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The Role of Intra-Organizational Networking in Professional Accountants' Promotions

──Qualitative and Quantitative Analysis Using Longitudinal Job Data from One of the Big Four Accounting Firms in Japan──

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1. Introduction and Research Background

Most research on professionals and their careers has seldom taken into account organization and its elements, assuming the relationship between organization and professionals to be conflicting. These researchers considered professionals to be fundamentally independent, based on the idea of "cosmopolitan and local" advocated by Gouldner (1957; 1958), and that their advanced skills enabled them to develop their careers inter-organizationally, despite belonging to specific organizations (e.g., Miyashita, 2001; Ota, 1993; Sato, 1994; Sorensen & Sorensen, 1974).

Unlike earlier research, recent studies indicate that organization and its elements are of prime importance to professionals, emphasizing the fact that many develop their career intra-organizationally and are likely to be influenced by human relationships in the workplace to a degree that is equivalent to, or even exceeds, non-professionals. For example, Katz et al. (1995) studied the relationship between the career patterns of supervisors and their subordinates among engineers in an R&D department, demonstrating the tendency for subordinates to make the same choice as their supervisor where dual career paths exist between taking technical or managerial roles on reaching a certain age. Anderson-Gough et al. (2006) similarly showed, through long-term interviews with accountants working for an audit firm, that developing relationships with superiors and colleagues had a significant influence, for better or worse, in terms of building a career. Another study (Podolny & Baron, 1997) involving professionals and their supervisors in the high-tech sector, analyzed the relationship between internal promotion and networking, and concluded that developing a close relationship with superiors was effective for building a career within the organization.

The reason for discussing organizational elements may be that many researchers have gradually focused on professionals who participate in, and sometimes build by themselves, the flexible and organic cooperative system defined by Barnard (1938) or Weick (1969), rather than those who are embedded in the preexisting, rigid structure. Furthermore, many professionals today work within organizations despite being capable of working independently, and cooperation among professionals is becoming commonplace. If we accept organizationally cooperative behavior as a premise of professional research and focus on the organization itself, how should we discuss the relationship between organization and professionals?

This study examines how the complicated job relationships of professionals with their superiors affect their intra-organizational career building. I use promotion as an indicator of intra-organizational career building, public accountants working in one of the biggest Japanese audit firms (the so-called "Big Four") as study samples, and network analysis based on longitudinal job data and qualitative analysis supported by repeated in-depth interviews as the research methods. Public accountants are "typical" professionals, as defined by the strictest classic definition of those who obtain advanced skills through specialized education and training, job autonomy, and professional ethics and norms (Greenwood, 1957; Wilensky, 1964). Auditing is also a good example to analyze the accountants' professional network and its effects on their promotion because it is exclusively managed by accountants from beginning to end.

2. Method

2–1. Study sample

Study participants comprised chartered accountants employed in a department specializing in domestic firm audits by one of the major Japanese audit firms. Their job roles were: partners, who were investors in and administrators of the firm; and managers and senior staff, corresponding to similar employees in regular firms. The partners and managers were each divided into two ranks: "representative partners" and "partners"; "senior managers" and "managers". There is little difference in the job roles of the latter, but as a rule, an employee must work as a senior manager for at least two terms before being promoted to partner. The standard length of service, in years, was: three to seven for senior staff, six to fifteen for managers, and ten to fifteen or more for partners.

2–2. Analysis procedures

The study consists of two parts. First, qualitative research was undertaken to clarify how accountants managed auditing jobs. This consisted of interviewing a senior manager of around seven years' service and a manager of about 15 years' service five times between 2002 and 2005, each interview taking on average 60-120 minutes. The process also included preliminary surveys to build a theoretical framework for analysis, and additional research to check whether the results would reflect reality. Based on the findings, I was able to set some research hypotheses.

Second, quantitative research, using a type of network analysis called clique analysis(1), was conducted to analyze the hypotheses. The data was obtained from the sample firm's task assignment charts for six half-year fiscal terms, between the second half of 2001 (July–December) and the first half of 2005 (January–June). These charts showed daily tasks (client names) assigned to each member of the department, represented by symbols. Only audit tasks were included in the scope of this study; others such as consulting and internal tasks were excluded. However, the data was not entirely continuous: data for the second half of 2002 was not available, and that for the second half of 2004 was excluded because of the extent of missing data. Only direct cooperative relationships were studied: those between corporate members, corporate members and managers, and managers and senior staff; while the number of individuals on a team was used to measure the strength of those relationships(2). The data analysis was performed as follows: first, clique analysis clarified whether the groupings (cliques) were organized in formal job networks, and if so, illustrated their characteristics; second, it was determined whether there was a difference between those who did or did not belong to cliques in terms of the pattern and speed of promotion.

3. Qualitative study

3-1. Basic characteristics of auditing jobs

There are two major characteristics of auditing jobs in Japan. First, auditors are subject to legislation and rules set by The Japanese Institute of Certified Public Accountants (JICPA) that strictly regulate matters throughout the entire audit process, from signing the contract to completion: for example, the sequence and time frame for audits, as well as items that must be included in the final audit report (Kawaguchi, 1984). If an audit is not performed according to the rules, or the results of the audit do not accurately reflect the financial status of the client firm, both the accountant and audit firm may be held civilly or criminally liable and subject to administrative penalties (Kanzaki, 1982; Shitani, 2007). Second, audits are performed by teams organized specifically for each client according to "organizational audit procedures" stipulated by the JICPA(3). These are temporary teams that only function during the audit process, and comprise: one team leader who is responsible for an entire process; one or two deputy team leaders; someone "in-charge" (a member of staff in charge of the audit job) and several audit staff who participate in the audit job on-site (Kawaguchi, 1984). Within teams, work roles are strictly divided both between ranks and individuals, and an audit is performed according to meticulous operational plans.

As long as these conditions are followed—although various restrictions on job process and team building prevents accountants from making the most of their job autonomy and professional expertise—they are given full authority and discretion to control the whole audit process.

3-2. How do accountants manage auditing jobs?

According to the interviewees, auditing jobs are performed in the following way: first, the partners close an audit contract with their client; they then designate managers as the persons in-charge, delegating to them the authority to select team members and set audit schedules; finally, those in charge become heads of the audit teams, taking responsibility for the whole audit process. The persons in-charge meet to organize audit teams twice a year: July (July–December for the interim audit) and December (January–May for the final audit). No drastic changes in audit team members are usually made in July, but sometimes this happens in December depending on the quality and quantity of audit tasks completed. The process of team building begins with every person in-charge submitting their audit plans, setting out which members will be given which audit jobs and when, a week before the meeting. At the meeting, they then assign the audit jobs in accordance with the plans, resolving any problem of the same staff being required for different jobs at the same time by ranking each task according to its importance; where such issues cannot be settled, either other available staff are used or special arrangements are made among those involved. However, all team members and audit schedules must be agreed on that day.

It is not always the case that team members work together. In the surveyed department, several hundred audits are performed by approximately 50 accountants and 50 junior accountants every fiscal term, and each can belong to several audit teams simultaneously. The entire audit process is at the accountants' discretion, including building the audit team and allocating tasks to each member. As all the members will work on several audit jobs, and an audit involves visiting the client firm, only a few of them will work together, despite the teams consisting of many members. Some may focus their efforts within one team over a certain period of time, while others may move between teams every two or three days; as such, there may be instances where two individuals in the same team never meet on-site. Where every individual belongs to multiple teams, for several teams to function simultaneously and produce results that meet a specific standard within the required time frame, it is crucial that each member acts autonomously according to operational plans and rules. On the one hand, the person in-charge leading the audit on-site must therefore organize team members, who vary from team to team, to perform the tasks according to the schedule; on the other, the on-site staff must have a clear understanding of their roles within each audit and perform those tasks accurately, while cooperating with team leaders and members, who vary from audit to audit. The accountants and the audit firm thus realize flexible organization and management of audit teams that draws upon the specialist knowledge and autonomy of the members, while abiding by the rules of the JICPA.

The interviewees also mentioned that all accountants have equivalent levels of knowledge and skills, backed up by their qualifications, and the ability to perform an audit does not vary significantly from one accountant to another. If only auditing skills mattered, partners could randomly allocate tasks to managers, and managers could select audit team members in a mechanical manner. As such, cliques would not form within the network; if such groups exist, however, then we can presume that accountants form special relationships based on factors other than auditing skills.

The promotion of employees and the hierarchy within the sample firm is determined, as a rule, by: (1) length of time since qualifying, (2) length of service, and (3) age; however, the requirements for promotion from senior manager to partner are not clear, partly because this involves a change of status from employee to joint investor. Promotion to partner actually requires a recommendation by at least one existing partner, and the final decision rests on the consensus of all partners.

From these findings, I set two research hypotheses:

H1a. If those below the rank of manager are being promoted in accordance with the aforementioned basic rule, no significant difference in the rank order of members should be expected between the start and end of the study period.

H1b. If any changes in the rank order of members or disproportionate promotion of specific members are observed, it is hypothesized that accountants, especially managers, who have good relationships with their bosses, may achieve faster internal promotion.

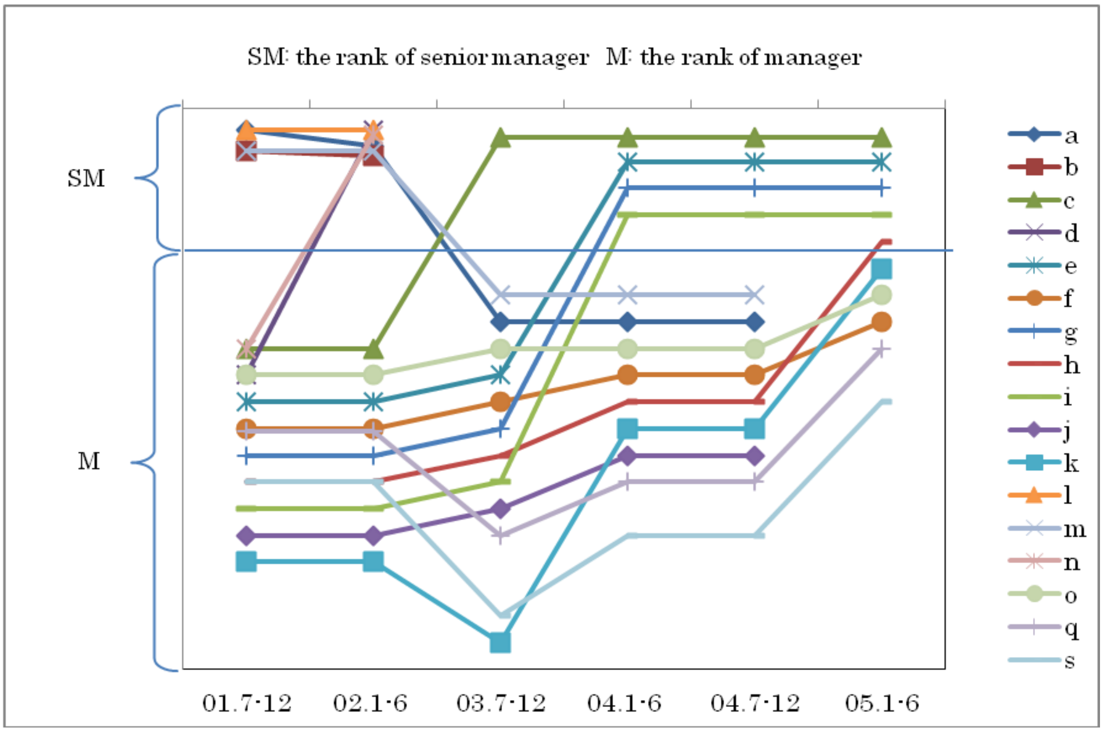
Analyzing the relationship between belonging to cliques and promotions will also clarify whether the same effects of work relationships on professionals' promotions and careers pointed out in several earlier research studies, holds true for accountants.

4. Results

4-1. Difference in promotion patterns among members

Table 1 shows the managers' (including senior managers') promotion process by plotting their ranks in every fiscal year recorded on the task assignment charts during the study period. Data for the latter period in 2003 was excluded because managers (including senior managers) were temporarily divided into three groups and ranked separately within each group, but it enabled us to determine accurate ranking among all managers in the department. The results identified three types of managers: (1) those who were smoothly promoted to partners and/or senior managers, (2) those who were not promoted, or demoted, and (3) those who were rarely promoted. These results indicate that the promotion rule denoted in the interviews is not so strictly applied to managers; instead, other elements might be considered. There is no such tendency in promotion patterns of senior managers, however. These results support H1a.

Table 1　Total Job Rank Movement of Managers.



4‒2. Job relationships among accountants

To analyze H1b, I first clarify the numbers of auditing jobs and job relationships for each accountant.

Table 2 shows for each fiscal period in the department: the number of individuals; the number of audit teams, or the total number of audits; and the number of teams, or the total number of audits, to which each member is assigned. Table 3 shows the descriptive statistics for the number of work-related connections between team members, limited to those actually formed: 30% of all work possible relationships in the department. The data distribution is unequal, in that, while one or two connections are established in the majority of cases, these increase to over ten in some instances. When the three types of relationships—between partners, between partners and managers, and between managers and senior staff—are compared, the average number of connections, as well as its variance and maximum value, are all higher with the increasing seniority of the individuals concerned. A one-way analysis of variance was performed on the average number of job relationships, and a significant difference was found in the relationships between partners, while none was observed in the other two types(4). As these findings indicate that job relationships between managers and partners may have some effect on managers' internal promotion, a more in-depth analysis is needed for clarification, including into the interrelatedness, and its strength, among partners and managers.

Table 2 Audit Teams in the Department and the Number of Team Memberships per Person.

	number of people				total number of audit teams in the department	number of audit teams per person		
	partner	manager	senior	total		partner	manager	senior
July 2001	16	19	14	49	264	7-33	6-16	9-18
January 2002	17	19	14	50	251	3-30	3-15	8-18
January 2003	19	16	33	68	237	7-70	6-15	9-23
July 2003	19	15	32	66	195	3-66	3-15	4-18
January 2004	19	16	33	68	350	2-71	3-16	2-26
January 2005	17	14	22	53	403	2-77	1-16	1-17

Table 3 The Number of Job Collaborations Established for All Fiscal Periods.

	between partners	partner and manager	manager and senior
Average value	2.27	1.86	1.64
Variance	4.52	1.70	1.16
Standard deviation	2.13	1.30	1.08
Median	2	1	1
Minimum value	1	1	1
Maximum value	16	8	7
Frequency	566	602	546

4–3. The existence of cliques and their characteristics

Table 4 lists the results of the clique analysis in the sample department(5), and Table 5 lists those cliques with particularly close ties (a high density)(6). For the purpose of the analysis, the minimum number of members in a clique was set at three, which is the minimum size of an audit team. When the clique density was analyzed, some variations resulted in the size and number of cliques summarized by the configured value. As this study placed importance on how closely the results agreed with interviewees' perceptions, they were asked to confirm the results of the analysis during a second round of interviews. The interviewees agreed that the cliques identified in Table 4 did exist: for example, seven cliques were identified in the July 2001 fiscal period by the clique analysis, which could be consolidated into three cliques if accounting for overlapping membership (Table 5).

Similarly, the number of cliques after January 2002 of 5, 17, 11, 17, and 5 can be consolidated into 3, 4, 4, 5, and 2 cliques, respectively. The alphabetical sequence of the characters reflect the descending rank order at the start of the study period (the July 2001 fiscal period), starting at A (uppercase representing partners) or a (lowercase representing managers). An asterisk attached to a lowercase character indicates that the individual concerned was promoted to partner during that fiscal period, while members, A, B, a, b, m, and p either retired, resigned, or transferred from the department during the study period.

Tables 4 and 5 prove the existence of cliques in the department, but that only some partners and managers, and no senior staff, are involved. There are three high-density cliques centered around: (1) EGJPbdgi (clique α), (2) CIl (clique β), and (3) HKs (clique γ). Clique α is, strictly speaking, divided into a section centered around EJP (clique α) and another around EG (clique α'), and is the largest and most stable of the three cliques; its core members changed little throughout the six fiscal periods. Clique β initially comprised five members, including n and p, but reduced to three (CIl) in practical terms as l and n were promoted to partners and p left the company in 2003.

Table 4 List of Cliques.

July 2001	January 2002	January 2003	July 2003	January 2004	January 2005
1: E G d	1: E G d	1: E J P b	1: E I P	1: C E I J P	1: E I P
2: E N d	2: E J b	2: E J P g	2: E P g	2: E J P g	2: E J P
3: C I l	3: C I l	3: E J P i	3: E P i	3: E J P t	3: E P g
4: C I n	4: C I p	4: E I J	4: E P t	4: E G P d*	4: J P i
5: C I p	5: A G d	5: C E F I	5: E N d* t	5: E N P d* q	5: G H K L s
6: D N q		6: E F P	6: E G d*	6: E N P v	
7: E J b		7: E G d*	7: C I l*	7: E P d* t	
		8: C E m	8: H K s	8: E P i	
		9: E I N	9: J P g	9: E I J L	
		10: D I L	10: J P i	10: E G L	
		11: D I N	11: I L P	11: E L v	
		12: D O a		12: D I L	
		13: H K O f		13: D N c	
		14: H K j		14: C F J P	
		15: H K s		15: H K s	
		16: H K k		16: C I l*	
		17: C I l*		17: I L n*	

Capital letters describe parners. Small letters describe managers.

Some manaers with asterisk are those who promote to Partner during the research period.

Table 5 High-density Cliques.

July 2001	January 2002	January 2003	July 2003	January 2004	January 2005
E G J b d	E J b	E J P b g	E I J P g i	E J P d* t	E I J P g i
	A G d	G d*	G N d* t	D I L n*	
C I l n	C I l p	C D I N	C l*	C F	
D N q				N c	
		H K O f	H K s	H K s	G H K L s

Capital letters describe parners. Small letters describe managers.

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Although not shown in Table 5, Table 4 shows that the clique survived, centered around C, until the first half of 2004, when it disappeared completely during a departmental restructure where C and n were transferred to another department. In contrast, clique γ does not appear in either Table 4 or 5 until 2002, remaining relatively stable centered around H, K, and s from 2003 onwards. When clique β disappears, I joins clique α, while clique γ joins clique α', which had been gradually drifting away from clique α since 2002. As a result, the three cliques are consolidated into two cliques, α and γ.

Since the analysis in this study focused on the number of work-related relationships, it is thought that individuals assigned to a large number of audits and those with a high number of work relationships, are more likely to be included in a clique. Therefore, an analysis was conducted to determine whether a significant difference existed in the centrality scores(7) and the number of assigned audits between clique participants and non-participants(8). Tables 6-1 and 6-2 show the results. A relatively strong, positive correlation exists between centrality scores and the number of assigned audits in the case of partners, but this is not particularly strong for managers. When each partner and manager are separated into clique participants and non-participants, and the difference in the averages of the two variables are examined, partners who were clique participants had a significantly higher number of assigned audits and centrality than non-participants, but no significant difference was observed for managers.

Table 6-1 Correlation Between Number of Assigned Jobs and Centrality.

	Correlation	Significance
partners	0.752	**
managers	0.572	**

** p <.001

Table 6-2 Difference in Average Values of Centrality and Number of Assigned Jobs (by Job Rank and Clique Participation).

		Clique participants average	Clique non-participants average	F value	Significance
Centrality	partners	38.11	19.72	10.626	***
	N	46	50		
	managers	22.75	19.22	0.574	
	N	28	82		
Number of jobs	partners	32.17	16.24	11.194	***
	N	46	50		
	managers	12.07	8.71	0.324	
	N	28	82		

*** p <.001

N is the total value over the six fiscal periods

4–4. Relationship between clique participation and promotion

Since cliques are formed through job allocation, it is thought that for managers, the key to whether they become part of a clique rests with which partner they have a strong relationship over a long period of time. This relationship was therefore analyzed in detail, taking into account the characteristics of the assigned jobs. Table 7 shows the number of long-term connections between partners and managers, in concrete terms, those that span at least three fiscal periods continuously or non-continuously during the six fiscal periods studied[(9)]. The rows in the table show partners arranged by clique and rank order, and the columns show managers according to rank order, at the end of the study period. The columns, from left to right, show any clique that the individual is a member of, final job rank, and whether and when they left the firm.

The dotted line between k and a in the first column of the table indicates the boundary between those whose final job rank was senior manager (SM) or above (i.e., those who were promoted) and those who were managers (M) (i.e., those who were not promoted). The individuals on the rows are represented by characters that proceed down the alphabet in descending seniority of initial rank, while they appear in the columns in descending seniority of final rank; the extent of promotion can be determined from the gap between the two. The division between clique α and clique α' is also depicted by a dotted line, while the term "Shared" under cliques α, β, and γ represent jobs shared by all partners in those cliques. Individuals A and p, who spent less than three fiscal terms in the department, are not included.

Table 7 illustrates the relationships between each individual. For example, manager l, who was promoted to partner in 2003 and holds the highest job rank at the end of the study period, belongs to and connected with all partners for three shared jobs in clique β over at least three fiscal periods. Individually, l also collaborated with C on one task, and with D, who was not a clique participant, on two tasks; however, he has had no long-term relationships with any other partners.

Table 7　Relationships Between Corporate Members and Managers, Organized by Promotion/by Clique (Long Term).

Managers				Partners																	
				Clique α				α'	Clique β			Clique γ			No clique						
	Clique membership	Final job rank	Retirement during study period	Shared	E	J	P	G	Shared	C	I	Shared	H	K	B	D	F	L	N	O	Q
l	β	partner 03							3	1						2					
n	β	partner 03							3		1										
d	α'	partner 03		1	7			4										2			
c		partner 05		2	2									1			1		2		1
e		partner 05		2	4																
g	α	partner 05		9	1																
b	α	SM	2003	9	1																
h		SM		1	4	1															
i	α	SM		6	3		1					1				1					
k		SM										1	4	2							
a		M	2005	1		1						2			3	1					
f		M		1								4				1	1				
j		M	2005									5		3						2	
m		M	2005		2					2					4	3					
o		M							2	3	2		1		1					1	
q		M		1	4		1					1				4			1		
s	γ	M				1						7	4			1			1		

SM: senior manager
M: manager

As an overall trend, partners tend to be mutually exclusive in their relationships with managers within their clique; further, managers who have a strong relationship with one clique, form few relationships with other cliques. This tendency is more pronounced in individuals whose final rank was SM or above. Four of the six individuals who became partners during or immediately after the study period belong to either clique α or β; two of the four who became SM belong to clique α. Although not shown by the clique analysis, those whose final ranks were SM or above, except for k, have a strong relationship with clique α. In contrast to the latter, managers who remained as M form strong relationships with partners in clique γ and those not belonging to any clique. These M also have a wider range of relationships, many with multiple cliques. Interestingly, there was also a greater tendency to leave the firm: three out of seven M left during the study period.

Precise data analysis reveals that partners differentiate between managers within their own clique and those not, in terms of job allocation. Partners in cliques α and β allocate jobs shared by cliques and individual jobs requiring larger audit teams to managers within the clique, allocating other jobs mainly to managers outside the clique. Partners in clique γ allocate most jobs shared by cliques to managers, mainly s, and individual jobs to k, the only SM with whom they have a strong relationship. Analyzing the relationship between internal promotion and clique participation for the seventeen individuals shown in Table 7 demonstrated a significant relationship between the two[(10)], supporting H1b.

5. Discussion

Differences in rank and assigned jobs affect the distinction between clique participants and non-participants, and only partners and managers, no senior staff, are involved in cliques. Several observations can therefore be made on the effects of cooperative relationships on individual professionals and the organization.

Currently, audit firms in Japan do not have the power to set audit fees, which are determined by the number of personnel and days required for the audit (Kawaguchi, 1984). Therefore, a job requiring a large team is usually for a major client, which contributes more towards the profits of the audit firm. This means that partners allocate relatively important jobs to managers within their clique, and less important ones to managers outside. Results from this study reveal the possibility that the difference in final job ranks between managers with and without strong clique relationships may be due to the former being more likely to work on important jobs and therefore gain more skills and experience.

The reason for rank influencing clique participation is that those at manager level or above have different roles to senior staff or below. According to the interviewees, there is no significant difference in the auditing skills required between accountants, and as a rule, similar results can be obtained irrespective of who performs an audit. However, managers or above are said to require additional skills, such as dealing with unexpected situations, leading a team, communicating and negotiating with clients, and sales. In other words, only roles up to senior staff level demand auditing skills, and therefore represent standard audit personnel. Consequently, a manager's choice of senior staff does not significantly affect the job, and there is no real need for either to form cliques. Further, managers in the sample audit firm are able to organize several hundred audit teams and all the daily staff schedules because of not only their high level of delegated authority but also the highly standardized skill of available staff.

On the other hand, managers and partners are not standardized personnel. When partners appoint a person in-charge, it is crucial that they select the most skilled and trusted manager so that any problems can be dealt with swiftly and the audit performed as smoothly as possible. Likewise, when selecting a partner with whom they will share responsibility, it is important that they choose an individual who they know well and with whom they can easily talk. As it is not possible to foresee and take appropriate measures against all risks associated with an audit job, a partner takes extra care in selecting members for important jobs, frequently resulting in the same choice of partners and managers. It is thus thought that only partners and managers form cliques to ensure the smooth running of operations with minimal risk.

Another observation can be made about the effects of participating cliques on their members and organization. Only those partners responsible for multiple large-scale jobs requiring a large number of staff are able to form cliques. It could be argued that these partners make a high-level contribution to the organization's income, because audit fees are determined by the number of tasks and personnel involved, and are therefore more likely to be in a position to significantly influence the organization. Such influential individuals create cliques, involvement with which affects not only clique participants but also non-participants in a variety of ways.

For partners, cliques not only provide stable work relationships for better performance but also represent a means of exerting power within the organization; for managers, clique participation not only enables close relationships to be established with an influential partner but also increases the likelihood of attaining a variety of benefits for career advancement through that partner.

According to the interviewees, clique α, the largest in the sample firm, is widely regarded as an extremely influential group; its core member, E, is regarded as the most powerful of the partners. Managers involved in this clique are regarded as not only highly capable by their peers but also able to obtain benefits unavailable to others. Although it is the partners who are directly involved in creating cliques, it is possible that cliques are created by both partners and managers who share mutual interests.

Although this study shows how clique participation may be beneficial in terms of promotion, the question remains whether professionals see such participation as desirable. According to Anderson-Gough et al. (2006), who studied accountants in audit firms, while establishing relationships with superiors is advantageous for promotion and building a career, the process of doing so cannot be successfully achieved according to a plan; furthermore, its effects only become clear much later. Therefore, it cannot be said that developing relationships is always beneficial: a career may even develop in an unintended direction or scope as a result. Moreover, according to the additional interviews, the massive environmental change in auditing has affected the career development of the accountants in this study.

In 2005, four accountants responsible for auditing one of Japan's leading companies were arrested, and three then prosecuted for allegedly making knowingly false statements on the company's financial report. This case led to large-scale restructuring in the audit industry, including a reorganization of the Big Four. Many audit firms changed from unlimited to limited liability audit corporations, and shifted their major business from auditing to non-auditing jobs, which was relatively risky but enabled them to set prices for their services and become more profitable. However, the accountants in this study who had easily moved over to a partner's role and established their position in auditing jobs, despite the will to do so, faced difficulties in changing their careers from auditing to new fields. In contrast, those who had not been promoted in the audit department easily adjusted their career paths towards non-auditing jobs; some moved into other specialized, non-audit, departments with great success.

From the results of both this study and that of Anderson-Gough et al.(2006), one deduction can be made with regard to the relationship between building a career and clique participation: participation improves a manager's likelihood of career progression, but participation in one clique makes it difficult to develop relationships with other partners. As an individual is promoted through the ranks, the ties within the clique become even stronger and more important for them. According to this resource dependence theory (Pfeffer & Salancik, 1978), excessive reliance on a specific relationship is not that desirable, because it increases the risk of undue power being exerted on the individual and eliminates the available options should that relationship be destroyed or no longer beneficial. When this dilemma is taken into account, it is difficult to determine whether clique participation is always beneficial to building a career. This issue must be considered with care, taking into account a variety of possibilities.

6. Conclusion

Through the case analysis of an audit firm and its accountants, this study has revealed the specific nature of organizing and cooperative behavior among professionals, and how various work-related relationships affect promotion in a variety of ways. Some previous studies indicated that autonomous professionals are free to build their own careers in organizations, but the results of other studies, including this one, show how this would be difficult in real life. Rather, establishing relationships with colleagues and superiors is important for professionals, who are directly and indirectly influenced by these relationships, precisely because they are given autonomy and the authority to take decisions on such matters as the work schedule and job collaborations.

The principal limitation of this study is its focus on only the formal work relationships listed on the task assignment charts and measuring the strength of each relationship by the number of teams in which individuals were both members, without accounting for other factors such as the number of days spent on one audit. As a result, unofficial (i.e., unrecorded) relationships are not accounted for, and it is also possible that relationships formed when individuals are focusing on one audit, could be considered weak. A second limitation is the analysis of audit tasks only, whereas accountants' responsibilities extend beyond this and working methods vary according to the type of task. In this study, analysis was conducted specifically on audit tasks for which procedures, methods, and required results are highly standardized, and which are not readily influenced by the characteristics and size of individual firms. Therefore, the results can be generalized in terms of the implications for accountants who work on audits and their employing organizations, and for other professionals who are in charge of similar highly standardized jobs. However, further studies are needed for other types of professionals and their organizations.

(1) Cliques refer to groupings of multiple agents that are directly linked to each other in close relationships within a network. There are three methods of defining cliques, namely: (1) focusing on the subjective views and feelings of the agents; (2) according to the existence and extent of relationships; and (3) according to both the existence of relationships and the subjective views of the agents (Yasuda, 2001). In this study, the second method was applied, and corresponds to groups that have direct and strong internal relationships in terms of auditing tasks.

(2) For the clique analysis, the presence and number of cooperative relationships between all members in the sample were first identified from the task allocation chart, and a data set created for the six fiscal periods. This was then used to analyze the structure of the connections between members and how they changed over time. The data set took the form of a matrix in which the members were arranged in rows and columns, and each cell contained the number of job collaborations for each. The number of job collaborations represented the number of teams in which both individuals were members: one shared team membership equaled one job collaboration.

(3) The organizational audit procedures stipulate that the person in charge of an audit, to gain sufficient understanding of the audit task, must: (1) establish a hierarchical system clarifying the chain of command, and (2) appropriately organize an audit team as an audit organization, clearly demarcating the roles and authority of constituent audit personnel (Wakita, 1999).

(4) The result of the one-way analysis of variance was significant ($F = 23.291$ and $p < .001$). As a result of multiple comparisons according to Tukey HSD ($p < .05$), significant differences were observed only in the relationships between partners and two other relationships.

(5) In performing the clique analysis and subsequent clique density analysis, there was a need to polarize the data set value to 0 and 1. This study focused on relationships where the number was three or above (corresponding to approx. the top 25% in the distribution of number of job collaborations shown in Table 2), which can be considered as strong mutual relationships; these relationships were allocated the value of 1, and relationships with two or less job collaborations were allocated 0.

(6) The density indicates the closeness of the relationship between agents in the network, and is calculated by dividing the number of actual connections in the network by the number that is theoretically possible (Yasuda, 2001).

(7) Centrality is an indicator that shows the number of other individuals with whom there is a direct relationship within the network. There are multiple indicators of centricity; in this study, the simplest indicator of degree centrality was measured.

(8) The eight partners and six managers belonging to cliques α, β, and γ were treated as clique participants, and the rest as non-participants. A data set for each of their centrality scores and number of assigned jobs over the six fiscal periods was created. With regard to the three managers who were promoted during the study period, they were treated as managers until 2002 and as corporate members from 2003 onwards.

(9) The reason for spanning three fiscal periods is as follows. Audits take place over the course of one year, and the sample firm organizes audit teams for each of the interim and final audits, which are combined as a set. The sample department underwent a major internal reorganization between the first and second halves of 2003, when the existing cooperative relationships may have changed drastically. Furthermore, data for the second halves of 2002 and 2004 are missing, meaning that regardless of the starting point, continuous data is only available for three fiscal periods. Consequently, cooperative relationships over three fiscal periods is judged to be an indicator of continuity over at least two years, including the effects of departmental reorganization, and was used as a standard for the sake of convenience.

(10) A chi-square test was performed to analyze whether a link between promotion and clique participation could be confirmed. Value 1 was used for those whose final job rank was SM or corporate member, 0 for those who remained an M, 1 for clique participants, and 0 for non-participants. The results were chi-square value = 7.47, degree of freedom = 1, $p < .05$, and significant.

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