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Abstract: Research suggests that staff auditors are more comfortable interacting with client personnel through email than face-to-face and that this choice of communication mode has the potential to impact audit outcomes. However, very little is known about how staff auditors choose a communication mode and its effects on their client interactions. Therefore, we present survey-based evidence that the majority of staff auditors prefer to interact with the client face-to-face but use face-to-face and email relatively equally. Auditors who primarily email the client place less value on client connection and those who prefer email report feeling more communication anxieties related to the client. Importantly, the use of face-to-face communication is associated with more positive and productive client interactions. Firms can use the results of our study to understand the factors influencing staff auditors’ preference for and use of different communication modes and its effect on audit outcomes, particularly as remote work increases.
The Role of Communication Mode in Auditor-Client Interactions: 
Insights from Staff Auditors

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The Role of Communication Mode in Auditor-Client Interactions: Insights from Staff Auditors

SUMMARY: Research suggests that staff auditors are more comfortable interacting with client personnel through email than face-to-face and that this choice of communication mode has the potential to impact audit outcomes. However, very little is known about how staff auditors choose a communication mode and its effects on their client interactions. Therefore, we present survey-based evidence that the majority of staff auditors prefer to interact with the client face-to-face but use face-to-face and email relatively equally. Auditors who primarily email the client place less value on client connection and those who prefer email report feeling more communication anxieties related to the client. Importantly, the use of face-to-face communication is associated with more positive and productive client interactions. Firms can use the results of our study to understand the factors influencing staff auditors’ preference for and use of different communication modes and its effect on audit outcomes, particularly as remote work increases.

Keywords: Communication mode; auditor-client interactions, auditor inquiry, auditor development
INTRODUCTION AND BACKGROUND

With the off-shoring of routine audit tasks and the explosion of automated audit procedures, staff auditors are expected to execute a significant number of client-facing tasks. These tasks generally require auditors to interact with clients face-to-face (FTF) or, in an increasingly remote work environment, use telephone or email. Recent research suggests staff auditors use email more frequently to communicate with clients compared to auditors at the manager and partner level (Bennett and Hatfield 2018). Junior auditors often use email because they feel intimidated by older, more experienced clients, and in response to this “social mismatch,” they avoid FTF communication or avoid communication altogether (Bennet and Hatfield 2013). Similarly, Carlisle, Gimbar, and Jenkins (2020) find that after experiencing difficult or anxiety-inducing communications, staff auditors delay or avoid subsequent communications with clients, particularly those that are FTF.

Research also suggests auditors’ choice of communication mode can have important implications for the audit. For instance, audit partners have expressed concerns that staff auditors may be over-relying on email communications, and as a result, they may not be asking enough follow-up questions or building client relationships (Bennett and Hatfield 2018). Furthermore, when auditors request information via email, research finds that clients respond in a more biased (i.e., self-serving) manner compared to in-person requests (Saiewitz and Kida 2018). However, email communications also can benefit the audit. Because emails are textual in nature and lack in-person social cues, auditors evaluate a client’s explanation more objectively when it is received through email as opposed to FTF (Carlisle and Jenkins 2020, Hawkins 2020).

Despite the importance of communication mode within an auditing context, we know relatively little about how staff auditors choose a mode of communication and how this choice
affects their interactions with clients (and vice versa). As such, in this study, we report the results of a survey that examines staff auditors’ experiences interacting with audit clients and the role of communication mode in these interactions. We find that most staff auditors prefer to communicate FTF rather than via email, which is surprising since the assumption is often the opposite. Despite this preference for FTF interaction, the communication mode used most frequently by auditors is actually split relatively equally between FTF and email. Furthermore, when choosing a communication mode, auditors report that their most important considerations are the urgency of the matter and the nature of the evidence to be collected. However, auditors who communicate most through email, versus FTF, appear to take different factors into consideration when choosing their mode of communication. Specifically, auditors who communicate most through email place less value on (1) client relationship building, (2) clients’ communication mode preferences, and (3) the ability to ask follow-up questions.

We also asked staff auditors about the nature of their client communication experiences. Our participants report experiencing various communication anxieties, with the most prevalent stemming from feeling less knowledgeable than the client. Furthermore, auditors who prefer communicating with clients via email report feeling this knowledge-related anxiety more frequently than auditors who prefer FTF, which is consistent with the idea that email helps minimize anxieties resulting from the “mismatch” between novice auditors and their more experienced clients. Staff auditors also report that most of their client interactions are positive (61.9 percent), while only a small proportion are negative (11.4 percent). Interestingly, we find that auditors who report using FTF communication more frequently also report a greater proportion of positive client interactions. This could suggest that FTF interactions tend to be more positive in general or auditors who have experienced more positive interactions choose to
communicate FTF more frequently (e.g., they are more comfortable with this mode).

Understanding what may contribute to positive versus negative client interactions is important, as our study suggests such experiences could affect audit outcomes. Specifically, we find that auditors who report less positive client interactions are more likely to experience communication anxieties and less likely to follow up with the client as a result of those anxieties. This finding has implications for audit quality, as it suggests staff auditors may fail to collect sufficient audit evidence when they have experienced more difficult client interactions.

SURVEY METHOD

Participants

We recruited 128 participants who were either currently working as staff auditors or had worked as staff auditors within the past year (i.e., auditors recently promoted to senior). Participants were recruited from a regional CPA firm in the Southeast United States, a Big 4 firm, and personal contacts with recent alumni of two large public universities. These recruitment procedures resulted in participants representing a variety of audit firms, including Big 4 (28 percent), non-Big 4 international/national (29 percent), and regional (43 percent). Fifty-six percent of respondents are male, 41 percent are CPAs, and 65 percent have a Master’s degree. Participants averaged 12.74 months of audit experience. Participant demographics are summarized in Table 1.

[Insert Table 1 here]

Survey Procedures

We used an online questionnaire (administered through Qualtrics) to examine staff auditors’ experiences communicating with audit clients.1 Specifically, we asked participants

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1 The survey questions were administered along with other questions not reported in the current study. The authors’ Institutional Review Boards approved the research method.
about the communication modes they prefer and the modes they use most frequently. To elicit preferred mode, participants ranked the following communication modes from most preferred (1) to least preferred (7): FTF, email, telephone, texting, instant messaging, video calls, and other. To elicit auditors’ most used mode, we asked participants to indicate the percentage with which they communicate with the client using the same modes listed above; the mode assigned the highest percentage was identified as participants’ most used mode.

To understand how staff auditors select a communication mode, we asked participants, “When deciding how to communicate with the client, to what extent do you consider the following factors to be important in choosing your method of communication?” Participants then rated a series of factors on 5-point scales, from 1 = “Not at all important,” to 5 = “Extremely important.” Participants also provided information about their communication anxieties by answering the question, “When communicating with the client, how frequently do the following items cause you anxiety?” Participants rated a number of potential anxieties using 7-point scales, where 1 = “Never,” and 7 = “Always.”

Finally, we asked auditors the percentage of their client communications that are positive and productive, negative and unproductive, or neutral, and explored a number of factors that may contribute to the positivity of auditors’ communication experiences. Specifically, auditors indicated how often they work on audit tasks without a clear understanding of what they are doing (on a scale from 1 = “Never” to 7 = “Always”), the extent to which they believe their firm prepared them well to communicate with the client (on a scale from 1 = “Strongly disagree” to 7 = “Strongly agree”), and how often they transition between audit engagements (on a scale from 1 = “Never” to 7 = “All the time”). We also asked auditors to recall and describe a specific
interaction they have had with a client. We provide quotes from these written descriptions throughout our Results section to help supplement our statistical findings.

RESULTS

Communication Mode Preference and Use

Figure 1 presents results related to the communication mode preferred by auditors and the mode used most frequently. We find (in Panel A) the majority of staff auditors prefer to communicate FTF, with 92 participants (71.88 percent) ranking FTF as their most preferred method of communication. Thirty-three participants (25.78 percent) rank email as most preferred, and only three participants (2.34 percent) indicate a mode other than FTF or email as most preferred. Although most staff auditors prefer to communicate FTF, only 61 participants (47.66 percent) report using FTF most frequently, while 57 participants (44.53 percent) report using email most frequently (see Panel B). That is, it appears staff auditors frequently use a communication mode that differs from their preferred mode. Accordingly, we examine factors that may influence auditors’ preference for, and use of, different communication modes and consider circumstances under which the two may diverge.

Communication Anxieties

One factor that may influence auditors’ communication mode preferences are the anxieties they feel when communicating with clients. Specifically, auditors who frequently experience communication anxieties may prefer a more remote mode of communication (e.g., email). Accordingly, we asked staff auditors how frequently they experience various

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2 Participants indicate that, on average, 44.27 percent of their communications are FTF, 43.53 percent are via email, and 11.19 percent are via telephone. Ten participants (8 percent) indicated an equal use of FTF and email. Accordingly, we excluded these participants when identifying participants’ most used mode.
communication anxieties in practice (on a scale from 1 – “Never” to 7 – “Always”). The results of this question are shown graphically in Figure 2. The most frequent anxiety felt by staff auditors is feeling less knowledgeable than the client (Mean of 4.84) (i.e., this is the only anxiety with a mean that does not differ significantly from a scale value of 5 – “Frequently,” p = 0.153, untabulated). 3 Staff auditors also report that feeling less experienced than the client (Mean = 4.53) and the fear of interrupting or annoying the client (Mean = 4.48) are anxieties they feel more than “sometimes” (i.e., both means are significantly greater than a scale value of 4 – “Sometimes,” p-values < 0.001, untabulated).

[Insert Figure 2 Here]

Staff auditors who experience greater communication anxieties may prefer email, given its remote nature and potential to minimize social anxieties. Accordingly, we investigate whether communication anxieties differ for auditors who prefer email versus FTF communication.4 As reported in Table 2 Panel A, auditors who prefer email, versus those who prefer FTF, experience significantly more anxiety related to feeling less knowledgeable (Means = 5.24 and 4.67, respectively, p = 0.029) and less experienced (Means = 5.03 and 4.33, respectively, p = 0.013) than the client. 5 This suggests that while all auditors feel anxious to some extent about being less knowledgeable and experienced than clients, those who feel these anxieties more frequently prefer to avoid in-person interactions.

[Insert Table 2 Here]

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3 All p-values reported in this paper are two-tailed.
4 Specifically, we compare the 92 auditors who prefer FTF versus the 33 who prefer email from Figure 1 Panel A.
5 We acknowledge that staff auditors’ perceptions of their task-related knowledge and experience are likely highly correlated as knowledge often is obtained through experience. Similarly, anxieties associated with being less knowledgeable and experienced than the client are likely to be highly correlated, and in fact, we find that they are: r = 0.76, p < 0.001.
To better understand auditors’ anxieties related to feeling less experienced and knowledgeable than the client, we perform two additional analyses. First, participants had the opportunity to indicate “other” factors that cause them anxiety beyond those listed in Table 2 Panel A. Our review of these other factors reveals further auditor anxieties stemming from a lack of knowledge and understanding. Specifically, auditors reported having anxieties over “Having to ask questions I don't fully understand myself” and “Fear of asking dumb/base level questions that would make me look bad in eyes of ‘in charge’, management and the client.” Second, we asked auditors to describe a specific client interaction they have experienced in practice. Upon reviewing these descriptions, we find numerous examples in which staff auditors express worry over appearing unprepared or unknowledgeable when interacting with the client:

“Overall, I did not have a thorough understanding of the process and its supporting documentation for tasks that were assigned to me. As such, I did not communicate properly with the client, which is something I need to strive for.”

“I would be very wary in going to the client for requests- having to make sure I knew exactly what I was asking for. I was wary as I thought maybe the client would think less of me if I displayed a weak understanding of the subject area- once probing questions and back and forth was asked.”

We also noted an example in which an auditor described a positive and productive client communication experience, which involved a client that was perceived as having a similar level of knowledge and experience as the auditor:

“The experience was more relaxing. I found that it was easier to talk to someone relative my own age/professional level on the matter than someone superior. By doing this we were able to communicate more thoroughly and get the issue at hand solved to help the audit move along.”
These quotes suggest staff auditors are aware of their knowledge/experience deficits and how these deficits might impact their ability to effectively communicate and to appear competent in the eyes of the client.\footnote{We acknowledge that auditors’ anxieties related to feeling less experienced and knowledgeable than the client are likely exacerbated by clients who are particularly intimidating or rude. We discuss this idea of client personality and demeanor in the “Positive versus Negative Communication Experiences” section of the paper.}

**Factors Influencing Communication Mode Choice**

As noted previously, auditors do not always use the communication mode they most prefer. This suggests some circumstances prompt auditors to use a mode of communication, which might differ from their preferred mode. To understand how auditors choose their mode of communication, we asked participants how important various factors are when deciding how to communicate with the client (on a scale from 1 – “Not at all important” to 5 – “Extremely important”). The results of this question are shown graphically in Figure 3. The two most important factors staff auditors consider when choosing a communication mode are the urgency of the matter (Mean = 4.48) and the nature of the evidence to be collected (Mean = 4.38) (i.e., these are the only two items with means that are significantly greater than 4 – “Very Important”, p-values < 0.001, untabulated). Other factors considered “very important” (i.e., means that do not differ significantly from 4, p-values > 0.08, untabulated) include the ability to ask follow-up questions (Mean = 4.05), the client’s preferred mode (Mean = 3.99), the ability to think through before responding (Mean = 3.91), client relationship building (Mean = 3.87), and convenience (Mean = 3.87).

[Insert Figure 3 Here]

We anticipate auditors who mostly use FTF communication are likely to find different factors important when choosing their communication mode compared to auditors who mostly
use email. Accordingly, we test whether the importance of each factor in Table 2 Panel B differs for auditors who mostly use FTF versus email.\(^7\) We find that auditors who communicate most FTF value the ability to ask follow-up questions (Mean = 4.28) more than auditors who mostly use email (Mean = 3.80, \(p = 0.002\)). In addition, auditors who communicate most FTF value the client’s mode preference (Mean = 4.18) and building client relationships (Mean = 4.13) more than auditors who primarily use email (Means = 3.82 and 3.57, respectively, \(p = 0.051\) and \(0.002\), respectively).

We note that the two factors auditors judge as most important when choosing a communication mode—the urgency of the matter and the nature of the evidence to be collected—do not differ significantly between auditors who primarily use FTF and those who use email (\(p\)-values > 0.60, Table 2 Panel B). That is, auditors generally agree these are the most important factors influencing their choice of communication mode regardless of which mode they use most frequently in practice. On the surface, this similarity in judgments may seem unexpected. However, it is important to recognize that an auditor’s choice of communication mode is not only influenced by which factors (from Table 2 Panel B) the auditor judges as most important, but also by the frequency with which those factors are actually encountered in practice. For instance, an auditor could believe it is very important that FTF communication be used for urgent matters, but if that auditor has not encountered many urgent matters in practice, then this “important” factor will have little impact on which mode they actually use.\(^8\)

\(^7\) Specifically, we compare the 61 auditors who mostly use FTF versus the 57 who mostly use email from Figure 1 Panel B.

\(^8\) Similarly, we find no difference in the importance placed on “firm/superior preference” between auditors who primarily use FTF versus email communication. One might expect auditors who communicate FTF to value their firm’s preference to a greater extent, given that most firms want their staff auditors to communicate with clients FTF (Bennett and Hatfield 2018). However, we note that “firm/superior preference” is the factor auditors indicate as being least important when choosing their mode of communication (see Figure 3). Accordingly, it is not surprising that auditors do not differ in their consideration of this factor regardless of which communication mode they use most frequently. Nonetheless, because firms may vary in the emphasis placed on FTF communication, we examine
Because the results we report in Table 2 Panel B are limited in their ability to provide insight on how certain factors impact auditors’ choice of communication mode, we examine auditors’ descriptions of a specific interaction they have had with a client to gain further insight on this matter. We focus our examination on the two factors auditors deem most important when choosing a communication mode: (1) the urgency of the matter and (2) the nature of the evidence to be collected.

As might be expected, our review of the client communication experiences recounted by participants reveals that when auditors mention urgency as important, they indicate the need for FTF (i.e., in-person) communication:

“The client is very reluctant to speak with us, and prefers to be communicated electronically. Due to the urgency, I had to communicate face-to-face.”

“I let them know that their feelings were understood and that we could get this task done quickly together. I went to the Controller’s office to review subsequent disbursements in real time as he pulled them.”

Furthermore, some participants indicated that clients can easily avoid or ignore emails, and therefore, email is not an effective mode for issues that need to be resolved quickly:

“The controller…had the information I needed but just hadn’t emailed it to me…It was a waste of my time and I had been waiting for the information for a while, so I’m not sure why he couldn't have sent it to me sooner. He never responded to my emails so everything had to be done face-to-face.”

“The client would not give us a correct AP accrual detail. They avoided us, ignoring emails for a period of time, and were not pleasant when we spoke.”

Based on these responses, it appears that for urgent matters, staff auditors generally believe FTF communication is more effective than email.

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whether results differ by firm type. We find that for regional audit firms, auditors who primarily use FTF communication believe it is significantly more important to consider the communication preferences of their firm (mean = 3.88) compared to auditors who primarily use email (mean = 3.21) (t = 2.12, p = 0.040, untabulated). In contrast, we find no such difference for Big 4 firms (p = 0.448, untabulated) or non-Big 4 international/national firms (p = 0.387, untabulated).
To understand how “the nature of the evidence to be collected” influences auditors’ choice of communication mode, we coded each client interaction based on whether it involved a document request and/or an inquiry (e.g., asking questions, discussing a process). We also coded whether the interaction involved email and/or FTF communication. We find that auditors are more likely to use email when their client communication involves a document request (75.6 percent) compared to when it does not involve a document request (58.6 percent, $\chi^2 = 3.49, p = 0.062$, untabulated). We further find that auditors are less likely to use email when their client communication involves inquiry (54.5 percent) compared to when it does not involve inquiry (78.4 percent, $\chi^2 = 7.60, p = 0.006$, untabulated). In contrast, the use of FTF communication does not differ based on whether or not the communication involved a document request ($p = 0.481$) or client inquiry ($p = 0.566$, untabulated). Overall, these results suggest that the nature of the evidence to be collected influences auditors’ use of email, with document requests (inquiry) prompting greater (lesser) email use. In contrast, this factor does not appear to influence auditors’ use of FTF, since both document requests and client inquiry can be effectively accomplished using FTF communication.

Our analyses thus far suggest that at times circumstances prompt auditors to use a communication mode that might differ from their preferred mode (e.g., the use of FTF for urgent matters and email for document requests). Consistent with this idea, we find (in Figure 1) that 71.88 percent of auditors prefer FTF while only 47.66 percent actually use FTF most frequently. To understand this preference-use inconsistency, we look at the subset of auditors who prefer FTF and examine what may lead these auditors to use a non-preferred mode (i.e., email). Of the

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9 This result is not surprising, given that most of the client interactions recalled by participants (60.9 percent) involved more than one communication mode, with FTF occurring in 88.3 percent of the communications. That is, most auditors described an interaction involving FTF communication, so there is not much variability in the use of this mode based on the nature of the evidence collected.
92 participants who prefer FTF, 53 (57.61 percent) report using FTF most frequently, and 30 (32.60 percent) report using email most frequently (the remaining 9 use FTF and email equally and are dropped from the analysis that follows). Using these two subsamples of participants, we examine whether they consider different factors (from Table 2 Panel B) important in choosing a communication mode. We find that participants who prefer and use FTF most frequently believe it is significantly more important to consider (1) the ability to ask follow-up questions (mean = 4.28) and (2) client relationship building (mean = 4.26) compared to participants who prefer FTF but use email most frequently (means of 3.60 and 3.47, respectively) (p-values < 0.001, untabulated).

Taken together, these results complement prior research, which suggests FTF communication allows auditors to ask questions more easily and promotes relationship building with clients (Bennet and Hatfield 2018). Our results suggest auditors who use email most frequently place less value on these features of the communication mode. In addition, it appears that although most participants prefer FTF communication, those who place less value on the ability to ask follow-up questions and client relationship building are more likely to forgo their preferred mode and instead use email.

Positive versus Negative Communication Experiences

Thus far, we have examined factors influencing the communication modes preferred and used by staff auditors. However, because our participants are early in their careers, their initial experiences communicating with clients are likely to further shape their perceptions of and approaches to client communications (e.g., development of anxieties, willingness to communicate, mode used). Table 3 Panel A reports the percentage of staff auditors’ communications with clients that are perceived as positive and productive versus negative and
unproductive. We find that 61.90 percent of auditors’ communications are perceived as positive, while only 11.40 percent are perceived as negative (with the remainder being neutral). However, we find no significant difference in the percentage of positive or negative interactions between auditors who primarily use FTF (63.52 percent positive and 11.89 percent negative) versus those who use email (61.46 percent positive and 10.07 percent negative). Nonetheless, to examine this relationship further, we test whether there is a significant correlation between the percentage of positive communications reported by auditors and the percentage of communications that occur FTF. We find a positive correlation between these percentages ($r = 0.17, p = 0.059$, untabulated), suggesting auditors are more likely to use FTF communication as they experience more positive interactions or positive interactions are more likely to occur when auditors interact FTF.\footnote{Although it is unclear precisely why auditors who primarily communicate FTF experience more positive client communications, we note that our results reported in Table 2 Panel B suggest that these auditors place greater value on client relationship building compared to auditors who primarily use email. As such, it could be this desire to build strong client relationships that causes auditors’ FTF interactions to be more positive. In support of this possibility, we find a significant positive correlation between the importance auditors place on building client relationships and the percentage of positive client interactions they have experienced ($r = 0.18, p = 0.049$).}

Next, we examine four additional factors that may affect whether client communications are positive or negative: (1) how well auditors feel their firm prepared them to communicate with clients, (2) auditors’ understanding of audit tasks (which are often the subject of communications), (3) months of audit experience, and (4) the frequency with which auditors move between engagements (suggestive of more experience with a wider variety of clients).

These factors are likely to be relevant predictors of staff auditors’ communication experiences, given that auditors’ primary anxieties stem from a perceived lack of knowledge and experience (see Figure 2)—both of which can be improved through firm training/preparation, and on-the-job experience. Accordingly, we analyze whether these four attributes differ for auditors who report
a higher proportion of positive/productive client communications versus those who report a lower proportion.\textsuperscript{11}

Results of these analyses are reported in Table 3 Panel B. We find that staff auditors with a higher proportion of positive communications feel their firm has done a (marginally) better job preparing them to communicate with clients compared to auditors with a lower proportion of positive communications (Means = 5.04 and 4.56, respectively, p = 0.061).\textsuperscript{12} We also find that auditors with more positive communications have a better understanding of audit tasks (i.e., they rarely work on tasks without a clear understanding of what they should be doing) compared to auditors with less positive communications (Means = 3.83 and 4.27, respectively, p = 0.020).\textsuperscript{13} When we review participants’ descriptions of a specific client interaction they have experienced in practice, we find further evidence to suggest greater preparation and understanding of audit matters fosters positive and productive client communications. For instance, one participant described the following positive/productive interaction:

“I was able to sit down with the benefits manager, after I had prepared my EBP document to ask follow up questions. I felt prepared because I had worked with my senior to know exactly what to ask. I was able to ask follow up questions and felt comfortable getting my answers directly and efficiently.”

In contrast, another participant described the following interaction as negative/unproductive:

\textsuperscript{11} Using the percentage of positive and negative client communications reported by participants, we construct a measure to identify auditors with more- versus less-frequent positive communications. To do so, we subtract the percentage of negative communications reported by each participant from the percentage of positive communications to create a \textit{Net Positive Communication} measure. We then split this measure at its median value of 60 to create two groups: (1) auditors with more positive communications (i.e., those with a \textit{Net Positive Communication} value above the median, n = 53), and (2) auditors with less positive communications (i.e., those with a value below the median, n = 59). Sixteen participants with a \textit{Net Positive Communication} value of 60 (i.e., the median) were dropped from these analyses.

\textsuperscript{12} We do not find differences in participants’ perceptions of how well they were trained to communicate with clients depending on firm type (Big 4, non-Big 4 international/national, and regional firms) (all p-values > 0.10).

\textsuperscript{13} We also find a significant positive correlation between the frequency with which staff auditors work on tasks without a clear understanding of what they are doing and the frequency with which they feel communication anxieties from being less knowledgeable (r = 0.37, p < 0.001, untabulated) and less experienced than the client (r = 0.36, p < 0.001, untabulated). This suggests auditors are more likely to face difficult (e.g., anxiety-inducing) client interactions when they lack a clear understanding of audit tasks.
“I had an additional question on a Footnote disclosure in regards to an area of which I was completely unfamiliar however I asked the question anyway. When the client had asked me questions in regards to this, I felt unprepared to answer them and told them I would have to follow-up on my question.”

Our review of the client interactions recalled by participants also reveals that staff auditors sometimes look to more experienced members of their engagement team to help them understand and prepare for client communications. In addition to the quote above, which mentions “I felt prepared because I had worked with my senior to know exactly what to ask,” another participant described a time in which a more experienced staff accompanied them during a client inquiry, but failed to fully explain the associated process, noting that the staff “tried to explain the processes to me, but…I have a very hard time following her descriptions/direction with tasks - unlike the senior on the job who is very thorough and explains everything so that I am able to fully understand.” This same participant described feeling “clueless” during the meeting with the client because they were not given “a more thorough description of the process” from the more experienced staff.

Next, we consider the relationship between auditor experience and the nature of auditors’ client interactions (see Table 3 Panel B). While audit experience in general does not differ (p = 0.269), we find that auditors with more positive communications transition between audit engagements more frequently (Mean = 4.79) compared to auditors with less positive communications (Mean = 4.24, p = 0.042). This result may suggest that time as an auditor alone is insufficient to increase positive interactions with clients, but that obtaining experience with a wider variety of clients may help auditors achieve more positive, productive communications.14

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14 Alternatively, this result could suggest that auditors who are better communicators (i.e., those with more positive/productive communications) are in higher demand, thus explaining why they are assigned to a greater number of engagements.
Lastly, we test whether the nature of auditors’ communication experiences (positive or negative) affects auditors’ communication anxieties and how they deal with these anxieties. To do so, we average participants’ responses to all of the anxiety questions in Table 2 Panel A to create a measure of overall communication anxiety. As shown in Table 3 Panel B, we find auditors with less positive client interactions experience communication anxieties more frequently (Mean = 4.45) compared to auditors with more positive interactions (Mean = 4.00, p = 0.017). Additionally, auditors with less positive client interactions report that their communication anxieties prevent them from following up with clients more frequently (Mean = 3.22) compared to auditors with more positive interactions (Mean = 2.34, p < 0.001). These results suggest auditors who experience more negative client communications early in their careers develop more communication anxieties and a reduced willingness to communicate with clients. Such behavior has audit quality implications as it suggests auditors may avoid necessary client interactions and fail to collect sufficient evidence after experiencing more negative client interactions. To better understand the audit quality implications of such avoidance behavior, we consider the frequency with which staff auditors’ client communications require additional follow-up. After participants were asked to recall and describe a specific client interaction, we asked them whether they had to follow-up with the client after the initial communication and who initiated the follow-up. We find that of the 128 participants in our survey, 102 (79.7 percent) indicate that additional follow-up was needed after the initial communication. Furthermore, of the 102 auditors who indicated their initial interaction required follow-up, 83 (81.4 percent) indicated that they were the party responsible for the follow-up. Given the

15 For this question, we asked participants, “What is the frequency with which [communication] anxieties prevent you from following up with the client when a follow-up would otherwise be appropriate?” (measured on a scale from 1 = “Never” to 7 = “Always”).
frequency with which auditors must follow-up with clients (and initiate this follow-up), even a slight reduction in auditors’ willingness to communicate with clients could have serious audit quality implications.

Auditors’ interactions with clients could be viewed as positive or negative for a variety of reasons (e.g., efficiency of the communication, complexity of the issue, (mis)understanding). However, we consider one particular factor that is likely to influence auditors’ communication anxieties and willingness to communicate: a client’s personality and demeanor. Specifically, communicating with an intimating and rude client is likely to be a stressful and anxiety-inducing experience for staff auditors. And in fact, our review of auditors’ descriptions of a specific client interaction reveals several examples of difficult, ill-mannered clients:

“After having tried to walk the client through the question I had and trying to get the proper support, the client lost their cool and started raising their voice speaking in a condescending manner.”

“Provided comments on the tie out including questions about where certain numbers came from. Client responded by saying that I was dumb not to know these answers.”

“The controller did not listen well to my explanation and was easily annoyed with my questions. He would respond with an attitude and deliberately ignore me.”

“The Manager seemed to think I should already know the answer to the questions I was asking even though it was a first year client. His tone was very condescending and actually caused me to ask fewer questions than I had prepared.”

This final quote provides an example of how a negative client communication experience can harm audit quality by making auditors reluctant to ask questions. In contrast, the following positive communication experiences involve clients who are friendly and accommodating:

“The Controller was a very friendly person. She answered everything to the best of her ability and got me my information. Additionally, as another female, we got caught up in other types of conversation, e.g. her kids, chipotle, etc. However, I still got all the information I needed as well as built a relationship with her.”
“During face-to-face meetings, the client had been closed off from conversation regarding topics outside of work. During my meeting, though reluctant at first, I was able to engage in conversation beyond work including interests, background, etc. These topics helped create a positive environment and the client became more forthcoming to answer questions.”

These latter examples illustrate how interacting with friendly, accommodating clients can lead to more positive communication experiences as well as the development of auditor-client relationships. Notably, the final example above indicates that FTF conversation about non-work topics might help auditors build the type of relationship in which clients feel comfortable being “more forthcoming” when answering questions. Once again, this suggests that client communication experiences have the potential to affect audit outcomes in meaningful ways.

**DISCUSSION AND CONCLUSION**

Staff auditors perform the bulk of the detailed work on audit engagements, which often requires communication with clients. Research suggests staff auditors frequently use email for such communications, in part because they feel intimidated by older, more experienced clients (Bennett and Hatfield 2013, 2018). This choice to communicate via email, as opposed to using an alternative mode (e.g., FTF, telephone), can have important implications for the audit (Bennett and Hatfield 2018; Carlisle and Jenkins 2020; Saiewitz and Kida 2018). Therefore, it is important to understand factors influencing auditors’ choice of communication mode and how this choice affects the quality of client communications.

In this paper, we report results of a survey conducted with staff auditors to understand their experiences interacting with clients and the role of communication mode in these interactions. While audit partners have expressed concerns that staff auditors over-rely on email for their communications (Bennett and Hatfield 2018), most auditors in our study (71.88 percent) report a preference for FTF communication. Despite this preference, however, we find that
auditors report using email and FTF with about the same frequency. This inconsistency between communication mode preference and use raises the question of how these preferences are formed and what may cause auditors to use a non-preferred mode. We find evidence that staff auditors’ communication mode preferences are influenced by anxieties experienced during client communications. Specifically, auditors who prefer email (versus FTF) report more anxiety about being less knowledgeable and experienced than clients, suggesting some auditors prefer email because it minimizes these anxieties. Furthermore, while most auditors in our study agree that the urgency of the matter and the nature of the evidence to be collected are the most important factors when choosing a communication mode, other factors (e.g., building client relationships) are considered to differing degrees by auditors who mostly use email versus those who primarily use FTF.

We believe our study provides important insights for audit practice. Audit firms interested in encouraging greater use of FTF communication can use the results of our study to understand factors that influence auditors’ preference for and choice of communication mode. For instance, staff auditors may benefit from training aimed at reducing anxieties that stem from feeling less knowledgeable and experienced than clients. Interestingly, we find these anxieties are reduced for participants who report a greater understanding of audit tasks, suggesting there are benefits to clearly explaining the purpose of audit tasks to staff auditors. Furthermore, audit partners have expressed concerns that by using email, staff auditors may not be asking enough follow-up questions or building client relationships (Bennett and Hatfield 2018). Our study suggests auditors who primarily use email (versus FTF) place less importance on these factors when selecting their mode of communication. As such, audit firms should consider emphasizing when FTF communication is most appropriate and its various benefits. Notably, we find a
positive relationship between staff auditors’ use of FTF and the frequency of positive, productive client communications, which may suggest FTF communication is well-suited for building client relationships and achieving positive communication outcomes.

Like all studies, ours is subject to certain limitations, which should be considered when interpreting our results. Most notably, our use of survey evidence makes it difficult to draw definitive conclusions regarding the direction of causality. For instance, we find that auditors who have experienced a higher proportion of positive client communications report fewer communication anxieties. However, we are unable to determine whether a lack of anxiety causes auditors’ communications with clients to be more positive or whether experiencing more positive communications causes a reduction in anxiety. Furthermore, it is difficult to determine how some of our findings may manifest in practice via auditor behavior. Nonetheless, our findings provide important insights regarding the communication experiences of staff auditors, which can be used to inform audit practice and motivate future research.

Finally, as the auditing profession continues to move toward more remote forms of work (e.g., due to technological advancements, social/family dynamics, COVID-19), it will be interesting to consider how auditors’ communications with clients will evolve, especially if FTF communication becomes a thing of the past. Our results suggest that while remote communication (e.g., email) may be less anxiety-inducing for staff auditors, it may also be less effective in many cases (e.g., for urgent matters and client relationship building). These outcomes (and others) will be important for the auditing profession to consider before adopting fully remote forms of auditing.
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Table 1  
Participant Demographics  
(n = 128)

|                              | Mean  | S.D.  |
|------------------------------|-------|-------|
| Auditor experience (in months) | 12.74 | 7.01  |
| Age (in years)               | 26.01 | 4.55  |

| Highest earned degree         | Frequency | Percentage |
|------------------------------|-----------|------------|
| Bachelors                    | 45        | 35%        |
| Masters                      | 83        | 65%        |

| Licensed CPA                  | Frequency | Percentage |
|------------------------------|-----------|------------|
| Yes                          | 53        | 41%        |
| No                           | 75        | 59%        |

| Firm type                    | Frequency | Percentage |
|------------------------------|-----------|------------|
| Big 4                        | 36        | 28%        |
| International/National       | 37        | 29%        |
| Regional                     | 55        | 43%        |

| Gender                       | Frequency | Percentage |
|------------------------------|-----------|------------|
| Male                         | 72        | 56%        |
| Female                       | 56        | 44%        |

_a For variables collected that are continuous, we report means and standard deviations._

_b For variables collected that are categorical, we report both the frequency and percentage of respondents with that demographic characteristic._
Table 2  
Choice of Communication Mode

Panel A: Frequency of Communication Anxieties\(^a\)

| Source of Anxiety (Ordered by Frequency Anxiety is Felt by All Auditors)\(^c\) | By Preferred Mode of Communication\(^b\) | Difference between FTF vs. Email |
|---|---|---|
| Feeling less knowledgeable than the client | FTF n=92 Email n=33 | t-statistic df = 124 p-value |
| | Mean (S.D.) | Mean (S.D.) | |
| Feeling less knowledgeable than the client | 4.67 (1.27) | 5.24 (1.28) | -2.21 0.029 |
| Feeling less experienced than the client | 4.33 (1.35) | 5.03 (1.43) | -2.53 0.013 |
| Fear of interrupting or annoying the client | 4.38 (1.38) | 4.73 (1.31) | -1.26 0.212 |
| Fear of upsetting the client | 4.12 (1.33) | 4.36 (1.37) | -0.89 0.372 |
| Fear of asking about sensitive information | 3.25 (1.40) | 3.09 (1.53) | 0.546 0.586 |

Panel B: Important Factors When Choosing a Communication Mode\(^d\)

| Choice Factor (Grouped by Importance of Factor to All Auditors)\(^f\) | By Most Used Mode of Communication\(^e\) | Difference between FTF vs. Email |
|---|---|---|
| | FTF n=61 Email n=57 | t-statistic df = 115 p-value |
| Urgency of the matter | Mean (S.D.) | Mean (S.D.) | |
| The nature of the evidence to be collected | 4.54 (0.54) | 4.49 (0.66) | 0.45 0.652 |
| 4.43 (0.81) | 4.35 (0.81) | 0.51 0.614 |
| Ability to ask follow-up questions | 4.28 (0.71) | 3.80 (0.90) | 3.17 0.002 |
| 4.18 (0.71) | 3.82 (0.90) | 1.97 0.051 |
| The client’s preference | 3.87 (0.87) | 3.96 (0.84) | -0.61 0.543 |
| 4.13 (0.94) | 3.57 (0.93) | 3.23 0.002 |
| Ability to think through before responding | 3.70 (0.88) | 3.96 (0.87) | -1.62 0.109 |
| Building a relationship with the client | 3.82 (0.99) | 3.79 (1.03) | 0.16 0.871 |
| 3.60 (1.07) | 3.59 (1.05) | 0.05 0.957 |
| Firm/superior preference | 3.68 (1.10) | 3.46 (1.10) | 1.08 0.284 |

\(^a\) Panel A reports results of the question, “When communicating with the client, how frequently do the following items cause you anxiety?” (on a 7-point scale, where 1 = “Never,” 2 = “Very rarely,” 3 = “Rarely,” 4 = “Sometimes,” 5 = “Frequently,” 6 = “Very frequently,” and 7 = “Always”). The reported t-statistic for each item compares the mean response for participants who most prefer FTF versus those who prefer Email communication.
For “Most Preferred Mode,” we asked participants to “Rank the following communication channels in order of your most preferred (Rank #1) to least preferred (Rank #7) method of communicating with the client.” We then grouped auditors based on the communication mode they ranked as most preferred (i.e., Rank #1).

c The anxieties are ordered from most to least frequent based on the frequency with which all participants experience the anxiety in practice (i.e., based on the overall means reported in Figure 2).

d Panel B reports results of the question, “When deciding how to communicate with the client, to what extent do you consider the following factors to be important in choosing your method of communication?” (on a scale from 1-5, where 1 = “Not at all important,” 2 = “Slightly important,” 3 = “Moderately important,” 4 = “Very important,” and 5 = “Extremely important”). The reported t-statistic for each item compares the mean response for participants who primarily use FTF when communicating with clients versus those who mostly use Email.

e For “Most Used Mode,” we asked participant to “Indicate the percentage with which you use the following forms of communication with the client.” We then grouped auditors based on the communication mode they indicated as their most used mode (i.e., the mode assigned the highest percentage). Note that 10 participants (8%) ranked FTF and Email as equally used; therefore, they are excluded from this analysis.

f The factors listed are ordered from most to least important based on how important all participants perceived the factors to be (i.e., based on the overall means reported in Figure 3).
Table 3  
Communication Outcomes

Panel A: Frequency of Positive and Negative Communications in Practice<sup>a</sup>

| Experience | Overall (All Auditors, n=128) | By Most Used Mode of Communication |
|------------|-------------------------------|-----------------------------------|
|            | Mean (S.D.) | Median | Mean (S.D.) | Median | Mean (S.D.) | Median |
| Positive   | 61.90% (22.42) | 70.00% | 63.52% (21.89) | 70.00% | 61.46% (21.41) | 70.00% |
| Negative   | 11.40% (12.45) | 10.00% | 11.89% (14.73) | 10.00% | 10.07% (8.40) | 10.00% |

Panel B: Auditors Who Have Experienced a Higher Versus Lower Proportion of Positive Communications with Clients<sup>b</sup>

| Survey Question | More Positive n=53 | Less Positive n=59 | t-statistic | df=110 | p-value |
|-----------------|--------------------|-------------------|-------------|--------|---------|
| Measures related to preparation, understanding, and experience<sup>c</sup> | | | | | |
| My firm has prepared me well to communicate with the client. | 5.04 (1.37) | 4.56 (1.30) | 1.89 | | 0.061 |
| How often do you find yourself working on assignments without a clear understanding of what it is you are supposed to be doing? | 3.83 (0.99) | 4.27 (0.98) | 2.36 | | 0.020 |
| How many months have you worked at your firm? | 11.83 (5.82) | 13.36 (8.34) | 1.11 | | 0.269 |
| Indicate the frequency with which you transition between audit engagements. | 4.79 (1.47) | 4.24 (1.38) | 2.06 | | 0.042 |
| Measures related to communication anxieties<sup>d</sup> | | | | | |
| When communicating with the client, how frequently do you feel anxiety? | 4.00 (1.07) | 4.45 (0.92) | 2.43 | | 0.017 |
| How frequently do your communication anxieties prevent you from following up with the client? | 2.34 (1.30) | 3.22 (1.12) | 3.86 | | < 0.001 |

<sup>a</sup> Panel A reports the percentage of positive and negative communications experienced by staff auditors while communicating with clients. To elicit this information, we asked participants to “Indicate the percentage with which you have the following types of communications with the client.” Participants then allocated 100 percentage points across three categories: “Positive/productive,” “Negative/unproductive,” and “Neutral.”
Using participants’ responses to the question described in note “a” above (and reported in Panel A), we divided participants into two groups: (1) auditors who indicated that a greater proportion of their communications with clients are positive/productive (i.e., the “More Positive” group) and (2) auditors who indicated that a lower proportion of their communications with clients are positive/productive (i.e., the “Less Positive” group). (See footnote 11 for a full description of how we divided participants into these two groups.) The t-statistics shown in Panel B compare responses from the “More Positive” client communications group to those from the “Less Positive” client communications group. We note some instances of unequal variance between groups; however, when the t-statistics are adjusted for unequal variance using the Satterthwaite procedure, results are qualitatively similar. Therefore, we report unadjusted statistics for simplicity.

c Questions in this section were measured on the following scales: “My firm has prepared me well…” [1 = “Strongly disagree” to 7 = “Strongly agree”]; “How often do you find yourself working on assignments…” [1 = “Never” to 7 = “Always”]; “Indicate the frequency with which you transition…” [1 = “Never” to 7 = “All the Time”]

d The first question in this section is a composite measure created by averaging together all of the anxiety-related items from Table 2 Panel A. This measure reflects the average frequency with which staff auditors experience communication anxieties when interacting with clients (on a scale from 1 = “Never” to 7 = “Always). The second question (“How frequently do your communication anxieties prevent you…”) was measured on a scale from 1 = “Never” to 7 = “Always.”
Figure 1
Communication Mode Preferences and Use

Panel A: Communication Mode Preference

| Mode          | Frequency (Percentage) |
|---------------|------------------------|
| Face-to-face  | n = 92 (71.88%)        |
| Email         | n = 61 (47.66%)        |
| Other         | n = 3 (2.34%)          |

Panel B: Communication Mode Use

| Mode          | Frequency (Percentage) |
|---------------|------------------------|
| Face-to-face  | n = 57 (44.53%)        |
| Email         | n = 61 (47.66%)        |

a For “Most Preferred Mode,” we asked participants to “Rank the following communication channels in order of your most preferred (Rank #1) to least preferred (Rank #7) method of communicating with the client.” Panel A indicates the percentage of auditors who ranked each communication mode as most preferred (i.e., Rank #1).

b For “Most Used Mode,” we asked participants to “Indicate the percentage with which you use the following forms of communication with the client.” Panel B reports the percentage of auditors who indicated each communication mode as their most used (i.e., assigned it the highest percentage). Note that 10 participants (8%) ranked FTF and Email as equally used; therefore, they are excluded from these amounts reported in Panel B.

+ “Other” includes telephone and instant messaging.
Figure 2
Frequency of Communication Anxieties

This figure reports the overall mean responses to the question, “When communicating with the client, how frequently do the following items cause you anxiety?” (on a 7-point scale, where 1 = “Never,” 2 = “Very rarely,” 3 = “Rarely,” 4 = “Sometimes,” 5 = “Frequently,” 6 = “Very frequently,” and 7 = “Always”).
Figure 3
Important Factors to Communication Mode Choice

This figure reports the overall mean responses to the question, “When deciding how to communicate with the client, to what extent do you consider the following factors to be important in choosing your method of communication?” (on a scale from 1-5, where 1 = “Not at all important,” 2 = “Slightly important,” 3 = “Moderately important,” 4 = “Very important,” and 5 = “Extremely important”).