

Discussion of: The role of client advocacy in the development of tax professionals' advice

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Contributions

- Builds upon prior advocacy literature
 - Nice summary of prior advocacy literature
 - Is advocacy context specific?
 - Client characteristics
- Provides information about the “black box”
 - Multiple measures collected
 - Advocacy (General and specific)
 - Processing (IRS likelihood, weighting of evidence)
 - Outcome (Recommendation, allowance)

Advocacy-related bias

- Advocacy role can lead to bias in JDM
 - Prior research finds client preference effects
 - But doesn't measure differences in advocacy for variations in client characteristics

Client-specific advocacy

- Exogenous vs. endogenous
 - Terminology vs. define general vs. client
 - A bias can exist if:
 - Exogenous-overweight “positive” information
 - Endogenous-less likely to overweight “positive” information for risky clients
- Will advocacy differ based on client characteristics?
- If so, does “specific” advocacy better explain JDM processing and judgments?

Client-specific advocacy

- More of a “fighter” for less risky and more important clients
 - Tax professionals will exhibit greater (weaker) client advocacy for:
 - H1: low (high) risk clients
 - H2: more (less) important clients

H1 and H2 result

Client Risk	Client Importance	
	Low	High
Low		
High		

Will advocate more.
Not necessarily
a bias.

Higher
Advocacy

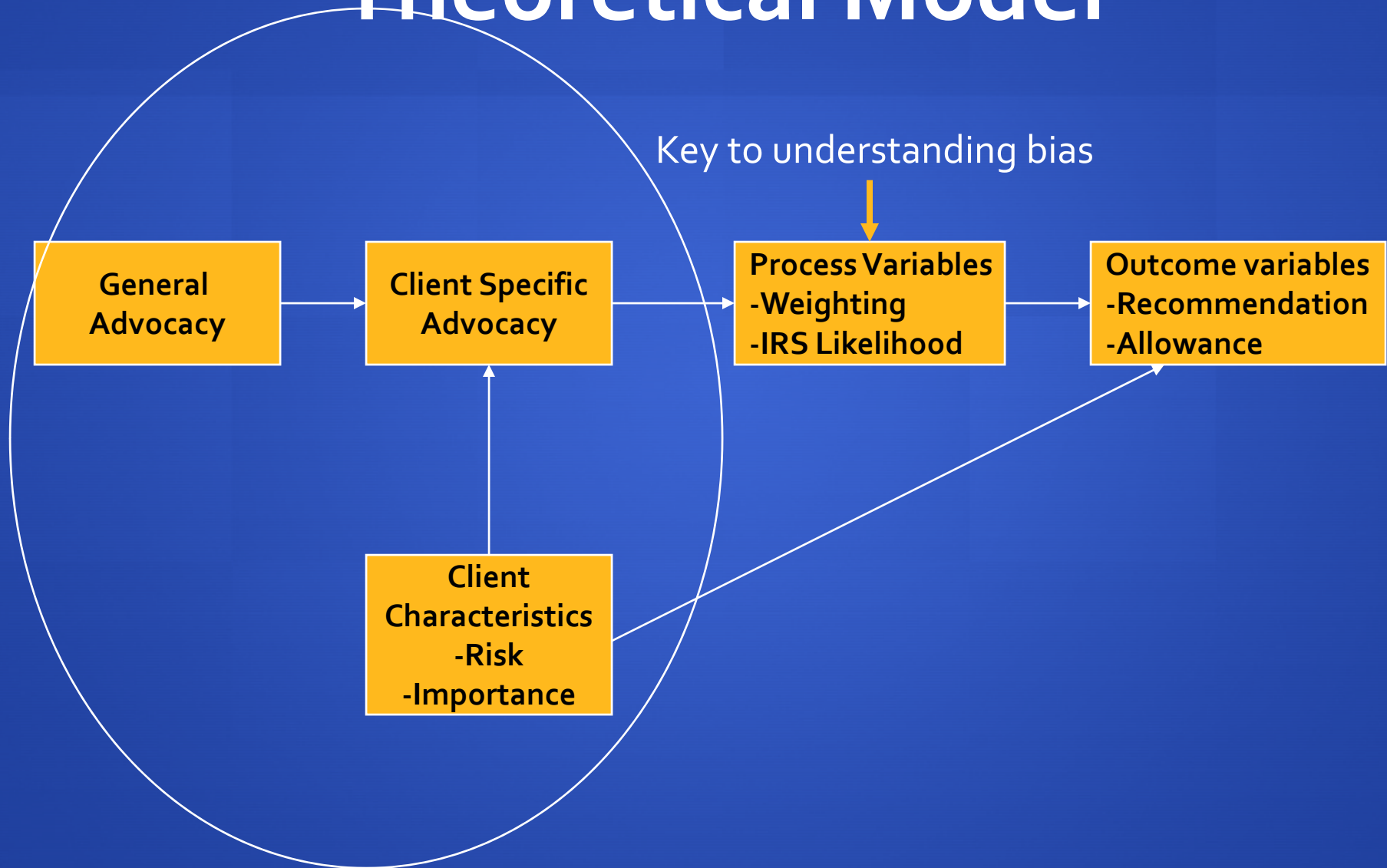
Lower
Advocacy

No difference

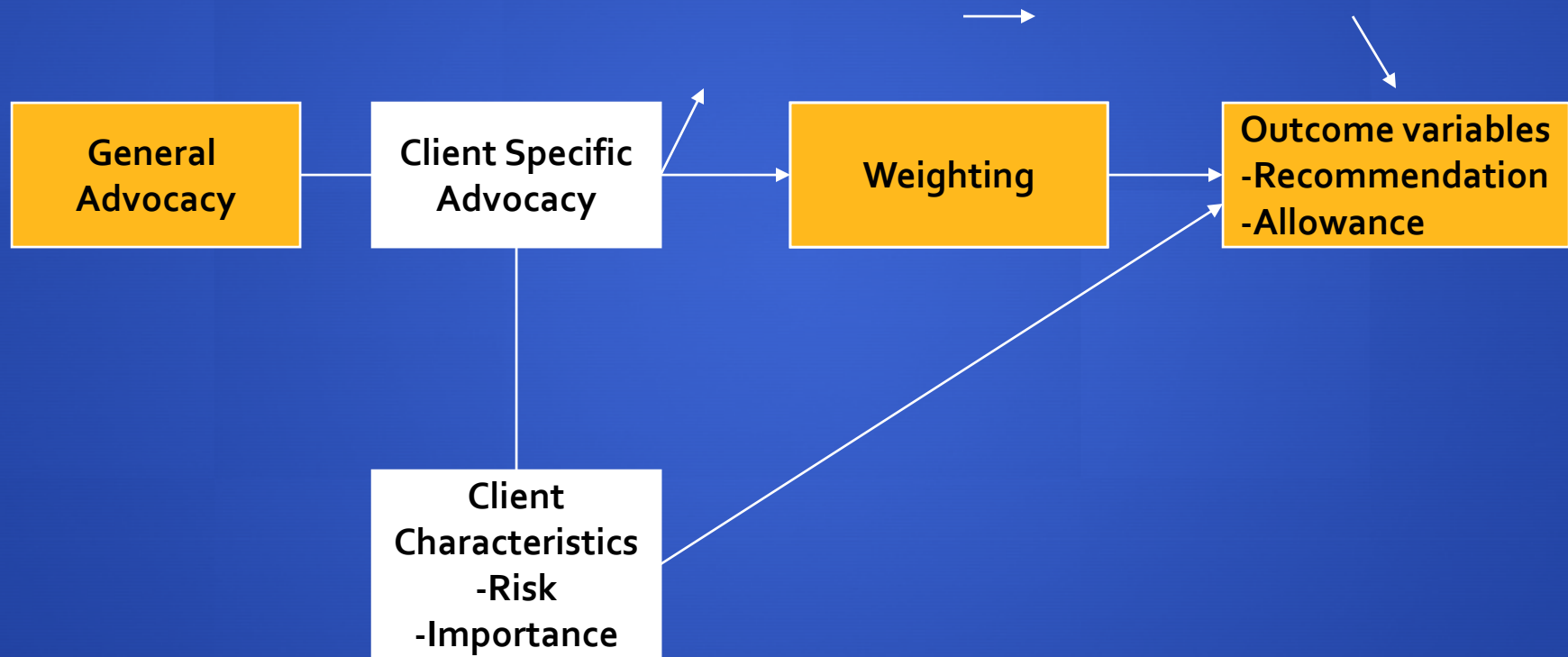
Client-specific advocacy

- What can we conclude in addition to endogenous?
 - Is it appropriate to advocate more for certain clients?
 - Why was importance not significantly related to CSA

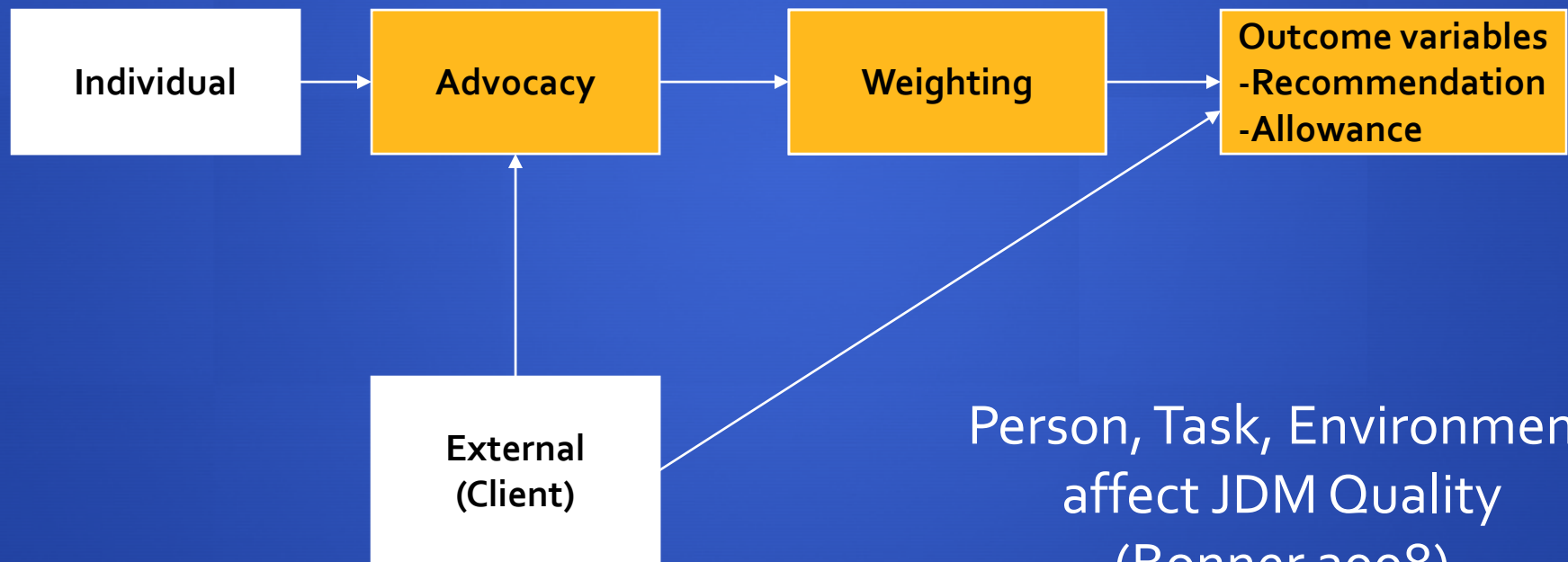
Theoretical Model



Theoretical Model



Theoretical Model



Person, Task, Environment
affect JDM Quality
(Bonner 2008)

Results of H₃

General vs. Client Specific

H₃: CSA will influence recommendation and judgment process

Likelihood (Weight) = Risk + Importance + General Adv

Likelihood (Weight) = Risk + Importance + Client Specific Adv

- Link between H₃ and test of H₃
- Can you support H₃ without comparing models?

Comparison of General vs. Client Specific

- New H3 analysis

Recomm (Allow) = likelihood + weight + risk + importance + GA

Recomm (Allow) = likelihood + weight + risk + importance + CSA

- Results are similar for general and client-specific advocacy
- Two-stage regression?

Client Specific Advocacy Scale

- Advocacy Questionnaire (Mason and Levy 2001)
 - Client specific advocacy factor analysis
 - 4 of the 9 scale items were different between general advocacy and client advocacy
 - How should we measure in future
 - Client-specific advocacy scale?
 - Specify the interaction of advocacy and environment/task characteristics?
 - CSA questionnaire given AFTER judgment—is it justification or the “black box”

Conclusion

- More to conclude than advocacy is partially endogenous
- Generates interesting questions:
 - GA score – CSA score represents the decrease (or increase) in the tax professional's advocacy attitudes as a result of the client characteristics
 - How does this differ by condition?
 - Should advocacy ever increase?
 - Where does it decrease?
 - What other variables impact client specific advocacy?
 - Client aggressiveness?
 - Experience?