

The English Language Use in Audit Firms: The Case of PWC Nearshore in Morocco

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Abstract:

This work examines the use of the English language by the employees of PWC Nearshore, a firm deployed in Morocco and which manages only French companies' files. The main purpose of this study is to explore whether this multilingual character constitutes a strength or a risk for the firm's activity and development. The methodology of this work is based on group interviews with the auditors who had spent at least a year in PWC firm. The questions asked are related to all the interactions and acts carried out using English (e.g. trainings, missions, handling software, etc.). We concluded that the existence of a business platform developed in English and the mandatory e-learning in English are the main elements promoting the use of English in a French firm whose clients are all French. However, managers must set up language training for auditors who all come from academic curriculum entirely acquired in French.

Keywords: Audit, technical English, multilingualism, interactions, opportunity

1. Introduction

Talking about the globalization of the economy has become commonplace. It seems just as obvious to explain that auditing firms need to organize themselves into networks to follow their clients all around the planet when they open a subsidiary in Japan or Australia. The highlight of the last decade is, without doubt, the generalization of this globalization to a whole fabric of medium-sized companies. However, as in most other sectors of economic activity, the last twenty years have witnessed a reduction in the number of major players. Through the mergers, the major audit networks, which could provide a more or less uniform audit service worldwide, have shrunk from eight to four.

The international nature of the strategies of these firms, in addition to the professional auditing standards dictated by institutions such as IFAC and IAS, and the various financial relationships that link companies from different nationalities have prompted auditors to use a second language other than their language of training, which is English (Detzen and Loehlein, 2018). Firms established in France and/or dealing with French companies use French as the language of dialogue, of drafting reports and of internal and external communication. Thus, we can see that French universities provide specialty courses in French, hence auditors with an entirely French “Technical” training (Bertin, 2002).

In our study, we seek to explore the level of use of English within a French firm, as well as the reasons behind the use of this language, and to conclude whether the bi-linguistic character constitutes an opportunity or a risk for the firm and to propose recommendations aimed at improving the performance of the firm in the linguistic side.

Our problematic is as follows: At what level can the use of English in the fields of audit be considered an advantage for a French audit firm?

Our research will be conducted within PWC Nearshore, which is a 100% subsidiary of PWC France and which only deals with French clients. We have conducted interviews with the auditors of this firm.

2. Background

2.1 The audit profession and the auditor

The auditing profession continues to evolve towards a function with greater added value: Certification, consulting, decision and support. All this requires the auditor to have professional and personal skills. Thus, while technical skills are essential on a daily basis, certain personal skills, such as analytical skills, critical thinking and communication, are of crucial importance in improving personal and institutional performance. Communication is among the essential skills that an auditor must have and develop continuously in order to improve his position within the firm and to participate in the development of the firm in general.

Figure 1: Top 7 most in-demand skills among auditors

Personal skills
Analytical skills
Communication skills
Technical skills
Accounting
Evaluation of the effectiveness of risk management
Information system (general knowledge)
Industry specific knowledge
Data extraction and analysis

Source: 2013 Global Pulse Survey conducted by the IIA.

The interest in the level of competence of auditors and their personal and professional development is acquired from the fact that they constitute a factor influencing what is called audit quality. The definition of audit quality therefore makes a distinction between audit quality and auditor quality (Pillard, 2003). The quality of the auditor refers to the notion of competence which is taken into account in the quality of the audit but which is only one component. The quality of the auditor can therefore be included in the quality of the audit, which is why the distinction is important. DeAngelo (1981) incorporates this aspect into his founding definition of audit quality by demonstrating that quality depends on two parameters: (1) the competence of the auditor and (2) his independence to communicate these anomalies.

The definition of determinants makes it possible to assess the quality of the audit. This track leads to introducing the quality of the audit according to an approach by determinants or criteria by distinguishing several elements, including: the auditor himself.

Communication plays a key role in the quality approach of an audit mission. The success of audit missions presumes that the auditor and the auditee establish permanent communication between them so as to have a joint reflection on the major accounting questions that arise for the company and therefore for its auditor. This permanent communication translates into a faster and more efficient circulation of explicit knowledge and a more fruitful exchange of tacit knowledge (Richard, 2006). The communication skills of auditors and managers is also considered a key element in the successful implementation of ethical standards for the Big Four around the world (Frémeaux and Noël, 2015).

The language is the instrument of communication (Dubois, 1994); so, one can say that if communication holds an important place in determining the competence of the auditor, a thing that impacts audit quality, and since language is the main instrument of communication, then the language used can impact the quality of the audit.

2.2 The English language use in audit

Global and local interactions, whether social, cultural, political or economic, result in effective communication, whereby people exchange ideas, facts or opinions to satisfy their information

needs. Every year, we are more and more convinced of the growing importance of English in the modern world. It is the main mean of communication between businessmen in different countries. Undoubtedly, English is a skill that embellishes the career of a representative of any profession, and accounting is no exception. English has been able to impose its use in several fields, from marketing and advertising to finance, accounting and financial and legal auditing. The English language is now recognized and applied internationally, thus allowing effective communication and efficiency that thrives globally and locally.

In an audit firm, the audit work of established foreign subsidiaries or even exceptional missions (due diligence or merger in an international context or intended for foreign investors) requires a good command of English. Moreover, English is increasingly used in the training of auditors in order to acquire additional technical knowledge and perfect their professional careers (Libby and Luft 1993) concerning the new auditing standards published by international institutions and/or new practices implemented by the firm's head office, hence the need to use English.

English is also necessary to prepare reports in accordance with international financial standards (IFRS). In the financial world, it is very important to have quick access to information. However, most of this information is often only available in English. Recent information on the most significant changes in the economy can be found in English-language periodicals (Syvak, 2019). The language enables meaningful communications and more specifically, the English language enables relationships and operations across the globe. Being the “lingua franca” (Mahmoud, 2018) as it is globally recognized and used, English facilitates the globalization (Annayat, 2016) that continually defines the changing world which, in turn, increasingly requires the use of the English language (Pandey, 2018).

However, and when we turn to the technical notions relating to accounting, finance and auditing, their use in English leads to learning difficulties (Ku et al, 2014) and comprehension assimilations (Ay, 2012), primarily due to their significantly arduous content and substantially acute complexity. Suyadi (2016) also pointed out that English itself is difficult when used in technical fields. Even in academic institutions, the use of English in teaching and learning needs to be contextualized in the accounting curriculum. Accordingly, the materials and in English must be adapted specifically for accounting in order to simplify the task of learning this subject in English for non-English speakers Suyadi (2016). 'English for Specific Purposes', in our case 'English for Accounting' rightly functions to serve the learning purpose of accounting students. However, Wang and Yang (2018) concluded that the complexity of learning accounting has no relation to the language of learning, but rather to the mastery of fundamental accounting techniques and notions.

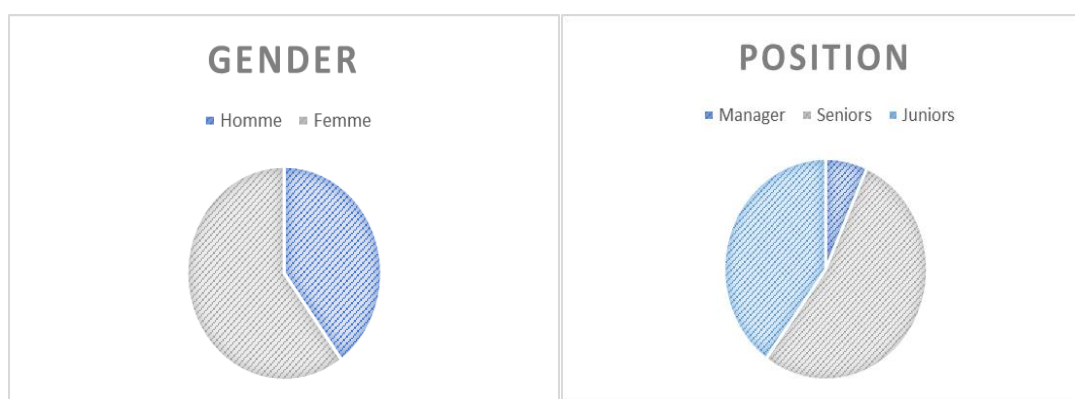
3. Methodology

Assessing the impact of the use of English in a French firm assumes that the following questions have been answered beforehand: Why is English used in a French firm operating in the French

market? Do the auditors accept this bilingual character? To finally answer the essential question: Is the use of English constitutes an advantage or a risk for the firm?

The field of our research is the firm: PWC Nearshore, which is a 100% subsidiary of PWC France and which deals only with French clients and companies. Our sample is made up of 30 auditors. The sample is made up of 30 employees: 2 managers (7%), 16 senior auditors (53%) and 12 junior auditors (40%). 40% of them are men and 60% are women.

Figure 2: sample of our Study



We conducted individual interviews with managers and group interviews of 7 people (i.e. 4 groups). Our questions were based on the following elements:

- Study level
- Recruitment criteria
- Level of proficiency in English (holding a language diploma)
- The number of missions requiring the English language
- The display language of the platform used by the firm
- The language of the e-learnings available
- The language used in customer interviews
- The language used in internal formal meetings
- The language used in discussions between colleagues
- Language training provided.

4. Results

Through the interviews conducted, several observations were made, we note mainly:

- i. 100% of auditors have received training in French knowing that interviewees with certification in English (all types combined) are rare.
- ii. The responses from PWC managers and auditors enabled us to identify the main factors encouraging the use of English. According to them, the directives of the head office of PWC international (located in the United Kingdom) is the main incentive for the use of the

English language in the firm. 70% of respondents consider this imposition of the English language as a criterion for recruitment and for participation in international mobility as well as in professional training as a source of staff demotivation.

- iii. The auditors also express that mastery of the English language is considered as principal criteria for participation in missions dealing with the accounts of international companies or even the information related to mergers between firms, something which, for them, is very interesting because it brings more rewards for participating auditors but requires more effort and so they are all satisfied at this point.
- iv. The interviewees consider the availability of certain distance learning courses in different languages (French, English, Spanish, etc.) as a motivating element for language learning. 55% of listeners preferred to take certain courses in French and then in English as a technique of learning new words and technical expressions.
- v. The auditors confirmed that approximately 95% of the interviews conducted with clients take place in French, and that the remaining 5% relate to missions with international companies based in France and take place mainly in English.
- vi. Formal meetings are held in French and discussions between colleagues are generally in Arabic and French (due to the existence of French-speaking auditors in the firm).
- vii. 100% of auditors consider the existence of several languages as an advantage and opportunity both individually and organizationally.

5. Discussion

Training and courses in auditing and accounting are provided in French. This is the reason why auditors master the technical aspects of accounting in French, with a considerable lack of knowledge of concepts relating to accounting and audit in English. Employees working in our research field express their need to broaden their knowledge of auditing and accounting in English. However, they refuse the actions of imposition of the English language in recruitment, in training and in other aspects and consider it as a demotivating factor and as a threat to their emotional commitment to the firm.

For an audit firm, having auditors who master both English and French, in technical aspects and in communication, will help it to attract more customers and expand its market share, especially when it comes to international structures.

French remains the main language for managing missions and for internal and external communication, since the firm handles French clients folders and is managed by a French partner and with French-speaking collaborators, but the use of English will allow auditors to acquire new knowledge and to follow the news relating to the guidelines and professional auditing standards published by international institutions.

Auditors can participate in international mobility, giving them the choice of French-speaking countries for people who do not master English, without restricting their horizons or forbidding them from participation.

6. Recommendations

The use of English in auditing firms, like all professions, will allow auditors to perfect their skills and expertise, and will help the firm to attract new clients. However, several measures are to be put in place by firms, universities and auditors.

i- Universities and educational institutions:

Faculties and colleges must introduce the teaching of English in technical subjects (accounting, auditing and finance) instead of keeping it as a language of communication, or, therefore, in the extreme case, introduce it in subjects such as marketing and commerce.

Universities are also called upon to make students aware of the importance of mastering the English language in the labor market and in career development and encourage them to have language certifications such as: TOIEC and TOFEL.

ii- The audit firm:

The recruitment criteria for the firms must be in harmony with the reality of teaching and society. An English test must be present but with a lower coefficient than the technical side at least until the introduction of teaching in English at universities.

Also, firms can organize technical English training sessions for auditors to help them become familiar with technical terms; in addition to the implementation of agreements to help employees benefit from language certifications with preferential prices.

It is also recommended for firms to offer all e-learning in several languages in order to create a certain learning freedom for auditors. Also, the criterion of mastery of English should not be the only one in the choice of people who will benefit from international mobility, but rather introduce elements such as: relational, adaptability...

iii- Auditors:

Like all employees, auditors must have an ultimate goal: to develop their knowledge and excel in their careers. Learning a new language constitute an engine for career development and a reason for promotion in position, which is why they must follow all trainings offered by the firm, and by other audit professionals, in addition to subscribing to English accounting periodicals, to follow diploma courses in technical English and to participate as much as possible in international mobility. The use of English as an additional language can only constitute a development factor for the auditors and for the firm.

7. Conclusion

In a rapidly changing environment, English is a real investment that brings many benefits. English can provide access to better jobs, but also to a pool of knowledge anywhere in the world; it is therefore a real factor in personal and professional development.

English holds an important place in French society and businesses. His mastery is today an asset to get a job and to open to the global market. To the many titles that English has obtained, we can add that of business language. Businesses can no longer do without English these days. To master English is to have access to a multiplied number of sources of information, and customers who can directly help any business, regardless of its trade, to continue to exist and develop.

In this article, we were able to point out the advantages and the risks relating to the use of English in an office French audit from the point of view of the auditors. We found that English can be considered an asset in the experience of the auditors and as a development factor for the firm. However, the main limitation of our study it is that it cannot be generalized especially since the field of research has a rather particular situation since it is a subsidiary of a decentralized French group in Morocco.

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