

**THE RELATIVE EFFECTIVENESS OF PERSUASION TACTICS  
IN AUDITOR-CLIENT NEGOTIATIONS**

Stephen Perreault †  
sjperrea@som.umass.edu  
Department of Accounting and Information Systems  
Isenberg School of Management  
University of Massachusetts at Amherst  
Amherst, MA 01033

Thomas Kida  
tkida@som.umass.edu  
Department of Accounting and Information Systems  
Isenberg School of Management  
University of Massachusetts at Amherst  
Amherst, MA 01033

† Corresponding author

**Keywords:** Auditing, Negotiation, Persuasion, Influence

**Data availability:** Contact the authors

---

We would like to thank Christopher Agoglia, David Piercey, Jim Smith, Benjamin Luippold, James Wainberg, Tamara Lambert, Ron Mannino, Robert Nakosteen, and Pamela Trafford for their helpful comments and assistance.

# THE RELATIVE EFFECTIVENESS OF PERSUASION TACTICS IN AUDITOR-CLIENT NEGOTIATIONS

## ABSTRACT

In this study, we examine the effectiveness of four persuasive arguments that auditors may use to convince clients to accept their desired position in auditor-client negotiations. In addition, we investigate how the style in which the argument is communicated by the auditor impacts its effectiveness. Our results indicate that the type of persuasion tactic used by auditors significantly impacts the amount of concessions made by clients. Specifically, we find that, while threatening to qualify the audit opinion can result in significant client concessions, a tactic of simply informing the client that other companies have handled the accounting issue in a way consistent with the auditor's preference is as effective, or more effective, than all of the other tactics examined at eliciting significant concessions as well as engendering positive affect toward the auditor. This result is consistent with findings from the persuasion literature relating to the pervasive power of social validation. We also find that clients offer more concessions, evaluate the auditor more positively, and are more satisfied with the negotiation outcome when auditors communicate their arguments using a cooperative, as opposed to a contentious, communication style. The results of this study indicate that auditors may benefit from training in persuasion tactics in order to achieve more desirable negotiation outcomes.

**Keywords:** Auditing, Negotiation, Persuasion, Influence

**Data availability:** Contact the authors

## I. INTRODUCTION

Auditing research has recognized that financial statements are materially affected by negotiations between the auditor and the client (Sanchez et al. 2007; Hatfield et al. 2008). These negotiations often occur when GAAP guidance is ambiguous or non-existent (Gibbins et al. 2001; Beattie et al. 2004). Since negotiated outcomes affect not only the issue under discussion, but also the future relationship between the parties (Gelfand and Christakopoulou 1999), investigating strategies that auditors may use when negotiating with clients is an important area for auditing research.

Many auditor-client negotiations involve a win-lose context. For example, auditors often propose adjustments to clients' financial statements that would appear to harm the client by decreasing the amount of net income that it can report. Similarly, the client's failure to record the adjustment would likely harm the auditing firm by requiring it to either certify materially misstated financial statements or qualify the audit opinion (potentially damaging the relationship with the client.) Indeed, Gibbins et al. (2001) report that audit partners believe that 85% of all negotiations will result in a win-lose outcome. As a result, auditors often use persuasion tactics in order to convince or compel the client to agree to his/her desired position.

The purpose of this study is to investigate the relative effectiveness of different types of persuasion tactics that auditors may use when negotiating with clients. To examine this issue, managers and professionals with significant business experience were presented with an ambiguous accounting issue involving the calculation of warranty expense and asked to negotiate the final recorded amount with the auditor. We investigated the effectiveness of four different persuasive arguments: threatening to qualify the audit opinion, warning of the possibility of a review by the firm's quality control department, providing the opinion of a technical partner

within the auditing firm, and informing the client that other companies have handled the issue in a way consistent with the auditor's preference. Each one of these arguments can easily and realistically be used by auditors in their negotiations with clients. We also examined the impact of using either a cooperative or contentious communication style during the negotiation, which involved the display of either positive or negative affect.

The results indicate that the persuasion tactic employed by the auditor significantly affects the concessions made by the client. As might be expected, we found that threatening to qualify the audit opinion can result in significant concessions. More surprisingly, however, we found that informing the client that other companies have handled the issue in a way consistent with the auditor's preference yielded as great, or greater, concessions from the client than all of the other persuasive arguments investigated. This social validation tactic also engendered positive affect toward the auditor. Additionally, the use of a cooperative (as opposed to a contentious) communication style resulted in more concessions and greater satisfaction with the auditor and with the negotiation. Notably, additional findings from the study indicate that participants were unaware of the effectiveness of these particular tactics, suggesting that auditors who undergo training in basic persuasion techniques may be able to achieve more desirable negotiation outcomes and develop more favorable relationships with clients.

The remainder of this paper is organized as follows. The next section discusses the background literature and motivation for the research questions. Sections III and IV present the methods and results of the experiment. The final section discusses implications and directions for future research.

## **II. BACKGROUND AND DEVELOPMENT OF RESEARCH QUESTIONS**

### **Auditor-Client Negotiations**

Accounting issues are frequently resolved by negotiations between the auditor and the client. For example, Gibbins et al. (2001) found that 67% of partners indicate that they negotiate with half or more of their clients. The outcome of these negotiations can impact not only the balances recorded in audited financial statements, but also the future relationship between the parties (Gelfand and Christakopoulou 1999). As such, investigating the effectiveness of auditor negotiation strategies is an important topic for auditing research.

Prior research has investigated the impact of pre-negotiation intervention methods on increasing auditors' negotiation performance. For example, Trotman et al. (2005) found that having auditors either passively consider the client's position, or actively engage in a role playing exercise where they act in the role of the client, resulted in larger income decreasing audit adjustments and greater satisfaction with the negotiation outcome compared to those not participating in any intervention method. In addition, Bame-Aldred and Kida (2007) compared the negotiating styles of auditors and client management, finding that clients often exhibit greater flexibility in negotiations, more accurately perceive the counterparty's goals and limits, and are more likely to use sophisticated negotiation tactics. Ng and Tan (2003) also found that the availability of authoritative guidance and the effectiveness of the client's audit committee jointly affect auditors' propensity to concede to a client's preferred position.

In a study that specifically investigated a given negotiation tactic, Sanchez et al. (2007) found that clients were more willing to post income-decreasing audit adjustments when the auditor uses a reciprocity-based influence tactic in which (s)he waives insignificant audit adjustments (in full view of the client) in order to gain concessions on larger, more significant

adjustments. A subsequent study by Hatfield et al. (2008) found that auditors may use a reciprocity-based negotiation tactic as a means to manage pressure from the client to waive or reduce audit adjustments. While a reciprocity-based tactic can be useful for auditors to employ in a negotiation, this tactic is mostly used when multiple audit adjustments of various materialities are present and when the auditor brings waived audit adjustments to the attention of the client. However, CFOs and auditors often find themselves involved in a negotiation over an account balance where no other audit issues are involved (Gibbins et al. 2005). As such, the effectiveness of other negotiation tactics needs to be investigated.

### **Persuasion Tactics**

There are several types of negotiation tactics that auditors may employ, many of which involve the use of persuasion. Persuasion tactics rely on the use of psychological influence in order to convince or compel an individual to acquiesce to a negotiator's position. Prior psychology research suggests that persuasion tactics can significantly affect negotiated outcomes. For example, decision behavior can be manipulated by simple persuasion tactics, such as arguing from a position of authority, making relevant social comparisons, and appealing to one's desire to maintain consistency with prior behavior, among others (Cialdini 1993; Pruitt and Carnevale 1993; Kallgren et al. 2000).

While accounting researchers are beginning to recognize the importance of negotiation tactics (Brown and Wright 2008), we know of no study to date that has compared the relative effectiveness of a number of different types of persuasion tactics employed by auditors engaged in negotiations with clients. Psychological research suggests that two major variables are important for developing effective persuasion tactics: persuasive argument and communication style (Cialdini 1993; Pruitt and Carnevale 1993; Kopelman et al. 2007). In our study, we

investigate the relative effectiveness of four persuasive arguments and two communication styles to determine which are most effective at eliciting client concessions and satisfaction. While each may be an effective negotiation tactic, they all have potential drawbacks, which lead to the investigation of our research questions.

The persuasive arguments and communication styles examined here were chosen because they are specifically relevant to auditor-client negotiations. In addition, they can be easily employed in negotiations involving single or multiple issues, and are therefore applicable across a broad range of negotiating contexts. They also reflect major types of persuasion tactics that have been investigated in the psychology literature. For example, prior psychological research indicates that negotiators can elicit concessions from counterparties through the use of threats (i.e. “do this or else”) (Pruitt and Kim 2004; Sinaceur and Neale 2005). Within the context of an auditor-client negotiation, this may be reflected in the auditor threatening to qualify the audit opinion or threatening to initiate a quality control review. Research also suggests that arguing from a position of authority can be an effective negotiating strategy (Cialdini 1993; Maholtra and Bazerman 2008). For example, an auditor may provide the opinion of a technical partner who has significant expertise on the issue being negotiated. Another influential negotiation strategy concerns our desire for social validation (Bazerman et al 1994; Kallgren et al. 2000) which, within an auditor-client negotiation context, can involve making the client aware of how other companies have handled similar accounting issues. In addition, negotiation outcomes may be affected by the communication style used when a negotiator expresses a given persuasive argument (Pruitt and Carnevale 1993). As such, we examine the effectiveness of the following persuasive arguments and communication styles.

### ***Threatening to Qualify the Audit Opinion***

Threats can be defined as an expression of an intention to do something detrimental to the interests of another (Deutsch and Krauss 1960), and have been found to be an effective means of eliciting concessions from a counterparty when the threat is significant and credible (Pruitt and Carnevale 1993). Since financial markets may react negatively to audit qualifications (Loudder et al. 1992), clients have incentive to avoid such an outcome and may acquiesce to auditors who employ such a threat.

A threat to qualify the audit opinion is also explicit, in that it mentions precisely the action the auditor will take if the client does not concede to his/her demand. Since prior research suggests that threat explicitness can increase the likelihood of eliciting concessions from an opponent (Sinaceur and Neale 2005), this persuasive argument may be useful for auditors attempting to persuade a client to record a significant proposed audit adjustment.

However, given the significant negative connotations associated with an audit qualification, a threat to qualify the audit opinion may be perceived by the client as overly aggressive, engendering a negative attitude toward the auditor and harming the auditor-client relationship. Additionally, since prior research suggests that more explicit forms of threat may produce more hostility on the part of the client, auditors may have incentive to avoid the use of such an argument (Sinaceur and Neale 2005).

### ***Warning of the Possibility of a Quality Control Review***

While threatening to qualify the audit opinion may result in the client perceiving the auditor as overly aggressive, reframing the source of a threat as someone other than the negotiating auditor may result in increased concessions from the client without negatively affecting the auditor-client relationship. Many audit firms now have in-house quality control

departments in place for the purpose of reviewing sensitive accounting issues or audit engagements (Beattie et al. 2004). Warning that a client's failure to concede to the auditor on the issue under question could trigger a quality control review (and potentially result in further audit adjustments or delays) is the second persuasive argument that we investigate. If this type of threat is perceived as less aggressive than a more explicit threat, such as threatening to qualify the audit opinion, and still results in concessionary behavior on the part of the client, the use of such an argument may be advantageous to auditors.

Alternatively, the fact that this argument involves a less explicit and more ambiguous threat may make the client feel less fearful of the consequences of sticking to his/her original position (Sinaceur and Neale 2005), resulting in reduced concessions. Similarly, a client exposed to such an argument may accuse the auditor of "playing games" with the negotiation, resulting in a reduction in the perceived credibility of the auditor and a potential conflict spiral. As a result, the use of this argument by auditors may be advantageous, but it may also be problematic.

### ***Providing the Opinion of a Technical Expert***

The third persuasive argument investigated is providing the opinion of a technical expert from within the audit firm that supports the auditor's preferred accounting treatment. When faced with a complicated or ambiguous decision, individuals often defer to the opinions of experts or authority figures to dictate their behavior (Cialdini 1993). Considering the expertise of individuals with high levels of knowledge in a particular area is often considered a sign of good decision making. In fact, Gibbins et al. (2007) found that 50% of CFOs surveyed had been

involved in the resolution of a difficult accounting issue where the auditing firm's technical partner had provided insight.

This suggests that auditors may be able to enhance their negotiating stance by providing the opinion of a perceived authority (i.e. a technical partner). A competing view states that an individual may resist the persuasiveness of a provided opinion if the communicator is thought to be biased towards a particular outcome or if they perceive that they are being unduly manipulated (Eagly et al. 1978; Sagarin et al 2002). To the extent that technical experts, due to their association with the auditing firm, are considered biased sources of information, the persuasiveness of their opinions in auditor-client negotiations may be suspect. Beyond creating conflict within the current negotiation, this argument could damage the future relationship between the auditor and the client.

### ***Describing How Other Companies Have Handled Similar Accounting Issues***

One of the major persuasive tactics documented in the persuasion literature is the leveraging of an individual's desire for social validation. Social validation theory states that individuals frequently look to others for cues on how to think and behave, especially under periods of uncertainty (Cialdini 1993). In situations where GAAP guidance is ambiguous, the behavior of third parties, such as other companies, may be valuable information for auditors to use when attempting to persuade clients to adopt a particular accounting treatment. As a result, the last persuasive argument that we investigate is the auditor mentioning that other companies have handled a similar accounting issue in a way consistent with what the auditor advocates.

Social norms have been found to play a significant role in predicting individual behavior across a variety of different domains. For example, Bazerman et al. (1994) found that MBA

students' job acceptance decisions were influenced by social comparison information (information about how the hiring firm paid other starting MBA students), resulting in job acceptance decisions that differed from what normatively would be expected. Kallgren et al. (2000) found that a participant's exposure to an individual picking up a piece of litter made the participant subsequently less likely to litter, while Cialdini (1993) describes how bartenders often intentionally seed their tip jars in order to manipulate patrons' impressions of the local tipping norm. Should the powerful effect of social validation also apply within an auditor-client negotiation setting, auditors may be able to leverage this psychological tendency in order to achieve more favorable negotiation outcomes.

On the other hand, clients may feel that accounting treatments used by other parties may not be relevant to the situation under negotiation or they may believe the auditor is attempting to manipulate them, resulting in reduced concessions and a negative relationship between the auditor and the client.

Given the preceding discussion, we investigate the following research questions:

***RQ1:*** *Within the context of an auditor-client negotiation, how does an auditor's choice of persuasive argument affect the concessionary behavior of clients?*

***RQ2:*** *Within the context of an auditor-client negotiation, how does an auditor's choice of persuasive argument affect clients' attitudes toward the auditor and the negotiation?*

### ***Communication Style***

Adopting either a contentious or a cooperative communication style during the course of the negotiation may be another way for an auditor to persuade a client to adopt a preferred accounting treatment. Manipulating one's communication style often involves the display of emotion through the use of affective statements. For example, a cooperative style can

utilize statements that engender positive affect, such as, “I really believe we’re making good progress here.”

Psychological research on affect in negotiations has largely focused on the role of intrapersonal affect, which is the influence of a negotiator’s emotions on his or her own negotiating behavior (Van Kleef et al. 2004). Positive affective states have been shown to increase concession making (Baron et al. 1990), the use of cooperative strategies (Forgas 1998), and stimulate creative problem solving (Isen, et al. 1987). Conversely, negative affect has been found to elicit avoidance, the adoption of contentious strategies, and reduced altruism and helpfulness (Forgas 1998).

Research in accounting and auditing has also examined the role of affect. Within a managerial accounting context, Kida et al. (2001) found that managers consider affective reactions when making capital budgeting decisions, and Moreno et al. (2002) found that affective reactions can influence managers to choose investment alternatives with lower utility. In a study investigating jurors’ evaluations of auditors, Kadous (2001) found evidence that jurors use affective reactions to negative audit outcomes as relevant information when determining auditor negligence. In addition, mood states appear to impact auditors’ judgments related to inventory valuations (Chung et al. 2008).

In this study, we investigate the effect that an auditor’s communication style has on client concessions and satisfaction. Prior research suggests that communication style may either help or hinder the auditor in achieving desired negotiation outcomes. For example, *social contagion theory* states that affect, attitude, or behavior can spread freely from initiator to recipient (Levy and Nail 1993). This would suggest that clients who negotiate with an auditor who expresses positive affect will, themselves, experience positive affect and offer greater concessions. In

support of this theory, Kopelman et al. (2006) found that MBA students participating in a negotiation over the price of catering services were more likely to make concessions to a negotiator expressing positive versus negative emotion (which encompassed facial expression, tone of voice, and demeanor.)

Other research suggests that a contentious communication style may be more effective for auditors concerned with eliciting concessions from clients. For example, *mismatching theory* suggests that negotiators may make high demands when an opponent appears to be in a cooperative mood, since this presents an opportunity to make extreme demands without leading to an impasse (Pruitt and Carnevale 1993). Similarly, *self regulation theory* (Baumeister et al. 1998) suggests that negotiators may concede to an angry opponent as a means of ending a contentious negotiation. For example, Sinaceur and Tiedens (2006) found that expressions of anger can be a useful tactic for eliciting concessions when the negotiating opponent's alternatives are weak. Additionally, aggressive communication styles are often used successfully by organizations like collection agencies to elicit payment on past due accounts (Sutton 1991).

Given this prior research, the relative effectiveness of positive or negative communication style in auditor-client negotiations is an open question. As a result, we examine the following research questions:

**RQ3:** *Within the context of an auditor-client negotiation, how does an auditor's use of a contentious or cooperative communication style affect the concessionary behavior of clients?*

**RQ4:** *Within the context of an auditor-client negotiation, how does an auditor's use of a contentious or cooperative communication style affect clients' attitudes toward the auditor and the negotiation?*

### III. RESEARCH METHOD

Participants in our study were 147 practicing managers and professionals with significant business experience who were attending management training programs.<sup>1</sup> On average, participants had 9.1 years of business experience and included individuals from upper level management, middle level management, and individuals with significant financial experience. As such, the participants had sufficient background to understand the issue under negotiation.<sup>2</sup> The instrument was developed using the Qualtrics software package and the case materials were accessed online.

Participants were asked to assume the role of controller for a manufacturer of headphones for portable music devices whose 2008 financial statements were currently being audited by the company's external auditor. They learned of the existence of an ambiguous audit issue involving the calculation of warranty expense, and were informed that the audit partner was concerned that the expense amount currently recorded in the financial statements was too low. Participants then completed a computer-based instrument that simulated a multi-round negotiation with the auditor to resolve the issue under question.

The issue related to the rate used by the company to calculate its 2008 expense for product warranty costs. Participants were informed that the company traditionally estimated warranty expense using a rate of 3.0% of sales, but that a recent factory modernization program had led the company's engineers to reduce the estimate to 1.5% of sales. Since the upgraded facility had been in operation for only six months, only a limited claims history for products produced in the new facility was available.

---

<sup>1</sup> A total of 151 responses were collected. Three responses were removed due to keystroke error on the part of the participant. One response was removed because the participant submitted a value of zero for warranty expense.

<sup>2</sup> Neither years of business experience nor current managerial or executive title significantly influenced participants' responses ( $p > .5$ ). Because experience did not affect our results, we included all participants in our sample (Libby et al. 2002).

Consistent with the company's expectations, actual warranty claims for products produced in the new facility had declined compared to the prior year, suggesting that a reduction in the rate used to calculate warranty expense may be appropriate. However, while actual warranty costs for these products had declined in terms of dollars, actual warranty claims submitted for the products produced during the later half of 2008 were 16% of their total warranty cost estimate. Comparatively, for the same period in 2007, actual warranty claims submitted were only 9% of the estimate. This suggested that warranty claims for products produced in the modernized facility were being received earlier than in prior periods and that it may not be appropriate to change the rate used to calculate the warranty expense estimate.

The amount of warranty expense calculated using 3.0% of sales was \$5,997,321, while the estimate calculated using the 1.5% rate was \$3,954,460. The difference of \$2,042,861 represents the relevant range for the negotiation. The ensuing negotiation with the auditor lasted for a maximum of three rounds, ending either at the end of the third round or when the participant agreed to record the amount of warranty expense suggested by the auditor. Participants were asked after each round to enter the amount of warranty expense they believed should be recorded as a response to the auditor's proposal. Offers made by the auditor began with a proposal that the participant record warranty expense using the full historical rate (\$5,997,321) in round 1. In rounds 2 and 3, the auditor reduced his proposal by \$200,000 from the previous round. Upon completing the negotiation, participants answered several questions related to their impressions of the auditor and the negotiation as well as a series of manipulation checks.

### **Independent Variables**

To test the research questions, we used a 4 x 2 between-subjects design, varying (1) the

persuasive argument used by the auditor and (2) the auditor's communication style. We manipulated the type of persuasive argument by having the auditor threaten to qualify the audit opinion, warn of the possibility of a review by the firm's quality control department, provide the opinion of a technical partner within the auditing firm, or notify the client that other companies have handled the issue in a way consistent with the auditor's preference. The second factor, communication style, was primarily manipulated by having the auditor use either contentious or cooperative language when negotiating with the client. This was accomplished by the inclusion of affective statements before and after the phrasing of the argument. For the cooperative condition, the statements used more positive and complementary language (e.g., "I appreciate your willingness to discuss this issue..."), while for the contentious style, the statements used more aggressive language (e.g., "I can't believe you only recorded warranty expense of ..."). Examples of how persuasive argument type and communication style were manipulated between conditions are provided in the appendix.

Facial expression has been shown to be an extremely important feature in the conveyance of emotion, leading researchers to advocate the examination of more than just verbal behavior (Ekman 1992; Kopelman et al. 2007). Therefore, in order to more realistically convey the auditor's communicated emotion, during each round participants were also exposed to a photo of the auditor with either a friendly or aggressive countenance, depending on the communication style condition the participant was assigned to. These photos were obtained from the NimStim set of facial expressions which were validated by the creators as conveying either happy or aggressive emotion (Tottenham et al. 2009).

We compared participants' perceptions of the communication style of the auditor using a seven point scale (higher numbers indicating a more aggressive style) as a post-experimental

manipulation check. Participants assigned to the contentious communication style condition rated the auditor's negotiating style as significantly more aggressive than the cooperative style condition (6.0 vs. 4.5,  $p < 0.001$ ), indicating that the manipulation was effective.

### **Dependent Variables**

The primary dependent variable is the total amount of concessions offered by participants at the end of the negotiation. Additionally, we examine participants' attitudes toward the auditor and the negotiation. Specifically, we measure participants' satisfaction with the negotiation and the auditor, the perceived competence and credibility of the auditor, and how likely the participant would be to recommend retaining the auditor for future audits. We also collected data related to participants' affective reactions to the auditor (how much they liked, were happy with, were frustrated with, and were angry with the auditor), as well as their perceptions regarding the effectiveness of the various persuasive arguments and communication styles presented in the study.

## **IV. RESULTS**

We first examine the effect of the auditor's use of persuasive argument and communication style on the concessions made by participants. Following this, we investigate the impact of the independent variables on the participants' attitudes toward the auditor and the negotiation.

### **Concessions**

Research questions one and three investigate the effect of persuasive argument and communication style on client concessions. Table 1 Panel A presents descriptive statistics for

each of the experimental conditions.<sup>3</sup> Results in Panel B show a significant main effect for communication style ( $F = 18.75, p < 0.001$ ), indicating that auditors who use a contentious communication elicit significantly less concessions from clients (mean = \$1,301,562) than those who use a cooperative style (mean = \$1,791,208). Strikingly, the concessions made by participants in the cooperative communication style condition were \$489,646 greater than those made by participants in the contentious style condition, representing a 38% increase in concessions. Those exposed to the cooperative style conceded almost completely to the auditor (the average final offer equaled 88% of the auditor's desired position), while the average final offer of those exposed to the contentious style equaled only 64% of the auditor's desired position. These results suggest that the communication style used by the auditor in negotiations can significantly and materially affect the concessions made by clients.

[INSERT TABLE 1 ABOUT HERE]

We also find a significant main effect for the persuasive argument used ( $F = 4.76, p = 0.003$ ). Results reported in Panel C indicate that participants exposed to the persuasive argument of providing the client with information regarding the behavior of other companies offered more concessions (mean = \$1,826,230) than warning of the possibility of a quality control review (mean = \$1,233,215;  $t = 3.79; p < 0.001$ ) and providing the opinion of a technical partner (mean = \$1,508,425;  $t = 2.14; p = 0.038$ ). While this argument yielded average concessions that were higher than threatening to qualify the audit opinion, the difference was not statistically significant at conventional levels (mean = \$1,625,881;  $p = .117$ , two-tailed).

These results suggest that the auditor's choice of persuasive argument can materially

---

<sup>3</sup> Due to normality issues for some of the data, non-parametric Mann-Whitney tests were also conducted for each analysis. All results remain significant when performing this additional test. Additionally, since some of the data violate the assumption of homogeneity of variance, all test statistics and p-values are reported using unpooled variance.

impact the outcome of auditor-client negotiations. While one may expect that threatening to qualify the audit opinion would yield the greatest amount of concessions from clients, our results suggest that merely informing the client that other companies have handled the issue in a way similar to what the auditor advocates yields equivalent (if not greater) concessions. In addition, this social validation persuasive argument yielded concessions that were 48% higher than a tactic of warning of the possibility of a quality control review, and 21% higher than providing the opinion of a technical expert. In fact, participants in the social validation condition yielded almost completely to the auditor, with concessions equaling 89% of the auditor's desired position.

Post-experimental questions investigating the perceived effectiveness of communication style and persuasive argument indicate that the participants' perceptions of the effectiveness of these tactics did not match their actual concessionary behavior. Using a seven point Likert scale, participants rated how effective they believed each persuasive argument and communication style would be at compelling them to concede to the auditor (higher numbers equal higher perceived effectiveness). Results reported in Table 2 indicate that participants believed that providing them with the opinion of a technical expert from within the auditing firm would be more effective at eliciting concessions (mean = 5.8) than threatening to qualify the audit opinion (mean = 4.50;  $t = 7.56$ ;  $p < 0.001$ ), warning of the possibility of a quality control review (mean = 4.75;  $t = 7.41$ ;  $p < 0.001$ ), and providing the client with the behavior of other companies (mean = 4.90;  $t = 7.99$ ;  $p < 0.001$ ). Additionally, despite the large difference in concessions between the contentious and cooperative styles, participants appeared to be unaware of their susceptibility to this type of manipulation. When asked to indicate which style would be most effective in eliciting concessions (response was recorded on a seven point Likert scale with endpoints labeled

“very aggressive” and “very friendly”), participants responses were approximately at the midpoint (mean = 4.30).

[INSERT TABLE 2 ABOUT HERE]

### **Affect Measures**

We also measured how the participants’ affect towards the auditor varied depending on the persuasive argument and communication style they were exposed to. Results indicate that the auditors’ communication style significantly impacted the participants’ affect toward the auditor. Compared to an auditor using a cooperative communication style, those that negotiated with the contentious auditor liked the auditor less (3.13 vs. 4.72;  $t = 43.29$ ;  $p < 0.001$ ), were less happy with the external auditor (3.36 vs. 4.84;  $t = 32.29$ ;  $p < 0.001$ ), were more frustrated with the external auditor (4.44 vs. 3.59;  $t = 10.32$ ;  $p = 0.002$ ) and were more angry with the external auditor (3.46 vs. 2.67;  $t = 10.29$ ;  $p = 0.002$ ).

As discussed above, while threatening to qualify the audit opinion and providing the behavior of other companies did not yield a statistically different amount of client concessions, it appears that the latter argument elicited more positive affect from participants. Those exposed to an auditor who threatened to qualify the audit opinion reported liking the auditor less (3.55 vs. 4.32;  $t = 2.12$ ;  $p = 0.037$ ), feeling less happy with the auditor (3.92 vs. 4.65;  $t = 1.87$ ;  $p = 0.066$ ), and feeling more frustrated with the auditor (4.13 vs. 3.46;  $t = 1.71$ ;  $p = 0.091$ ). This suggests that using a tactic of informing the client of the behavior of other companies may be most effective for auditors concerned with fostering a positive relationship with the client.

### **Additional Variables**

Results in Table 3 show that contentious-style auditors were perceived as being less

competent (4.32 vs. 5.56;  $t = 23.82$ ;  $p < 0.001$ ) and less credible (4.35 vs. 5.57;  $t = 23.65$ ;  $p < 0.001$ ) than cooperative-style auditors. Participants who negotiated with an auditor who used a contentious communication style were also less satisfied with the auditor (3.40 vs. 5.23;  $t = 42.14$ ;  $p < 0.001$ ) and with the negotiation itself (3.71 vs. 4.56;  $t = 9.48$ ;  $p = 0.002$ ), and were less likely to recommend retaining the auditor for future audits (3.65 vs. 5.39;  $t = 37.58$ ;  $p < 0.001$ ).

The auditor's choice of persuasive argument also affected these variables. Perhaps surprisingly, participants reacted least favorably to a warning of the possibility of a quality control review, with respondents indicating they were marginally less satisfied with the auditor (mean = 3.81) than when he provided the opinion of a technical partner (mean = 4.58;  $t = 1.82$ ;  $p = 0.073$ ) or provided the behavior of other companies (mean = 4.62;  $t = 1.97$ ;  $p = 0.053$ ).

Although we speculated that warning of the possibility of a quality control review might be just as effective as threatening to qualify the audit opinion without engendering a negative attitude towards the auditor, it appears that clients may have felt that they were being manipulated by the auditor in that condition, perhaps realizing that the decision to submit the financial statements for quality review often lies in the hands of the audit engagement partner (Bettie et al. 2004). This idea seems to be supported by the fact that participants exposed to this argument felt the auditor was marginally less credible (mean = 4.36) compared with the auditor threatening to qualify the audit opinion (mean = 5.08;  $t = 1.79$ ;  $p = 0.076$ ), providing the opinion of a technical expert (mean = 5.06;  $t = 1.73$ ;  $p = 0.087$ ), and providing the behavior of other companies (mean = 5.38;  $t = 2.97$ ;  $p = 0.004$ ).

[INSERT TABLE 3 ABOUT HERE]

Overall, these results suggest that, of the tactics investigated, the most persuasive argument for auditors to employ during negotiations is to suggest to the client that other companies have dealt with the underlying accounting issue in a way similar to what the auditor advocates. Additionally, the results suggest that auditors may be able to negotiate more effectively if they use a cooperative communication style.

## **V. DISCUSSION**

Auditors engaging in negotiations with clients over proposed audit adjustments are faced with the responsibility of ensuring that the financial statements are free from material misstatements, while also maintaining a positive relationship with the client. The particular negotiation strategy chosen by the auditor may affect the auditor's likelihood of satisfying these dual (and often competing) goals. In this study we found that an auditor's choice of persuasive argument and communication style can significantly impact both the amount of concessions made by the client during a negotiation as well as the client's attitude towards the auditor and the outcome of the negotiation.

We find that the persuasive arguments of threatening to qualify the audit opinion and informing the client that other companies have handled the accounting issue similarly to what the auditor advocates are most effective at eliciting concessions from clients. While this would seem to suggest that both arguments may be equally desirable for auditors to use during negotiations, we believe certain negative connotations associated with threatening to qualify the audit opinion make the latter argument the superior choice. For example, our results indicate that clients' affect toward the auditor (liking, happiness, and frustration) is more favorable when the auditor uses the non-threatening strategy. Additionally, the use of a threat requires the auditor to follow through on the action in order to maintain his/her credibility as a negotiator. For example, if the

auditor threatened to qualify the audit opinion early in the negotiation and the client did not respond sufficiently, the auditor's failure to qualify the opinion could result in reduced credibility in subsequent negotiations (Sinaceur and Neal 2005).

Our results suggest that providing the behavior of other companies is quite persuasive when attempting to resolve an ambiguous accounting issue. This confirms the findings from the influence literature regarding the power of social validation in persuasion (Cialdini 1993). The results also indicate that providing the opinion of a technical expert may not be as effective at eliciting concessions as the previously described argument. Although technical partners are frequently involved in auditor-client negotiations (Gibbins 2001), they may be seen as a biased source of information due to their association with the audit team, making this a less effective persuasive argument in negotiation.

We also find evidence that warning of the possibility of a quality control review should the client not acquiesce to the auditor's demand is less effective at eliciting concessions from clients and may actually engender negative attitudes toward the auditor. Clients may realize that audit partners are often the ones responsible for submitting the financial statements for quality review and thus may feel that they are being manipulated when the auditor uses such an argument.

Some psychological research has found that a contentious communication style may be an effective strategy to employ in certain negotiation contexts (Baumeister et al. 1998; Sinaceur and Tiedens 2006). Our results indicate that clients do not respond well to the persuasion attempts of auditors using such a style. Participants not only made significantly less concessions to auditors using a contentious style, but they also evaluated the auditor and the negotiation itself less favorably and indicated they would be less likely to recommend retaining the auditor for

future audits. Conversely, participants seemed to respond more favorably to cooperative communication styles, resulting in greater concessions and more positive evaluations of the auditor and the negotiation.

Despite the striking differences in concessions between conditions, our results indicate that participants were largely unaware of how the auditor's choice of negotiation tactic would impact the outcome of the negotiation. As such, auditing firms may benefit by offering training in persuasion techniques for their employees who frequently resolve accounting issues through negotiation.

The results suggest a number of promising avenues for future research. Our study examined a single year negotiation. Future research could examine how the negotiation tactic used by an auditor in a single period affects the negotiation outcomes in subsequent periods. Additionally, our participants engaged in negotiations using a computerized instrument. While an increasing amount of correspondence between auditors and clients is conducted online, future research could examine the impact of negotiation tactics in face to face negotiations. Lastly, our negotiation involves only one accounting issue. The effectiveness of negotiation tactic choice may differ when auditors are engaged in negotiations with clients involving multiple issues.

Overall, we find that the persuasion tactic chosen by the auditor significantly affects not only the amount of concessions elicited from clients, but also their attitudes towards the auditor and the negotiation. These results suggest that auditors who are familiar with effective persuasion tactics will be best equipped to obtain desirable outcomes, highlighting the important role that persuasion plays in auditor-client negotiations.

**TABLE 1**  
**Descriptive Statistics and Overall ANOVA Results**  
**[Mean (s.d.)]**

**Panel A: Client Concessions by Condition<sup>1</sup>**

<b>Persuasive Argument</b>	<b>Communication Style</b>		<b>Condition Mean</b>
	<b>Contentious</b>	<b>Cooperative</b>	
Threaten to Qualify the Audit Opinion	\$1,345,457 (852,178) <i>n</i> = 18	\$1,878,263 (356,343) <i>n</i> = 20	\$1,625,881 (686,699) <i>n</i> = 38
Warn of the Possibility of a Quality Control Review	838,465 (913,631) <i>n</i> = 18	1,627,964 (697,928) <i>n</i> = 18	1,233,215 (895,717) <i>n</i> = 36
Provide the Opinion of a Technical Expert	1,269,097 (870,805) <i>n</i> = 18	1,747,754 (621,333) <i>n</i> = 18	1,508,425 (784,057) <i>n</i> = 36
Provide the Behavior of Other Companies	1,753,228 (570,446) <i>n</i> = 18	1,895,389 (332,743) <i>n</i> = 19	1,826,230 (462,831) <i>n</i> = 37
Condition Mean	1,301,562 (860,272) <i>n</i> = 72	1,791,208 (521,441) <i>n</i> = 75	

**Panel B: ANOVA of Concessions**

<b>Source</b>	<b>df</b>	<b>F-Statistic</b>	<b>p-value<sup>2</sup></b>
Persuasive Argument	3	4.76	.003
Communication Style	1	18.75	.001
Interaction	3	1.40	.245

**Panel C: Comparisons Between Persuasive Arguments: Client Concessions<sup>3</sup>**

<b>Persuasive Argument</b>	<b>Quality Review</b>	<b>Technical Expert</b>	<b>Behavior of Others</b>
Threaten to Qualify the Audit Opinion	0.033	0.536	0.117
Warn of the Possibility of a Quality Review		0.142	< 0.001
Provide the Opinion of a Technical Expert			0.038

---

1 Represents the amount of concessions offered by participants at the end of the negotiation. The negotiation ended either when the participant agreed to record the amount of warranty expense proposed by the auditor or after the completion of three rounds.

2 Reported p-values are two-tailed.

3 In this panel, we compare the amount of client concessions between each persuasive argument. Values reported represent p-values for each comparison (two-tailed).

---

---

**TABLE 2**  
**Participants' Perceived Effectiveness of Each Persuasive Argument<sup>1</sup>**

**Panel A: Descriptive Statistics**

<u>Persuasive Argument</u>	<u>Mean</u>	<u>Std. Dev</u>
Threaten to Qualify the Audit Opinion	4.50	1.86
Warn of the Possibility of a Quality Review	4.75	1.57
Provide the Opinion of a Technical Expert	5.80	1.30
Provide the Behavior of Other Companies	4.90	1.42

**Panel B: Statistically Significant Planned Comparisons**

<u>Comparison</u>	<u>t-Statistic</u>	<u>p-value<sup>2</sup></u>
Threaten to Qualify vs Technical Expert	7.56	< 0.001
Quality Review vs Technical Expert	7.41	< 0.001
Behavior of Others vs Technical Expert	7.99	< 0.001
Threaten to Qualify vs Behavior of Others	2.26	0.025

1 Participants were asked to assess the perceived effectiveness of each persuasive argument toward persuading them to increase warranty expense. A seven point Likert scale (1 = very ineffective; 7 = very effective) was used to measure responses.

2 All reported p-values are two-tailed. All other comparisons were not significant (  $p > .05$ ).

---

**TABLE 3**  
**Additional Variables**

**Panel A: Assessment of the Negotiation by Communication Style [Mean (s.d.)]**

<u>Item<sup>1</sup></u>	<u>Contentious</u>	<u>Cooperative</u>	<u>t-Statistic</u>	<u>p-value</u>
I'm satisfied with the negotiation	3.71 (1.80)	4.56 (1.54)	9.48	.002
I'm satisfied with the auditor	3.40 (1.95)	5.23 (1.43)	42.14	< .001
I believe the auditor is competent	4.32 (1.75)	5.56 (1.31)	23.82	< .001
I believe the auditor is credible	4.35 (1.76)	5.57 (1.26)	23.65	< .001
I would recommend retaining the auditor for future audits	3.65 (1.94)	5.39 (1.47)	37.58	< .001

**Panel B: Assessment of the Negotiation by Persuasive Argument [Mean (s.d.)]**

<u>Item<sup>1</sup></u>	<u>Threaten to Qualify</u>	<u>Quality Review</u>	<u>Technical Expert</u>	<u>Behavior of Others</u>
I'm satisfied with the negotiation	4.00 (2.01)	3.86 (1.59)	4.44 (1.63)	4.27 (1.62)
I'm satisfied with the auditor	4.32 (2.22)	3.81 (1.75) <sup>2</sup>	4.58 (1.87) <sup>2</sup>	4.62 (1.78) <sup>2</sup>
I believe the auditor is competent	5.00 (1.83)	4.44 (1.66) <sup>3</sup>	5.00 (1.80)	5.35 (1.18) <sup>3</sup>
I believe the auditor is credible	5.08 (1.78) <sup>4</sup>	4.36 (1.66) <sup>4</sup>	5.06 (1.74) <sup>4</sup>	5.38 (1.23) <sup>4</sup>
I would recommend retaining the auditor for future audits	4.50 (2.08)	4.14 (1.93)	4.69 (1.92)	4.81 (1.73)

1 Participants' agreement with each item was assessed on a seven point Likert scale (1 = strongly disagree; 7 = strongly agree). All reported p-values are two-tailed.

2 Technical expert and behavior of others are both significantly different than quality review (t = 1.819, p = 0.073; t = 1.970, p = 0.053, respectively).

3 Behavior of others is significantly different than quality review (t = 2.677, p = 0.002).

4 Threaten to qualify, technical expert, and behavior of others are all significantly different than quality review (t = 1.798, p = .076, t = 1.734, p = 0.087; t = 2.969, p = 0.004, respectively).

---

**APPENDIX**  
**Persuasive Argument and Communication Style Manipulations**

**Panel A: Persuasive Argument Manipulation**

<u>Persuasive Argument</u>	<u>Phrasing<sup>1</sup></u>
Threaten to Qualify the Audit Opinion	“As you know, I can’t sign off on financial statements that are materially misstated. If I don’t believe this year’s warranty expense is appropriate, I have to issue a qualified audit opinion. If the company receives a qualified opinion, that would be perceived poorly by investors and could have severe negative consequences.”
Warn of the Possibility of a Quality Review	“If you insist on such a large change in the company’s estimate of warranty expense, I will have to submit the financial statements to our firm’s quality control department for review. Do you know how conservative those people can be? In addition to warranty expense, they may insist that you record a host of other income decreasing adjustments to the financial statements.
Provide the Opinion of a Technical Expert	“This issue has been thoroughly reviewed by our firm’s expert on accounting for estimates. This individual has over twenty years experience in these matters across a variety of industries. Based upon his significant expertise, he concludes that we should continue to record warranty expense based upon the rate used in prior years.”
Provide the Behavior of Other Companies	“If we look at the behavior of your closest competitors, you will see that they do not significantly adjust warranty expense so soon after a factory retooling. By taking such an action, you would be significantly deviating from the accounting practice that is normative to the industry.”

**Panel B: Communication Style Manipulation**

<u>Communication Style</u>	<u>Phrasing<sup>2</sup></u>
Cooperative	<p>“I really appreciate the effort you and your staff have put into estimating this year’s warranty expense. However, ...”</p> <p>“I definitely respect your opinion on this issue. However, ...”</p> <p>“I believe it is in your best interest if you record warranty expense in the amount of \$5,997,321.”</p>
Contentious	<p>“I can't believe we're having this long of a discussion over such a cut and dry issue.”</p> <p>“Your position doesn't make any sense!”</p> <p>“Let's stop wasting each other's time. Record warranty expense in the amount of \$5,997,321.”</p>

---

1 Represents the phrasing of the persuasive argument that participants were exposed to during the first round of negotiation. The argument was repeated during each of the three rounds of negotiation (if necessary). The phrasing for rounds two and three were largely the same as for round one, with minor changes made to ensure that the phrasing flowed naturally over the course of the negotiation.

2 These are examples of the statements used to manipulate the auditor’s communication style, which were presented to participants over the course of the negotiation.

---

## REFERENCES:

- Bame-Aldred, C.W., and T. Kida. 2007. A comparison of auditor and client initial negotiation positions and tactics. *Accounting, Organizations, and Society* 32 (6): 497-511.
- Baumeister, R.F., K.P. Leith, M. Muraven, and E. Bratslavsky. 1998. Self-regulation as a key to success in life. In *Improving competence across the lifespan: Building interventions based on theory and research*, edited by D. Pushkar and W.M. Bukowski, 117-132. New York, NY: Plenum.
- Bazerman, M.H., H.A. Schroth, P.P. Shah, K.A. Diekmann, and A.E. Tenbrunsel. 1994. The inconsistent role of comparison others and procedural justice in reactions to hypothetical job descriptions: Implications for job acceptance decisions. *Organizational Behavior and Human Decision Processes* 60 (3): 326-352.
- Bazerman, M.H. 2002. *Judgment in Managerial Decision Making*. New York, NY: John Wiley & Sons.
- Baron, R.A. 1990. Environmentally induced positive affect: Its impact on self-efficacy, task performance, negotiation, and conflict. *Journal of Applied Social Psychology* 20 (5): 368-384.
- Beattie, V., S. Fearnley, and R. Brandt. 2004. A grounded theory model of auditor-client negotiations. *International Journal of Auditing* 8 (1): 1-19.
- Brown, H.L., and A.M. Wright. 2008. Negotiation research in auditing. *Accounting Horizons* 22 (1): 91-109.
- Cialdini, R.B. 1993. *Influence: The Psychology of Persuasion*. New York, NY: Morrow.
- Chung, J.O.Y., J.R. Cohen, and G.S. Munroe. 2008. The effect of moods on auditors' inventory valuation decisions. *Auditing: A Journal of Practice and Theory* 27 (2): 137-159.
- Deutsch, M. and R.M. Krauss. 1960. The effect of threat upon interpersonal bargaining. *Journal of Abnormal and Social Psychology* 61 (2): 181-189.
- Eagly, A.H., W. Wood, and S. Chaiken. 1978. Causal inferences about communicators and their effect on opinion change. *Journal of Personality and Social Psychology* 36 (4): 424-435.
- Ekman, P. 1993. Facial expression and emotion. *American Psychologist* 48 (4): 384-392.
- Forgas, J.P. 1998. On feeling good and getting your way: Mood effects on negotiator cognition and bargaining strategies. *Journal of Personality and Social Psychology* 74 (3): 565-577

- Gelfand, M.J., and S. Christakopoulou. 1999. Culture and negotiator cognition: Judgment accuracy and negotiation processes in individualistic and collectivistic cultures. *Organizational Behavior and Human Decision Processes* 79 (3): 248-269.
- Gibbins, M., S. Salterio, and A. Webb. 2001. Evidence about auditor-client management negotiation concerning client's financial reporting. *Journal of Accounting Research* 39 (3): 535-563.
- , S. McCracken, and S. Salterio. 2005. Negotiations over accounting issues: The congruency of audit partner and chief financial officer recalls. *Auditing: A Journal of Practice & Theory* 24 (Supplement): 171-193.
- , S. McCracken, and S. Salterio. 2007. The chief financial officer's perspective on auditor-client negotiations. *Contemporary Accounting Research* 24 (2): 387-422.
- Hatfield, R.C., C.P. Agoglia, and M.H. Sanchez. 2008. Client characteristics and the negotiation tactics of auditors: Implications for financial reporting. *Journal of Accounting Research* 46 (5): 1183-1207.
- Isen, A.M., K.A. Daubman, and G.P. Nowicki. 1987. Positive affect facilitates creative problem solving. *Journal of Personality and Social Psychology* 52 (6): 1122-1131.
- Kadous, K. 2001. Improving jurors' evaluations of auditors in negligence cases. *Contemporary Accounting Research* 18 (3): 425-444.
- Kida, T.E., K.K. Moreno, and J.F. Smith. 2001. The influence of affect on manager's capital budgeting decisions. *Contemporary Accounting Research* 18 (3): 477-494.
- Kallgren, C.A., R.R. Reno., and R.B. Cialdini. 2000. A focus theory of normative conduct: When norms do and do not affect behavior. *Personality and Social Psychology Bulletin* 26 (8): 1002-1012.
- Kopelman, S., A.S. Rosette, and L. Thompson. 2006. The three faces of Eve: Strategic displays of positive, negative, and neutral emotions in negotiations. *Organizational Behavior and Human Decision Processes* 99 (1): 81-101.
- Levy, D.A., and P.R. Nail. 1993. Contagion: A theoretical and empirical review and reconceptualization. *Genetic, Social, and General Psychology Monographs* 119 (2): 235-285.
- Libby, R., R.J. Bloomfield, and M.W. Nelson. 2002. Experimental research in financial accounting. *Accounting, Organizations, and Society* 27 (8): 755-810
- Loudder, M. L., I. K. Khurana, R. B. Sawyers, C. Cordery, C. Johnson, J. Lowe, and R. Wunderle. 1992. The information content of audit qualifications. *Auditing: A Journal of Practice & Theory* 11 (1): 69-82.

- Malhotra, D., and M.H. Bazerman. 2008. Psychological influence in negotiation: An introduction long overdue. *Journal of Management* 34 (3): 509-531.
- Moreno, K., T. Kida, and J.F. Smith. 2002. The impact of affective reactions on risky decision making in accounting contexts. *Journal of Accounting Research* 40 (5): 1331-1349.
- Ng, T.B., and H.T. Tan. 2003. Effects of authoritative guidance availability and audit committee effectiveness on auditors' judgments in an auditor-client negotiation context. *The Accounting Review* 78 (3): 801-818.
- Pruitt, D. and P. Carnevale. 1993. *Negotiation in Social Conflict*. Pacific Grove, CA: Brooks/Cole Publishing.
- Pruitt, D.G., and S.H. Kim. 2004. *Social Conflict: Escalation, Stalemate, and Settlement*. New York, NY: McGraw-Hill.
- Sagarin, B.J., R.B. Cialdini, W.E. Rice, and S.B. Serna. 2002. Dispelling the illusion of invulnerability: The motivations and mechanisms of resistance to persuasion. *Journal of Personality and Social Psychology* 83 (3): 526-541.
- Sanchez, M.H., C.P. Agoglia, and R.C. Hatfield. 2007. The effect of auditors' use of a reciprocity-based strategy on auditor-client negotiations. *The Accounting Review* 82 (1): 241-263.
- Sinaceur, M., and M.A. Neale. 2005. Not all threats are created equal: How implicitness and timing affect the effectiveness of threats in negotiation. *Group Decision and Negotiation* 14 (1): 63-85.
- Sinaceur, M., and L.Z. Tiedens. 2006. Get mad and get more than even: When and why anger expression is effective in negotiations. *Journal of Experimental Social Psychology* 42 (3): 314-322.
- Sutton, R.I. 1991. Maintaining norms about expressed emotions: The case of bill collectors. *Administrative Science Quarterly* 36 (2): 245-268.
- Tottenham, N., J. Tanaka, A.C Leon, T. McCarry, M. Nurse, M, T.A. Hare, D.J. Marcus, A. Westerlund, B.J. Casey, and C.A. Nelson. The NimStim set of facial expressions: Judgments from untrained research participants. *Psychiatry Research* (forthcoming).
- Trotman, K., A. Wright, and S. Wright. 2005. Auditor negotiations: An examination of the efficacy of intervention methods. *The Accounting Review* 80 (1): 349-367.
- Van Kleef, G.A., C.K.W. De Dreu, and A.S.R. Manstead. 2004. The interpersonal effect of anger and happiness in negotiations. *Journal of Personality and Social Psychology* 86 (1): 57-76.