ICAEW to operate behind the scenes to encourage possible candidates to stand as a means of increasing the number of contested elections and contributing to a more diverse field of election candidates. An increase in seats contested by credible candidates serves to reinforce the democratic process of election and makes the process appear worthwhile to those who are successful.

‘I think if I hadn’t known a member of ICAEW staff who was encouraging me that I don’t think I would, the fact that I thought it was a good thing to do would not by itself necessarily given me the courage to do it.’ 14 Elected

One of the ex-officio members described her role in reinvigorating the Council through encouraging newcomers to challenge incumbents in the election process. This has also resulted in a reduced feeling of entitlement for incumbents, as they are required to prove themselves during their tenure.

‘So, I’m quite proud of the fact that I very much have been trying to encourage people to challenge existing Council members, which means that as an existing Council member, you should be then very conscious of the fact that it isn’t an entitlement to stay on the Council.’ 113 Ex-officio

Others hinted at a lengthy courtship period and one co-opted member who is a member of another professional accountancy body even joined the ICAEW, via the provisions for mutual recognition of qualifications gained with other professional accountancy bodies, to become eligible for co-option.
‘I think there was a process of wooing going on even though I didn’t know it at the time.’

I21 Elected

For others, the encouragement to stand for the Council from ICAEW staff was more explicit, prompting them to put themselves forward for election to help to break the cycle of re-election of members to Council.

‘So that coupled with the fact that a member of ICAEW staff that I knew at the time said to me, “We need new faces on council. We keep getting the same people,”’ I4 Elected

As discussed in Section 6.2, career advancement is often more of a by-product rather than a primary motivating factor for employees standing for the Council. In many cases, the advancement is deferred and is linked to the habitus and social capital of a Council member rather than a direct conversion into economic capital.

‘I don’t think people should do it as a career enhancement. I think it would be nice if it was recognised as being more important because I do believe it is important. But I mean, I think it is, it’s given me a different view of the profession. It enabled me to meet different types of people who I wouldn’t have met otherwise. It enabled me to know more about the profession, but it’s also enabled me to be a voice and a vote.’ I15 Elected

An ex-officio member reflected that prior to her involvement, her needs were a fulfilled by her firm. As a result, she had not sought external engagement prior to involvement with the ICAEW related to her role.

‘So, before I became involved with ICAEW because of my role at XX, I never felt first of all I never felt like there was any gap left to be filled in my professional life.’ I20 Ex-officio

This helps to explain the higher levels of engagement with the election processes from small practitioners who mobilise their membership as a critical part of the identity of their firm in seeking new business. For them it is a critical differentiating factor in a competitive market.

Continued incentives to stand for election were frequently linked to the social capital developed within the Council. In the past, seniority was a marker of position within the Council chamber. This physical domination resulted in members seeking continual re-election in a race to the best seat and to remain within friendship groups developed within the Chamber. However, in recent times, the rigid seating structure has been broken down and although seating plans are fixed, positions within the Chamber are varied each meeting. This enables the Council members to build social capital with the whole group.
'You know, my first meeting I sat right at the back with two other guys who happened to be their first meeting as well... and it was quite clear... and I suppose this was deliberate, I don’t think anyone tried to hide it... that you gradually moved forward as, you know, people at the front started to fall away.' I23 Ex-officio

As a result, there might now be a reduced incentive for members to seek continual re-election and for the Council to slip into familiarity and operate akin to a cosy club. This should open up seats for elections and increase the turnover within the Council.

‘We had this system which gravitated toward the front row depending on how many years you’d been on Council. I heard one former President actually use the word club.’ I22 Ex-officio

This section has outlined some of the interests that drive interviewees to join the Council and to remain on the Council. The majority of the members interviewed appear to cite multiple motivations that co-exist including economic building economic and social capital. Often the ICAEW executive function has been revealed to be instrumental in encouraging newcomers to stand for election. This process has helped to establish increased accountability of elected Council members who have contested an election and received a mandate to represent their constituency.

6.3.1. Elected members: capital accretion through Council membership

The capital mix of elected members appears to be homogeneous in many respects due to sector concentration and level of involvement with the District Societies. The interviews revealed that it is often ‘illusio’ (Bourdieu, 1998, p. 76) that drives the elected members who often talked in terms of ‘giving back’ and reflecting the belief that the process of election is worthwhile (Stringfellow at al., 2015). For them, seeking election to the ICAEW Council is worth the investment that can often be considerable both in time and effort.

Accessing new networks – social capital

It is the case that members who seek election to the Council typically cultivate their social capital through participation in the District Society structure, which can be seen as a means of creating the required capital (Bourdieu, 1985; Portes, 1998). ‘The acquisition of social capital requires deliberate investment of both economic and cultural resources’ (Portes, 1998, p. 4). This may be in the form of time invested cultivating contacts, or in the form of benefits from affiliation to and status within the District Society.
For some there was a substitution of organisational social capital by professional organisational interaction following a move to set up their own practice. This was a common theme for interviewees who had moved out of the Big Four into smaller organisations, either practice-based or in industry.

‘I mean if you’re used to being in a large firm, you’re used to talking to lots and lots of chartered accountants and then leaving that and going down to being the only chartered accountant in an organisation or having trainees or having a staff of seven or eight is a massive, massive difference.’ 116 Elected

Membership of the Council is also constitutive of social capital to which members attribute a value (Bourdieu, 1986b).

‘you learn a tremendous amount by being on Council. In the first year, you realise how much you learn which you wouldn’t pick up form general stuff.’ 119 Elected

For others, Council membership has exposed them to experiences that might not otherwise have been available in their roles. The interaction with senior members of the profession through committee work would not have been possible in this Council member’s employment.

‘So, Council is being really useful in terms of giving me exposure to chair really important committees, giving me access to a great network of individuals where, you know, I can just observe their behaviours. I think this has been immense.’ 1 Elected

The types of opportunities discussed by these elected members of the Council above are not likely to have been on offer through their employment. Many recognise the chance to build their reputation and networks through involvement in the committee work of the ICAEW as valuable.

The discourse of giving back – cultural capital

The cultural capital associated with the role of a Council member is not just a means of career advancement for junior employees but can facilitate the next stage of career development for those at the top of their firms. It provides external interaction with those who are shaping the policy and practice of accountancy. The elected member below also uses his membership of Council to further the aims of his firm.

‘it’s part of giving back to the profession but also part of my own succession plan as managing partner of a firm [...] they gave me the time to take a wider public interest professional role and my firm found that useful because we can feedback and put them in contact with people.’ 110 Elected
The discourse that surrounds giving back to the profession appears to have become an embodied cultural good for many members and therefore part of the habitus of Council members as a whole (Neu et al., 2003). This may also go some way to explaining the increased awareness of the public interest for these members in contrast to the that of the general membership (Neu et al., 2003).

**An enhanced status or standing in the community? Symbolic capital**

The symbolic capital associated with Council membership appeared to differ across the group of interviewees with some referencing status and credibility. For these members, it is important to maintain what they consider appropriate company (Wacquant, 1993a).

‘Certainly, some people are very keen to say they’re a member of Council because it adds to their standing and their reputation in their role and therefore, presumably they feel they can do their role better. [...] So, I’ve heard several people saying that this is a way of hearing what’s happening, keeping up to date, keeping up to speed.’ I13 Ex-officio

It also emerged from the interviews that the symbolic power of membership of the ICAEW Council depends on the interactions of members and the awareness of their counterparts of the workings of the profession. For example, the interviewee below interacts regularly with politicians who he feels treat him differently due to his status as an elected Council member.

‘And people find it, especially when you’re meeting with politicians. They treat you with much more respect than if you were just a simple accountant. It really makes a big difference I think to your status.’ I19 Elected

This point was echoed by other interviewees as a means of generating increased credibility in front of clients.

‘the by-product part of how I have benefited from that is by status. There’s no doubt that when I’m doing a pitch or I’m talking to somebody new and networking, or even if they’re just an accountant...just an accountant, I can say that yeah, I’m on Council and I’m involved in various committees, so that gives you some status.’ I3 Elected

The members who referred to status and credibility were predominantly those from mid-size or smaller practices where the firm name many not be sufficient on its own to establish this type of authority.

For some, there is an element of instrumentalisation of their membership of the Council and its ability to enhance their CV. One interviewee outlined the effect that membership of the Council
has on their career prospects and the ability to access what they consider to be networks of people who may facilitate their next position.

‘I think it’s quite- it’s useful on my CV. So, when you’re talking, when- at the level that I’m now getting jobs, there will be somebody from our Council or on the finance committee who is there. And for them, that’s quite interesting.’ I14 Elected

The experience of becoming a Council member often adds to the members’ skillset and can help Council members secure other complementary roles, some of which may be remunerated. One member explained their involvement as a means of obtaining the type of experience that they could then use to secure further non-executive roles:

‘this seemed as easy a thing to do as anything else in terms of getting some non-executive type experience.’ I7 Elected

As such, it can play a facilitating role, enabling Council members to develop their skills further outside of the ICAEW.

‘so, it’s all pitched, it should all be pitched at a high level and focused around risk, reputation and governance. [...] I’ve found that it is complementary to the charity trustee position I took on a year later.’ I4 Elected

One former board member highlighted the fact that he had managed to translate his experience as an elected board member of the ICAEW into a non-executive directorship. Such roles are highly sought after by senior executives, and for those who work in practice the experience of board membership is not typically part of their range of experiences.

‘by being an elected member of the board, that gave me my first non-executive directorship.’ I16 Elected

The symbolic capital associated with membership of the Council is valuable to elected members who may not have the exposure to a broad range of experiences within their work. This is particularly useful for those in small practice or those who are looking to develop their profile to secure non-executive positions. Membership of the Council can help members to secure credibility with various stakeholders and translate the symbolic capital into financial capital through accessing new opportunities.
6.3.2. Council members: the investment required and its influence on the interests served

This section outlines the findings in relation to the actual commitment made by members to the ICAEW. The interviewees mentioned a significant time and physical commitment, which, for some, does not appear to generate the status and recognition they feel they are due from their employer, whilst for others it is part of their work identity.

The commitment to serve as a Council member is significant and requires a physical commitment to attend the meetings in London with dinners the night before, resulting in travel the prior afternoon for those outside London.

‘So, if you did the minimum it’s six days, probably, which is not a lot and probably most organisations will free people up for that. But then there is an expectation, and I think to get the most out of it, that you will join another committee and give your expertise somewhere else and then all that starts to … to grow if you let it.’ 15 Elected

The social interaction and informal networking that takes place in this informal setting is important for those who later seek nomination to the Board or as an Officeholder. Support is generated, and agendas are socialised at these dinners, which take place outside of the formal proceedings of Council. Whilst optional, the strong directive to attend often leaves the Council members feeling that they are quasi-compulsory.

Members may dial into meetings; however, it is not encouraged on a systematic basis and repeated missed attendance can result in expulsion from Council.

‘The office of a member of the Council shall be vacated:

I if he has been absent from three or more consecutive meetings of the Council without the consent of the Council.’ (ICAEW, 2018c, sec. 37)

If a member is to continue in office a vote on the matter must be conducted by the Council.

The physical commitment is combined with the requirement to catch up on the day-to-day demands of the Council member’s primary role. For many this is significant and is often accommodated through reduced leisure time:

‘So, I accept that my involvement in…my involvement with the institute doesn’t do me any good from a professional perspective, from a firm perspective. I think it is acknowledged and with a number of people they think it is valuable what I do. But from a performance appraisal, from a how am I spending my time, is not value added and the day job doesn’t reduce. So, I know that if I’m here for a couple of days I’m going to have to do the work another time. And I think that’s part of what puts people off from getting
involved along with the committee structures and committees that are there for the [...] sake of a committee.’ 115 Elected

For elected candidates, therefore, immediate economic capital is not increased. However, it may be the case that the social and cultural capital garnered whilst on Council will subsequently reap rewards in terms of status or opportunity.

‘So, when you’re building up your career it’s not appreciated by the employer that you leave early for a meeting.’ 111 Elected

Many echoed the sentiment that for those building their career it is difficult to commit time to participate on the Council. The elected member below disclosed that they must cover some of the commitment to Council as holiday. This member later comments that membership of the Council is useful on their CV to help move to their next role. As such, the financial and physical investment of the present is deferred until the individual is successful in converting it to increased economic capital and status.

‘They are fine with it, not particularly interested, recognise that it takes some time out and I take some of it as holiday. So, for the- when it’s the Council Away Day I normally take that as holiday.’ 114 Elected

One interviewee voiced a more sceptical view of the career benefits of involvement with the ICAEW. They have devoted significant time and effort to their involvement with the ICAEW and have been a committed volunteer since the early 1980s, having served on student Councils prior to that point. He has been a member of the Council for three full terms, having first been elected in 2005 and at the time of interview had started his fourth term.

‘I would never say this to a general member, but I actually think it can damage your career and it probably did damage my career from the amount of time that I have taken out of work to do these sorts of things.’ 115 Elected

A possible explanation is that he is so caught up in the ‘illusio’ of the ICAEW that he lacks the instrumentality or reflexivity present in the comments from other interviewees who remain primarily focused on their careers (Lupu & Empson, 2015).

Whilst details of members’ age are not published, the date of admittance to the ICAEW provides a guide to their age as the majority of current members have followed a standard route from university to the profession and qualified within a three to four-year period. The elected members typically qualified in the 70s, 80s and 90s. The majority are therefore experienced members who can direct their own time (Nesbit & Gazley, 2012), as evidenced by the number
of successful candidates who are owners of the firm or business, including partners (17/21 in 2015 and 16/23 in 2017). For these members, involvement as members of the Council has the capacity to generate benefits to their firms by adding credibility to their standing with clients. For other members, the benefit varies depending on their position of power within their employing organisation, and the value the employer places on the symbolic capital of an ICAEW Council member.

‘Oh, fortunately my employer is very supportive. But that might be because when I go to a new job, I tell them I need an extra number of days a year to do it, and … well, they employ me on that basis.’ 118 Elected

This interviewee, a technical specialist, has an allowance of 21 days for ICAEW business and has embedded themselves as a master player within the infrastructure of Council. The interviewee below, a partner in a small local practice, tells a similar story and is also a leading member of Council.

‘they’d always agreed 30 days a year on Institute stuff, anything over that I’ve had to find from my own time.’ 122 Ex-officio

Developing and maintaining the capitals of a high-profile Council member involves a significant investment of time that many cannot afford, either because their employer attaches a different order of value to involvement in the ICAEW Council or because they need to run their own business. As such, there can be a mismatch in the valuation of this symbolic capital.

‘For symbolic capital exchange to function, the two parties must have identical categories of perception and appreciation.’ (Bourdieu, 1998, p. 100)

The weighting towards mid-career Council members is due to two factors. First, less experienced members do not value the incentives (Knoke & Prensky, 1984) on offer through participation in the governance processes and second, employers are not sufficiently incentivised by the benefits derived from relatively junior staff participating in the governance of the ICAEW (Wilson & Musick, 1997).

‘I think they are people who are partners or directors in their firms or businesses so … and typically they’re older, because their time is their own and they can manage it as they wish. I think it is harder for, you know, some of our younger members.’ 15 Elected

For example, one of the co-opted Big Four partners identified that their seniority within their firm was likely to ensure that their commitment to the ICAEW was not questioned. This
interviewee is a Council member as well as a member of three of the major committees of the ICAEW and, as such, their time commitment is rather significant.

‘Nobody ever questions that. That’s probably because I don’t know, there are certain stage of my career where people wouldn’t question that anyway.’ 18 Co-opted

In contrast, an elected member pointed out the hidden financial implications of the trade-off of time that disproportionately affects those who work for themselves (Nesbit & Gazley, 2012).

‘You could argue that Council is very elitist because although expenses are paid, there is no stipend for it because it’s so…it tends to be people that are able to give their time rather than necessarily be paid for it.’ 11 Elected

Taken together, the factors discussed above demonstrate that the commitment (physical, time and financial) required from individuals to devote their time to becoming a Council member and serve on various committees is significant. This means that those who are able to fully engage are typically in a position of power within their work environment and able to articulate any benefits to their employer. As a result, a barrier to entry exists for much of the wider membership and results in a lack of diversity within the Council.

6.4. Implications – the dysfunctional consequences on the governance and accountability of the ICAEW

The Council members are accountable to the constituency or sector that they represent, as well as to the ICAEW that prescribes the conditions under which they undertake their role. However, the lines are often blurred between the constituency and the sector for those who are elected.

As a membership body, the ICAEW claims to represent its membership and to do so effectively it must reflect their concerns through its governance structures. The Council is formally representative of the membership and accountable to them. However, the current electoral system based on geographical constituencies, which are often de facto controlled by the District Society, and networks of small practitioners has resulted in a composition that does not reflect the general profile of the membership. This is problematic, as the debate around the ICAEW strategy in the Council may not reflect the concerns of its membership, thereby undermining the processual concept of the public interest (Cochran, 1974) that relies on robust democratic representation. In turn, this is likely to lead to a greater degree of apathy amongst the general membership and drive even lower levels of engagement.
The power of the District Society structure in providing nominations and facilitating candidature is disproportionate to its general reach and appeal to the heterogeneous contemporary membership base (Ramirez, 2009). Without this structure, however, it is unclear how elected members have an outlet to represent their constituency, feeding views up and down. Despite efforts to increase the range of candidates and contested elections, there remains an over-representation of small practitioners within the Council. This entrenchment of physical location within the governance structure contrasts with the location agnostic environment in which contemporary business is conducted and that has been facilitated by the Internet. In many ways it should be easier to bring those with shared interests together where there is a clear value attached to the interaction.

The co-opted members of the Council are approached due to their seniority and status within the profession. This status means that they represent certain views. Co-options are an important means of engaging with groupings who would not otherwise involve themselves in the governance of the ICAEW. They are critical to involving leading partners from the Big Four and thereby increasing the legitimacy of the ICAEW’s governance. Further, they are also being used to style the Council as more dynamic and younger in its composition, e.g., through co-opting younger members and using them in election campaigns.

Co-opted members do not have an identified constituency forum to represent views or feedback to, so may reflect their individual or firm’s agenda. Due to the entrenched interests of members of the Council, balance is not achieved unless a robust process of debate ensures that the interests of the wider membership are indeed taken into account. Comments from interviewees indicate that the debate process is often captured by those seeking to promote their own self-interest within the Council rather than defer to those who have significant contributions to the debate based on their level of expertise. This creates a disconnect between the form and substance of the governance process.

6.5. Conclusions

This chapter has answered the second research question through an examination of the establishment of political accountability of Council members through the election process and co-option process. This has revealed that elected members invest significant effort in obtaining the relevant capital profile for election and appealing to a broad range of members within their constituency. They are often captured by their involvement with the ICAEW, devoting large amounts of time and energy to the activities of the ICAEW. Yet many revert to representing the
narrow sector from which they come once voted onto the Council, with many classified as ‘small practitioner’.

This contrasts with co-opted members who are typically rich in social and cultural capital and have been approached for co-option because of this. The nominating committee has significant power over these decisions and recommends new co-options for ratification. Co-opted members feel less responsibility to the wider membership in many ways and are not always appreciative of the concentration of small practitioners within the elected section of Council.

The struggles between the two types of Council member become visible in the elections for Vice President, which is the start of the route to the ultimate position of President. In this case, the co-opted members often have a privileged position on the Board, which is an accepted precursor to candidature, whilst those elected to the Board have had to build support amongst their peers to secure this important first step on the ladder.

The interests that help secure appointment to the Council may have dysfunctional consequences on the governance and public accountability of the ICAEW as a whole.

The next chapter provides a critical discussion and analysis of the findings in Chapters 5 and 6 in light of the Bourdieusian concepts outlined in Chapter 3, and the literature review presented in Chapter 2.
Chapter 7
Discussion and analysis of findings

7.1. Introduction

The thesis elaborates on concepts of governance and accountability of the ICAEW Council. It has addressed questions related to the structure of the ICAEW Council and the role of Council members’ interests in shaping the governance of the ICAEW. The interviews revealed a number of ongoing tensions related to governance and accountability which are increasingly important to address as the membership continues to grow in heterogeneity (Ramirez et al., 2015) and the membership footprint is also increasingly international (FRC, 2018a).

This chapter discusses and analyses the empirical findings presented in Chapters 5 and 6 in relation to the literature presented in Chapter 2, and the Bourdieusian theoretical lens presented in Chapter 3. The literature review presented in Chapter 2 provided context to this study and identified what prior studies examining governance and accountability of professional accountancy bodies have found, to make this study’s contributions to knowledge and understanding explicit. Chapter 3 drew on some of Bourdieu’s concepts to help develop an improved understanding of the sub-field of the ICAEW and the role of agency (i.e., Council members) in structuring the accounting profession. Whilst the case study focuses on one UK professional accountancy body, the ICAEW, the basic governance structure is replicated across many other professional bodies holding Chartered designations in the UK; It has also been transposed to other jurisdictions, primarily as a result of the UK’s colonial influence (see, for example, Chua & Poullaos (1993)). As such, the findings have an interest beyond the accountancy profession as well as beyond the UK context.

The thesis seeks to contribute to domain theory in the field of the accounting profession (Lukka & Vinnari, 2014). It does so by drawing on Bourdieu’s analytical framework to help explain the contemporary issues affecting the governance and accountability of the ICAEW Council. Questions of governance and accountability are relevant in face of the increasing heterogeneity of members (Ramirez et al., 2015), internationalisation of the structures of the profession (Samsonova-Taddei & Humphrey, 2014), polarisation of practice work between the Big Four and small practitioners (Ramirez, 2009), and renewed challenges to UK regulation and public confidence following a recent series of corporate collapses.
Chapter 5 answered the first research question in relation to the structure and governance of the ICAEW. In so doing, the public accountability (Sinclair, 1995) of the ICAEW Council to the membership was examined through the structures of representation and the hierarchical committee structures. The public accountability of the ICAEW beyond the membership was also examined by evaluating the Council member’s concepts of the public interest. The interviews helped to illustrate symbolic power maintenance strategies operating within the ICAEW structures along with the adoption of symbolic power and violence in furthering agendas.

The interests of serving Council members of the ICAEW and how they shape the governance of the ICAEW were outlined through the interview responses in Chapter 6 to answer the second research question. The political accountability (Sinclair, 1995) of the Council members was examined by analysing election statements and the processes of election. Empirical evidence highlighted that the District Society continues to play an important role in the process of building social and cultural capital within the sub-field for those who later seek election to the Council. However, this path privileges the interests of small practitioners for whom a local network is beneficial. The interviews also uncovered the apparent hostility to those not deemed worthy of election. Differences in the capital profile of elected and co-opted members were revealed, leading to an internal division within the Council itself. This division has been shown to favour co-opted members in the passage to Officeholder as they are often able to ascend to leading positions through instrumentalising the symbolic and social capitals that form the basis of their co-option.

This chapter is organised as follows. The next section critically discusses the structure and governance of the ICAEW in relation to the literature. Section 7.3 evaluates Council members’ appointment interests and the implications for the accountability and governance of the ICAEW in relation to the literature. Finally, Section 7.4 concludes the chapter.

7.2. How is the ICAEW governed and to what ends? (RQ1)

The empirical work in Chapter 5 helped to shed light on the operation of governance and accountability with the ICAEW through the interviews conducted with those embedded within the structures of the ICAEW, i.e., the Council members. Governance can be expressed as the ‘rules of the game’ (UNESCO, 2017) or Bourdieu’s ‘illusio’ (Bourdieu, 1998), and extends to both formal and informal aspects. The ICAEW is a membership body created by means of the grant
of a Royal Charter (ICAEW, 1880) that established a market for the services of its members and, at the same time, generated obligations on behalf of the ICAEW. The understanding that accountancy serves the public interest underpins the exchange with the state to secure the extension of the ICAEW’s jurisdiction (ICAEW, 1948) and is designed to foster the trust of the public it serves (Dellaportas & Davenport, 2008).

Following the grant of the original Royal Charter (ICAEW, 1880), the market for public accounting services later became increasingly competitive as Royal Charters were granted to competitor organisations, e.g., ACCA and CIMA. However, the ICAEW continued to dominate the UK market (Cooper & Robson, 2006). This led to competitors seeking membership growth through targeting different markets for accounting services, e.g., business (CIMA) and internationally (ACCA and CIMA). Over time this has led to an erosion in the ICAEW’s leading position, as membership of ACCA has surpassed that of the ICAEW (FRC, 2018a) and CIMA has merged with AICPA to access an extended global scale (AICPA, 2016).

The findings caution that the ICAEW is facing challenges to adapt its governance and accountability structures to better serve its current membership composition without alienating the powerful interests that form the current Council. Of paramount importance to the ICAEW and its members is the maintenance of its symbolic power in the field of professional accountancy bodies.

The following sections discuss and analyse the main findings from Chapter 5 in relation to the literature and the first research question which asks How is the ICAEW governed and to what ends.

7.2.1. How is the ICAEW governed?

The first part of the research question relates to the structures of governance within the ICAEW. The empirical findings in Chapter 5 focused on the public accountability of the Council to the membership and to stakeholders beyond the membership. The findings indicate that the current governance structures result in an imbalance of representation within the Council and an amplification of voice of small practitioners. This is primarily due to the established accountability links via the District Society network, which is populated by small practitioners and no longer reflects the interests of the local membership.
Accountability to the membership

The ICAEW Council is comprised of elected and co-opted members (including ex-officio members co-opted by virtue of their position). It is this structure, which creates accountability to the membership for the Council as a whole. The election process forms part of the technical core of the ICAEW in Bourdieu’s vocabulary and it continues unchallenged (Oakes et al., 1998). Typically, elected representatives have previously been involved with the District Society structure, which mirrors the Council constituencies. This local network often provides a source of supporters for those seeking election to the Council in addition to its role facilitating local networking and the dissemination of technical knowledge to members.

The accountability of elected members differs from that of co-opted members who did not feel accountable to a particular constituency. The sectorial balancing undertaken through co-options seeks to mitigate the limits of the geographical election processes thereby increasing the balance of representation. However, this leads to a differential structure of accountability.

The increasing disconnect between the District Society constituencies and the membership reflects the heterogeneity of the overall membership, with approximately 66% of members working outside of practice (excluding retirees) (FRC, 2018a). Members are no longer predominantly practice-based and the resulting over-representation of smaller practitioners within the Council results in a concentration of interests within the policymaking process. As such the claim to represent the membership as a whole is increasingly problematic as the spectrum of differences has grown ever larger (Ramirez et al., 2015). For example, elected Council members, whilst charged with representing their constituency, often have limited links with the range of members within their area, outside of the network created through involvement in the District Society; this results in limited opportunities to create a localised dialogue. The general disconnect with the membership is reflected in voting rates in elections to Council (Electoral Reform Services, 2017) which have suffered over time despite a number of reforms of the election process (Noguchi & Edwards, 2008b). As such, the current governance structure amplifies the voice of the minority, i.e., the small practitioner rather than effectively representing the wider interests of the membership.

Despite the continued changes experienced in the operating environment for District Societies, there remains a renewed attempt by the ICAEW to impose attendance of the Council members to District Society meetings. This symbolic violence could be construed as a means of continuing to privilege the path that has resulted in success for the incumbents rather than looking to meet
the demands of the future membership. Few interviewees contested this imposition, and many viewed it as an appropriate means of establishing a dialogue with interested members.

However, without a genuine link to the local membership, the accountability of elected Council members remains problematic. As the membership becomes increasingly international, geographic linkages are likely to continue to be scrutinised and further questions regarding accountability to members raised. In the 2017 elections, for example, the Europe and Eurasia constituency had members based in a variety of countries, including Greece, Malta, Switzerland, and Belgium, amongst others. The capacity to maintain close local ties in a constituency that covers multiple countries is questionable.

The reality of the closely controlled route to Council membership for elected members is in stark contrast to the messages disseminated by ICAEW through its email and social media campaigns prior to the elections (Appendices 4 and 5). These imply that the process is open and transparent, and use images of younger and more diverse members of the Council. The rigidity of the nomination and election statement process is likely to contribute to potential new candidates eliminating themselves (Lamont & Lareau, 1988). The public portrayal of the Council has been carefully curated in recent times and the 2018 campaign, run in advance of the 2019 elections, used images of co-opted members rather than elected members (Appendix 4). This appears to be an attempt to encourage those with similar profiles to stand for election, thereby broadening the diversity of the Council.

The interviews also demonstrated that not all elected members come through the District Society route. Those interviewees who did not come this route included a business member, public sector member, and a practice member. The critical factor common in these members’ success was their wide network of contacts or social capital, which could substitute for the District Society network to facilitate their election. Deploying personal networks in this manner can secure election, but does not address the issues of accountability to the local membership.

Whilst co-opted members tend to be co-opted to represent a specific sector, they do not feel a similar responsibility to that sector in the way elected members typically feel responsible to their constituents. For these members, the communication process is one way and they do not have a channel to communicate back to the sector, which they ostensibly represent. However, the governance handbook (ICAEW, 2017b) does not differentiate between the duties of these different types of Council member. They formally share the same degree of accountability,
although, in practical terms, co-opted members cannot and do not represent the sector from which they are co-opted.

Members are often co-opted following service on a technical committee or by becoming known to the ICAEW in other ways. In this way, the power such members wield is often hidden by the ostensible knowledge that they contribute (Farjaudon & Morales, 2013). Co-opted members often command an elevated status and respect within the Council and can be catapulted to (ex-officio) Board positions, entering the running for officeholder positions on an accelerated timetable in comparison to elected members who work hard to cultivate their positions amongst their peers within the Council, seek election to the Board, then run for officeholder. The ex-officio nature of some of the Board positions enable claims of neutrality, e.g. participation by virtue of the position as Chair of certain Committees, to mask their dominance (Everett, 2003). These powerful actors appear to secure their power without questioning by the other members of the Council (Farjaudon & Morales, 2013).

A new route is emerging for ‘younger members’ co-opted to the Council from the Student Council, which may lead to an accelerated path to the officeholder positions. In common with career MPs, a large amount of cultural capital has been accumulated by those members within the boundaries of the institution and its practices (Davis, 2010). As such, the ICAEW Council appears to be in transition regarding the cultural capital required for progression through its hierarchies from those who have progressed through the traditional District Society route, i.e., former Presidents, to those who are entering Council early in their careers. This revaluation of capitals within the Council (Oakes et al., 1998) may lead to some actors being marginalised in the process (Neu, 2006). The emergence of a new form of symbolic capital invites parallels to Davis’ findings that those with senior party ambitions are less reliant on the local party and accumulate their social capital through existing leaders, senior figures and the media (Davis, 2010). This route allows ‘younger members’ the opportunity to build up field specific capital through their experiences in the Student Council. It also ensures that they are fully caught up in the illusio, encouraging them to work their way through the hierarchical committee system to claim the officeholder roles. The profile of such members is exploited through marketing and other routes, portraying ICAEW as young and dynamic, e.g., Jessica Bernardez (Appendix 4). However, the power of the ICAEW to retain younger members within the governance structures for an extended period remains to be seen and ongoing involvement with the ICAEW must be weighed against other opportunities that may present themselves to this group of members (Wacquant, 1993a).
The accountability of the committee structure to the Council

The committee structure is hierarchical and complex (Figure 4.1) as outlined in Chapter 5. The committees are classed into three groupings, with varying membership compositions balanced between: 1) committees to which Council members must be elected e.g. nominating committee; 2) those which comprise Council and other members and from which the Chairs are appointed co-opted, by reason of their position; and, 3) those that feed into the Boards and Faculties which comprise a broader membership.

The committees are an important way for the ICAEW to secure expert input (Ramirez, 2015) and identify future co-optees and committee Chairs, who will be co-opted ex-officio to Council and also potentially to the Board. As outlined in Chapter 5, membership of the Board is a common pre-cursor to standing as an office holder. The result is an established route to office holder, which by passes the election process but which relies heavily on the final assent of the Council members who vote for the officeholders. In this case the Council is a proxy for the membership and should therefore reflect the membership and its interests so that it can effectively hold its elected leaders to account.

Accountability beyond the membership

The claim to act in the public interest is important in establishing accountability beyond the membership. The public interest was discussed in Chapter 2 with reference to the accountability questions posed by Joannides (2012) and led to the argument that within the ICAEW the public interest is primarily served through the Code of Ethics and the Council’s decision making processes.

The interview evidence reflects the ambiguity of the term (Sorauf, 1957) despite its widespread use within the Council. In common with other ICAEW members, interviewees have been subjected to a process of inculcation through the training processes attendant with becoming a member of the professional body and the induction to the Council (Hamilton & Ó hÓgartaigh, 2009), but they continue to articulate the public interest in a variety of ways.

For many, the notion of acting in the public interest is an indicator of a profession rather than a trade grouping (Abbott, 1988). However, as Bourdieu suggests, such an analysis may be simplistic and mask the underlying function of the concept of the public interest (Bourdieu, 1998). Within the field of accountancy this is to facilitate the pursuit of individual self-interest (Bourdieu, 1998; Gallhofer & Haslam, 2007). The term creates a kind of mystique for the profession and the interests it serves in a similar manner to the widespread use of the phrase
As a result it is argued that the public interest represents part of the technical core or unchallenged cultural capital of the ICAEW sub field (Oakes et al., 1998).

This study’s findings suggest that the public interest can be framed a cultural good in a similar manner to ethical notions, providing access to ‘symbolic capital’ for the profession (see also, Neu et al. (2003)). Enforceability is deemed to be necessary only at an individual level, i.e., by means of the group norms or Code of Ethics (Portes, 1998). The social and economic capital associated with membership far outweighs the cost to members of non-compliance and the risk of expulsion from the group. Whilst the occurrence of expulsion is relatively remote, with many calling for greater and more frequent sanction (Mitchell, Puxty, Sikka & Willmott, 1994), it has major consequences across all areas of a members’ life beyond the simple financial to questioning the individual’s standing and impacting the member’s ability to secure future employment.

The ICAEW as a whole can engage with the public interest as an antidote to the pursuit of individual self-interest that underlies its existence but which has also become its primary threat (Spence, Voulgaris & Maclean, 2017). The mismatch between the individual and the institutional is also reflected in the governance handbook that focuses on the role of the Institute Regulatory Board in upholding the public interest (ICAEW, 2018b).

Institutionally, the processes of representative democracy are assumed to ensure consideration of the public interest. The findings suggest that the electoral system is not as effective as one might expect in generating a representative Council. In an attempt to remedy this deficit in representation, members are co-opted to the Council by virtue of their existing position, e.g., Big Four partners, and academics. It is expected that this disconnect, between the elected representatives and the membership they are accountable to, will grow as the membership continues to fragment in terms of sector, international membership growth continues, and the relevance of location is further diminished by electronic communication. The processes of securing a representative governing body and engaging the membership have been shown to be under increasing pressure and are in urgent need of reform to achieve their aims.

One approach would be to harness the existing structures of sector groupings that exist within the ICAEW to expand sectorial representation whilst reducing the reliance on geographic representation. One suggested approach is to conduct a review to adjust the geographic constituency members to elected Council member ratio and redistribute the seats released as a
result to sectorial groupings applying a similar representation ratio e.g. the Faculties. Such a move would lead to a reduction in the reliance on co-options for certain sectors e.g. public sector.

7.2.2. To what ends is the ICAEW governed?

The findings indicate that the governance of the ICAEW is oriented to maintain the symbolic power of the ACA credential. This is the common thread for all members. It is the acquisition of the ACA, which enables members to convert its symbolic capital into economic capital during their careers.

To maintain the enduring power of the ACA, the ICAEW must respond to changes in its operating environment including the reduction of its scope of influence due to the internationalisation of standard setting. For the ICAEW to remain influential and maintain its symbolic power it must secure representation and influence in these new settings. To do so requires it to establish international scale.

**Symbolic power maintenance**

As Neu et al. (2003) pointed out the justification of the benefits of membership of the professional body essential for promoting cohesion amongst the membership in face of the broadening geographic reach, changing membership composition and flux the boundaries of professional work therefore the findings of this thesis provide insight in to the governance of the ICAEW and its accountability to its members. The findings reveal that the sub-field of the ICAEW is bound together through the credential of the ACA, which is both a weapon and a stake in the symbolic struggle of classification (Wacquant, 1993a). The ACA is the unifying thread across the membership, and the ability to retain its prestige is critical for both existing and future members of the group. It is highly valued by the membership as a rigorous and high quality qualification where the prestige is linked to the ‘ordeal of preparing for it’ (Bourdieu, 1998, p. 21) and notions that holders have joined a ‘nobility’ (Bourdieu, 1998, p. 21). The ongoing perceived relevance of the ACA by members is evidenced by the high levels of membership subscription renewals.

Maintaining the symbolic power of the ICAEW is pertinent in light of the differences already discussed in the membership base (Ramirez, 2009) and mounting external political pressures likely to affect the scope of operations and increase public scrutiny of the ICAEW. Ongoing challenges to the field affecting the accountability of the ICAEW to its membership were outlined
in Chapter 5. These included the ability to, maintain the symbolic power of the ACA qualification, and operate in an international environment (Chiapello & Medjed, 2009).

Against the backdrop of perceived and real threats to the ICAEW’s power, the requirement to grow membership to remain a significant global player was raised by many interviewees. Few acknowledged that the primary concern is one of status (Noguchi & Edwards, 2008b); however, it underlies the discussion and concerns raised by interviewees.

Oakes et al. (1998) who emphasised the important relationship between a field’s legitimacy and maintenance of its unique capital profile as the lack of legitimacy leads to an inability to control the exchange of its capitals. Findings confirm that the members are concerned over any dilution of or consequent reduction in the status of the ACA qualification. Concerns over dilution of status across the general membership (Noguchi & Edwards, 2008b) appear to preclude merger with other professional accountancy bodies in the UK. This adjustment in the rate of exchange of capital (Bourdieu, 1998) is something that other professional accountancy bodies have overcome in recent times through the execution of mergers to access the scale required for a global professional membership body, e.g., AICPA and CIMA (AICPA, 2016), or the merger of a number of Canadian accountancy bodies (Richardson, 2017). This leads to agreement with Willmott (1986) that the ICAEW’s primary purpose is political and is to further the interests of its dominant and high-profile members.

It would appear more likely that, at least in the first instance, the ICAEW will invest its resources in affinity groupings of similar bodies, e.g., Chartered Accountants Worldwide (Samsonova-Taddei & Humphrey, 2014). This may be a precursor to future merger and reflects the likely need to access the benefits of economies of scale for the Executive function to provide a competitive offering to members.

The relationship management process required to maintain the symbolic power of the ICAEW within the policy and political arena is typically undertaken by the Executive on behalf of the membership rather than directly by members of the Council outside the officeholder grouping. This representation or lobbying role has always been important for the ICAEW as a professional body (Noguchi & Edwards, 2008b), however, in times of crisis it becomes more apparent (Carter et al., 2015).

In the UK, and to some extent internationally, the ICAEW has produced a type of nobility in the field of business (Wacquant, 1993a) who set themselves apart from members of other professional bodies and are able to convert their symbolic goods (i.e. the ACA credential) into
enhanced economic rewards. It is this protection of status of the ACA that underpins the continued reluctance to merge with other professional accountancy bodies.

**Withstanding symbolic violence**

The ICAEW is accountable to a range of stakeholders beyond the membership, including international bodies, government, regulators and the Big Four. The public accountability often brings incursions into ICAEW’s jurisdiction in the form of restrictions on its scope of operations or that of its members e.g. changes to the audit thresholds, which have led to reduced work for auditors.

The ICAEW Council delegates the management of the political discourse to the Executive, who undertake a process of continual boundary maintenance. The Executive is accountable to the Council via the Board for this activity (Friedman & Mason, 2006).

At the same time, the Big Four continue to exert significant power over the ICAEW as it relies on those firms to train substantial numbers of members and thereby refresh and grow the stream of subscriptions. Whilst the reliance is reducing through international expansion of the membership and increasing numbers of members training outside of practice, the ability of the Big Four to shape the syllabus and education of members is significant and affords them significant power over the ICAEW, although this is mainly exercised outside of the Council forum.

**Symbolic power and violence in furthering agendas**

The interviewees suggested that, to some extent, the Executive function imposes symbolic violence on the Council. The Council is complicit in its own domination by the Executive through its acceptance of a role, which is strategic in form but can be operational in substance. At times, this is facilitated by the size of the Council. This tendency enables the Executive to present its plans in a manner to manage towards consensus and choreograph the Council’s debate. The control of the Executive over what will be documented and presented through the Council’s agenda reflects the symbolic violence imposed on the Council without it realising (Hamilton & Ó hÓgartaigh, 2009; Oakes et al., 1998).

At the same time, the Executive also has a hand in controlling the agenda of Committees by providing a secretarial function, which typically directs the contributory work. At a board level, the dominance of the Executive members may be facilitated through the capture of the Council members who often subsequently seek to progress to the officeholder roles. This ‘collusio’ (Stringfellow et al., 2015) results in the Council members socialising the agenda and ensuring
support on behalf of the executive. At the same time, the Council periodically reasserts its
authority to readjust the balance when it feels that the Executive function has overstepped its
remit (Osterman, 2006), e.g., one interviewee mentioned a co-option that had been announced
prior to Council approval that was subsequently rejected.

7.3. What are the interests of Council members and how do they shape the
governance of the ICAEW? (RQ2)

Elections and co-options are viewed as the legitimate means of entry to the elite of the
profession (Lee, 1999) as they reproduce the established structures of the ICAEW (Wacquant,
1993a), with the District Society network maintaining its privileged position. The democratic
election processes can serve to underpin this reproduction through the perceived linkage to
‘merit’ (Wacquant, 1993a). The interviews also identified those who could be classified as
exceptions and were elected despite not being part of the dominant sector group or being part
of the District Society network. The findings highlighted a two-way exchange of capitals
depending on whether members were elected or co-opted. Elected members typically accrue
capital from their position, whilst co-opted members lend their capitals to the Council as a
means of legitimating the governance structure. This legitimisation of the ICAEW governance
structure by means of co-option is important as failure to engage prominent members has
previously been shown to result in a reduction in power in a similar professional accountancy
body, e.g., the AIPCA (Sellers et al., 2015).

The findings from the work undertaken in Chapter 6 are discussed in the following sections
which seek to answer the second research question What are the interests of Council members
and how do they shape the governance of the ICAEW? Section 7.3.1 answers the sub-question,
which asks: What interest groups do Council members represent? Section 7.3.2 addresses the
sub-question which asks: How do the interests of Council members shape the governance of
the ICAEW? Finally, section 7.3.3 outlines the implications for the governance and accountability
of the ICAEW.

7.3.1. What interest groups do Council members represent?

The structures of the Council are predicated upon establishing political accountability of the
Council members to their constituency. For elected members, accountability is established
through the geographic constituency and the District Society structures. The accountability of
coopted members to their sector has been shown to be limited.
The findings illustrate the election processes contribute to the concentration of interests within the Council by controlling the capitals that are valued and the manner in which candidates evidence them. This tends to result in certain profiles putting themselves forward for election or uncontested elections. There was evidence of some non-standard profiles succeeding by substituting personal networks for local involvement through the District Society.

Co-opted members are found to lend their established capitals to the Council facilitating an external credibility and representative composition. The interviews established that they often seek to increase their capitals, using positions within the Council as a means to access other roles either within the ICAEW or externally.

**Election processes: Establishing political accountability**

The cultivation of the appropriate mix of capitals is an important factor in successfully seeking election by one’s peers. The findings indicated that existing election processes, which are tied to notions of geographic representation, privilege those who conform to conceptions of candidate legitimacy (LaMont & Lareau, 1988) and result in practice members being over-represented in the Council. Continued effort to rebalance the composition of the Council through the creation of new routes, e.g., via the co-option of members from the Student Council have had some initial effect on composition and may create a pipeline of master players; however, this has been a result of the co-option process rather than election.

The ICAEW seeks to control the process of election through the requirement for nominations and for candidates to prepare an election address including certain specified themes; this establishes the members’ capitals in the manner thought to be desirable for Council membership. Both steps can serve to exclude members who do not fit the characteristics outlined in the briefing documents (Lamont & Lareau, 1988).

Despite the transparency of the election process, during the interview process, some members disclosed their manoeuvring to ensure that they were not opposed in the election. The forethought required in this process reveals the significant investment made by elected members in securing their position. However, this approach to securing a seat on the Council can only succeed if the membership understands the unwritten rules of the game and newcomers do not respond to the open calls to stand for election made by the ICAEW. As engagement with District Societies continues to come under pressure such tactics are likely to become less successful.
Successful nomination requires a local network of members to support the nominee’s proposed candidature; for many, the primary route to nomination is through the District Society rather than through personal contacts. As the profession is increasingly heterogeneous (Ramirez, 2009), fewer members are likely to work in environments with large numbers of other members, thereby resulting in a reduction in the pool of potential candidates who can easily secure nomination outside of the District Society.

Members who work in practice continue to dominate the process, forming a significant grouping of successful candidates in both rounds of elections (2015 57%; 2017 48%) in contrast to the 34% of the overall membership working in this area (FRC, 2018a). This may be attributable to the fact that practice-based members are more likely to be part of the District Society, which offers a means to build the requisite social and symbolic capital within the constituency and is the dominant route to election. The combination of a requirement for physical presence and the expected assumption of committee duties, in addition to Council meetings and pre-dinners, results in a significant commitment for members, with some reporting up to 30 days spent on Council related business each year. As a result, the ability to manage one’s own time was also identified as an enabling factor involved in standing for Council due to the time commitment involved (Nesbit & Gazley, 2012). This tends to favour older, more experienced members and has resulted in co-options being used to retain ‘younger members’ who have previously served as members of the ICAEW Student Council. For these members, the perceived value of this activity by the employer is important as they are required to release relatively junior staff for this purpose.

Thus, for most elected members, a significant investment is made to secure election, both through the cultivation of social and cultural capital as well as through the election statements. Key factors include participation in the activities of a District Society combined with the ability to control one’s time.

**The interests of co-opted members**

The imbalance created through the election process results in the requirement for co-options to add legitimacy to the ICAEW’s governance structures. These members lend their capitals to the Council, including linguistic capital, symbolic capital and cultural capital, thereby supporting its claim to represent the membership. This capital exchange works both ways, with co-opted members often benefitting from increased professional credibility and deferred economic capital. This study’s findings also suggest that whilst all members of the Council commit physical
presence and time, their expertise is often weighted according to their perceived capital strength.

The interview process revealed differences in the capitals of the elected and co-opted members. In part, this is because the co-opted members have reached a degree of notoriety within their own organisations or sector prior to co-option; they therefore have a different perspective from those who have worked their way through the District Society and fought contested elections to secure a seat on the Council. It is natural that those who have entered the Council through the election route seek to defend the process and protect the District Society structure. At the same time, the relative lack of reflexivity (Lupu & Empson, 2015) is creating an increasing distance between the ICAEW and its membership, thereby increasing the threat to its relevance. Members who work outside of practice are less likely to be part of the District Society or have a local network of members who can support their candidature. It is in this area that ICAEW should be looking to innovate through embracing this shift in its membership and engaging more with interest groups and sector groupings of members to ensure that they are represented on the Council and their interests are not marginalised.

The symbolic capital of a Council member is often a powerful tool used to enable members to command a greater level of respect and potentially convert it to economic capital at some future point in time. Many interviewees mentioned accessing further opportunities subsequent to becoming a Council member. This elevation in status for those who volunteer in this manner is an important factor in the discourse. The exploitation of their expert knowledge by the ICAEW, its Council and committees, is masked through ‘the logic of volunteerism’ (Bourdieu, 1998, p. 116) enabling the ICAEW to function whilst hiding the true cost of doing so from the general membership.

**7.3.2. How do the interests of Council members shape the governance of the ICAEW?**

The interests of the Council members shape the governance of the ICAEW as imbalances can lead to the amplification of certain voices, which do not necessarily reflect the concerns of the membership. The ambition of certain members to rise to office holder positions by seeking favour amongst the Council’s electoral college may also result in the dominance of perspectives which are adopted for that purpose.

**Elected members: capital accretion through Council membership**
Elected members possess a relatively homogenous capital mix due to the tightly controlled election processes, which lead to sector concentration and self-elimination of those who cannot evidence their prior involvement in the manner required by the election statement. As a result the capital benefits of membership of the ICAEW Council might be thought to be uniform. This was not the case and a range of different opportunities were cited by interviewees as a by-product of membership of the Council.

Many benefitted from accessing new networks through the Council, elevating their status with prospective clients, accessing improved roles and developing their skillsets. Most of these capital accretion opportunities enable the elected members to eventually turn the experience into increased economic capital. Whilst there was consensus that Council members’ symbolic capital was enhanced through membership of the Council this was most beneficial in groupings who were aware of the ICAEW and its governance e.g. politicians were mentioned.

Elected members also engaged with an altruistic discourse of giving back to the profession. However, it was the case that multiple motivations were mentioned. To some extent altruistic thread has been mirrored in the discourse of the ICAEW around the public interest.

**Council members: the investment required and its influence on the interests served**

All members of the ICAEW Council, both elected and co-opted make a significant investment of time and energy to its work. This tends to favour members who can control their time, which helps to explain the high numbers of small practitioners (Nesbit & Gazley, 2012) and the weighting to more senior members. For those in business or more junior members, findings indicated that their employers need to share the value placed on the position of Council member with the employee (Bourdieu, 1998). Some members in these groups mentioned that they did not feel that membership of the Council was sufficiently recognised by their employers. This could be because the employer was not in a position to derive an increase in its own capital profile as a result.

Whilst many of the Council members talked about the compromises they had made to serve on the Council e.g. taking holiday for the Council Away Day or having reduced leisure time as they caught up on work, they were confident of a deferred increase in economic capital. The findings also demonstrated that some of the Council members were caught up in the ‘illusio’ of the Council devoting large amounts of time to committee work and using it as a step to leading positions within the Council. These members did not appear to seek external status or economic gain as a product of their involvement with the ICAEW. Instead they appear fully focused on
building their capitals within the ICAEW governance structures. This strategy favours certain profiles where such a commitment is possible.

For the ICAEW to broaden the composition of the Council to represent the membership more closely the ICAEW needs to start to work with employers to find mutual benefit deriving from an employee’s membership of the ICAEW Council. In so doing it contribute to a reduction in the barriers to fuller participation and encourage a broader range of existing Council members to seek leadership roles. It would also contribute to improving diversity amongst the general membership of the Council and help to reduce the sector concentrations currently found within the Council.

7.3.3. Implications: the dysfunctional consequences on the governance and accountability of the ICAEW

This study has shed light on the ‘black box’ (Willmott et al., 1993) of the ICAEW’s governance and accountability from a contemporary perspective. It has yielded an assembly of viewpoints from the different members of the Council which serve to highlight aspects of transformation which the ICAEW must address to augment accountability to the membership. In so doing it is expected that the Council composition would increase in inclusivity as a result of a more effective representation of the membership profile.

At the same time the majority of the membership remain content with the symbolic capital that membership offers. Many of these members do not engage with the ICAEW, either for networking or for CPD purposes. Their technical CPD needs are either sector specific or are identified and provision created in-house by their employer. As such, they are content to let others work at the maintenance of the symbolic capital that they share (Portes, 1998) but have a strong and vocal opinion when this is deemed under threat, e.g., the high voting turnouts to block merger with other bodies (Noguchi & Edwards, 2008b).

The current electoral system based on geographic constituencies is weakening as the mandate for elected Council members is often weak with low voting turnouts and many uncontested elections. As the membership continues to fragment across multiple sectors and at the same time becomes increasingly international, electoral constituencies tied to the District Society network are likely to come under increasing pressure. The imbalances created by the election processes lead to a disconnect between the membership and its representatives within the governance structure. As a result, the debate may not reflect the concerns of the membership and undermine the public interest.
Co-options serve as a means of supplementing the Council composition through engaging groupings who would not otherwise serve on the ICAEW's governance body. The co-opted members offer their credibility and existing professional status to the ICAEW Council and help to create a balance in the structure. This helps to add to the public accountability of the ICAEW to its wider membership and augments its capacity to speak on behalf of the membership with external stakeholders. At an individual level, co-opted Council members are not accountable to the sector from which they are co-opted in the same way as elected members.

Careful consideration is required to transform aspects of governance and accountability of the ICAEW to address the challenges that have been uncovered in this thesis. This is likely to be a gradual but critical process to secure the longevity of the ICAEW and safeguard its symbolic capital.

7.4. Conclusions

This chapter has discussed and analysed the findings presented in Chapters 5 and 6 in relation to the literature presented in Chapter 2, and the theoretical concepts presented in Chapter 3 to help answer the research questions that are central to this thesis. The discussion and analysis undertaken in this chapter drew on elements of Bourdieu’s relational framework to understand the governance of the ICAEW, both at the structural level within the Council and at the level of the individual Council members. Bourdieu’s framework gives us insight into the governance mechanisms of the ICAEW and how control works within the professional body (Oakes et al., 1998) serving to illuminate the issues identified from the empirical work and deepening the analysis.

The election processes have been found to privilege the historic structures and therefore the composition of the elected members of the Council does not fully reflect the range of interests of the current membership. It is likely that the geographic ties will continue to be challenged as the membership continues to become increasingly heterogeneous and international. In the immediate term, the vested interests that have benefitted from those structures display inertia and are likely to seek to protect the status quo. The continued reliance on co-options to engage high profile members with the process of governance is an important legitimating tool for maintaining the ICAEW’s symbolic capital, but it also serves to mask the underlying representational deficits resulting from the democratic process. The ICAEW faces the challenge of evolving its processes of representation and accountability without losing the legitimacy that the high-profile co-opted members lend to it. The loss of the external legitimacy these members
provide may lead to a reduction in status and relevance for the ICAEW as a whole (Sellers et al., 2015).

The ICAEW Council is simultaneously subject to inherent structural constraints, which serve to restrict its composition, whilst portraying a vibrant and open election process to the wider membership who are not always aware of the substructures that seek to control membership of the Council (Bourdieu & Wacquant, 1992).

It is the belief in the legitimacy of the processes that contribute to the overall power of the ICAEW as a professional membership body. However, the maintenance processes that secure political accountability are under threat as the geographical power of the District Society continues to erode, the membership fragments, and the scale of operations is increasingly important in exerting influence on the international accountancy infrastructure. These factors endanger the public accountability of the ICAEW with the membership and stakeholders. As a result, the capacity of the ICAEW to undertake its public interest role is under pressure unless it can effectively address these threats.

The final chapter concludes this thesis, discusses implications for policy, and offers some directions for future research. It also identifies some of the limitations inherent in this research.
Chapter 8

Summary, conclusions and implications of the research

8.1. Introduction

This PhD thesis has examined the governance of the ICAEW, a UK professional accountancy body, by focusing on the governing Council, its structure and the composition of its membership.

In so doing, it engaged with the following research questions:

1. How is the ICAEW governed and to what ends?
2. What are the interests of Council members and how do they shape the governance of the ICAEW?

The research sought to better understand the role of the Council within the governance and accountability structures of the ICAEW by drawing Bourdieusian concepts. The adoption of Bourdieu’s analytical tools has helped to examine the relationship between the public accountability (Sinclair, 1995) of the ICAEW to both its membership and those beyond. The study also addressed the political accountability (Sinclair, 1995) of the ICAEW Council members to their constituencies.

Primary and secondary data collection techniques were adopted to generate the empirical evidence for the study. Primary data were collected through semi-structured interviews conducted with members of the ICAEW Council. Secondary data were collected from a range of publicly available documents and web-based sources.

This chapter concludes the thesis by summarising the main points in the preceding chapters, outlining the main findings and contributions, reflecting on some limitations of the study and possible directions for future research, together with a consideration of the implications arising from the findings.

8.2. Summary of the thesis chapters

Chapter 1 introduced the thesis, explained the motivation for the study, and outlined the origin of the research questions. It also outlined the contributions to the literature, theory and practice. Whilst prior studies have examined the governance of professional accountancy bodies in an historical context, this study offers a contemporary framing through interviewing members
of the Council of the ICAEW. The perspectives generated by those involved in the governance processes add to our understanding of the tensions that exist and the control mechanisms deployed; these are often obscured in the official narratives, accounting records, minutes of meetings and other public data. The adoption of Bourdieusian concepts to organise the analysis helped to provide insight into the various layers, which exist within the governance structure and how they interact, as well as the workings of agency within a governance and accountability structure that is aimed at shaping accounting practice locally and globally.

Chapter 2 reviewed the literature to assist the development of the research questions in relation to prior studies. It outlined what the governance of professional membership bodies means and how their governance structures differ from other organising structures, e.g., corporates, charities. Forms of accountability identified in the literature were reviewed prior to focusing the study on two forms of accountability (Sinclair, 1995). Joannides’ accountability questions were used to help focus the study (Joannides, 2012) on two aspects: public accountability of the ICAEW, to the members and beyond; and political accountability of the Council members to their constituencies.

Chapter 3 outlined elements of Bourdieu’s theoretical framework and the existing accounting literature, which draws on those aspects to shed light on the contribution of theory to illuminating broader tensions within accounting structures. Theory helps to deepen the analysis of the research questions by offering established structures and vocabularies to articulate research findings.

Chapter 4 outlined the research methodology and methods adopted in this thesis. A discussion of research paradigms within accounting research was presented as part of the methodological backdrop to justify the rationale for the selection of a critical paradigm for this thesis. The research methods adopted were outlined together with the selection of the case study approach. The process of data collection adopted for the study was also presented, together with an overview of how the interview data were analysed.

Chapter 5 presented the empirical results that answered the first research question: How is the ICAEW governed and to what ends? The chapter addressed the public accountability of the ICAEW to the membership and beyond. The findings identified a differential accountability to the membership between elected and co-opted members of the Council. Further, the democratic election processes were shown to result in an imbalance in sectoral representation within the Council directly leading to the amplification of certain voices within the governance
processes. Accountability beyond the membership to the public interest is achieved in two ways: through the Code of Ethics; and through the debates within the Council (Cochran, 1974). The effectiveness of the debate process was questioned in light of the imbalances in representation.

Chapter 6 focused on aspects of political accountability (Sinclair, 1995) of the individual Council members by examining the appointment processes and their capital profiles. In so doing, the chapter answered the second research question: What are the interests of Council members and how do they shape the governance of the ICAEW? Findings reflect the implicit controls imposed throughout the election process from establishing nomination and candidature to developing a network of peers to vote for candidates. Differences between the capital profiles of elected and co-opted members were revealed with elected members using their position to extend their capital profiles and co-opted members being instrumentalised by the ICAEW to lend their already established capitals to the Council to secure legitimacy and representation from certain groupings e.g. Big Four partners.

Chapter 7 discussed the findings using Bourdieu’s analytical structure as an organising tool, which helped to deepen the analysis. The research questions addressed structure and agency within the ICAEW, and findings centred on the public accountability of the ICAEW to the membership and beyond and the political accountability of the ICAEW Council members to their constituencies.

8.3. Summary of the main findings

The focus of this thesis was to examine questions of governance and accountability of professional membership bodies through a case study of the ICAEW. The ICAEW is a professional membership body for accountants that grants the designation of ACA following a period of training combined with the successful completion of a set of professional exams. Members also commit to abide by a Code of Ethics and maintain their competence through annual CPD attestations. Whilst the ICAEW is based in the UK, it has an international footprint with its international membership increasing at a faster pace than the domestic membership growth: 25% of student members are now based internationally (FRC, 2018a). This has created new challenges for the governance structures of the ICAEW and the historic mechanisms designed to establish accountability to the membership. Specifically, the case study focused on the Council and its members as this is the strategic decision-making forum within the ICAEW. The main
findings arising from research questions that the thesis sought to answer are outlined in Section 8.3.1 and section 8.3.2.

8.3.1. How is the ICAEW governed and to what ends?

This research question was answered by examining the public accountability of the ICAEW to its membership and beyond. Bourdieu’s concepts of symbolic power and violence help to deepen the analysis of the structures of accountability.

The findings are that the political accountability to the membership is constrained by the historic structures of the ICAEW, which rely on geographic elections and the District Society network as a conduit to the membership. In contrast to elected members, co-opted members do not have a mechanism of accountability to the sector from which they are co-opted creating a differential accountability.

Public accountability beyond the membership is established through the Code of Ethics and its enforcement by means of the Institute Regulatory Board. Compliance with the Code of Ethics facilitates the ability of individual members to pursue their own self-interest (Izza, 2017). The debate process within the Council is understood to serve the public interest, however the findings show that the debate is likely to amplify certain interests. This is a direct result of the imbalances created through the election processes.

The capacity of the ICAEW to address the structural imbalances will directly affect its ability to maintain its symbolic power both externally and with its membership. It is increasingly important that the weaknesses in the governance and accountability structures area addressed as the membership continues to fragment across sectors and internationally (Ramirez, 2009). In addition, the capacity of the ICAEW to access international policy making fora is closely linked to its ability to extend its footprint and maintain its symbolic capital.

8.3.2. What are the interests of the Council members and how do they shape the ICAEW’s governance?

Research question two was addressed through an analysis of the processes of appointment to the ICAEW Council and the capital distribution of its members.

The findings indicate that there is a distinction between the routes to the Council membership, elected or co-opted, which results in differential capital profiles of members following each route. The elected members reflected on the importance of the District Society within their constituencies to steer candidature and election success. Typically, those who seek election
establish their nomination through the District Society, building cultural and symbolic capital in this forum. This route serves to perpetuate the status quo and tends to result in an over-representation of small practitioners who often are more active within the District Society structure.

Engagement of the wider membership with the ICAEW governance processes is low, with the majority of members remaining content to let others maintain the symbolic capital of the ICAEW and the ACA. However, when this has come under threat of perceived dilution via mergers, there has been a significant engagement resulting in the defeat of proposals to consolidate the UK accountancy profession (Willmott, 1986). This outcome is directly linked to the problematic representation processes outlined above.

The imbalances created by the electoral system are addressed to some extent by co-options to Council, which helps strengthen the legitimacy of the ICAEW’s governance structures (Sellers et al., 2015). However, this perpetuates the lack of engagement with the democratic processes by high profile members and reinforces the historic structural weaknesses.

The ICAEW must act to address the deficits in the political accountability of its membership without alienating those powerful members who lend it legitimacy through co-options to the Council.

8.4. Overview of the main contributions of this study

Contributions are offered to theory, the literature on the professions, and to policy and practice in the following areas.

8.4.1. Theory

This thesis applies an established method theory drawn from sociology to the field of accountancy within the UK by treating the ICAEW as a sub-field (Ejiogu, A., Ambituuni & Ejiogu, C., 2018). In so doing, the thesis explores questions of structure and agency and their inter-relationship using concepts of symbolic power and violence and capitals. Drawing on elements of Bourdieusian theory to organise and deepen the analysis of the governance and accountability of the professional body helps to contribute to domain theory (Lukka & Vinnari, 2014).

The work extends the existing work related to the public and political accountability (Sinclair, 1995) of professional accountancy bodies highlighting the importance of the representation
processes within the governance and accountability structures along with the use of co-options to address weaknesses and strengthen external credibility. Joannides (2012) accountability questions helped frame the empirical work and add to the to the public interest literature on the accountancy profession e.g. Lee (1995), Parker (1994) and Sikka et al. (1989).

8.4.2. Literature

Contributions are made to the literature on the governance of democratic membership organisations (Spear, 2004) through examining the ICAEW as a case study and reflecting the inherent tensions and imbalances that have been internalised within the objectively democratic structure of such bodies. In so doing, the thesis adds to the literature on symbolic power and its ‘covert’ operation (Tremblay et al., 2016). This thesis expands the extant literature on the ICAEW, which primarily adopts an historical critical perspective through adopting an interview method to capture contemporary perspectives and experiences of those participants within the Council.

The research also contributes to furthering the understanding of the governance and accountability of the ICAEW. It explored two types of accountability (Sinclair, 1995): public accountability to the membership and beyond; and the political accountability of the members of the ICAEW Council to their constituencies. In so doing, it contributes to a greater understanding of the concept of the public interest and its rhetorical adoption by the ICAEW as part of its technical core (Oakes et al., 1998). The interview process revealed the absorption of the term into the governance structures of the ICAEW.

8.4.3. Policy and practice

Policy and practice findings identify that the geographical election structure has led to a sectoral concentration of elected members within the Council, resulting in imbalances in composition. The increasing heterogeneity of the membership (Ramirez, 2009) has led to challenges to the role of the District Society network in establishing and maintaining political accountability by interviewees; past reforms have not effectively addressed these concerns (Ramirez, 2009). The empirical evidence identifies that this has led to an amplification of concerns related to those members rather than those of the wider membership.

The inherent deficiencies of the democratic processes of representation (Knoke & Prensky, 1984) result in the co-option of members to create a more balanced Council (Friedman & Phillips, 2004) and secure the input from high profile members of the profession. These attempts
to generate a governance body that is more reflective of the membership are shown to create a division in the membership of the Council. Co-opted members tend to have a different capital profile from elected members and are often able to parachute to officeholder positions as a result. This assumes that when the Council acts as an electoral college for office holders it acts as a proxy for the membership however, this is not the case and may result in increased success for those displaying certain capital profiles.

Reform must be balanced to retain the legitimacy that high profile co-optees bring to the ICAEW. Prior research into the AICPA indicates that the loss of this capital within the Council could lead to a diminished role for the professional body as a whole (Sellers et al., 2015). The maintenance of the symbolic power of the ICAEW is one of the primary aims of the governance process as it enables the ICAEW to attract new members and increase its ability to represent its members in the political and policymaking fora.

The pressure on the ICAEW to address the fundamental challenge around the processes of representation and accountability of individuals to a constituency and of the Council to the whole membership is likely to continue increase as the membership is increasingly internationalised. Unless these matters are adequately addressed, the capacity of the Council’s debate processes to adequately reflect the public interest is likely to come under scrutiny.

8.5. Limitations of the research

Three primary types of limitation to the research have been identified and will be expanded on below; namely theoretical approach, scope of the study, and the focus on a case study.

The first limitation results from the selection of the theoretical lens to apply to the study, which is a personal choice for the researcher following an evaluation of alternatives (Broadbent, 2002). In this case a Bourdieusian method theory was adopted to help organise the research and provide a framework to develop an understanding of the interplay between the ICAEW structures and the agency of the Council members who govern the ICAEW. Other governance theories might have been adopted, e.g., Foucault’s governmentality framework (Foucault, 1991), Latour’s actor network theory (Latour, 2007), or institutional logics (Greenwood, Oliver, Suddaby & Sahlin-Andersson, 2008), amongst others. In common with other method theories, these alternative theoretical frameworks have been imported from other domains and have their merits for shedding light on related research questions from different structure and/or agency perspectives (Lukka & Vinnari, 2014). A Bourdieusian lens was selected to frame the
study as it offers an organising tool to help explain the interplay between agency and structure within the ICAEW Council. Therefore, an understanding can start to be constructed of how the interests of the Council members shape the governance of the ICAEW and how the structures perpetuate the dominance of certain interests.

The identification of the ICAEW as a sub-field within the field of UK professional accountancy bodies may also constitute a limitation as the solution to a particular problem may differ depending on which field perspective is adopted (Shenkin & Coulson, 2007). Other ways of viewing the field of study might have been to analyse the field of professional accountancy bodies either at a UK level or internationally. The study of the ICAEW as a sub-field helps the case study to remain focused on the ICAEW and its governance processes and structures.

The second limitation arises from the scope of the study. The research was limited to a case study of one professional body’s governance structure through the governing Council. The interview pool was limited to those who were at least part-way through their second term as elected members as at June 2017, or were co-opted for the first time prior to that date, to ensure that members had some experience of the Council process. Elected members are partially refreshed every two years; therefore, conducting the research in a longitudinal manner may yield different results as the profile of members changes over time. Other interviewees might have included the Executive Board members to focus on the interaction between the operational Board and the Council, or the wider membership, to understand the low levels of engagement and participation in the election processes.

A third limitation relates to the case study context. The thesis was limited to a case study of one UK professional accountancy body’s governance structure, which differs in some respects from the structure of other UK professional accountancy bodies as well as that of international professional accountancy bodies. For example, other UK professional accountancy bodies, whilst also constituted by means of Royal Charter, are subject to bespoke Charters and bye-laws. Internationally, the constitutional structures vary and, as such, caution should be applied to generalisation of all aspects of the study. This limitation is mitigated by the rich insight that can be derived from a focused case study (Humphrey, 2014). A relevant case study has the potential to shed light on complex structures and organisations that cannot easily be realised through alternative research methods (Lukka & Kasanen, 1995).
8.6. Suggestions for future research

The limitations outlined above can be applied as a guide to stimulate future research into the governance of professional membership bodies. This section offers some suggestions to help germinate further research ideas rather than as a comprehensive list. They focus on the theoretical approach adopted, the delineation of the field of the study, and alternative research methods and questions.

First, a different theoretical framing may generate complementary insights into the governance of the ICAEW (Llewelyn, 2003). This is a decision for the researcher based on their paradigmatic beliefs and is likely to lead to different research questions and methods (Lukka, 2010). The critical paradigm adopted in this study draws on a broad range of theories to inform research studies (Gendron, 2018b). For example, Foucault’s conceptions of governmentality (Foucault, 1991) could be applied to the Council drawing on the notion of the panopticon as a framework for analysis of the power relationships at play between the membership, the Council, and the Executive function within the professional body. A constructivist paradigm might draw on actor network theory (Justesen & Mouritsen, 2011). Actor network theory has often been used to explain change through the application of the concept of ‘translation’ (Latour, 2007). This theory is defined by the assertion that both humans and non-humans possess agency (Justesen & Mouritsen, 2011). In accounting research, reliance is often placed on the works of Latour and draw heavily on one work, Science in Action (Latour, 1988), possibly as a means of overcoming the complexity of the theoretical contributions to actor network theory (Justesen & Mouritsen, 2011). This therefore offers an opportunity to add to domain theory (Lukka & Vinnari, 2014) through either an holistic application or a focus on different writings or writers in the application of the theory to the field of accounting.

Alternatively, a different delineation of the field of study within a Bourdieusian analysis may offer new insights into the governance of professional accountancy bodies (Shenkin & Coulson, 2007). Replication studies with Council members of other UK-based professional accountancy bodies could provide additional insight into the governance of the field of accounting and the different interests that these bodies serve. This research could also be undertaken across other professional membership bodies constituted by Royal Charter, e.g., the Royal Institute of Chartered Surveyors.

Similar studies could be undertaken with Council members of CAWW membership bodies or the GAA membership bodies to further our understanding of the influence of the enabling
constitutional structure and national context on the governance of professional accountancy bodies. Research may also be extended to focus the membership and governance processes for such international groupings.

A differing research paradigm may also result in the adoption of different research methods to answer the research question. For example, an historic comparator between the official minutes and the perceptions of the Council members might reveal differences in the domination of the Council debates. Other potential areas of interest would include a longitudinal study of the Council membership to investigate questions related to sectoral representation and composition by gender, age or ethnicity. This quantitative approach might be adopted by those adopting a positivist paradigm or as part of a broader mixed methods study.

8.7. Implications of the research findings

The research has implications for theory, the literature, and policy and practice. These are outlined below.

8.7.1. Theory

The theory of the public interest continues to evolve outside of its original political science origins where the public is generally accepted as the electorate. When adopted by professional membership bodies, the concept of public becomes increasingly problematic (Willmott et al., 1993). This is balanced against the purpose of enabling members to pursue financial maximisation strategies (Matthews, 2017) and the self-interest of the professional bodies in creating a sustainable membership base. The research findings indicate that there is significant scope for further work in this area.

8.7.2. Literature

The research has implications for the literature on the professions beyond accountancy as it has adopted a qualitative interview-based approach to research the governance of a professional membership body. It has addressed the internal governance structures of the ICAEW, which are often taken for granted, and contributed to opening the black box for others to extend the research to the other key governance bodies within the ICAEW, i.e., the Board and the Executive function and their inter-relationship, and in other professional membership bodies.
8.7.3. Policy and practice

The implications of the findings for policy and practice can be summarised as follows. First, the existing structures of democratic representation within the ICAEW have been shown to be imbalanced with differential accountability between elected and co-opted members. Further, as the profession has evolved the local accountability ties to the District Society network have perpetuated, despite the lack of engagement with this structure by members outside of practice. The result is that the composition of the Council no longer reflects the membership and amplifies certain interests. Section 7.2.1 outlines an approach to rebalancing the Council composition and involves reducing the reliance on geographic representation through the introduction of specific sectoral representation.

Second, the public interest will only be served consistently if the Council is representative and its deliberations are robust. A more systematic approach to the explicit consideration of the public interest must be introduced to Council deliberations, for example, through consistent reference to the Sustainable Development Goals (SDGs) in the papers presented to the Council. Steps to include public interest representatives within the Council are unlikely to be effective as those individuals bring their own personal experience and interests to the debate (Bozeman, 2007a).

Third, the paramount priority for the ICAEW is to maintain its symbolic power; this will ensure its sustainability in a competitive field of professional accountancy bodies seeking growth in membership and the resultant influence that scale can provide e.g., in the international standard setting bodies. ICAEW must continue to seek to safeguard and expand its ability to represent the interests of its membership in these important fora. The most likely route is through alliances with other Chartered Accountancy bodies, e.g. through the Chartered Accountants Worldwide grouping.

Reform of the election processes to secure a more representative Council is critical to maintaining the ICAEW’s capacity to speak on behalf of its members and represent their interests.

8.8. Conclusions

This thesis has engaged with the research questions posed related to the governance and accountability of the ICAEW, a professional accountancy body. It is the first detailed study of the ICAEW Council’s governance and accountability and draws on an assembly of viewpoints from
interviews with the Council members. In so doing it starts to open the ‘black box’ (Willmott et al., 1993) of the ICAEW’s governance processes. The findings could be applied to a range of professional membership organisations and reflect the challenges involved in the synchronisation of individual personal and professional interests. The main findings of the research are briefly summarised as follows.

First, the ICAEW is accountable to its members and beyond. However, its accountability to the membership is constrained by the composition of the Council and the differential accountability between elected and co-opted members. These structures result in the amplification of certain interests. This imbalance leads to the capacity of the debate processes within the Council to reflect the public interest to be questioned.

Second, the processes of representation and accountability of elected members result in a Council, which does not reflect the interests of the membership. Those who engage with the election processes cultivate a field specific capital profile to secure election, whilst co-optees provide a legitimacy to the Council through lending their capitals to it. In particular, the interests of business members are marginalised through the current composition of the Council. This might be addressed through a reduction in geographic constituencies, releasing seats for sector based elections.

Finally, the findings indicate that the existing governance and accountability structures must evolve to effectively address the changes in membership composition. The membership is expected to continue to fragment in terms of sector and location as the work of accountants becomes increasingly specialised. Failure to adapt will undermine the symbolic power of the ICAEW and constrain its claims to represent the interests of its members.
Bibliography


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Appendices

Appendix 1 Participant information sheet

PARTICIPANT INFORMATION SHEET

Study title
The governance of professional associations – the accountability of accountants. A case study of the ICAEW.

Invitation paragraph
You are being invited to take part in a research study. Before you decide whether or not to take part, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully.

What is the purpose of the study?
The study explores the governance structures within the ICAEW and how they provide a relevant degree of accountability to the membership. In doing so it considers composition of Council, its roles and responsibilities, the relationship with the Executive function and the effectiveness of Council.

Why have I been invited to participate?
You have been invited to participate as a member of Council.

Do I have to take part?
It is up to you to decide whether or not to take part. If you do decide to take part you will be given this information sheet to keep and be asked to sign a consent form. If you decide to take part you are still free to withdraw at any time and without giving a reason.

What will happen to me if I take part?
We expect the interview to last for around one hour and it may be followed up by email questions. The interview will be recorded and transcribed.

What are the possible benefits of taking part?
Benefits from participation include contributing to a study on governance of the professional body which may have both theoretical and policy implications.
Will my information in this study be kept confidential?

All information collected will be kept strictly confidential (subject to legal limitations). This will be achieved through the anonymisation of the individuals interviewed in file storage and publication of the research material.

Consent forms will be stored separately.

What should I do if I want to take part?

Please sign the attached consent form.

What will happen to the results of the research study?

The results of the research study will be used for conference submissions and academic publications.

Who is organising and funding the research?

The research is being undertaken by Susan Smith of the University of Sussex.

Who has approved this study?

The research has been approved by the Social Sciences & Arts Sciences & Technology Cross-Schools Research Ethics Committee (C-REC) ethical review process.

Contact for Further Information

Contact: Susan Smith, University of Sussex susan.smith@sussex.ac.uk

If you have any concerns about the way in which the study has been conducted, please contact Jayne Paulin j.e.paulin@sussex.ac.uk

University of Sussex has insurance in place to cover its legal liabilities in respect of this study.

Thank you

Date

6/6/2017
CONSENT FORM FOR PROJECT PARTICIPANTS

PROJECT TITLE: The governance of professional associations – the accountability of accountants. A case study of the ICAEW.

Project Approval Reference: ER/SS706/11

I agree to take part in the above University of Sussex research project. I have had the project explained to me and I have read and understood the Information Sheet, which I may keep for records. I understand that agreeing to take part means that I am willing to:

* Be interviewed by the researcher
* Allow the interview to be audio taped
* Make myself available for a further interview should that be required

I understand that my responses will be attributed to an anonymised respondent to prevent my identity from being made public.

I understand that I will be given a transcript of data concerning me for my approval before being included in the write up of the research.

I understand that my participation is voluntary, that I can choose not to participate in part or all of the project, and that I can withdraw at any stage of the project without being penalised or disadvantaged in any way.

I consent to the processing of my personal information for the purposes of this research study. I understand that such information will be treated as strictly confidential and handled in accordance with the Data Protection Act 1998.

Name:

________________________________________

Signature
Appendix 3 Outline interview questionnaire

Interview Guide

Background questions

Member name
Gender
Career to date
Current employer

General questions

1. What is the role of the ICAEW?

Theme 1: Composition of Council

How and by whom is the ICAEW governed?

1. Why did you stand for Council? (or Q4 if co-opted)
   1.1. When did you join Council?
   1.2. Which constituency do you represent?
   1.3. Why do you think you successful?

2. Why does the election process encourage a representative group of candidates to stand for election?
   2.1. Why is the District Society structure important in the overall context of the ICAEW?
   2.2. Are certain groupings more likely to be successful in the election process?
   2.3. Why do you think so few members vote in the Council elections?

3. Why were you co-opted to Council? (if not elected)
   3.1. What is the co-option process?
   3.2. What grouping of the membership were you co-opted to represent?
   3.3. How do you feel you fulfil this role?

4. What is your employer’s attitude to your Council responsibility?
   4.1. Why do they take this view?
   4.2. How would you define your employment?

5. In what way do you feel you have benefitted by being a Council member?

6. Why is diversity on Council important?
   6.1. What factors are driving increased/reduced diversity?
Theme 2: Council Roles and Responsibilities

How does Council manage its accountability role?

1. Why is Council important?
   1.1. What is its role?

2. What is your role on Council?
   2.1. How do you understand the role of an elected representative?
   2.2. How does Council serve the public interest responsibility of the ICAEW?

3. Does the way in which Council is governed affect its accountability to members?
   3.1. Are some member groupings more important than others? Why?

4. How do other stakeholders (i.e. outside of the membership) affect how the ICAEW is governed?
   4.1. What are their interests in the ICAEW?
   4.2. How does the ICAEW account to their interests?

5. Do you sit on any committees?
   5.1. How and why were you appointed to the committee?
   5.2. How is the committee governed?
   5.3. Who sets the agenda and takes action points?

Theme 3: Council-Executive relationships

How does Council monitor the Executive function?

1. Has power between the Council and Executive shifted over time?
   1.1. Why do you feel this is the case?

2. How does Council interact with the Executive?
   2.1. Consider strategy setting
   2.2. Consider agenda setting
   2.3. To what extent is the Council structure and process helpful to senior executives in guiding their decision making?

3. Do you consider you receive sufficient information on which to base your decisions in Council? (Materiality/Quality/Timeliness)
   3.1. What improvements could be made?

4. Which KPIs are used to monitor the operational effectiveness of the ICAEW?
   4.1. Who determines these measures?
   4.2. How do they reflect the strategy of the body?
   4.3. To what extent are they useful/appropriate?
   4.4. Are there other KPIs which may be more effective? Why do you consider this to be the case?
Theme 4: Council effectiveness

How effective is the existing governance structure in light of challenges facing ICAEW?

1. What factors do you consider influence Council effectiveness?
   1.1. Why have you selected these matters?
   1.2. Provide an example Council effectiveness. Why have you chosen this example?

2. What are the biggest challenges facing ICAEW?
   2.1. Can these challenges be overcome?
   2.2. Discuss challenges arising from the almost conflicting expectations of various member (stakeholder) groupings. How can they be reconciled?
Appendix 4 Member mailings from 2019 election campaign
Reproduced with addressee’s consent.

Reminder: stand for election!

Dear [name],
(member number: [number])

A reminder that nominations are currently open for council elections in your constituency. This is a fantastic opportunity to participate in ICAEW strategy and governance.

The deadline for nominations is 12 noon on Thursday 20 December 2018.

Apply now to get involved in shaping a better future for ICAEW.

Why stand for election?

If elected, you will represent members in your constituency, contribute to our strategy and debate key issues faced by ICAEW Chartered Accountants.

Your constituency notice

Read your constituency’s election notice to find out exactly what’s involved when standing for election.

Download a candidate support pack

This guidance document has information on the elections and how to stand.
Appendix 5 Social media images from 2019 election campaign

Reproduced with the consent of the ICAEW and the individuals.

Come join us!

‘The breadth and depth of experience, knowledge and diversity of Council members makes it a privilege to be part of.’

Vincenzo Leporiere, Council Member, UK Finance Director, Hays Talent Solutions

Shape the Future!

‘There’s no better way to meet those running the accountancy profession and driving the future agenda than being involved in Council.’

Jessica Bernardz, Council Member, Director, Financial Planning & Analysis Entertainment One UK
ICAEW COUNCIL ELECTIONS

Get involved!

‘Join the debate on what is a pivotal point in our profession!’
San Gunapala, Council Member, Audit Partner, EY
Appendix 6 Thematic analysis of candidate election statements (2015 and 2017)

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<td>1S, 4S, 6S, 7S, 10S, 12S, 15S, 16S, 18S, 22S, 25S, 28S, 33S</td>
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<td>Protection - qualification</td>
<td>8S, 14S, 16S</td>
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<td>Regulation</td>
<td>10S, 14S, 20S, 27S, 33S</td>
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<td>Influence</td>
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<td>Engage practice and business</td>
<td>14S, 17S, 28S</td>
<td>2, 31</td>
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<td>Business members</td>
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