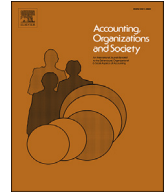




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Identities in transition: Audit recruits and the German reunification

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ABSTRACT

This paper studies the identity transitions of East German audit recruits during the fundamental ideological, economic, and societal change brought about by the reunification of Germany in 1990. Integrating the identity work literature with key concepts from Pierre Bourdieu and Erving Goffman, we build on semi-structured interviews with two groups of recruits—university graduates and former state auditors—to explore and theorize the marked differences observed in these recruits' transition processes. In line with wider processes of territorial stigmatization, we argue that the West German audit firms pragmatically instrumentalized their local personnel, seeking to deploy them without intending to integrate them into the profession. In turn, the audit recruits met with this exertion of symbolic violence by managing a 'spoiled identity'. The university graduates found it easier to recognize and accumulate legitimate forms of capital, thereby submitting themselves to the inculcation of the profession's socialization process, which ultimately yielded their institution into the profession. In contrast, the former state auditors' local knowledge and access to client networks provided immediately useful capital to the West German firms, which, however, sought to retain a status differential vis-à-vis these recruits. As a result of such strategies of condescension, the former state auditors maintained key aspects of their identity as a salient part of their self-conception. We further highlight the role of the local audit offices in the recruits' transition processes, as they evolved from flexible spaces, which allowed for experimentation and improvisation, into more structured units. This process embedded professional values and practices, thereby creating localized office identities.

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They all said: 'You don't need to fear for your existence. You will all become audit slaves!'

(East German Audit Recruit, Former State Auditor, Interviewee 1011)

Well, I was simply curious about these people, these guys. I hadn't had enough contact with the West [...] regarding the West German work ethos, potential problems, unemployment—regarding all of this I was completely green. I was totally open and said: 'OK, great, I can learn something here, pick something up.'

(East German Audit Recruit, University Graduate, Interviewee 1217)

1. Introduction

On October 3, 1990, the territories of the former German Democratic Republic (GDR), or East Germany, joined the Federal

Republic of Germany (FRG), or West Germany. Although this date marked the formal completion of the German reunification, it was only the beginning of a process that had a huge impact on the social, political, and economic situation in Germany, particularly in the East, where it “fundamentally transformed daily lives” (Jarausch & Gransow, 1994, xiii). For the people in East Germany, reunification challenged existing self-conceptions and soon triggered existential fears, especially as large-scale privatization, rationalization, and asset-stripping led to redundancies, often without prospects of re-employment. It also led to “a sweeping exchange of bureaucratic elites” (Markovits, 1996, p. 2271) and a “professional purge”, particularly in the legal profession (Blankenburg, 1995, p. 225). Auditing, however, was largely exempt from such lustration processes, since the privatizations and restructurings, but also the implementation of capital-market-oriented accounting systems created new demand for audit services (Young, 1999). This demand was met by West German audit firms, which transferred key management personnel from their offices but recruited the majority of audit staff in East Germany.

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This paper adopts an oral history approach to study the identity transition processes of these East German audit recruits, drawing on interviews with 37 East and West German audit professionals who participated in these events. The West German audit firms sourced their East German recruits from two pools, the *Staatliche Finanzrevision* (SFR), that was the GDR organization in charge of auditing state-owned enterprises and municipal activities, and GDR universities' recent graduates. While the SFR was dissolved after reunification, its auditors represented a particularly useful form of capital to the West German firms due to their local networks and accounting knowledge. The above opening quote by the former state auditor illustrates the condescending way with which these recruits were admitted to, but not integrated into the West German audit profession. In turn, the university recruits were hired soon after graduating, suggesting that they were open to adapting to new work and social environments. The graduate interviewee quoted above hints at how this group of recruits openly sought to adapt to the demands of the profession.

Our setting is different from other instances of audit infrastructures emerging in transitional and developing economies, where locals were either excluded or marginalized (Annisette, 2000; Hammond et al., 2009; Sian, 2006, 2007). It permits us to investigate the research problematic of how disruptive and colonializing events affect the identity work of audit professionals (Cooper et al., 1998; Empson, 2004; Gendron & Spira, 2010; Mennicken, 2008, 2010; Samsonova, 2009), by studying how East German audit recruits experienced their integration into the West German audit profession. As the opening quotes suggest, we see differences in how the recruits' identity transitions unfolded. We conclude that these differences have much to do with how the recruits were treated by the West German audit firms as well as how they managed their identities in response. This connects our research problematic to the "complementary" theoretical perspectives of Pierre Bourdieu and Erving Goffman, as the former "works from above" to study the impact of symbolic authorities on individuals, while the latter "works from below" to gauge the sense-making and identity management of a *spoiled identity* (Wacquant et al., 2014, pp. 1272–3).

Accordingly, we conceptualize the East German recruits' identity transition processes as consisting of three phases (Van Genneep, 1909/1960): *separation*—the detaching from an existing identity, *liminality*—a situation of "in-between-ness", where the substance of identity work occurs, and *reincorporation*—the stabilization of a revised identity. The analysis of the recruits' experiences is based on the understanding that any successful identity transition requires *social essence*, that is "the set of those social attributes and attributions produced by the act of institution as a solemn act of categorization which tends to produce what it designates" (Bourdieu, 1991, p. 121). Thus, the recruits would need to recognize and adopt those forms of *capital* which are considered legitimate in the *field* (Bourdieu, 1977, 1986), and develop an understanding of the "rules of the game", principally by cultivating the *habitus* of an audit professional (Carter & Spence, 2014).

The West German audit firms, in turn, had at their command economic, social and cultural capital which equipped them with *symbolic power* over the new recruits (Bourdieu, 1989). The firms' position was further reinforced through *stigma power* (Link & Phelan, 2014), as East Germany and its people continued to be associated with their former state and its ideology, and hence being subjected to *territorial stigmatization* (Wacquant, 2007). Such powers may turn into *symbolic violence*, when the relevant capitals are used for purposes of domination. As West German norms were enacted in East Germany, the East German recruits were instrumentalized for mainly economic purposes by the West German audit firms. Deploying "strategies of condescension" (Bourdieu,

1991, p. 124), these firms exploited the social and cultural capital of the East German recruits, in particular as it pertained to their knowledge of East German businesses, institutions, and customs.

The two groups of recruits managed differently what may have been a "spoiled identity" (Goffman, 1963/90). The graduate recruits accepted the new requirements as *doxa*, and thus recognized and adopted legitimate forms of capital, thereby submitting themselves to the inculcation of the West German audit firms' extant socialization processes. Accordingly, their assimilation into the profession unfolded along similar lines to that of graduates in other settings (Anderson-Gough et al., 1998, 2000, 2001; Grey, 1998). In contrast, the SFR recruits were kept at a distance, as the audit firms sought to reap these recruits' capital without transmitting their own capitals in return. Thus, the status differential between an elite profession and auditors that carried the stigma of having been associated with a socialist and totalitarian regime was retained. The recruits hence adapted only on the surface to selective requirements of the West German firms, while maintaining a strong in-group among themselves and cherishing their self-conception of (highly esteemed) ex-SFR auditors.

These findings emerge from a significant transitional setting that offers a rare opportunity to explore the identity transition processes of local auditors, who are often excluded when audit institutions emerge in transitional and developing economies (Annisette, 2000; Hammond et al., 2009; Sian, 2006, 2007). They add to the literature on the audit profession in such economies (e.g., Cooper et al., 1998; Mennicken, 2008, 2010; Samsonova, 2009) and the limited accounting and auditing literature on identity work triggered by disruptive events (Empson, 2004; Gendron & Spira, 2010). Our contribution then lies in revealing the impact of symbolic power on spoiled identities of local audit professionals, and how these individuals deal with the ensuing symbolic violence when undergoing a process of identity transition.

The paper proceeds as follows. The next section outlines our theoretical framework and is followed by a section describing the research methods employed. The subsequent section discusses the empirical material in light of the identity transitions of the two groups of East German audit recruits, and the final sections discuss and conclude on the findings.

2. Theoretical framework

2.1. The process of identity transition: separation, liminality, and reincorporation

Individuals continuously engage in identity work to maintain, repair, strengthen, or revise a coherent and distinctive sense of self (Alvesson & Willmott, 2002; Sveningsson & Alvesson, 2003). Yet identity work is most pertinent at times of change, when individuals become aware of the precariousness of their self-conceptions and face pressure to confirm or adapt. It is particularly triggered when individuals experience identity threats (Petriglieri, 2011), such as professional failure (Gendron & Spira, 2010), stigmatized identities (Slay & Smith, 2011), or changing organizational culture (Empson, 2004). Since identity work cannot be conducted in isolation (Kreiner et al., 2006; Snow & Anderson, 1987), individuals are highly attuned to information from their immediate surroundings (Petriglieri & Petriglieri, 2010; Salancik & Pfeffer, 1978).

Identity work is thus a vital feature of identity transition processes (Kornberger et al., 2011; Petriglieri & Petriglieri, 2010). Van Genneep (1909/1960) conceptualizes such processes as consisting of three phases: separation, liminality, and reincorporation. Separation is "detaching from the old sense of self" (Conroy & O'Leary-Kelly, 2014, p. 68). It is triggered by critical experiences, such as

occupational role transitions or termination, perceived identity threat, or even trauma (Ashforth, 2001; Ibarra, 1999; Ibarra & Petriglieri, 2010; Petriglieri, 2011; Petriglieri & Petriglieri, 2010; Pratt et al., 2006). A key challenge in this phase is to create an “ex role” (Ashforth, 2001; Ebaugh, 1988), a former self from which one must detach (Conroy & O’Leary-Kelly, 2014). The extent of identity work required for this varies. For example, in more radical transitions, individuals can draw only to a limited extent on prior knowledge, skills, and networks (Ibarra & Barbulescu, 2010; Louis, 1980), or the experiences or socialization processes of predecessors (Van Maanen & Schein, 1979).

Separation is followed by the core transition phase, which is conceptualized as a period “of liminality, during which individuals engage in sense-making [...] to determine who they were and who they are becoming” (Conroy & O’Leary-Kelly, 2014, p. 67). Liminality is thus an indeterminate state of ambiguity, of being in-between (Turner, 1982), when individuals imagine and explore provisional future selves (Ibarra, 1999). In this they are guided by “internal standards of self-congruence and external standards of appropriateness” (p. 774), as well as by pre-existing identities (Pratt et al., 2006). Individuals observe how role models “convey a host of underlying qualities” (Ibarra, 1999, p. 774) that reflect authority and professionalism, and promote values and norms that facilitate sense-making within organizations (Alvesson, 1994; Alvesson & Willmott, 2002; Louis, 1980).

The sociology of professions literature has identified mechanisms that individuals tend to adopt in audit firms to “construct” and “enact” professionalism (Cooper & Robson, 2006). Chief among these are collectively arranged forms of self-presentation, where appearance and demeanour convey professional conduct (Grey, 1998). Likewise, work practices may serve as rituals, as they are routinely enacted to create a sense of “comfort” (Pentland, 1993). For example, working long hours signals enthusiasm and commitment (Anderson-Gough et al., 2001), and can help to secure recognition and legitimacy (Lupu & Empson, 2015). In addition, auditors are expected to adopt certain modes of discourse, particularly when involving the client, who takes a central position in their interactions and work ethic (Anderson-Gough et al., 2000). As these traits are passed down from one cohort to the next, self-presentation, work practices, and modes of discourse create shared meaning among professionals. They offer socially legitimized norms of conduct, which entrants to the profession may adopt to mitigate their feelings of anxiety.

The period of liminality is followed by reincorporation. Individuals have established a new sense of self, which is now validated and internalized (Ibarra & Barbulescu, 2010). They will have developed a deeper, more nuanced understanding of their professional identity (Pratt et al., 2006) and work practices (Kornberger et al., 2011). In auditing, such reincorporation arguably culminates in the successful navigation of the audit credential, being auditing’s most important rite of passage (Anderson-Gough et al., 2001; Grey, 1998; Power, 1991). The professional exam is “a test or sign of the general ‘character’ or ‘calibre’ of the examinee and a *rite de passage* for the accountants of the future” (Anderson-Gough et al., 2001, p. 117). The exam is divisive: failure may result in termination of employment, but success entails initiation into the profession (Power, 1991). Its role as a vital rite of passage thus imbues the credential, in the perception of auditors, with “mythology”, making it a meaningful and shared symbol (Petriglieri & Petriglieri, 2010, p. 49). Any ensuing identity work serves to stabilize or refine this (new) identity into a coherent and positive self-conception (Dutton et al., 2010). Gaining such positive attitudes towards one’s work and work-related identity is a key outcome of the reincorporation phase.

However, individuals do not always progress to the final phase,

that is, reincorporation. They may remain “cognitively and emotionally consumed by the loss [of their former professional identity], stagnating in their inability to let go of the old self and/or to embrace the new and changed work self” (Conroy & O’Leary-Kelly, 2014, p. 68). Identity transition, therefore, is neither deterministic nor linear, but often involves prolonged reorientation, during which individuals struggle to make sense of their loss and to find new identities.

2.2. Identity transition, symbolic power, and stigmatization

Pierre Bourdieu (1991, p. 117) critically noted that Van Gennep’s (1909/1960) three-stage identity transition process does not offer more than a descriptive analysis of rites of passage, because it neglects questions “regarding the social function of ritual and the social significance of the boundaries or limits which the ritual allows one to pass over or transgress”. He argued that rites institute individuals into certain positions, thereby “sanctioning and sanctifying a difference (pre-existing or not) by making it known and recognized” (p. 119). What matters is the *act of institution*, which “signifies to someone what his identity is, but in a way that both expresses it to him and imposes it on him by [...] informing him in an authoritative manner of what he is and what he must be” (p. 121). By instituting individuals into distinct groups and requiring others “to maintain their rank and distance” (p. 123), rites are essential in (re)producing social structures and socially fashioned skills, dispositions, tastes, demeanour, or language. This is *habitus*, which is “cultivated rather than inherited” (Carter & Spence, 2014, p. 959) by individuals of similar social backgrounds. It forms part of *symbolic capital*—the combination of economic capital (material wealth), social capital (relationships and networks), and cultural capital (educational qualifications, behaviour and conduct)—which individuals mobilize to negotiate their positions within social structures, or *fields* (Bourdieu, 1986, 1989).

This understanding of rites of passage thus connect identity transition to Bourdieu’s notion of social fields. These are governed by certain logics of action (e.g., Bourdieu, 1984, p. 113), which structure the respective field and determine the relational positions of actors, in line with the latter’s endowment with and mobilization of different forms of capital. The resulting field structures become *doxa* (Bourdieu, 1977, p. 164)—uncontested “truths” that are perceived as self-evident—and individuals need to develop an understanding of these “rules of the game” to navigate a particular field. Structures are maintained by actors’ *symbolic power*, being “that invisible power which can be exercised only with the complicity of those who do not want to know that they are subject to it or even that they themselves exercise it” (Bourdieu, 1991, p. 164). Fields are thus held together by actors’ recognition of such power as *legitimate*. This may be more aptly termed *misrecognition*, because what is seen and understood as legitimate often rests on arbitrary rules that are upheld by actors’ collectively shared beliefs in extant power relations—i.e. *doxa* (Bourdieu, 1991). In turn, exercising this power takes the form of *symbolic violence*, when the different capitals function as instruments or legitimization of domination by way of (unconsciously) reinforcing the dominant groups’ norms (Bourdieu, 1979). More strongly, “high-capital agents employ symbolic violence—disparaging, demeaning, stigmatizing, and so on, characterizations and definitions of ‘distinction’ and ‘taste’—to control and maintain advantage over low-capital players” (Bednarz, 2017, p. 225).

We draw on these ideas to understand Germany’s reunification as a period of identity transition for East German citizens, including audit recruits as the subjects of our investigation. The socialist regime had governed their lives; *doxa* entailed that the state provided employment and basic resources, healthcare, and childcare,

but also that it restricted personal choice, especially in terms of education, employment, consumption, and travel. At the same time, there was a taken-for-granted understanding in large parts of society that everything West was desirable and opportune. When the Berlin Wall fell and the socialist regime was replaced almost instantly by new legal, economic, political, and social frameworks, this perspective gave incoming West Germans material and symbolic power. This power was enhanced by the stigmatization of East German citizens, in particular those associated with the political regime. Stigmatization is a form of power and governmentality (Tyler & Slater, 2018), and “can function as a means of formal social control” (Goffman, 1963/1990, p. 165). Stigma can be explored with reference to structural forces—including economic and political crises—where power is “conceptualized vis-à-vis the motives of institutions and states within a broader political economy of neoliberal capitalist accumulation” (Tyler & Slater, 2018, p. 732).

We argue that, after the German reunification, a process of territorial stigmatization unfolded (Wacquant, 2007), as a “blemish of place” was imposed to “justify the absorption of East Germany and the termination of its socialist-based institutions” (Bednarz, 2017, pp. 231–2). That is, once the national euphoria triggered by the reunification had abated (Roth, 2019), a form of “violence from above” ensued (Wacquant, 2008, p. 24). The West German identity was framed as the ‘norm’, against which East Germans were measured and considered to be deficient and outlandish (Roth, 2008). A mutual negative stereotyping followed and was reinforced in post-reunification discourses, particularly in the media (Ahbe, 2013).¹ Linked to this territorial stigmatization of East Germans were mass unemployment and diminishing private and public resources. In Bourdieu’s terms (1993, p. 127), “those who are deprived of capital are either physically or symbolically held at a distance”, and “the stigmatized area symbolically degrades its inhabitants, who, in return, symbolically degrade it” (Bourdieu, 1993, p. 129). This means that habitat and habitus mutually affect each other, entailing a process of corroding self-perceptions and constraining individuals’ capacity to thrive personally and professionally (Wacquant et al., 2014).

Following reunification, West Germans hence saw themselves validated and (intentionally or not) exercised symbolic violence vis-à-vis East Germans. They pursued their interests by mobilizing stigma power “with respect to the exploitation, control, or exclusion of others” (Link & Phelan, 2014, p. 24, p. 24), and “strategies of condescension”, which are purely symbolic transgressions of field structures that yield the benefits of transgression, while at the same time retaining or even strengthening social distance (Bourdieu, 1989, 1991). A strategy of condescension tends to be adopted when social distance is “sufficiently known and recognized” (Bourdieu, 1991, p. 68), so as not to be factually challenged. Since professionalism entails symbolic capital (Schinkel & Noordegraaf, 2011), such strategies would enable West German auditors to instrumentalize East German audit staff and their social and cultural capital, without providing the latter with any prospects of full inclusion.

This raises the question of how the East Germans perceived and responded to such treatment. That is, in Goffman’s terms (1963/90), theirs was a “spoiled identity” that needed to be managed by making sense of experiences and interactions. Broadly, responses can be characterized into “whether [individuals] submit to and

reproduce, or seek to defy and deflect, spatial stigma” (Wacquant et al., 2014, pp. 1275). They may thus retreat into the familiar, where they experience a form of “in-group alignment” that mitigates feelings of, but also enhances their differentness (Goffman, 1963/90, p. 137). Alternatively, they may resist and seek to overcome the stigma, for example through identity work. In a territorial sense, this might imply moving out of the area. It may also entail efforts to leverage their preferential access to local resources and in-group advantages, and thus to benefit from their position (Cowden et al., 2022).

In sum, we posit that the West German auditors instrumentalized the East German recruits and that the degree to which they did so affected the latter’s identity transitions. Ultimately, this affected whether the recruits would be instituted into the audit profession, or whether they would be admitted only superficially while substantially held at a distance.

3. Research methods

Our research is based on 37 interviews that focus on auditors’ recollections of their experiences during and after the German reunification. All interviews were conducted in 2014 and 2015, which is about 25 years after the events took place. Many of our interviewees were retired or near retirement age, which is a stage in an individual’s life that often coincides with a “life review” (Hammond & Sikka, 1996, p. 88). It leads to a desire to recount experiences, with more critical reflection and less self-consciousness than would have been the case earlier. The timing of our interviews meant we were able to gather information, from those having experienced historical events, “before it is too late” (p. 88). Moreover, at the time of the interviews, the historical events were distant enough to reduce the risk that political or economic considerations interfered with the interviewees’ narratives. We used other data, including newspaper articles, textbooks, and the few surviving and accessible documents from the period under investigation to contextualize our findings.² We concluded that a more systematic analysis of such materials—had they been available—would not have enhanced, or changed, our analysis, given this paper’s focus on the oral histories of audit recruits and on how they experienced a specific transitional period. We believe that the opportunity to access the oral histories of this exceptional historical event outweighs any limitations inherent in the setting.

We conducted three pilot interviews with contacts from our personal networks to gain initial insights into events and experiences at the time, and relied on a “snowballing” process to recruit additional interviewees. We classified these as follows: (i) East German residents who had previously worked in GDR accounting and audit-type work, and found employment with a West German audit firm³; (ii) East German residents who had completed or near-completed education or training in the GDR, and also found such employment; (iii) West German auditors who had transferred to East Germany to establish or head a local office; (iv) West German

¹ The negative attributes associated with the East German stereotype included: insecure, workshy, lacking independence, unproductive, speaking with a strong dialect (Roth, 2019; Zehring & Domahidi, 2022). By contrast, West Germans were stereotyped as distanced, arrogant, egotistical, materialistic, and as speaking stilted high German (Roth, 2019).

² Much of the contemporary correspondence, audit working papers, and deliberations of professional bodies, etc., have either been destroyed or, where they may have survived, are not publicly accessible. Contemporary professional publications focused on the transitional accounting and audit requirements that have been documented elsewhere (Young, 1999), but were largely silent on issues concerning the profession itself and on professional identity. This limited opportunities for triangulation, other than contextualizing the interviews.

³ Even though in some instances their role was not primarily audit but rather accounting-related, we refer to this group as SFR recruits, since both functions served the socialist regime and shared similar ideologies, and, more importantly, similar prior occupational self-conceptions. An example is I1014, a former chief accountant in one of the GDR’s state-owned enterprises.

Table 1
Overview of interviewees.

Reference	Residency pre-1990	Role pre-1990 (1xxx), post-1990 (2xx,3xx)	Big Four	Non-Big Four	Non-auditing firms	Female	Male	Total
10xx 12xx	GDR	accounting/auditing university/education	2 7	3 —	4 —	3 5	6 2	9 7
20x/21x 22x 30x	FRG	manager or partner trainee remained in the West	7 3 1	6 — 1	— — 3	— 1 —	13 2 5	13 3 5
Average length of interviews: 75 min.			20	10	7	9	28	37

audit staff who had moved to East Germany to work in the local audit offices; and (v) West German residents who remained in the West but were involved in the developments of the audit field from a distance. The interviewees classified under (i) and (ii) were the main focus of analysis, while those classified under (iii), (iv), and (v) provided relevant context and insights into the influences on the East German recruits' identity transition, and how West German audit firms set up local offices in East Germany. An overview of interviewees is presented in Table 1.

Post-reunification, most of our East German interviewees remained in the audit profession or a related occupation. However, not all of the former SFR auditors managed the transition well, and many left auditing. This “survivor bias” means that our interviewees could shed light on the transition process they had undergone to become the kind of professional they are today. It also means that we are unable to study in depth the identity work of those who left auditing and chose another career path.

We conducted interviews in five rounds. This allowed us to reflect on preliminary findings to inform subsequent interviews. Interviews were recorded and ranged from 46 to 150 min (average: 75 min). They were transcribed, anonymized, and sent to interviewees for approval. We followed a semi-structured approach by pre-defining areas of interest, but were not “concerned with completing some preselected list of questions. Rich oral histories reflect a sensitive balance between the narrator's agenda and the interviewer's agenda” (Hammond & Sikka, 1996, p. 87).

We focused on the narratives and reflections of interviewees on events during reunification and the subsequent period, and each interviewee's associated identity transition (Van Gennep, 1909/1960; Conroy & O'Leary-Kelly, 2014). Recounting their experiences activated interviewees' desire to express and maintain an identity narrative that presents a coherent and distinct sense of themselves (Ibarra & Barbulescu, 2010). We thus learned “not just what people did, but what they wanted to do, what they believed they were doing, and what they now think they did” (Portelli, 1991, p. 50), all of which is relevant to understanding an individual's identity transition process.

The analysis of the transcripts proceeded along two orders (Van Maanen, 1979). First-order coding was based on interviewees' descriptions of their experiences. The two groups of East German audit recruits experienced the transition process differently and they achieved different outcomes. We thus decided to contrast the experiences of university graduates with those of the former SFR auditors. Our first analytical step involved mapping interviewees' narratives onto the three-phase identity transition process (Van Gennep, 1909/1960; Conroy & O'Leary-Kelly, 2014). Next, we analyzed the interview transcripts with reference to how the two groups experienced their transition. This ultimately meant adopting a Bourdieusian lens to interpret our data, enriched with concepts of territorial stigmatization and individuals' efforts to manage a spoiled identity (Goffman, 1963/1990). Second-order concepts emerged as “interpretations of interpretations” (Van Maanen, 1979, p. 541), as we assessed and made sense of the differences between

the two groups.

All three members of the research team have German as their first language and all interviews were conducted in German. The analysis was therefore based on German-language transcripts. This mitigated the bias inherent in data interpretation (Xian, 2008). Making our findings available in the English language adds an interpretive layer, and we acknowledge that translated text rarely reproduces meaning fully and objectively, especially in culture-specific, socially constructed narratives (Evans, 2018). To mitigate the effect of this, we jointly discussed our re-interpretation of the interview extracts in the English language. Where culture-specific concepts could not be rendered in English without a shift in meaning, we explain these in footnotes and/or retain the original German term.

4. Empirical narrative

For many people in East Germany, reunification triggered deprivation and hardship, as the privatization and closure of state-owned enterprises led to mass unemployment. However, a safe employment option was provided by the financial sector, including auditing, which faced a major shortage of skilled labor. As facetiously noted by one interviewee, the West German audit firms were willing to employ “anyone who could hold a pencil” (I1012), implying that employment was meant to meet extant labour demands, rather than integration into the West German audit profession. Accordingly, the following subsections explore how the two groups of East German audit recruits—university graduates and former SFR auditors—experienced their respective entries into the profession.

We begin our analysis of the identity transition narratives by investigating how, following reunification and their recruitment by West German audit firms, our interviewees began to separate from existing self-conceptions. We subsequently discuss how they negotiated the ensuing phase of liminality. The final empirical subsection explores the recruits' engagement with the audit credential and their reincorporation of a new or revised identity.

4.1. Separation

4.1.1. Graduate recruits: letting go and cultivating legitimate forms of capital

The recruits from the pool of university graduates had been completing their studies in 1989/90, and were looking for employment. They had studied economics-related subjects, albeit from a socialist perspective, with an emphasis on various functions such as operations, control, engineering, logistics, and production. Accounting-related subjects, such as *Rechnungsführung und Statistik* (accounting and statistics), took a narrow focus comprising book-keeping, the management of funds, and certain aspects of public sector accounting, all aligned with the spirit of socialism (Young, 1999). None of these graduate recruits had relevant work experience, nor were they familiar with (western) accounting and audit

practice or modes of professional conduct:

One [entered] really something completely new. It's not like when a graduate joins industry. That's of course also a new situation, but he basically knows what to expect. [...] That was of course not at all the case for most of us, because for a start we had no conception of auditing as a profession, nor of the new legal requirements. They were created in parallel. (I1211)

This interview extract sums up the dominant themes for the graduate recruits: disorientation, a lack of guidance, and the difference between their situation and that of graduates in more stable circumstances. However, rather than as an identity threat (Petriglieri, 2011), our interviewees saw the reunification mostly as an opportunity—a temporary chance to lay the foundations for a new, albeit uncertain, future:

So, it was indeed of vital importance for me to say: 'Now or never! Get in at the deep end now, accept the challenge, and make the best of it because, in a few years, you may have missed the boat.' (I1212)

Finding work in auditing was driven by the search for ontological and financial security⁴ (Sveningsson & Alvesson, 2003), and was facilitated by word of mouth and serendipitous contacts and events (I1211; I1213; I1214). Graduates recalled their naïve sense-making, their impulsive choices, their lack of basis for informed decisions:

"I also applied at [audit firm], just because I had a degree in economics. I didn't know what an audit firm does; I only knew that I have an economics degree, so I applied." (I1215)

Once employment had been secured, however, the graduates' lack of understanding of the profession's "rules of the game", its knowledge base and practices, contributed to their uncertainty and anxiety (Van Maanen & Schein, 1979). This meant a need to adjust:

I remember the [first] seminar, when, in one of the first classes, it was said [that] we should look something up in the HGB [*Handelsgesetzbuch*, German Commercial Code]. I didn't know what the HGB was. The term, the abbreviation, I was not familiar with that. [...] And that shows that we stood there really with nothing. (I1217)

Nevertheless, the graduates soon appreciated that auditing offered excellent financial rewards and career prospects (I1213). They were aware of the provisional nature of their choice, and actively experimented with new directions and "provisional selves" (Ibarra, 1999). If auditing did not work out, other opportunities might arise (I1211). As such, the graduate recruits successfully let go of their prior identities. Their narratives reflect "putting to bed the lost self" (Conroy & O'Leary-Kelly, 2014, p. 77) rather than grieving for alternative or ex-selves:

Of course, I would [...] have moved into a completely different career. [...] But it is pointless to think about that, because one [has to] make use of the extant conditions. It does not make

much sense now to bemoan things, because in principle that does not really make anything better. (I1211)

What can you do? [...] I'm the kind of person who either does something or doesn't. [...] It was a different world, of course. A different way of working. [...] Of course, what could I have done? Moan? Cry? No, that's not me. (I1215)

In sum, the graduates readily and willingly detached from aspects of their former identities that had been shaped by the socialist environment. This attitude was enhanced by their awareness of knowledge gaps and feelings of displacement within the new field structures that were emerging in East Germany. Learning and qualifications were vital to acquire a "feel for the game" and the necessary social and cultural capital. Accepting this as doxa, this group of recruits sought to leave behind the past and embrace the identity of an audit professional.

4.1.2. SFR recruits: the continued use(fulness) of social and cultural capital

While the SFR was dissolved after reunification, many of its auditors continued to work in the public sector, and many more secured positions with the West German audit firms. They not only contributed to alleviating the shortage of audit personnel, but they brokered new mandates and provided knowledge of GDR accounting practices. However, the audit services required in the new economic context were different from those that had been supplied by the SFR. In its audits, the SFR focused on formal compliance with the government's information requirements and on the economic and efficient use of national funds in public enterprises and government departments (Schäfer, 1981). The SFR had powers to require changes to reports, and to sanction noncompliance (Keil, 2014). As a branch of the GDR's Ministry of Finance, it was part of the socialist state apparatus, such that "the financial audit of the GDR [was] reduced to some mere internal audit of the government machinery" (Schäfer, 1981, p. 65). Hence, as they joined the West German audit firms, SFR auditors experienced continuity in some aspects of their work, but faced a fundamental change in legal, ideological, and regulatory frameworks, as well as different conceptions of professionalism in their new work environment. This formed the starting point for their identity transition:

Oh, I liked this job [as SFR auditor] a lot. You had, relatively, a lot of flexibility; we could decide much for ourselves. [...] Well, it really was a good job. And I always felt that what we did made sense. (I1042)

First of all, I did see the reunification as a very radical moment of change, and I think that it was a very turbulent time. I was 44 years old, and I also thought: 'I am not all that young anymore.' [...] One worried about oneself, about the whole family. One worried about one's situation at work. (I1014)

Interviewees expressed anxiety primarily about their private situation, since employment remained secure. A West German auditor ironically referred to the recruitment of SFR auditors as a "catwalk: I take this one, and that one goes to [audit firm]; that one goes to [another audit firm]" (I204). Such condescension indicates the highly instrumental perspective with which this group of recruits was seen.

The SFR recruits themselves were unable to recollect precisely how "contacts were established" (I1013). They were approached directly by audit firms or by recruitment consultants, heard from personal contacts, or simply accompanied former colleagues to job interviews. As a result, "probably 10, 12, 15 people" from one SFR

⁴ More altruistic reasons were also occasionally claimed: "I don't want this to sound pretentious now, but I did have the feeling and the need, the wish to assist somehow in creating new structures. [...] I was fully aware of this being a huge transition period and that I am contributing here to [creating] new structures." (I1216).

office ended up working for the same audit firm (I1013). In a typical socialist spirit, the head of an SFR regional office collaborated with the West German firms to secure employment for his former colleagues:

The [audit firms] were actually queuing at our door. They knew [that] our people had a huge amount of knowledge and we knew the companies and the managers of the companies and the combines [that had to be audited]. And that's why we were able to 'sell off' our people well, I must say. [...] We knew everybody. We had 140 people and we knew [their] strengths and weaknesses, and based on that we then placed them [at the audit firms]. (I1042)

Changing employer—from the socialist state to a private sector audit firm—was not perceived as a life-changing transition that required the conversion of previously acquired capital into those forms seen as legitimate in the new context:

It's debits and credits. We also had that. Let's not exaggerate it. (I1011)

Nobody needed to show me how to audit. (I1012)

Well, I compiled the closing accounts with the company's accountant, sort of, in the usual way. That was mostly routine. You take notes. Everything written down, neat and tidy; that is, I collected audit evidence. Of course, I made checks and documented them, as I was used to, but now on a nice [audit firm] notepad. (I1015)

Since even the audit clients had often remained the same, any sense of disruption was limited. As their existing social and cultural capital remained useful and legitimate, the main source of uncertainty or anxiety appears to have been the need to exercise agency in choosing between employers:

I didn't really think very hard [about it]: I could go to [audit firm] or do this or that. [...] I couldn't even have made a comparison. [...] I was only certain that I wanted to do [auditing], and this is one opportunity [to accomplish this], and others had also OK'd it, and so I saw, well, [they had] a reputable business, they were well-established, and everything was in order—and they had interesting clients. [Laughs.] (I1013)

In contrast to the graduates, the SFR recruits were more reserved with regard to their new employment. This is reflected, *inter alia*, in the occasionally ironic tone of their recollections, especially when relating the casual recruitment practices. Indicative of a salient prior identity, their narratives also reflect pride. They had been headhunted and were able to choose from several employment opportunities. Furthermore, they had valued their former work, and stressed its fundamental equivalence to the audit work under the new regime, and the comparability of their knowledge base with that of their West German colleagues.⁵

Nevertheless, they had to separate from some aspects of their past, particularly in relation to political ideology. As a state institution, the SFR had been closely aligned with the socialist party that had governed the GDR. Party membership had effectively been a condition for professional advancement (I1042), and “in the *Finanzrevision* [SFR], about 80, 85% had been party members. And among the higher ranks [...] virtually everyone” (I1013).

⁵ Yet several interviewees acknowledged their lack of knowledge regarding the West German legal, accounting, auditing, and tax frameworks.

Manipulation of official accounts and statistics had been rife at all levels—especially towards the end of the regime, when it became increasingly necessary to conceal discrepancies between economic plan and reality (Gutmann & Buck, 1996; Heske, 1993). The SFR auditors were not only aware of, but also party to this systematic deception (I1042). This required a careful balancing act: “For someone born there, in that [context], it was relatively normal. You didn't know different. [...] you tried gradually, little by little, to rationalize this work in the party a little bit” (I1013). This required dissociating work ethics from political ideology, which meant adopting “an operational mode characterized both by obeying organizational values and norms of conduct and simultaneously distancing oneself from them” (Kosmala & Herrbach, 2006, p. 1395).

One might question the suitability of individuals who had been inculcated by this regime, as members of a capital-market-oriented profession that presents an image of professional ethics, independence, and service in the public interest.⁶ However, neither prior acceptance of the socialist ideology nor, in general, former party membership precluded the SFR auditors from employment with the West German audit firms.⁷ This again highlights that these recruits were hired for instrumental reasons: to facilitate setting up audit branch offices in East Germany, and to utilize their existing capital to access local clients and accounting knowledge.

A more serious matter was prior association with the “Stasi”, short for *Ministerium für Staatssicherheit* (Ministry of State Security), the GDR's surveillance and intelligence operations. The Stasi relied heavily on political informers—a network of *inoffizielle Mitarbeiter* (IM; lit.: unofficial employees) that was one of the main instruments of state repression.⁸ Association with the political regime, and in particular the Stasi, contributed to the stigmatization of East Germans, in the form of “blemishes of individual character” (Goffman, 1963/1990, p. 4). In fact, reunification was soon followed by a national preoccupation with the Stasi and the identification of its IM (Miller, 1997, p. 244). For example, the identities of several former IM were disclosed by Germany's best-selling tabloid newspaper:

We also had someone [working] here ... and his name was also on the list [of informants exposed]. [...] [The managing partner] told us that this colleague had been fired. (I1216)

Acknowledging that involvement with the Stasi could have resulted from coercion, some employers approached the issue pragmatically (“Repent, and it's all good”, I203), merely requiring new recruits to confirm, in writing, that they had not been Stasi informants. However, one managing partner reported that half of the 30-odd former SFR auditors who were initially hired were asked to leave within the first year because of Stasi connections, which led him to suggest that the SFR had in fact been “part of the Stasi” (I207). Given the actual number of operational IM, this is highly unlikely, and appears to reflect a form of “Stasi-hysteria” due

⁶ In fact, one of our interviewees admitted to his initial “doubts about capitalism” (I1015).

⁷ An exception was referred to by I1042, who claimed that he was unable to find employment in auditing because he had been a member of the party's regional cadre.

⁸ In 1989 there were 174,000 active IM, of whom 80–90% were male. This number would also include university students, although the majority of IM had not benefited from higher education or specialist training (Miller, 1997, pp. 58–62, 78). The *Stasi-Unterlagengesetz* (StUG) of 14 November 1991, a law which regulates the administration of and public access to the former Stasi's files, refers, *inter alia*, to an incompatibility of employment in the public sector with former Stasi connections (including activity as IM). This would warrant dismissal.

to the public's fascination with this aspect of the political regime (Miller, 1997, p. 244). With time, though, the topic became less important and, eventually, virtually taboo (I212).

Our interviewees, in turn, largely avoided referring to politics, but did distance themselves from the political connotations of their prior work. One interviewee, for example, contrasted the requirement to stay "in line with guidelines set by the state" with a "client mandate" and thus "a different task description" of their new work (I1011). The absence, from the narratives, of material references to the socialist regime suggests that SFR interviewees recognized its stigma and hence tried to dissociate "from the old sense of self", at least with regard to politics (Conroy & O'Leary-Kelly, 2014, p. 68). Yet they had also learned, in their previous occupation, to balance and negotiate competing logics. This skill would be transferable to the capital market audit environment, which similarly reflected tensions—specifically between the competing logics of public interest, client service, and firms' business interests (Kosmala & Herrbach, 2006). They therefore did not fully accept the new logics as doxa.

4.2. Liminality

Identity separation is followed by a period of liminality (Conroy & O'Leary-Kelly, 2014; Van Gennep, 1909/1960). In this phase of in-betweenness, the aspiring auditors would be subjected to the inculcation of the audit work doctrine and gradually adopt the habitus of a West German audit professional. During this phase, it would also become apparent to which degree this process represented an act of institution that would integrate the new recruits into the profession.

4.2.1. Graduate recruits: embracing the 'rules of the game'

Most of the graduate recruits reflected positively on the commencement of their new employment, often portraying it as both an adventure and a challenge. Being different from their West German colleagues initially made them feel "exotic"—mysterious and unusual—(I216), but also exposed an 'otherness' that had to be managed:

There was [name] at [our audit firm] [...] and she came, as a West German—young, successful, smartly dressed. And myself as a small, not so slim person with a small child. [...] And she arrived—very sophisticated—and began to talk. (I215)

You could really learn from them. They had a different kind of, I don't know, self-confidence. [...] [As] someone once said: 'They had all taken lessons in self-presentation.' And [compared to that], we were just a bit more unsettled and insecure. [...] [They were] a bit more cosmopolitan, of course. We really were quite provincial here. The differences were quite noticeable. (I216)

To erase this 'otherness' and to facilitate their identity transition, the graduates began to adopt the profession's prevailing modes of conduct, thereby seeking to attain the prevalent cultural capital. This was most obvious with regard to appearance (Grey, 1998):

There were hints, once or twice, because I would sometimes wear bright colours [...] and then it was pointed out that, in the audit profession, one is to wear grey, blue, brown, or similar, but not bright floral patterns, please. (I217)

Adopting the correct appearance and acting 'professionally' signalled willingness to embrace the appropriate norms and values, and facilitated clients' recognition of the graduates as audit professionals. The graduates also assumed what they perceived to be

professional demeanour:

I thought we would drive up there and start straight away, start work. Right. But first, there was some small talk, and then: 'Where can we have lunch later?' [...] That was surprising. I thought we would arrive at 8:30 and then start to work right away, and half an hour's lunch break and then continue [working]. No, we had lunch. We drove somewhere to have lunch. And just took things a bit easier, so that, I don't know, you were a bit more entrepreneurial right away. (I216)

At the same time, the graduate recruits were well aware of their gaps in knowledge and experience, and developing competence became their priority:

[To] get as quickly as possible to a level of knowledge that enables you to, say, keep up with graduates from the West. (I212)

He told me exactly, step by step, what I had to do. Told me 'here are last year's files, read those, see what they [last year's audit team] did and ask for exactly the same stuff and do exactly the same.' (I217)

Practical audit skills were also acquired through formal training offered by firms and branch offices. However, the graduates' recollections confirm that the skills gained on-the-job were perceived as most valuable (Westermann et al., 2015), primarily for developing a "feel for the game" and thus for accumulating relevant cultural capital in the audit field.

This perception is also reflected in the learning discourse, the collective articulation of training needs and activities. Indicative of a shared social reality, the graduates recollected their learning processes similarly, as "exhausting" (I215) and requiring "considerable effort" (I213), but also as "fun" and "exciting" (I214), having a "good time" (I213), in a "summer camp mood" (I216). Collectively embracing the new knowledge systems and experiences meant that they subjected themselves to the inculcation processes of their audit firms and the profession (Cooper & Robson, 2006; Grey, 1998; Westermann et al., 2015). Striving to cultivate the habitus of West German auditors signalled recognition that the rules of the game had been understood and acknowledged the symbolic power of the West German peers.

Moreover, the graduates learned, to some extent, jointly with their clients. While this helped to create bonds, the graduates also learned to maintain a professional distance, in keeping with the social position to which they aspired:

When people were being laid off in large numbers, the auditor was somehow also [someone to confide in]. [Clients] poured their hearts out to us and told us of the old times and all that. Well, that was not just auditing, but somehow also emotional support. Looking back, that sounds almost strange because they were at least twice our age. But, still, there was a bond of trust and you just listened to them and then we discussed how to provide for the severance payments. (I214)

This recognition of boundaries suggests the adoption of the client (service) discourse (Anderson-Gough et al., 2000), and the acceptance of new field structures. The client discourse stresses professional service ideals—the need "to satisfy the clients, to look after them properly" (I211)—but also "a culture of 'sacrifice' of personal time", of long hours worked as "symbolic of good client service" (Anderson-Gough et al., 2000, p. 1160). Our interviewees' dedication translated into references to unprecedented working hours, to "workaholism" (I211), and additional learning and

training activities that even a West German auditor attested “went beyond what we were used to” (I203). Related to this was a discourse on the theme of *Aufbruchstimmung* [lit.: euphoric spirit of departure, implying positive anticipation]:

We really felt like building something new and developing something new. The commitment that everyone in the office showed was extreme. We worked there, especially in the busy season, on weekends and really far into the nights. [...] In that sense, it was a special situation. But, I think, the *Aufbruchstimmung* and, really, having likeminded people that pull together, that was probably the most striking thing. (I1211)

While this discourse is framed in positive terms, the long working hours also suggest that the graduates submitted to the inculcation processes of their audit firms (Anderson-Gough et al., 1998). The discourse may also have served as a defence against the dawning realization that a healthy work/life balance was incompatible with the occupation.

Working long hours also meant that recruits were constantly accompanied by senior colleagues and peers, effectively leading to physical and social “encapsulation” (Greil & Rudy, 1984). This was further facilitated by practical necessities and constraints resulting from the lack of infrastructure:

Sometimes there were no hotels. As I remember, I think we slept in student halls, or rented some sort of flats, workers' hostels, or very, very small guesthouses somewhere, et cetera. Of course, everybody had their own room but there were also mixed teams, [...] and that sort of thing creates bonds. There was not much need for integration, but instead we simply went off together and checked out what needed to be done. Well, it was exciting. (I1214)

These informal settings allowed graduates to experiment with future possible selves (Ibarra, 1999), that is they had opportunities to try out what it means to be an audit professional. Interviewees suggested that this was fostered by the flat hierarchies of the new audit offices, which helped the graduate recruits to acquire professional capital and to adopt the corresponding habitus:

You just profited so much from working with the experienced colleagues. You really absorbed all that knowledge. And that helped me very, very much, I think, because we had a flat hierarchy. We were very young newcomers, back in '91, '92, and worked directly with our boss. [...] And that was a huge advantage that we had because we profited directly from the knowhow, from the experience. And I think that shaped me immensely, also for the future. (I1212)

In some instances, the informal structures were not merely the result of circumstances but were actively encouraged by West German auditors:

Right from the start, that was [his] clear philosophy: until the point when hierarchies would develop because of the professional exams, he did not want to create artificial hierarchies, and that was good. There was room [for everybody to develop at their own pace]. (I1216).

This office-spirit provided individuals with the opportunity and motivation to “find their place” (I1211). To some extent, this negation of power structures was symbolic: Rather than suspending the hierarchy in fact, the audit partners may have employed this

discursive device to create a strong sense of belonging in recruits, and hence foster commitment and willingness to embrace extant forms of capital. Ultimately, this aided the profession in reproducing extant field structures in East Germany.

A strong sense of relating and belonging also developed between the graduates and their West German (non-managerial) peers:⁹

[There were] many West Germans who were also here by themselves. We spent much of our spare time with them. We occasionally went to the Baltic Sea together. That's what I mean by 'summer camp mood'. (I1216)

I think we were quite a tight-knit group. (I1215)

The West Germans who had embraced the transfer to the East “did so with such dedication, such conviction, [they] conveyed the West German quality benchmarks and [...] they were role models for their East German colleagues” (I208). The East German recruits were hence exposed not only to audit work, but also to their West German colleagues' attitudes and work ethics. Our interviewees frequently portrayed the West German seniors as representations of the professional they strove to become. This suggests that the recruits recognized symbolic capital and actively engaged with the process of adopting the habitus of an audit professional. One manager in particular was described as a “formative influence” (I1216), and as a:

Very charismatic person [with such] personal magnetism that really would affect you, and who could convey this—the faith he had in you—so that you would take that away with you [...] He told me: ‘Well, Mrs [Name], I see you as a *Wirtschaftsprüfer* [Licensed Auditor].’ And I said to myself: ‘Alright, if [he] thinks I am capable of doing that, I will think so too.’ (I1215)

The discourses surrounding flat hierarchies, role models, and team spirit reflect cognitive and emotional processing of experiences (Conroy & O'Leary-Kelly, 2014), which resulted in close allegiance to colleagues and mentors. Being deeply embedded in the working environment was hence conducive to the graduates' (mis)recognition of what seemed legitimate forms of capital in the field. It also meant that the West German auditors could imbue the transition processes with social essence, signifying that the graduate recruits were in the process of becoming audit professionals.

4.2.2. SFR recruits: reluctant and selective accumulation of new symbolic capital

For the SFR recruits, professional appearance was perhaps the easiest way to attain cultural capital, and hence to assert commitment to the West German profession. One interviewee was prompted to immediately invest in a new suit when, during a central induction event, it was emphasized that a “not insignificant part of the salary was intended to be spent on clothing appropriate for a member of the profession” (I1015).

Professional modes of conduct may not have been as important for the SFR recruits, who, having been inculcated by the previous regime, had already acquired a sense of professional identity. In some instances, though, it was in fact their expertise that was

⁹ While, for mainly economic reasons, tensions existed between East and West German citizens, graduates generally expressed a positive attitude towards their West German peers. They acknowledged that some had come to the East to advance their careers (I1216), though added that their colleagues from West Germany “did not come over to annoy us” (I1211), so “there was never an East–West issue from my point of view” (I1214).

questioned. This reflected the disparity the West German auditors perceived and, drawing on stigma power (Link & Phelan, 2014), sought to retain:

Well, let's say, at first [the West Germans] thought we were all daft [laughs]. [...] They raised many basic problems with us. [...] [But] when they heard how we audited and how we [had been able to] impose conditions and restrictions [on firms], [...] how we could make demands [for audit evidence] without having to ask anybody first [for clearance or permission], they were very amazed. (I1042)

The SFR recruits met threats to their identity with a collective discourse that emphasized the value, and perhaps the superiority, they attributed to their knowledge, skills, and work methods. In particular, they emphasized their contribution to the economic transition: "We supported this process. Yes, it was a very collegiate atmosphere. We all joined together and tried to teach each other" (I1011); a mutual "give-and-take" (I1011; I1012). This discourse stressed the SFR recruits' perception of equality, though it also suggests a lack of recognition of the new field structures, where an alternative professional identity, and different forms of capital, might be required to integrate into the West German profession.

Nonetheless, the SFR recruits largely acknowledged the need to re-skill: while some differences were, at first glance, perceived to be trivial (I1015), others were more substantial, requiring the SFR recruits to learn new audit practices related to the changed legal, economic, and regulatory frameworks (I1013). In contrast to the graduates, the SFR recruits' narratives did not show the same urgency and enthusiasm for change, thereby indicating a lack of recognition of what constituted legitimate capital in the field. Instead, they emphasized their own contribution and their role as agents of change:

The challenge was that the economy had to be reorganized, so that things would go on. We did not want to see the collapse of the GDR economy, but wanted to see how things would continue. That's where auditors contributed to creating many initiatives. In that sense, it was motivating and very interesting work. (I1011)

This interviewee did not present auditing as a vocation or a defining part of his life, thus reflecting the more constrained nature of his identity work. Some SFR recruits also displayed a certain cynical detachment to the West German profession, which may have served as "a means of protecting the self" (Kosmala & Herrbach, 2006, p. 1399). These tactics enabled the former SFR auditors to contribute to the success of their new employers, but also limited their adoption of the professional modes of conduct offered by the West German audit firms.

A contributing factor was that the SFR recruits worked more independently than the graduates (I1014; I1011): "They had the contacts, to some extent they also found us clients, made contact with the enterprises. [...] One could also send them [to a client] by themselves. They immediately knew what to do" (I221). In addition, their unusual recruitment meant that former colleagues from the SFR continued to work together in the same branch office. They maintained close ties with each other, because it was easier to "address some questions informally" than to involve the (West German) managers (I1013). This reduced their perception of a need to associate with West German colleagues and to recognize these colleagues and the profession as conveying legitimate forms of capital in the changed environment. Yet it also created a boundary, and made the SFR recruits more vulnerable to symbolic violence.

The bond with their former colleagues was further strengthened for a group of around 55 SFR auditors, who had qualified as *Wirtschaftsprüfer* by means of transitional arrangements (Rogowski, 1994). This involved an intensive six-month training course followed by a three-month internship. While the latter would have been a moderating influence, the training course strengthened the sense of community for the participating SFR recruits:

One talked with people one knew. [...] One was struggling a bit, since this training was relatively time-consuming. Sometimes we had classes from nine in the morning until five in the afternoon and then again after the evening meal. (I1013)

This collective experience reinforced the allegiance and loyalty to their former SFR colleagues. According to one interviewee, "We just [needed to] mention *Gosen* [the town where the foundation course took place], and everybody who was there knew [what we meant]" (I1012).

Furthermore, the SFR recruits, as the more experienced staff, would often lead teams and contribute to the training of junior staff (I1015), thus providing, rather than seeking, guidance (I1014). With regard to their West German peers, the recruits agreed that it was about "working together" towards "joint success" and establishing a "good team spirit" (I1013):

There certainly was a period of sounding each other out, but since we were the older colleagues and those who came over were younger, we quickly got on the same page. [...] It was all a matter of giving and taking. We introduced the colleagues from the West to the companies that we knew, and they showed us auditing techniques and we worked together. That was always very nice and pleasant. Also, I'm certain that some friendships developed that last until today. (I1011)

In turn, senior West German colleagues in some instances did act as mentors and role models, were "admired" and held in "high regard":

I do think that [he] influenced me. Just how he went there and talked to the [client] manager over a cup of coffee, and how he interviewed him—via small talk—and very carefully asked about his business and what was going on. All these things. I learned a lot from that, and he took me along to these meetings. We would always say, quite casually: 'The *Wirtschaftsprüfer* is just coming over for a coffee.' (I1015)

While such a working relationship could take on an "almost friendship-like character [...] that somehow made an [enduring] impact on me" (I1014), it nonetheless was apparent that the West German auditors reflected a different worldview (I1012), that is habitus. Some were even perceived in a very negative light for enacting their symbolic capital too bluntly: "At first, I was interviewed at [audit firm] [...] but I did not like it so much. The colleague there acted, in my view, a bit like a colonial overlord [...] and so I got up and left" (I1015). Given that West German colleagues and managers may not have been congruent with the SFR recruits' personal values, these recruits focused on the shared tasks they needed to complete. The community that played a greater role was that of other SFR recruits, with whom they identified closely. This culminated in an in-group alignment of SFR recruits and enhanced these recruits' segregation from those with symbolic power. It also led a West German auditor (I204) to perceive "polar opposite" attitudes between professionals like himself and the SFR recruits. This incongruence suggests that the SFR recruits did not accept as

doxa the new field structures that had emerged. It also implies that the West German auditors were unwilling to institute these recruits into the audit profession, but rather used their symbolic power to retain the status differentials.

4.3. Reincorporation

Liminality ends when individuals “are reintegrated into the group, usually at higher status” (Kornberger et al., 2011, p. 517). In auditing, such status is conveyed when passing the professional qualifications, which, in Germany, consist of the *Wirtschaftsprüfer* qualification, being the audit credential, while the *Steuerberater* relates to taxation work. Obtaining the latter first translates into exemptions for certain parts of the *Wirtschaftsprüfer* exam.

4.3.1. Graduate recruits: the credential as a vital rite of passage

For the graduates, the first challenge was to gain recognition of their East German university degrees, in order to be admitted to the professional examinations:

The time drew closer and I still had not received a message from the Ministry [of Education] as to whether I would be accepted with my degree. Well, I went to the Ministry and asked how things stood, and then they told me that they could not say just yet. Then I said: ‘I will not leave this place. I will stay here until you tell me. I want to take the *Steuerberater* exam in four months or so. I need to know. I’m not going to move [until you tell me].’ Well, they actually confirmed it then, and I could take the *Steuerberater* exam. (I1211)

The graduates aimed to take the professional examinations at “the earliest possible date” (I1212), since the credential was necessary to advance within the firms’ hierarchy (I1214; I1215; I1216):

After the *Steuerberater* exam, I was not under as much pressure anymore because then I had pocketed the first exam based on West German standards. With that, one could probably have had a fresh start anywhere, if there had not been much prospect [at the firm]. But the *Steuerberater* exam was a hurdle. (I1211)

Passing this first hurdle meant public confirmation of the graduates’ professional identity and increased their status and self-confidence (Anderson-Gough et al., 2001; Grey, 1998; Power, 1991). The credentials also had a deeper significance, because “socially acknowledged rituals” provide guidance and comfort at times of transition (Petriglieri & Petriglieri, 2010, p. 49), and especially the graduates had a need for such endorsement. The *Wirtschaftsprüfer* qualification conveyed elite status (I1216) and thus symbolic capital, not only within the profession but within West German society more broadly:

[W]hen I had passed the [*Wirtschaftsprüfer*] exam, I was held in the highest regard by my two cousins in West Germany, who said, ‘We know what it means to be [a *Wirtschaftsprüfer*] and what a [*Wirtschaftsprüfer*] has to achieve.’ Several times the word ‘champion’ was mentioned, and they were the ones who perhaps would not have believed that of me, with my East German education. How can an *Ossi*¹⁰ pass the [*Wirtschaftsprüfer*] exam, and so soon after the reunification? (I1215)

¹⁰ “*Ossi*” and “*Wessi*” stand for “*Ostdeutscher*” (East German) and “*Westdeutscher*” (West German), respectively. The terms were sometimes (although not always) perceived as derogatory.

The credential indicated that the liminal phase was nearing the end:

Yes, that was one of the most important [things], where I could demonstrate both to the outside world and within the firm: ‘I’m learning something here; I can catch up or eradicate the deficiency, the perceived deficiency of my old education or whatever.’ [...] That’s why I felt under pressure to pass the professional exams very quickly, just to avoid being asked: ‘Well, what’s your job?’ Then, I could say: ‘*Steuerberater*’ or ‘*Wirtschaftsprüfer*.’ And nobody asked whether you had a West German or an East German degree. (I1216)

On the one hand, this suggests that the *Wirtschaftsprüfer* credential was a vital rite of passage that instituted the recruits into the audit profession. On the other hand, it enabled them to engage in ‘passing’ (Goffman, 1963/1990), being seen as effectively complying with the ‘norm’ of a West German identity (Roth, 2008). The graduates did not pursue the credentials only to advance their careers, nor, it seems, mainly for the sake of status, but “because this is my profession” (I1215). Obtaining the credential was hence a key identity-bestowing experience.

Interviewees perceived a close match between what they do and who they are, as suggested by references to “joy” and “fun” (I1214; I1216), to work that made them “happy” (I1215) and was “very fulfilling” (I1216), and to auditing as “the right decision” (I1211). The graduates’ practical audit experience also provided access to other occupations. While one of our graduate interviewees had left the profession (I1213), another chose to remain:

I briefly considered doing something else after the professional examinations [...] [but auditing] still inspires me even now. In [audit firm] one is simply integrated into a network of experienced colleagues [...]. I always know which colleague I need to phone. Their technical competence is outstanding; the network is international. (I1214)

Another recruit highlighted the perceived sense of autonomy of his work:

I’ve never regretted going into this field and I’ve never regretted joining this firm, for various reasons. For one [there are] the learning opportunities, the [interactions with] colleagues, the freedom. Despite the size of the firm, [...] there still remains something of the *Freiberufertum* [independent professionalism]. I always [like to] say [...]: ‘The work needs to be done. It doesn’t matter when you do it.’ And you don’t have that freedom just anywhere. (I1216)

The German term *Freiberufertum* suggests identification with the ethos and value system of the highly respected traditional professions. Effectively, the recruit, who had grown up in the East German system, now fully subscribed to, and accepted as doxa, the rhetoric of the West German profession. This mirrors the experience of other graduates, and reflects the alignment of ideal and current self (Conroy & O’Leary-Kelly, 2014) and, in turn, the successful acquisition of legitimate capital and the adoption of the habitus required to be instituted into the audit profession.

4.3.2. SFR recruits: the credential lacks essence

The SFR recruits were also exposed to the discourse on the prestige of German auditors, which underlined the latter’s dominant status and thus constituted symbolic violence. They were told

that “you are only a human being once you are *Wirtschaftsprüfer*”, that “only the Pope stands above a German *Wirtschaftsprüfer*” (I1015), and that

‘[being] a *Wirtschaftsprüfer* is the thing’. Then I thought: ‘Oh well, if that is the case: you’re 30 now. Then you have to do that. Either you stop [working in auditing] now or you do it.’ I did not think about it much [but said]: ‘Good, OK, I’ll do it.’ (I1015)

As mentioned before, while the large majority of former SFR auditors had to follow the standard route to the credential, several benefited from transitional arrangements (Rogowski, 1994), which in turn reduced their exposure to the profession’s socialization processes. Prior to reunification, a number of SFR auditors had gained a GDR qualification, which was also titled *Wirtschaftsprüfer*.¹¹ However, this qualification lacked the symbolic power of the West German credential, as evidenced by its declared function and intended status not being well understood and appreciated by those who gained it. The main benefit they perceived was the opportunity to build and strengthen networks during the residential training courses:

For me it was more a way where I said: ‘OK, [it’s a way of] getting out of the daily routine, meeting colleagues in Berlin, also sometimes in the evening’—we were put up boarding-school style—‘discussing things, having a beer.’ And that was actually rather the motivation to do this. (I1013)

In the course of the reunification, the East German title was “resurrected, sort of” (I1015) as a “selection criterion” (I1011) for admission to the same transitional, abridged arrangements that were available to auditors from other countries in the European Community. Eligible GDR *Wirtschaftsprüfer* took an abridged written and oral exam, and successful candidates were awarded the (FRG) *Wirtschaftsprüfer* credential in 1992.

Most SFR recruits took a pragmatic approach to obtaining the West German credential, which they saw as a predefined path of “professional development” (I1012) that provided enhanced job security, but also meant “a completely different situation for me in the audit firm” (I1014). The focus was less on “becoming” and more on the outcome. The wider significance of the credential only became apparent with hindsight:

Well, looking back [...] the key event was really the formal appointment as *Wirtschaftsprüfer*. [...] And that was actually the first time that one could sit back a little and say: ‘Well, actually, in this short period of time, a lot has happened, and you’ve achieved and accomplished a lot, and so now you have a good [career] path ahead of you.’ (I1013)

A major reason for its lack of vitality as a rite of passage also related to the West German profession’s reluctance to endorse the esteemed credential as an act of institution when it had been attained through the transitional, abridged route. The exam was derided, by some West German auditors, as *Sofaprüfung* (approximately: armchair exam)—an examination so easy that it required no effort. Bestowing the credential thus represented a Bourdieusian

“strategy of condescension” that enabled the West German profession to capitalize on the benefits of including the SFR recruits, primarily in terms of access to client networks, while retaining the status differential. Hence, the professional status of the newly qualified *Wirtschaftsprüfer* was contested:

With all due respect, from our point of view, they were not *Wirtschaftsprüfer*. There were a few good people, [...] but they were not *Wirtschaftsprüfer*. [...] Their judgment was not reliable, compared to our standards. We were really, let’s say, light-years ahead. (I215)

The *Institut der Wirtschaftsprüfer* [Institute of Auditors¹²] made a fuss about it. That is, when we passed the exam, the Institute refused to accept us [...], because of ‘personal immaturity’. [...] It took about a year and a half or almost two years before I received a reminder from the Institute that I hadn’t paid my fees. (I1011)¹³

West German managers and peers did not assume the roles of “witnesses and fellow travelers” (Petriglieri & Petriglieri, 2010, p. 49) to the same extent as they did for the graduates. Instead, the SFR recruits’ actual fellow travellers were other SFR recruits, taking the same transitional route. As they lacked a deeper understanding of the mythology and narratives associated with the *Wirtschaftsprüfer* qualification, they saw the credential primarily as a source of job security.

As a result, identification with the West German audit profession appears to have been limited, despite the impact that the SFR recruits’ audit experience post reunification had on their conception of professionalism:

The biggest challenge, that was, on the one hand the process of self-discovery [...]. Then to pass the *Wirtschaftsprüfer* exam. [...] I thought that was fantastic, but it was a huge challenge, this adjustment, and as a whole I would consider [...] my career as a fulfilled life. (I1014)

Nevertheless, this interviewee’s professional transition had not fundamentally changed her self-conception:

Well, I had a responsible job before [the reunification], which I carried out with a high sense of responsibility, and after [the reunification] I also tried to meet the requirements. I have no problem to say I managed quite well. (I1014)

Differences, if any, were noted by interviewees who had gained greater responsibility and status post reunification, indicative of a higher level of integration into the profession:

As a *Wirtschaftsprüfer* you were also challenged in a management capacity, to consider how to organize the work meaningfully, [...] not only technically, but also from a management perspective, [...] to actually be responsible for the management of the business. (I1013)

¹¹ This had been introduced in the GDR in the 1960s, in an attempt to improve the state audit function by deploying what was presented as a suitably modified capital market institution. The title was bestowed on experienced financial sector staff after successful completion of a postgraduate degree course at the Humboldt University in East Berlin. Delivered over four semesters, it placed heavy emphasis on political/ideological education, to the detriment of the technical and practical content (Keil, 2014).

¹² In Germany, the *Institut der Wirtschaftsprüfer* (Institute of Auditors, IDW) issues professional guidelines and represents its members’ interests. The *Wirtschaftsprüferkammer* (Chamber of Auditors, WPK) is responsible for professional regulation, disciplinary oversight, examinations, etc. Membership in the IDW is voluntary, whereas membership in the WPK is compulsory for individual auditors and audit firms.

¹³ While an Institute official confirmed that there had been misgivings (I301), only one SFR auditor (I1011) referred to problems when joining the Institute, although another (I1014) had faced delays when joining the Institute’s pension plan.

For the SFR recruits, reunification did not result in resolute distancing processes from a former self, but rather entailed efforts to (re-)stabilize identity in response to the symbolic power exerted by the West German auditors. While the nature of their work remained largely unchanged, especially those who subsequently qualified as West German *Wirtschaftsprüfer* perceived a change in their responsibilities, and a more commercially oriented ethos to their work, suggesting some recognition of changing field structures and an enhanced status. For the majority of SFR recruits, though, the prior identity lingered and continued to define them, not only in the eyes of West German auditors who sought to retain a status differential. These recruits also longed for their 'lost selves' and hence lacked acceptance of the new field structure, which implied an insufficient accumulation of relevant capital. Ultimately, the SFR recruits were accepted by—but not instituted into—the profession.

5. Discussion

This paper has explored the large-scale transition caused by the German reunification, being a "most extreme case of regime change" (Walder, 2003, pp. 901–2). In line with the zeitgeist, the West German audit firms portrayed their activities in East Germany both as a business opportunity and as a political necessity to serve the national interest. To manage the immense workload, the firms needed people that could immediately and effectively contribute. The resulting hiring frenzy, however, was not intended to institute newcomers into the elite profession, but rather to address extant labour demands. Drawing on Bourdieu (1977; 1986; 1991), we argue that the different manifestations of instrumentality in the audit firms' hiring and deployment strategies had identity-shaping effects for the two groups of recruits, namely university graduates and former state (SFR) auditors.

The university graduates were closest to the audit firms' usual recruits, but had no prior exposure to the profession and no or little marketable knowledge. While they perceived reunification as an unprecedented, disruptive transition, they would in any case have experienced life-changing events by leaving education and entering employment. In terms of recruitment, induction and training processes, the audit firms treated their East German graduate recruits similarly to other (West German) recruits. They were offered equivalent opportunities and were subject to comparable expectations, partly also because they were anticipated to contribute to the longer-term development of the firms. This suggests that, while all East Germans were subjected to territorial stigmatization (Wacquant, 2008), the graduates' identity was in fact not seen as 'spoiled' (Goffman, 1963/90), given the limited association with GDR institutions and ideology.

Having joined the audit firms, the graduates experienced their transitions largely in line with processes observed in other settings (Anderson-Gough et al., 1998, 2000; Kornberger et al., 2011). Entering employment coincided with and represented emersion in a different socio-economic context, such that they detached from existing self-conceptions as the first step in identity transition (Conroy & O'Leary-Kelly, 2014). In Bourdieusian terms, the graduates submitted themselves to the process of professional inculcation and accepted new field structures as doxa. Accumulating cultural capital, in the form of professional appearance and demeanour, was the next step towards developing a professional mindset, and to experiment with new identities (Ibarra, 1999). Being seen as a (trainee) *Wirtschaftsprüfer* was empowering, provided ontological security, and facilitated subsequent identity work (Sveningsson & Alvesson, 2003).

As a result, colleagues soon accepted these recruits as peers, and

superiors became mentors in the joint endeavour to create new offices in East Germany. The apparent lack of hierarchies in these offices represented a symbolic negation of power structures that fostered the recruits' commitment and willingness to become audit professionals. They experienced a relatively smooth identity transition process, during which they adopted the professional habitus espoused by and seen in West German auditors. This culminated in the *Wirtschaftsprüfer* credential, which instituted them into the audit profession. Indeed, we noted that several graduate recruits went on to have successful careers with their audit firms, some advancing to partner level or leading a local audit office.

A Bourdieusian perspective suggests that these recruits were inculcated to support the development of the East German offices in accordance with West German standards, and could thus be utilized to reproduce professional field structures in East Germany. We further suggest that professional socialization is a process of identification, that satisfies newcomers' emotional needs and provides a sense of belonging. It is reflected by the graduate recruits' active role in leaving behind their past (selves), entering a different context, and finding professional identities that for them provided a sense of comfort and ontological security. Doing so meant that they, de facto, complied with the West German norms that had been imposed on East Germans (Roth, 2008). This permitted these recruits to 'pass' in Goffman's (1963/90) sense.

By contrast, the SFR auditors—the first locals to be hired—were initially most useful to the audit firms since they possessed relevant social and cultural capital: access to a network of clients and the technical knowledge to audit GDR financial statements. Their employment was, thus, motivated by short-term economic considerations, and with reference to clearly circumscribed tasks. However, the firms did not seem to expect these recruits to adapt, substantially, to the norms of the West German profession, nor to be instituted into the profession. Instead, this group of recruits was exposed to symbolic violence and stigma power (Bourdieu, 1979; Link & Phelan, 2014), which ultimately affected their identity transitions.

Specifically, we find that they had been wooed with attractive employment packages and experienced a degree of continuity in work routines. The continued relevance of their existing social and cultural capital exempted them from certain parts of the profession's socialization processes. It allowed them to maintain their old professional networks, which in socialist societies tend to be close and narrow (Cook et al., 2004). At the same time, their collective mutual support erected a boundary between the SFR recruits' established trust network and the West German auditors, reinforcing actual and perceived differences. As former employees of the GDR state, the SFR recruits had been ideologically imprinted and embedded in the socialist regime. The previous involvement of a number of former SFR auditors with the GDR's political apparatus and its secret police reinforced prevailing sentiments. According to Miller (1997, p. 248), the devaluation of their former lives, and the perceived arrogance of West Germans often forced East German citizens into a defensive position, and sometimes even to defend the previous regime when, in the past, they had been highly critical. The additional stigmatization associated with their work for the regime made this especially true for the SFR recruits. Unlike the graduates, they managed this stigma by presenting "an idealized view" of their situation (Goffman, 1959/90, p. 44), perhaps downplaying or "concealing" aspects of their previous activity (Goffman, 1959/90, pp. 52–3) and engaging in "retrospective construction" of their biographies (Goffman, 1963/90, p. 81). They looked back at their past with pride and nostalgia, for instance when recounting the statutory powers they had as SFR auditors.

However, since they mostly strove to separate ideology from audit work, we suggest that the SFR recruits also evinced a more

general inoculation against professional rhetoric and ideology. This may have made them “cultivate a front of indifference” in response to extant stigmatization processes (Wacquant et al., 2014, p. 1276). It may also have made them realize that what the profession portrayed as legitimate forms of capital, was in fact based on arbitrary rules; thus, they rejected the (mis)recognition of prevailing power relations and field structures.

As a result, they perceived that separating from existing self-conceptions and adapting to the revised ‘rules of the game’ was not an absolute necessity. They only reluctantly and selectively accumulated new capital, for example as it related to changes in legal and audit frameworks. This position enabled them to complete their audit tasks successfully, contributing to their employers’ economic prosperity. It also provided opportunities to retain those aspects of their old self-conceptions that they perceived as particularly salient and important.

We argue that their experiences were largely affected by the way they were instrumentalized by the West German profession. Enacting symbolic violence (Bourdieu, 1979), many West German auditors questioned their East German colleagues’ qualifications, and some disparaged the SFR recruits’ appearance and demeanour, as it did not resonate with dominant forms of habitus. Such exertion of stigma power reinforced the perceived distance between the SFR and West German auditors. This was especially the case for those SFR recruits who obtained the (FRG) *Wirtschaftsprüfer* credential through the transitional examination process, which represented a ‘political’ solution, both to alleviate the shortfall of auditors and to publicly signal equality. However, in substance, it was a “strategy of condescension” (Bourdieu, 1991), which sought to reinforce the status differential between the East and West German *Wirtschaftsprüfer*. For the SFR recruits, obtaining the *Wirtschaftsprüfer* credential did not represent an act of institution, as they remained marginalized within the German profession. In the mid-1990s, after the initial wave of privatizations, when the demand for audit services ebbed away, audit firms began to ‘let go’ of many SFR recruits. Although some retired with the firms they had joined in the wake of reunification, those who became partner in a West German firm were rare exceptions.

Moving beyond the groups’ distinct experiences, we note that all recruits received cues for their identity transition from their immediate work environment. This highlights the intersubjective nature of identities, being formed through interactions with extant field structures, rather than in isolation or as a result of self-determination. Notably, though, the local audit offices also progressed through a stage of liminality. They were temporarily malleable when being set up; norms and conventions were, for a time, suspended (Chen & Reay, 2021). In fact, they constituted identity playspaces (Ibarra & Petriglieri, 2010)—safe spaces for experimentation and improvisation, and of excited anticipation (Meyer, 2010). This setting provided the recruits with opportunities to experiment with possible selves (Ibarra, 1999). A more formalized work environment would have placed strict demands on newcomers to recognize and adopt prevalent forms of capital. As it was, the West German auditors were also dependent on their recruits’ social capital—to foster client contacts—and cultural capital—to access local audit knowledge. This allayed conventional field structures, giving some power to the recruits, at least temporarily. We hence argue that the local conceptions that prevailed in the specific office were more formative for the recruits than the remote and abstract conceptions of the profession itself. In turn, the office was held together by the common objective of contributing to the transition triggered by German reunification. This shared mission found expression in the *Aufbruchstimmung* that characterized this time and that bonded the office teams into localized communities. At times, then, this mitigated the territorial stigmatization and

symbolic violence that East Germans were subjected to, and created a spirit that was conducive to all of the recruits’ identity transition.

In sum, we argue that the totality of these interactions led to a localization of professional identity, where “office identities” became local flavours of a common professional identity (Barrett et al., 2005; Muzio & Faulconbridge, 2013; Spence et al., 2017). As a “two-way socialization process” unfolded (Durocher et al., 2016), West German conceptions of professionalism were adapted to suit the local context. Professional attitudes and modes of conduct were conveyed and enforced by only a limited number of (experienced) West German auditors. This left scope to customize practices to local needs, such that the East German recruits could convey prevailing local customs and practices. The role of the local recruits, foremost the university graduates, was enhanced once they had gained the professional credential, and became responsible for managing client relations, and, importantly, for the training of new recruits. Having completed their own transition enabled them to further customize and enact the local variants of professional conceptions that were emerging in the East German offices.

6. Conclusion

Our analysis of the integration of East German recruits into the West German audit firms has revealed marked differences in the unfolding transition processes. On the one hand, this was due to the instrumentality with which the West German audit firms sought to deploy their local personnel’s capital. Given wider processes of territorial stigmatization (Wacquant, 2007), the West German auditors exerted symbolic power vis-à-vis the recruits, which determined how the latter were being integrated into the profession. On the other hand, the transition processes were affected by the recruits’ management of their spoiled identities (Goffman, 1963/90). Whereas the SFR recruits held social and cultural capital that was initially most useful to the West German firms, they did accumulate little further capital. Instead, they retained salient aspects of their former selves, while keeping a distance to the West German profession. In line with the notion that recent graduates’ identities are most mutable (Ibarra, 1999), this group of recruits found it relatively easier to recognize legitimate forms of capital and to adopt the professional habitus of an auditor (Bourdieu, 1977; Carter & Spence, 2014).

In addition, we have shown how the local offices of audit firms may become holding environments for individuals’ identity transitions. In professional settings, offices provide the prevailing micro-context, where field structures combine with the manifold interactions of staff. We have documented how West German auditors and East German recruits came together in the offices emerging in East Germany. These offices became the loci where identity transition had to be negotiated amid varying levels of tensions. Echoing what has been suggested for transitions of accounting and audit institutions in other post-Socialist settings (Albu et al., 2021), we find that a localization of professional identity takes time and requires participating actors to be receptive to signals of tension, or resistance. In particular, empathetic managing partners created an institutional environment that facilitated a variety of interactive processes. More functionalistic managers, partly unconsciously, prevented effective social and identity processing. This was a lesson that also had to be learned by a few West German auditors, who acted akin to “colonial overlord[s]” (I1015) when moving to East Germany. In sum, we argue that partners or executives need emotional intelligence to allow local variants of professional identity to develop. This is likely to apply also in other settings, for example, in cases where firms set up offices in new markets (Mennicken, 2010), or following acquisition processes

(Empson, 2004). It therefore offers promising avenues for further research.

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Data availability

The data that has been used is confidential.

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