



Reggy Hooghiemstra

2016B02 - Why some auditors thrive while others struggle – The effects of multiple team membership on audit quality

How did you get into academia?

“Initially I started working as an auditor, but when I saw a vacancy for a PhD position I knew that was it for me. My PhD was based on psychology, mainly how people explain outcomes in terms of factors they can or cannot influence themselves and how this is reflected in financial reports.”

How did you get interested in auditing?

“My education was in auditing, but I was always attracted to the combination of different topics. It enables me to develop different research skills, look at problems from different angles. For instance, especially when I started to work with Dennis Veltrop, who is also on the FAR team, I was more deeply drawn into psychological processes going on in teams, like supervisory boards. The step to other types of groups like audit teams was easily made.”

You worked in auditing for some time, what are the main challenges the profession faces?

“When I was trained, we tended to focus on how to audit financial statements. In recent years, companies have started to put more emphasis on non-financial elements like CSR reports. It’s becoming an important factor in the education of auditors at Universities and at the audit firms themselves. The competencies that auditors need to develop for new assurance services are comparable to core-audit skills, but also distinct. Another challenge is, more broadly, the disappearance of a traditional work/life balance.

People face high workloads, it's a challenge to keep up. The current generation no longer wants to live to work, but work to have a nice life. This would require a new vision on planning systems and on how work is organized."

How do you engage with practice?

"We do talk to practitioners, but during my teaching activities I'm also very much involved with the students of the executive program and the students which I supervise. They either work at an audit firm or do an internship. Through them, I hear what happens in practice, what current challenges they face. The connection with students is very important for me to keep my research practice-oriented and relevant."

How should your research influence the profession?

"We show that there are differences between ranks, managers seem to be dealing with more teams more easily than less experienced team members. For them, it's important to work on fewer engagements at the same time. It also seems to be important that they have some recovery time from their prior engagement. Giving more junior auditors more time to process the knowledge, provides more capital in the future to acquire knowledge more quickly."

What will your message be at the conference?

"We will probably be combining our insights on the multiple team memberships and on advice seeking. How do people approach their colleagues to learn and get advice? It definitely relates to the Human Factor: although digitalization is becoming a bigger part of the audit, it's still humans that are responsible. We study how people work in teams, the challenges they face, how they familiarize with other team members and how they make the best use of their teams for their personal learning curve."

"The conference will give us a nice opportunity to get direct input on our project, see our problems in a different perspective than we do. You can have a nice research in academic terms but if it does not resonate with practice, it doesn't make sense what you are studying."

What would your ideal study look like?

"I do not think there is one, frankly. During the process I always end up with new questions, ideas, alternative methods. Your result is an answer to the question you pose in the introduction and always bound to the decisions you make along the way. You can never rule out alternative explanations. But it's a good thing, it triggers to start a new research, on the same topic or another direction."