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Exploring auditors' stereotypes: the perspective of undergraduate students

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ABSTRACT

We report the results of a study that examines university students' perceptions about the public image of auditors through their stereotypes and their changes in attitudes after an extra-curricular activity with professionals, sponsored by a well-known and prestigious professional organisation of auditors in Spain. In our experimental study, we examine whether real life contact for students is a way to change their stereotypes on the auditing profession.

Participants completed a preliminary and also a post-survey, both pen-and-paper, in order to analyse the students' final impressions and the evolution of their perception of auditors' stereotypes. Both surveys were divided in three different sections: demographic data, general perceptions towards the activity, and 30 questions with regard to the perceptions of an average auditor compared to an average individual. Results indicate that, indeed, the activity changed the students' view to consider auditors as more warm, more available to work in teams, more modest, more tender-minded, and less impulsive.

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Exploración de los estereotipos de los auditores: la perspectiva de los estudiantes universitarios

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RESUMEN

En este artículo se presentan los resultados de un estudio que examina la percepción que los estudiantes universitarios tienen de la imagen pública de los auditores a través de sus estereotipos, y su evolución tras la realización de una actividad extracurricular patrocinada por la Agrupación Territorial 1.ª, una agrupación profesional de auditores muy conocida y prestigiosa en España. En este estudio se examina si el contacto directo de los estudiantes con los profesionales es una manera de cambiar el estereotipo de los estudiantes hacia la profesión auditora.

Los participantes en el estudio completaron un cuestionario preliminar en papel antes y otro después de realizar la actividad, con la finalidad de analizar sus impresiones sobre la actividad y la evolución de sus percepciones sobre la profesión. Ambos cuestionarios se dividieron en 3 secciones: datos demográficos, percepción general de la actividad y 30 preguntas sobre la percepción de un auditor genérico comparado con un individuo genérico. Los resultados obtenidos indican que la actividad cambió la opinión de los estudiantes que pasaron a considerar a los profesionales más amigables y cercanos, más dispuestos a trabajar en grupo, humildes, comprensivos y menos impulsivos.

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Introduction

The purpose of this paper is to investigate the public image of the auditors' profession. The public image of a profession is represented by stereotypes, label that was used for the first time by Walter Lippman in 1922 'to describe the process in which individuals use simplification for generalisation and organisation of perceptions purposes' (Albu, Albu, Gîrbinä, & Sandu, 2011, p. 732). Stereotypes play an important part in the construction of a public attitude and in the selection process of those who want to be part of a profession, and also because students choose their degrees based on many conditionings, being one of them the specific stereotypes of the profession they are going to belong to (Arquero & Tejero, 2009).

Previous studies show traditional accountants and auditors perceived as a boring and grey group (Picard, Durocher, & Gerdron, 2014), but also the current economic crisis is having a negative impact on auditors' credibility. Some Spanish large firms as Pescanova, Gowex or Martinsa, among others, have entered into bankruptcy due to accounting frauds with no previous sign from the auditor, increasing the expectation gap on the auditors' role and their negative public perception. Following this perception, accounting and auditing firms have tried to improve their social image, understanding the necessity of giving an actual and fresh image to attract and retain talented members (Carnegie & Napier, 2010), as it could disincentive not only regular students, but also 'the best and the brightest' (Friedman & Lyne, 2001). To our best knowledge, little attention has been paid to the perception university students do have of the accounting profession when they are still students (Marriot & Marriot, 2003; Mladenovic, 2000). Additionally, this kind of studies is scarce in other contexts than the Anglo-Saxon one (Albu et al., 2011) were the market is very competitive versus countries such as Spain with a context of a high concentration level on few audit firms (Sierra, García, & Zorio, 2012).

As a consequence of several scandals involving auditors such as Pescanova or Gowex, Spanish regulators have considered several strong measures to improve audit quality following European guidelines, as the implementation of new enforcement controls (De las Heras, Cañibano, & Moreira, 2012), the reconsideration of the allowance of non-audit fees (Carmona & Momparler, 2011), or the implication of the auditor's independence (Gomez Aguilar & Ruiz-Barbadillo, 2000; Ruiz Barbadillo, Gómez Aguilar, & Biedma, 2005).

As a response to this situation, a well-known and prestigious professional organism of auditors in Spain (ICJCE) has begun to improve its visibility among university students, planning different activities to bring closer the auditing profession to the university community. Many universities around the world hold different extracurricular activities: sports, music . . ..and also extra training activities like round tables, special lectures from real business professionals, conferences, workshop about new researches, presentation of new manuals, lectures from important people (ministers, honorary doctors, prize-winners. . .). One of these extracurricular activities has been called 'auditor for a day'. At the end, the aim of many of these activities is to give students the possibility to orientate their future employability (Stevenson & Clegg, 2012). The majority of these activities are not official, so students can choose whether they want to have additional capacities towards their future.

Bearing all these things in mind, the objective of this paper is to analyse university students' perception about the public image and stereotypes of auditors and their variation after being involved in an extra-curricular activity. For this 'auditor for a day' activity, students from different universities are greeted by the thirteen major audit firms such as: Baker Tilly, BDO, Deloitte, EY KPMG, or PWC among others. These students are invited to be part of the audit team for a day, visiting the audit client, sharing the coffee break and being present at certain discussions as part of the team for a day.

Thus, to be able to analyse the students' evolution on the perception of auditors, participants were asked to complete a preliminary pen-and-paper survey (pre-survey) the previous day to doing the activity, and another one (post-survey) after the completion of the activity. Both surveys were divided in three different sections: demographic data, general perceptions towards the activity following Geiger and Ogilby (2000), and perceptions of an average auditor compared to an average individual, prepared by Coate, Mitschow, and Schinski (2003) and used in Zdolsek (2013).

The main contribution of the present paper is that organising *real life* activities for university students is a good way to deconstruct negative stereotype of auditor, improving their social image and boosting them to become auditors. More professional activities should be developed to be able to change the social view of audit profession in order to value their public interest to guarantee the integrity of businesses' financial information. In addition, a non-Anglo-Saxon context study is carried out.

The remainder of this paper is organised as follows. The next section presents a review of the prior literature and formulates certain hypotheses and research questions. The section after that describes the sample and methods employed in testing the hypotheses. The results are then presented, followed by limitations, implications for stakeholders, suggestions for future research, and concluding remarks.

Literature review and hypothesis

The auditor's role is particularly necessary to fulfil market confidence and economic and financial stability. In accordance to this need, the professional activity has been considered as a public interest (PIOB, 2010). Thus, the image of the auditors may affect the confidence itself, as the accounting profession is a '. . .social practice with people, cultures, and myths' (Leahman, 2005), and therefore the definition of 'public interest' has not a unique meaning (Baker, 2005). An approach to its definition can be found in Baker (2005), who considered that public interest, related to AICPA (American Institute of auditors called CPAs) objectives, has to be understood under the collective well-being of the community of people and institutions to which the accounting profession will serve. A similar view can be found in the academic literature considering the public interest concept close to the legitimacy theory, as 'organisations exist to the extent that the particular society considers that they are legitimated, and if this is the case, the society "confers" upon the organisation the "state" of legitimacy' (Deegan, 2002, p. 292). Then, the auditing profession receives the legitimacy from the society in order to raise the public interest, but the society itself might revoke the contract if it does not comply with their objectives and expectations (Mathews, 1993). As a conclusion, and in accordance to the legitimacy theory, any reverse in its reputation will have a strong and negative effect on its legitimacy.

Apart from legitimacy theory, several studies have analysed the existence of an "*expectation gap*" on the auditor's role (Liggio, 1974), considering this as the difference between what the public and other financial statement users perceive auditor's responsibilities to be and what auditors believe their responsibilities entail (Mc Enroe & Martens, 2001). Some authors have studied the different perceptions of the auditor's role, not only in Spain but worldwide, concluding users do not know the auditing process and the nature of the audit function and scope (Humphrey, Moizer, & Turley, 1993), and suggesting the big distance not only between auditors and stakeholders but also with judges (Lowe, 1994) or students (Frank, Lowe, & Smith, 2001).

There are some factors that explain the persistence of this gap. The different perception of the auditor role on fraud detection is one of the most relevant ones and can be found in several

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