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# Relational impact of tax practitioners' behavioural interaction and service satisfaction: Evidence from New Zealand

Ranjana Gupta<sup>1</sup>

## **Abstract**

This article reports the results of an investigation into taxpayers' perceptions of their present tax practitioners' explaining skills, listening skills, technical experience, competency and co-operative intentions (behavioural interaction factors), service satisfaction and their relationship commitment. To determine New Zealand taxpayers' perception of their present tax practitioner a survey was administered to clients of various accounting and law firms in New Zealand in late 2012. A total of 211 responses were analysed to test the proposed hypotheses.

By employing the Hayes PROCESS macro for SPSS, client satisfaction with their current tax practitioner is shown to mediate the effects of behavioural interaction factors on their relationship commitment. The findings reveal that clients prefer limited explanation of implications of tax regulations regarding their tax affairs and their obligations under the law.

The study suggests that the development of tax practitioner's skills to gaining their clients' satisfaction could improve the overall quality of tax practitioners' services and enhance taxpayer compliance.

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## 1. INTRODUCTION

A tax practitioner's role in tax compliance lies in between the taxpayer and the revenue authority. The services of a tax practitioner have a significant influence on taxpayers' voluntary compliance behaviour and minimisation of compliance and administrative costs.<sup>2</sup> The tax practitioner's knowledge of tax laws and procedures is much greater than that of an ordinary taxpayer and the purpose of using a tax advisor's services is to avail the benefit of this knowledge and expertise.<sup>3</sup> Tax practitioners can be considered important gatekeepers to the tax system for taxpayers.<sup>4</sup> Tax practitioners have a duty to uphold the integrity of the tax system and the vast majority of tax practitioners' work involves complying with the rules. The role of a tax practitioner has been defined by Pickhardt and Prinz as, "on the one hand they are allies of taxpayers, on the other hand they have a legal obligation to obey tax laws when professionally advising taxpayers".<sup>5</sup> Survey research suggests that the primary reason that most taxpayers use the services of a tax practitioner is to deal with complexity of tax laws, lack of time, fear of penalties<sup>6</sup> and to file an accurate return.<sup>7</sup>

The tax practitioner (sometimes referred to as tax professional, tax preparer, tax accountant, tax lawyer or tax agent depending on the jurisdiction) is an integral part of the tax system. The term 'tax practitioner' covers a diverse group of individuals, business structures and professional groups who provide a range of tax services for their clients.<sup>8</sup> The current study adopts a broad definition of the term 'tax practitioner' and includes tax professionals, tax preparers, tax agents, tax accountants and tax lawyers and the terms are used interchangeably.

Since there is no statutory definition of the words 'tax accountant' or 'tax practitioner' it means that in some countries anyone can set up a business as a tax accountant or tax practitioner without having to satisfy any legal requirements.<sup>9</sup> In New Zealand any

<sup>2</sup> B Erard, "Taxation with Representation: An Analysis of the Role of Tax Practitioners in Tax Compliance" (1993) 52:2 *Journal of Public Economics* 163.

<sup>3</sup> SE Kaplan, PMJ Reckers, SG West and JC Boyd, "An Examination of Tax Reporting Recommendations of Professional Tax Preparers" (1988) 9:4 *Journal of Economic Psychology* 427.

<sup>4</sup> PA Hite and G McGill, "An Examination of Taxpayers Preference for Aggressive Tax Advice" (1992) 45:4 *National Tax Journal* 389; KJ Newberry, PMJ Reckers and RW Wyndelts "An Examination of Tax Practitioner Decisions: The Role of Preparer Sanctions and Framing Effects Associated with Client Condition" (1993) 14:2 *Journal of Economic Psychology* 439 and LM Tan "Taxpayers' Preference for Type of Advice from Tax Practitioner: A Preliminary Examination" (1999) 20:4 *Journal of Economic Psychology* 431.

<sup>5</sup> M Pickhardt and A Prinz, "Behavioral Dynamics of Tax Evasion – A survey" (2014) 40:1 *Journal of Economic Psychology* 1.

<sup>6</sup> K McKinstry and JC Baldry, "Explaining the Growth in Usage of Tax Agents by Australian Personal Income Taxpayers" (1997) 13:1 *Australian Tax Forum* 135-153.

<sup>7</sup> JH Collins, VC Milliron and DR Toy, "Determinants of Tax Compliance: A Contingency Approach" (1990) 12:1 *Journal of the American Tax Association* 9; PA Hite and G McGill "An Examination of Taxpayer Preference for Aggressive Tax Advice" (1992) 45:4 *National Tax Journal* 389; PA Hite, T Stock and CB Cloyd, "Reasons for Preparer Usage by Small Business Owners: How Compliant Are They?" (1992) 37:2 *National Public Accountant* 20.

<sup>8</sup> R Marshall, M Smith and R Armstrong, "The Impact of Audit Risk, Materiality and Severity on Ethical Decision Making: An Analysis of the Perceptions of Tax Agents in Australia" (2006) 21(5) *Managerial Auditing Journal* 499.

<sup>9</sup> It is in contrast to the highly regulated position in Australia and United States of America. M McKerchar, K Bloomquist and S Leviner, "Improving the Quality of Services Offered by Tax Agents: Can Regulation Assist?" (2008) 23:4 *Australian Tax Forum* 399.

person who owns a business where annual income tax returns are prepared or has a professional practice and prepares annual income tax returns for ten or more taxpayers can register with Inland Revenue as a tax agent.<sup>10</sup> Reinganum and Wilde's<sup>11</sup> study on the positive and negative effects of engaging a tax practitioner in the United States of America (USA) reported that the tax agency generally preferred taxpayers to prepare their own returns but where tax practitioner efficiencies were sufficiently large, taxpayers would engage a tax practitioner. During 2010–11 income year more than 2.3 million individuals and businesses in New Zealand, relied on the assistance of a tax practitioner to assist them to plan and structure their tax affairs.<sup>12</sup> This large reliance on a tax practitioners' expertise shows the importance of a tax practitioner's services to the tax system and his/her responsibilities to society, to the law and to one's profession.<sup>13</sup>

Over the last four decades New Zealand's socio-economic and demographic character has changed and tax practitioners are now operating in a competitive market. New Zealanders with diverse ethnic, socio-cultural, economic and demographical backgrounds<sup>14</sup> have diverse expectations as customers, and in order to retain their clients tax practitioners must exhibit appropriate behaviours. Most clients are keen to form a long term professional relationship with their tax practitioner.<sup>15</sup> The relationship between clients and their tax practitioner is very important because clients gain a certain sense of security regarding the type of service provided to them. The quality of service improves through long term relationships with tax practitioners having greater understanding of their clients' business and sources of income history. Based on the results of empirical research of Profit Impact of Market Strategies ("PIMS"), product quality (as judged by customers) has a strong positive relationship with profitability. Effectively this could result in more profitability for the tax practitioners in terms of more clients as well as more money per client.<sup>16</sup>

The focus on satisfaction is central to the service delivery approach to tax practitioners. Service satisfaction reduces uncertainty and vulnerability in a relationship, especially for services that are difficult to evaluate due to their intangible, complex and technical nature.<sup>17</sup> Taxpayer disengagement can be addressed through satisfaction with services

<sup>10</sup> A practising tax agent or adviser must be a registered New Zealand Inland Revenue customer. About 5,300 tax agents are registered with Inland Revenue Department at 31 March 2013 and on an average there were 460 clients per agent. The tax agents filed just over 75% of all income tax returns. Available at <http://www.ird.govt.nz/aboutir/external-stats/tax-agents/>

<sup>11</sup> JF Reinganum and LL Wilde, "Equilibrium Enforcement and Compliance in the Presence of Tax Practitioners" (1991) 7:1 *The Journal of Law, Economics and Organisation* 163.

<sup>12</sup> Available at <http://www.ird.govt.nz/aboutir/external-stats/tax-agents/>.

<sup>13</sup> LS Shapiro, "Doing What is Right" (1996) 41:12 *The National Public Accountant* 7.

<sup>14</sup> M Khawaja, B Boddington and R Didham, *Growing Ethnic Diversity in New Zealand and its Implications for Measuring Differentials in Fertility and Mortality*, Wellington; Statistics New Zealand, 2007.

<sup>15</sup> PJ Danaher, DM Conroy and JR McColl-Kennedy, "Who Wants a Relationship Anyway? Conditions When Consumers Expect a Relationship with their Service Provider" (2008)11:1 *Journal of Service Research* 43.

<sup>16</sup> S Schoeffler, RD Buzzell, and DF Heany, PIMS: "A Breakthrough in Strategic Planning". (1973) Marketing Science Institute, Cambridge, MA. Marketing Science Institute in 1972 and 1973 examined the relationship between superior perceived quality and profitability among some 950 individual business units from 93 different companies.

<sup>17</sup> LL Berry, "Relationship Marketing of Services: Growing Interest, Emerging Perspectives", (1995) 23:1 *Journal of the Academy Marketing Science* 236.

of a tax practitioner.<sup>18</sup> Satisfaction is a key variable of relationship continuity (loyalty)<sup>19</sup> and will deliver value to clients, practitioners and revenue authorities by enhancing taxpayer compliance from a platform of transparency and dialogue.<sup>20</sup>

Despite the above, little formal empirical research has been conducted in the international accounting and tax literature to evaluate clients' relationship commitment with their tax practitioners. Given that a good relationship is critical to both clients and tax practitioners, and in order to develop and maintain a healthy relationship and to understand such relationships, further research is warranted.

The objective of the present study is to address this potential research gap by extending previous literature on the factors associated with clients' judgments of tax practitioners' behavioural interaction and to evaluate how these factors may influence a clients' satisfaction with the tax practitioner services and the relationship commitment to their tax practitioner.

The findings of the present study may shed some light on clients' expectations and perceptions with respect to tax practitioners' behavioural interaction and could assist tax practitioners in developing methods to better serve their clients' within a laid framework.

The remainder of this paper is organised as follows. Section 2 provides a succinct review of the tax practitioners' interaction behaviour literature, with particular reference to a client's satisfaction with tax practitioner services and their relationship commitment and hypothesis development. Section 3 of the paper details the research design and methodology employed. The results of the survey are outlined in Section 4. Section 5 summarises the findings and considers the limitations and sets out the conclusions emerging from this study.

## 2. BRIEF LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A considerable body of research exists in the marketing literature<sup>21</sup> that examines the issues of clients' satisfaction in terms of self-reported satisfaction with the service, overall evaluation of the service and intent to use the service in the future. However, in the accounting and tax literature in New Zealand and overseas, few studies have considered the relationship between the tax practitioners' communication skills, technical experience, competency and clients' satisfaction with services.

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<sup>18</sup> V Braithwaite, *Defiance in Taxation and Governance: Resisting and Dismissing Authority in a Democracy*, Cheltenham, UK and Northampton, USA: Edward Elgar Publishing Ltd., 2009.

<sup>19</sup> M Huang, "The Influence of Selling Behaviours on Customer Relationships in Financial Services" (2008) 19:4 *International Journal of Service Industry Management* 458.

<sup>20</sup> B McEvily, V Perrone and A Zaheer, "Trust as an Organizing Principle" (2003) 14:1 *Organizational Science* 91.

<sup>21</sup> D Tse and P Wilton, "Models of Consumer Satisfaction Formation: An Extension" (1988) 25:2 *Journal of Marketing Research* 204; E Gummesson and C Gronroos "Quality Services - Lessons from the Product Sector" (1987) *Add Value to Your Service: The Key to Success*, C. Suprenant (ed.) American Marketing Association, Chicago, II 35-39; A Wong and L Zhou "Determinants and Outcomes of Relationship Quality: A Conceptual Model and Empirical Investigation" (2006) 18:3 *Journal of International Consumer Marketing* 81.

Smith and Kinsey,<sup>22</sup> Klepper et al<sup>23</sup> and Hite et al<sup>24</sup> studies suggest that clients use a tax practitioner for filing a tax return which is prepared correctly, thereby reducing the risk of being audited. The findings from Collins et al<sup>25</sup> and Kinsey<sup>26</sup> examined the factors associated with demand for a tax practitioner's services. Their study reports that the most common reasons that had been linked to seeking tax practitioner assistance are to ensure accurate tax returns and lower tax liabilities.

Sakurai and Braithwaite<sup>27</sup> surveyed 2,040 Australian taxpayers to investigate how taxpayers differentiate the styles of tax practitioners, what they would prefer in their ideal tax practitioner and what they have opted for in real life. The study reports that taxpayers' ideal tax practitioners were people who were competent, honest and whom they can trust to keep them on the right side of the law and were risk averse. The results revealed that taxpayers did not feel any need to trade off honesty for cleverness. However, their study did not focus on the impact of descriptors of tax practitioners' soft skills (listening and explaining) on a client's satisfaction with the services provided.

Devos<sup>28</sup> surveyed Australian taxpayers to investigate whether or not a relationship exists between taxpayers retaining/terminating their client/advisor relationship based on the tax advice they receive from their tax practitioners and their own compliance behaviour. The results revealed statistically significant relationships between conservative tax advice and termination or retention of the tax agent based on that advice and compliance behaviour. However, in retaining/terminating their client/advisor relationship, the role of tax practitioner's interaction behaviour factors and trust was not identified.

Christensen<sup>29</sup> surveyed 235 taxpayers and 31 tax practitioners to investigate their perception on tax service quality on technical and functional quality dimensions. Their findings suggest that clients' satisfaction with a tax service was more based on what a client actually received in the form of advice or a completed tax return rather than the way in which the service is delivered. The results revealed that many clients do not believe tax preparers adequately understand their individual needs with regard to tax services. The study aptly pointed out that tax advisers' perceptions of what clients expect from a quality service differ significantly from actual client expectations.

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<sup>22</sup> KW Smith and KA Kinsey, *Tax Preparer and Compliance: Some Empirical Evidence* (Paper presented at the 12th Annual Convention of the Eastern Economic Association, Philadelphia, 10 April 1986).

<sup>23</sup> S Klepper, M Mazur and D Nagin, "Expert Intermediaries and legal Compliance: The Case of Tax Preparers" (1991) 34 :1 *Journal of Law and Economics* 205.

<sup>24</sup> P Hite, T Stock and CB Cloyd, "Reasons for preparer Usage by Small Business Owners: How Compliant Are They?" (1992) 37:2 *National Public Accountant* 20.

<sup>25</sup> JH Collins, VC Milliron and DR Toy, "Factors Associated with Household Demand for Tax Preparers" (1990) 12:1 *Journal of the American Taxation Association* 9.

<sup>26</sup> KA Kinsey, *Advocacy and Perception: The Structure of Tax Practice* (Working paper, American Bar Association, Chicago II, August 1987).

<sup>27</sup> Y Sakurai and V Braithwaite, "Taxpayers' Perceptions of Practitioners: Finding One Who is Effective and Does the Right Thing?" (2003) 46:3 *Journal of Business Ethics* 375.

<sup>28</sup> K Devos, "The Impact of Tax Professionals upon the Compliance Behaviour of Australian Individual Taxpayers" (2012) 22:1 *Revenue Law Journal* 1.

<sup>29</sup> AL Christensen, "Evaluation of Tax Services: A Client and Preparer Perspective" (1992) 14:2 *Journal of the American Taxation Association* 60.

However, the investigation into communication skills only evaluated the tax service quality, and did not identify the influence of explaining and listening skills.

Chang and Bird<sup>30</sup> surveyed United States taxpayers to investigate the determinants of client satisfaction with their tax practitioner's services. The study was based on 187 clients of three local accounting firms. Their findings suggest that actual tax and time savings, accuracy in tax return preparation, easy and quick accessibility of services play a key role in taxpayers' selection of a tax practitioner. Their study reports that professional image did not significantly affect satisfaction of clients.

Coyne and Smith<sup>31</sup> explored the structure of tax practice and the factors influencing practitioners' role and attitudes toward regulations governing their practices. Their study examined an issue of the nature of clients' expectations and preferences. The research found that clients' expectations and preferences were influenced by the tax practitioner's firm size and provided incentives and constraints on the use of a tax practitioner. Fleischman and Stephenson<sup>32</sup> in their US study examined the association between the key perceptions of clients in hiring a tax practitioner and specific motivations to hire. Their findings suggest that clients are desirous of having their tax practitioner be their advocate in a manner that shields them from the revenue authorities.

Tan<sup>33</sup> in New Zealand and Hite and McGill<sup>34</sup> in the United States examined taxpayers' preferred attributes in a tax practitioner, preference for types of advice, risk engagement and retention/termination of taxpayers' services. They found that taxpayers prefer a tax adviser who gives them the confidence that their tax matters are under control, and their tax paying behaviour is lawful. However, when clients disagree with the advice they tended not to retain the tax adviser. Their findings also suggest that taxpayers interested in tax minimisation were open to having a tax practitioner who was aware of both low and high risk strategies. However, these studies found no significant effects of audit probability on a taxpayer's decisions.

Tan<sup>35</sup> investigated the tax practitioners' and the business taxpayers' roles and relationship using a Tax Practitioner—Client Role Model. Her findings suggest that qualities of good tax practitioners as perceived by taxpayers are competency, honesty, trustworthiness, good communication skills and acting in the interest of the client. The results also revealed ambiguity of the tax practitioner's role. The research showed that the tax practitioners are unaware that they fall short of taxpayers' technical proficiency and trust expectations of them. The research covered the role of tax practitioners in

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<sup>30</sup> OH Chang and CJ Bird, "What Clients Really Want From Their Tax Preparers" (1993) 52:4 *The Ohio CPA Journal* 21.

<sup>31</sup> ML Coyne and KW Smith, *A Conceptual Framework of the Incentives and Constraints of Tax Practices* Mimeo, American Bar Foundation 1987.

<sup>32</sup> GM Fleischman and T Stephenson, "Client Variables Associated With Four Key Determinants of Demand for Tax Preparer Services: An Exploratory Study" (2012) 26:3 *Accounting Horizons* 417.

<sup>33</sup> LM Tan, "Taxpayers' Preference for Type of Advice from Tax Practitioner: A Preliminary Examination" (1999) 20:4 *Journal of Economic Psychology* 431.

<sup>34</sup> P Hite and G McGill, "An Examination of Taxpayer Preference for Aggressive Tax Advice" (1992) 45:4 *National Tax Journal* 389.

<sup>35</sup> LM Tan, *Towards an understanding of the tax practitioner-client role relationship: A role analysis*, (Thesis submitted in fulfilment of the requirements for the degree of Doctor of Philosophy, The Australian National University 2009), available online at <https://digitalcollections.anu.edu.au/handle/1885/10069?mode=full>.

taxpaying behaviour and tax practitioners' explaining and listening skills are included under communication skills. However, the marketing literature suggests that listening skills and explaining skills are two attributes, whereas the literature on the role of tax practitioners seems to be somewhat scant on these separate dimensions. Thus, in the present study the descriptors of listening and explaining behaviour in the questionnaire were framed around these two dimensions.

Overall, past research<sup>36</sup> has indicated that the key reasons for seeking a tax practitioner's assistance are: perception of audit risk; reduction in tax liability; or overall accuracy and absence of errors. These studies had claimed that these reasons also useful in the evaluation of technical capability of a tax practitioner. However, the dimensions of functional quality (service delivery): service providers listening and explaining skills responsiveness to the client's needs; providing the service in an efficient manner; and the co-operative intentions and physical surroundings of the service delivered had been identified by marketing scholars.<sup>37</sup>

The association of service satisfaction with relationship commitment has been well established in the literature<sup>38</sup> and it is conceivable that service satisfaction does not fully mediate the effects of interaction behaviour factors on relationship commitment. It is likely that interaction behaviour factors may have direct and significant effect on relationship commitment.

However, to the author's knowledge, no systematic empirical study in the accounting and tax literature has yet been conducted on the indirect effects through clients' service satisfaction with tax practitioners' interaction behaviour factors and their relationship commitment.

Given, the tax practitioners' role involves dealing with financial affairs of clients, in the accounting and tax field it is particularly worthy of investigation whether tax practitioners' interaction behaviour factors (soft skills, technical experience and competence) are postulated to exert an effect on creating and sustaining long term relationships between the tax practitioners and the clients through intervening variable,

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<sup>36</sup> KW Smith and KA Kinsey, *Tax Preparer and Compliance: Some Empirical Evidence* (Paper presented at the 12th Annual Convention of the Eastern Economic Association, Philadelphia, 10 April 1986); JH Collins, VC Milliron and DR Toy, "Factors Associated with Household Demand for Tax Preparers" (1990) 12 :1 *Journal of the American Taxation Association* 9; KA Kinsey, *Advocacy and Perception: The Structure of Tax Practice* (Working paper, American Bar Association, Chicago II, August 1987); S Klepper, M Mazur and D Nagin, "Expert Intermediaries and legal Compliance: The Case of Tax Preparers" (1991) 34:1 *Journal of Law and Economics* 205.

<sup>37</sup> A Wong and L Zhou, "Determinants and Outcomes of Relationship Quality: A Conceptual Model and Empirical Investigation" (2006) 18:3 *Journal of International Consumer Marketing* 81; AL Stewart, A Nápoles-Springer, EJ Pérez-Stable, SF Posner, AB Bindman, HL Pinderhughes and AE Washington, "Interpersonal Processes of Care in Diverse Populations" (1999) 77:3 *The Milbank Quarterly* 305; SS Gaur, X Yingzi, Q Ali and N Swathi, "Relational Impact of Service Providers' Interaction Behaviour In Healthcare" (2011) 21:1 *Managing Service Quality* 67; N Sharma and PG Patterson, "Switching Costs, Alternative Attractiveness and Experience as Moderators of Relationship Commitment in Professional, Consumer Services" (2000)11:5 *International Journal of Service Industry Management* 470.

<sup>38</sup> D Tse and P Wilton, "Models of Consumer Satisfaction Formation: An Extension" (1988) 25:2 *Journal of Marketing Research* 204; E Gummesson and C Gronroos "Quality Services-Lessons from the Product Sector" *Add Value to Your Service: The Key to Success*, C. Suprenant (ed.) American Marketing Association, Chicago, IL, 1987 35-39.

satisfaction with tax practitioners' services (mediator).<sup>39</sup> The results for these factors in the accounting and tax field may be much different than in other service fields. A mediator explains how or why a relationship exists between the predictor and dependent variable.<sup>40</sup> Comprehensive explaining, listening skills, positive efficiency and technical experience, high competency and co-operative intentions, increases clients' satisfaction with tax practitioners' services which enhances their relationship commitment.

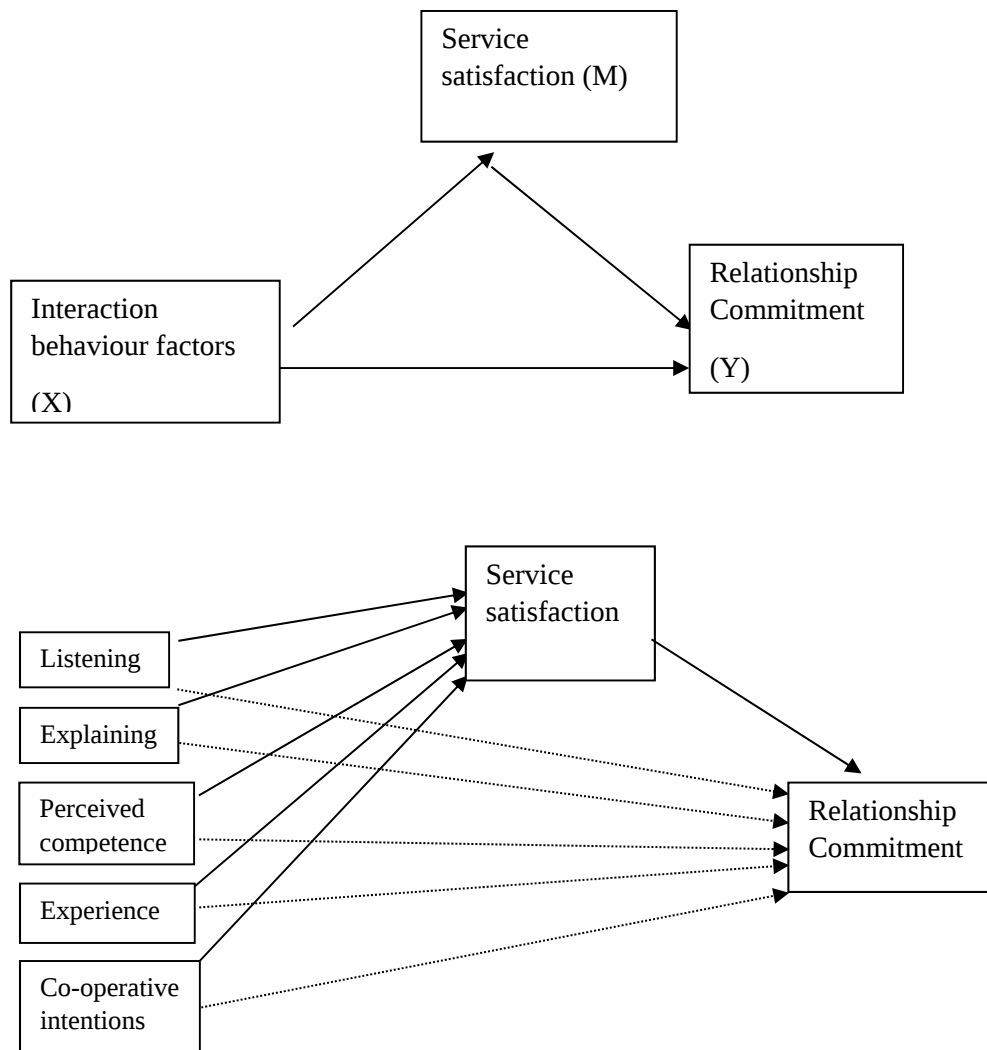
Consequently, the present study is an attempt to explore this potential research gap by examining whether an association of service satisfaction, a mediator between behavioural interaction factors and relationship commitment exists and to what extent. Prior research does not explain exactly the dimensions of communication skills. This research creates a scale to report two soft skill constructs (listening and explaining) each consisting of multiple items. Overall, the present study contributes to the published literature by creating a scale to report the five interaction behaviour factors, service satisfaction and relationship commitment, each consisting of multiple items and eliminating potential bias wherever possible.

To achieve the objectives of the present study, the hypotheses are drawn from the conceptual model (Figure 1) and tested.

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<sup>39</sup> A variable is a mediator if independent variable significantly accounts for variability in the mediator and the independent variable significantly accounts for variability in dependent variable. Mediator significantly accounts for variability in dependent variable when controlling the independent variable as shown in conceptual model and significant relation between the independent variable and dependent variable is no longer significant.

<sup>40</sup> RM Baron and DA Kenny, "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations" (1986) 51:6 *Journal of Personality and Social Psychology* 1173; GN Holmbeck, "Toward Terminological, Conceptual, and Statistical Clarity in the Study of Mediators and Moderators: Examples from the Child-clinical and Pediatric Psychology Literatures" (1997) 65:4 *Journal of Consulting and Clinical Psychology* 599.

**Figure 1. Conceptual model**

Note: —→ Shows that service satisfaction fully mediates the effects of interaction behaviour factors on relationship commitment. No significant direct effect of interaction behaviour factors on relationship commitment is anticipated.

.....→ Shows direct relationship between interaction behaviour factors and relationship commitment. It includes five additional paths, from interaction behaviour factors to relationship commitment.

- H1. Tax practitioner's listening behaviour is positively associated with clients' satisfaction with tax practitioner services.
- H2. Tax practitioner's explaining behaviour is positively associated with clients' satisfaction with tax practitioner.
- H3. Tax practitioner's perceived competence is positively associated with clients' satisfaction with tax practitioner.
- H4. Tax practitioner's efficiency and technical experience is positively associated with clients' satisfaction with tax practitioner.
- H5. Tax practitioner's co-operative intentions are positively associated with clients' satisfaction with tax practitioner.
- H6. Clients experiencing higher levels of service satisfaction with his/her tax practitioner report higher relationship commitment regardless of the practitioner's listening and explaining skills, competence and co-operative intentions of the practitioner.
- H7. Tax practitioner's listening behaviour is positively associated with clients' relationship commitment.
- H8. Tax practitioner's explaining behaviour is positively associated with clients' relationship commitment.
- H9. Tax practitioner's perceived competence is positively associated with clients' relationship commitment.
- H10. Tax practitioner's efficiency and technical experience is positively associated with clients' relationship commitment.
- H11. Tax practitioner's co-operative intentions are positively associated with clients' relationship commitment.

### 3. RESEARCH DESIGN AND METHOD

This section describes the sample, survey questionnaire, measures used in the analysis and the summary of demographic data.

As the purpose of the current study is to investigate the relationships between the variables "that have been previously identified and measured" rather than exploring "what variables are involved", quantitative methodology is more appropriate than qualitative methodology.<sup>41</sup> The survey was designed to provide information about the clients' expectations and perceptions with respect to tax practitioners' behaviour and services in New Zealand. This information could assist tax practitioners in developing an effective relationship with their clients and help serve them better.

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<sup>41</sup> C Perry, "A Structured Approach for Presenting Thesis" (1998) 6:1 *Australasian Marketing Journal* 78.

To determine the effect of tax practitioners' behavioural interaction factors on client's service satisfaction and their relationship commitment in New Zealand, the questionnaire (along with a self-addressed prepaid postage envelope) was mailed to the potential respondents during the later part of 2012. Ball<sup>42</sup> considered it an advantage to mail the questionnaires as this could lead to a better response rate. Accordingly, accounting and law firms were randomly selected from the telephone book and were invited to participate in the survey. One thousand five hundred and ten copies of the survey instrument (along with a self-addressed prepaid postage envelope) were distributed to the accounting and law firms who agreed to participate in the survey and were requested to mail the survey instrument to their clients.

The respondents' ethical and privacy requirements were taken into consideration. The survey was completed by 211 respondents.

### 3.1 Questionnaire development

The survey questionnaire for the study was developed on the basis of the literature review and focus group.

A focus group is a data collection method that combines the features of brainstorming and brain writing.<sup>43</sup> A focus group was appropriate for this research as it could generate and help prioritise ideas about tax practitioner behaviour and a client's relationship with their tax practitioner in New Zealand. A nomination list for invitation to focus group was obtained from accounting and law firms, who agreed to participate in the survey. Four clients from two accounting firms and two clients from one law firm were randomly recruited to discuss and explain their viewpoints of their relationship with their tax practitioner. Results determined by the group findings as a whole were added to the literature list in the questionnaire. The considerable industrial marketing and distribution channels literature<sup>44</sup> provides strong evidence that relationship commitment, the key variable is inextricably linked to customer satisfaction and the issues of clients' satisfaction in terms of self-reported satisfaction with the service, overall evaluation of the service and intent to use the service in the future. Hence, the factors identified in marketing literature are particularly worthy of investigation because they may be contributing to different results in the accounting and tax field. Accordingly, the following items were drawn in the questionnaire:

- Tax practitioners' listening and explaining skills were measured using the items drawn from the scale developed by Stewart et al.<sup>45</sup>

<sup>42</sup> C Ball, "Rural Perceptions of Crime" (2001) 17:1 *Journal of Contemporary Criminal Justice* 37.

<sup>43</sup> C Brahm and BH Kleiner, "Advantages and Disadvantages of Group Decision Making Approaches" (1996) 2:1 *Team Performance Management* 30.

<sup>44</sup> D Tse and P Wilton, "Models of Consumer Satisfaction Formation: An Extension" (1988) 25:2 *Journal of Marketing Research* 204; E Gummesson and C Gronroos "Quality Services-Lessons from the Product Sector" (1987) *Add Value to Your Service: The Key to Success*, C. Suprenant (ed.) American Marketing Association, Chicago, II 35-39; A Wong and L Zhou "Determinants and Outcomes of Relationship Quality: A Conceptual Model and Empirical Investigation" (2006) 18:3 *Journal of International Consumer Marketing* 81.

<sup>45</sup> AL Stewart, A Nápoles-Springer, EJ Pérez-Stable, SF Posner, AB Bindman, HL Pinderhughes and AE Washington, "Interpersonal Processes of Care in Diverse Populations" (1999) 77:3 *The Milbank Quarterly* 305.

- Tax practitioners' efficiency and technical experience were measured using the items drawn from the scale developed by Chang and Bird.<sup>46</sup> The experience statement items represent the effectiveness and efficiency of tax practitioner services.
- Tax practitioners' perceived competence was measured using the items drawn from the scale developed by Brown and Swartz.<sup>47</sup>
- Tax practitioners' co-operative intention was measured using the items drawn from the scale developed by Crosby et al.<sup>48</sup>
- For the measurement of the client's satisfaction with tax practitioner, the items were drawn from the scale developed by Oliver and Swan<sup>49</sup> and Westbrook and Oliver.<sup>50</sup>
- Items for the measurement of relationship commitment were adopted from the scale developed by Anderson and Weitz<sup>51</sup> and Morgan and Hunt.<sup>52</sup>

Following pre-testing and modifications, a questionnaire was professionally customised for the purpose of this research. The questionnaire was pilot tested with New Zealand taxpayers' who fairly represented the clients that the researcher sought to survey and fine-tuned in the light of participants' feedback before the final version was posted to the accounting and law firms.

Ethics approval for the survey was sought and granted by the University Ethics Committee, (application 12/164). The survey questionnaire included the following two sections:

- Section 1: taxpayers' perception about the services of their present tax practitioner section (contained questions concerning the tax practitioners' behavioural interaction factors, service satisfaction and their relationship commitment); and
- Section 2: background information (including items on types of returns filed, services used and previously or currently under audit by New Zealand Inland Revenue).

The survey questionnaire items are provided in Appendix 1 of this article.

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<sup>46</sup> OH Chang and CJ Bird, "What Clients Really Want From Their Tax Preparers" (1993) 52:4 *The Ohio CPA Journal* 21.

<sup>47</sup> SW Brown and TA Swartz, "A Gap Analysis of Professional Service Quality" (1989) 53:2 *Journal of Marketing* 92.

<sup>48</sup> LA Crosby, KR Evans and D Cowles, "Relationship Quality in Services Selling: An Interpersonal Influence Perspective" (1990) 54:3 *Journal of Marketing* 68.

<sup>49</sup> RL Oliver and JE Swan, "Consumer Perceptions of Interpersonal Equity and Satisfaction in Transactions: A Field Survey Approach" (1989) 53:2 *Journal of Marketing* 21.

<sup>50</sup> RA Westbrook and RL Oliver, "The Dimensionality of Consumer Patterns and Consumer Satisfaction" (1991) 18:1 *Journal of Consumer Research* 84.

<sup>51</sup> E Anderson and B Weitz, "The Use of Pledges to Build and Sustain Commitment in Distribution Channels" (1992) 24:1 *Journal of Marketing Research* 18.

<sup>52</sup> RM Morgan and SD Hunt, "The Commitment-trust Theory of Relationship Marketing" (1994) 58:3 *Journal of Marketing* 20.

### 3.2 Measures

To facilitate data analysis, the respondents' ratings for each construct in the research model was codified into a seven-point quantitative scale where one represented 'strongly disagree' and seven represented 'strongly agree' and moderate scores were found in between the two extremes. The Czaja and Blair<sup>53</sup> study reported test-retest reliability greater than 0.95 for the 'likely-unlikely' scale which supports the standard attitude that scales are highly reliable in measuring the strength of beliefs and intentions.

In part one, respondents were requested to answer some questions designed to provide information about their current tax practitioners' behavioural interaction, service satisfaction and the relationship commitment. In part two, respondents were asked to provide information on their demographic and economic position. The respondents were asked to give reasoning about their views about tax practitioner in the last question.

### 3.3 Respondent recruitment procedures and data collection

The survey recruitment strategy was designed to include all taxpayers in New Zealand who were either clients of chartered accounting firms, solicitors practising in tax area and other accounting firms in New Zealand. The first contact with the survey respondents was in October 2012, which introduced about 60 tax practitioners to the study and invited them to participate. The tax practitioners who were identified as a tax services providers were randomly selected from the telephone book from the different areas of New Zealand and a request was made to them to support the research. A participant information sheet explaining the purpose of the study and the survey questionnaire was attached to this requisition letter. The requisition letter indicated that if tax practitioners decided to support the study the researcher would provide a sealed research pack consisting of a questionnaire, an information sheet and a self-addressed prepaid postage envelope. To protect clients' privacy, tax practitioners conducted the distribution of surveys and the survey responses were received by the researcher directly at the University.

To encourage candid responses to the survey, the cover letter explained that the responses would remain anonymous. No inducement was offered. On the survey questionnaire, no name or address details were provided by respondents. Since respondents were asked for their personal perceptions, the survey also emphasised there was no right or wrong answer. To assist respondents, the author's email address was stated in the participant information sheet preceding the questionnaire.

After two weeks a reminder was posted to potential tax practitioners to participate in the research. Seven days before the due date for returning the survey a telephone follow-up of non-respondents was conducted by the researcher. In all, up to three series of contacts were made with potential tax practitioners. The successive reminder and telephone follow-ups delivered a total of nine tax practitioners' responses.

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<sup>53</sup> R Czaja and J Blair, *Designing Surveys: A Guide to Decisions and Procedures* Thousand Oaks, CA: Sage, Pine Forge Press, 1996.

One thousand five hundred and ten copies<sup>54</sup> of the research pack were distributed to these tax practitioners, who were asked to mail the research pack to their clients. Ten days before the due date for the return of the survey forms, the accounting firms reminded the potential respondents by an email to participate in the research. Out of a total of 1,510 surveys administered, 226 were completed. Via the data screening process, 15 questionnaires were abandoned, because of numerous missing values. Consequently, there were 211 valid questionnaires for use in the data analysis, giving a response rate of 14 per cent.

### 3.4 Response rate

This is a relatively low response rate compared to prior studies<sup>55</sup> but given the sensitive nature of the topic it was considered acceptable in providing insight into the area of clients' perceptions about their present tax practitioner behavioural interaction, service satisfaction and relationship commitment. There are several possible explanations for the low response rate in identified taxpayers. Without extensive tracking, the author could not conclude a definite explanation for the low response rate in the identification of potential survey respondents.<sup>56</sup> This was because the researcher had no control over the respondents<sup>57</sup> particularly when third parties, for example a number of accounting and law firms, were involved in the process of distributing questionnaires in this study. The survey was four pages in length and well designed for participants. A number of respondents commented that they enjoyed participating in the survey questionnaire because it was simple and quick.

## 4. ANALYSIS

Data stored within Microsoft Excel was exported into SPSS for analysis. This paper contains univariate and multivariate statistics to investigate the relationship between variables studied.<sup>58</sup> The data was tested for non-response bias and it was concluded that this issue was not a concern.<sup>59</sup> Overall, the frequency of demographic data suggests that the survey consisted of a fairly representative sample as on an average

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<sup>54</sup> Floyd Fowler Jr, *Survey Research Method*, Thousand Oaks, CA: Sage Publications, 2nd ed., 1993. A sample of 150 people would describe a population of 15000 or 15 million or even less given NZ population size with virtually the same degree of accuracy. Following this representativeness of samples to population basis, it was determined that somewhere between 150-250 usable responses would be desirable for this study given the taxpaying population in New Zealand.

<sup>55</sup> Tax researchers have claimed that tax surveys consistently produce lower response rates and it is more realistic to expect a rate around 30% (see IG Wallschutzky, *Issues in Research Methods: With Reference to Income Tax Research*. (Unpublished manuscript, University of Newcastle: Australia 1996); Oxley achieved a 29% response rate (see P Oxley, "Women and Paying Tax", in C Scott (ed), *Women and Taxation*, (Wellington, Institute of Policy Studies, 1993)); and Hasseldine et al achieved a 22% response rate (see DJ Hasseldine, SE Kaplan, and LR Fuller, "Characteristics of New Zealand Tax Evaders: A Note", (1994) 34:2 *Accounting and Finance* 79).

<sup>56</sup> The variables with high intercorrelations well measure one underlying variable, which is called a 'factor'.

<sup>57</sup> David de Vaus, *Surveys in Social Research*, Sydney: Allen & Unwin, 2002, 128.

<sup>58</sup> BG Tabachnick and LS Fidell, *Using Multivariate Statistic*, Pearson, 2012, 6<sup>th</sup> edition.

<sup>59</sup> The appropriate *t* tests of differences in means between the respondents and non-respondents to test for non-response bias was calculated.

more than 87 per cent of the respondents were using the accounting services with tax advice increasing the richness of the data.

Before performing any analysis, the validity of the measurements for relationship commitment constructs were investigated. Interrelated items were summed to obtain an overall score for each participant for the constructs. The Cornbach alpha coefficient was calculated to determine the internal consistency or average correlation of items in a survey instrument in order to gauge the reliability of the scales. The higher the alpha value, the more reliable the measurement. All of the measurement scales exhibited high reliability (alpha 0.70 or higher as suggested by Hair et al.<sup>60</sup>).

**Table 1: Scale reliabilities**

| Scale                            | Number of items | Cronbach alpha |
|----------------------------------|-----------------|----------------|
| Listening (LISTN)                | 4               | 0.93           |
| Explaining (EXPL)                | 4               | 0.89           |
| Technical experience (EXP)       | 8               | 0.78           |
| Perceived competence (COMP)      | 5               | 0.80           |
| Co-operative intentions (INT)    | 4               | 0.74           |
| Service satisfaction (SAT)       | 3               | 0.93           |
| Relationship commitment (COMMIT) | 5               | 0.90           |

An exploratory factor analysis was performed to confirm the validity of scales and to ensure that the items that make up one construct are highly correlated with each other and not with those items that make up the other constructs.<sup>61</sup> Items from listening, explaining, experience statement, perceived competence, cooperative intention, trust, service satisfaction and relationship commitment were entered into the factor analysis and the eigenvalues of each of the factor was greater than 1.0 and emerged cleanly. No item had loading on two factors with a difference less than 0.25. The absolute loadings ranged from 0.549 to 0.846, being above the 0.50 as recommended to be statistically significant.<sup>62</sup>

#### 4.1 Demographic effects

Section 2 of the survey dealt with demographics (which included items related to the professional status of their present tax practitioner, types of services used, income levels, types of return filed, gender, education, age, accounting knowledge and audit by Inland Revenue. Summary of the demographic data of the sample is provided in tables X and Y in the Appendix to this article.

<sup>60</sup> JF Hair, RE Anderson, RL Tatham and WC Black, *Multivariate Data Analysis* 5th ed. New Jersey: Prentice Hall, 1998.

<sup>61</sup> RG Netemeyer, WO Bearden and S Sharma, *Scaling procedures; Issues and applications*, Thousand Oaks: Sage Publications, Inc. 2003; JM Lattin, JD Carroll and PE Green, *Analyzing Multivariate Data*, Pacific Grove, California: Thomson Learning Inc. 2003.

<sup>62</sup> JF Hair, RE Anderson, RL Tatham and WC Black, *Multivariate Data Analysis* 5th ed. New Jersey: Prentice Hall, 1998.

The results show that the majority of the respondents (62.6%) were male, (75%) in the 31–60 age group and had graduate degree/graduate diploma or higher (57%). The sample consists of 70 per cent of respondents who possessed accounting knowledge. The professional membership status of the tax practitioners is varied. The majority of respondents (83%) were using the services of NZICA and CPA Australia members and 90 per cent of them had not changed their tax practitioner in the last three years. Approximately 44 per cent of respondents were using the services of the same practitioner for the last 10 years. Most of the respondents (74%) were either very unlikely or unlikely to switch to a new tax practitioner during the next year and the majority of respondents (69%) were never audited by the New Zealand Inland Revenue. The annual taxable income of the respondents varies as well. Most of them (65%) had more than \$200,000 to \$1 million annual taxable income which is reflected by the fact that majority of the respondents (92%) were filing individual tax return and 79 per cent were also filing the Goods and Services Tax return. This is followed by 52 per cent also filing both company tax and trust tax returns. New Zealand, like many other jurisdictions, uses a tax system based on voluntary compliance. Under section 33A(1) *Tax Administration Act* 1994, those individuals who had their annual gross income taxed at source at the correct marginal tax rate, are not obliged to file a return.<sup>63</sup> Approximately 97 per cent of the tax practitioners were also providing accounting services and 80 per cent of the practitioners were also providing business advisory services. Most of the respondents (87%) were using accounting services along with tax advice. This is followed by 43 per cent using the business advisory services. Approximately 70 per cent of the tax practitioners were also providing audit services but only a minority of the respondents (8.5%) were using audit services. It is suggested that the majority of businesses in New Zealand are small and are not required to get their accounts audited by a qualified auditor. Overall, the frequency of demographic data indicates that the survey consisted of a fairly representative sample and on an average more than 87 per cent of the respondents were using accounting services with tax advice, increasing the richness of the data.

The mean rating suggests that the most preferable reasons for using the tax practitioner services were considerable time saving in filing tax returns (6.27 out of 7) and appointments with the practitioner being easily and quickly made (6.22). However practitioner's concern with meeting clients' needs than earning fees (3.44) and tax practitioner charging reasonable fees for the services rendered (3.54) were rated as the least preferable. The discussion of these reasons is beyond the scope of this article. The respondents' rating for all items in descending order of their respondents' satisfaction with the current tax practitioner is provided in Appendix (Table Z) to this article. Means, medians and standard deviations for the independent and dependent variables are provided in Table 2.

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<sup>63</sup> In New Zealand taxpayers who have their gross income from employment where PAYE is deducted or interests or dividends that have RWT deducted are not required to file a tax return. Given this, taxpayers who have income from business and/ or from other sources hire a tax practitioner to help them plan and structure their tax affairs. This may influence the type of clients using tax practitioner services.

## 4.2 Results

**Table 2: Summary of relationship variables in descending order of preference for a tax practitioner**

| Variable                         | Mean | Median | S. D. | Ranking |
|----------------------------------|------|--------|-------|---------|
| Listening (LISTN)                | 5.65 | 5      | 1.08  | 1       |
| Explaining (EXPL)                | 5.51 | 6      | 1.21  | 2       |
| Perceived competence (COMP)      | 5.18 | 5      | 0.86  | 3       |
| Technical experience (EXP)       | 4.73 | 6      | 0.80  | 5       |
| Co-operative intention (INT)     | 4.66 | 5      | 0.97  | 6       |
| Service satisfaction (SAT)       | 4.60 | 5      | 1.47  | 7       |
| Relationship commitment (COMMIT) | 4.38 | 6      | 1.35  | 8       |

Note: The variables are arranged by rank.

The present study took the composite measure for all variables (dependent and independent) by taking an average of all items on a scale which is based on the assumption that all the items contribute equally to the construct. Application of this assumption in the present study is reasonable as all the scales used are well established in the literature.<sup>64</sup>

The respondents' rating for all items was measured on an ordinal scale. Correlations for dependent and independent variables are provided in Table 3 below.

**Table 3: Correlation of the variables.**

| Variables | LISTN | EXPL  | EXP   | COMP  | INT   | SAT   | COMMIT |
|-----------|-------|-------|-------|-------|-------|-------|--------|
| LISTN     | -     |       |       |       |       |       |        |
| EXPL      | .79** | -     |       |       |       |       |        |
| EXP       | .64** | .51** | -     |       |       |       |        |
| COMP      | .75** | .67** | .70** | -     |       |       |        |
| INT       | .64** | .62** | .61** | .61** | -     |       |        |
| SAT       | .64** | .50** | .78** | .65** | .59** | -     |        |
| COMMIT    | .58** | .39** | .62** | .60** | .68** | .75** | -      |

Note: N =211; \*\*  $\rho < 0.001$ .

<sup>64</sup> JF Hair, RE Anderson, RL Tatham and WC Black, *Multivariate Data Analysis* 5th ed. New Jersey: Prentice Hall, 1998; J Cohen, *Statistical Power Analysis for the Behavioral Sciences*, New Jersey: Lawrence Erlbaum Associates 1988, 2nd edition.

The information relating to correlations (Table 3) shows that all the variables related to service satisfaction have a significant relationship with service satisfaction ( $p < 0.001$ ). Tax practitioners' efficiency and technical experience have a strong significant-positive relationship with service satisfaction, which makes up (.78\*\*), meanwhile other variables (listening, explaining, perceived competence, cooperative intention and trust) are moderately-positively associated to service satisfaction (.64\*\*, .50\*\*, .65\*\*, .59\*\*, .74\*\*).

To evaluate the conceptual model in Figure 1, Hayes<sup>65</sup> PROCESS macro for SPSS was employed. The model has the ability to examine indirect as well as direct effects in mediation. A description and visual depiction of each model that can be tested with the PROCESS is available from Hayes.<sup>66</sup> The indirect effects of five interaction behaviour factors on relationship commitment has been bootstrapped using PROCESS macro for SPSS. The method also depicts the direct impact of the five interaction behaviour factors on relationship commitment. The macro is based on Ordinary Least Squares (OLS) regression and it incorporates aforementioned bootstrapping procedures for investigating mediation. The current analysis was conducted using 5,000 bootstrapped samples. An advantage of PROCESS macro for the present analyses is that the macro automatically computes post hoc probing for mediating effects. This bootstrapping approach overcomes the limitations of the widely used Barron and Kenny<sup>67</sup> and Sobel<sup>68</sup> approaches thus yielding results that are argued to improve accuracy and less influenced by sample size.<sup>69</sup>

Tables 4 to 6 present the results of total and specific indirect effects by bootstrapping confidence intervals.

<sup>65</sup> AF Hayes, *Introduction to mediation, moderation, and conditional process analysis: A regression based approach*, Chapters 5-7, The Guilford Press, New York, 2013.

<sup>66</sup> AF Hayes, "Model templates for Process for SPSS and SAS". Retrieved from <http://www.ahayes.com/public/templates.pdf>.

<sup>67</sup> RM Baron and DA Kenny, "The Moderator-Mediator Variable Distinction in Social Psychological Research: Conceptual, Strategic, and Statistical Considerations" (1986) 51:6 *Journal of Personality and Social Psychology* 1173.

<sup>68</sup> ME Sobel, "Asymptotic Confidence Intervals for Indirect Effects in Structural Equation Models" (1982) 13 *Sociological Methodology* 290.

<sup>69</sup> KJ Preacher and AF Hayes, "SPSS and SAS Procedures for Estimating Indirect Effects in Simple Mediation Models" (2004) 36 *Behaviour Research Methods, Instruments and Computers* 717; KJ Preacher and AF Hayes, "Asymptotic and Resampling Strategies for Assessing and Comparing Indirect Effects in Multiple Mediator Models" (2008) 40:3 *Behaviour Research Methods* 879; AF Hayes "Beyond Baron and Kenny: Statistical Mediation Analysis in the New Millennium" (2009) 76:4 *Communication Monographs* 408.

**Table 4: Model summary**

| Model | R Square | df | F     | p    |
|-------|----------|----|-------|------|
| 1     | .65      | 6  | 60.79 | .000 |

**Model (DV service satisfaction)**

| Model                 | Unstandardized $\beta$ coefficients | Std. Error | p    |
|-----------------------|-------------------------------------|------------|------|
| (Constant)            | -1.294                              | .355       | .000 |
| Listening             | .332**                              | .107       | .002 |
| Explaining            | -.210*                              | .098       | .034 |
| Experience            | .503***                             | .071       | .000 |
| Perceived Competence  | .165**                              | .112       | .007 |
| Cooperative intention | .197*                               | .090       | .030 |

\*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ .

Lower limit of confidence interval (LLCI); upper limit of confidence interval (ULCI).

The Model summary in Table 4 indicates a high degree of correlation ( $R=0.8$ ).  $R^2$  of 0.65 (65%) is moderately large and shows that 65 per cent of service satisfaction can be explained by these five variables viz: listening, explaining, experience statement, perceived competence and cooperative intention. Changes in the levels of these variables significantly account for the variations in the presumed mediator ( $p < 0.01$ ).

The standardised coefficients ( $\beta$ ) provide information on each predictor variable which is required to predict service satisfaction from behavioural interaction variables viz: listening ( $\beta = .332^{**}$ ), explaining ( $\beta = -.210^*$ ), experience ( $\beta = .503^{***}$ ), perceived competence ( $\beta = .165^{**}$ ) and cooperative intention ( $\beta = .197^*$ ). As hypothesised, the standard coefficients for all variables significantly contribute to service satisfaction ( $p < 0.05$ ). The results indicate that tax practitioners' explaining behaviour is found to have a significant negative effect on clients' service satisfaction ( $\beta = -.210$ ,  $p < 0.05$ ). It shows that if clients want to reduce their tax liability and the tax practitioner support that approach, satisfaction with services is high and provides support for all interaction behaviour factors except explaining in  $H2$ . However, for the  $H2$  counter intuitive results were found. The results show that clients' satisfaction with a tax practitioner significantly reduces when a tax practitioner gives comprehensive information to the clients about their tax issues and explains their obligations under the law. Thus, the second hypothesis is not supported.

The results presented in Table 5 below shows the indirect effect through service satisfaction, that is, paths from interaction behaviour factors (X) to service satisfaction (M) and service satisfaction (M) to relationship commitment (Y) controlling for interaction behaviour factors (see Figure 1).

**Table 5: Model summary**

| Model | R Square | df | F     | <i>p</i> |
|-------|----------|----|-------|----------|
| 1     | .62      | 7  | 45.74 | .000     |

**Model (DV relationship commitment)**

| Model                 | Unstandardized<br>$\beta$ Coefficients | Std. Error | <i>p</i> |
|-----------------------|----------------------------------------|------------|----------|
| Constant              | .027                                   | .358       | .940     |
| Service satisfaction  | .446***                                | .069       | .000     |
| Listening             | .228*                                  | .107       | .034     |
| Explaining            | -.363***                               | .088       | .000     |
| Experience            | .191*                                  | .096       | .048     |
| Perceived Competence  | .223**                                 | .111       | .047     |
| Cooperative intention | .499***                                | .091       | .000     |

\*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ .

The Model summary in Table 5 indicates a significant degree of correlation ( $R=0.78$ ).  $R^2$  is 0.62 (62%) and moderately large, which confirms that service satisfaction with tax practitioner mediates 62 per cent effect of interaction behavioural factors on relationship commitment. Results indicate that the clients' higher levels of satisfaction with the tax practitioner enhances their relationship commitment regardless of their experience with the practitioner's listening and explaining skills, efficiency and technical experience, competence and co-operative intentions ( $\beta = .446$  \*\*\*) which provides support for hypothesis *H6*.

**Table 6: Total effect model – model summary**

| Model | R Square | df | F      | p    |
|-------|----------|----|--------|------|
| 1     | .53      | 5  | 45.025 | .000 |

**DV relationship commitment**

| Model                 | Unstandardized $\beta$ Coefficients | Std. Error | p    |
|-----------------------|-------------------------------------|------------|------|
| (Constant)            | -.550                               | .380       | .149 |
| Listening             | .376**                              | .114       | .001 |
| Explaining            | -.372***                            | .096       | .000 |
| Experience            | .172*                               | .076       | .025 |
| Perceived Competence  | .359**                              | .120       | .003 |
| Cooperative intention | .559***                             | .099       | .000 |

\*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ .

The Model summary indicates a high degree of correlation ( $R=0.73$ ).  $R^2$  is 0.53, which shows that 53 per cent of relationship commitment can be explained by behavioural interaction variables viz: including listening, efficiency and technical experience, perceived competence and cooperative intention and these variables can statistically significantly predict relationship commitment variable ( $p < 0.05$ ) and provides support for hypothesis *H7* and *H9* to *H11*. Tax practitioner's explaining behaviour is found to have a significant negative effect on their relationship commitment ( $\beta = -.372$ ,  $p < 0.001$ ). The results show that a client's relationship commitment with a tax practitioner significantly reduces when a tax practitioner is cautious and spends time on explanation of implications of tax laws and regulations and risks associated with client's approach. Thus, *H8* is not supported. This means that people prefer a tax practitioner as one who listens to them, is competent, has cooperative intentions and has effective experience without particular explanation of law in low risk and high risk tax minimisation schemes and aggressive tax planning. This is noticeably different from the results of the study conducted by Hite and McGill,<sup>70</sup> which suggested that taxpayers interested in tax minimisation were open to having a tax practitioner who was aware of both high and low risk strategies.

The relative effect of behavioural interaction variables on relationship commitment (when service satisfaction is controlled, as shown in Table 5) to the effect of behavioural interaction variables on relationship commitment (when service satisfaction is not controlled as shown in Table 6) is shown in Table 7.

<sup>70</sup> PA Hite and G McGill, "An Examination of Taxpayers Preference for Aggressive Tax Advice" (1992) 45:4 *National Tax Journal* 389.

**Table 7: Total effect of behavioural interaction variables on relationship commitment**

| Effect | Std. Error | t     | p      | LLCI | ULCI |
|--------|------------|-------|--------|------|------|
| 0.470  | 0.120      | 3.175 | .002** | .150 | .602 |

**Direct effect of behavioural interaction variables on relationship commitment**

| Effect | Std. Error | t    | p    | LLCI | ULCI |
|--------|------------|------|------|------|------|
| 0.103  | 0.055      | 1.89 | .059 | .017 | .439 |

**Indirect effect of behavioural interaction variables on relationship commitment**

| Effect | Std. Error | z     | p      | Boot LLCI | Boot ULCI |
|--------|------------|-------|--------|-----------|-----------|
| 0.367  | 0.123      | 2.991 | .003** | .045      | .267      |

\*\*\*  $p < 0.001$ , \*\*  $p < 0.01$ , \*  $p < 0.05$ .

The output in Table 7 shows that total<sup>71</sup> and indirect effect<sup>72</sup> of the behavioural interaction variables on the relationship commitment is significant (0.470,  $p < .01$ ), and direct<sup>73</sup> effect of behavioural interaction variables on relationship commitment is not significant (0.103,  $p > .05$ ). The difference between the total and direct effects is the total indirect effect through mediator which depicts whether service satisfaction is transmitting the effects of behavioural interaction variables to relationship commitment. The results show that indirect effect viz: path from behavioural interaction variables to service satisfaction and service satisfaction to relationship commitment controlling for behavioural interaction variables is significant (0.367,  $p < .001$ ) and  $H6$  is supported. The specific indirect effects in bootstrap mediation analysis indicates that service satisfaction mediate the relationship between all behavioural interaction variables and relationship commitment. A 95 per cent bias corrected bootstrap confidence intervals (based on 5,000 bootstrap samples) for specific indirect effects through service satisfaction do not include zero. To sum up, the output in Table 7 establishes that good listening, limited explanation of client's tax obligations, efficiency and technical experience, competence and cooperative intention of tax practitioner contribute to clients' satisfaction with a tax practitioner's services which results in their relationship commitment.

It is certainly relevant and interesting to test whether being audited affects other interaction behavioural factors being tested, thus affecting the outcome variables. Therefore, to investigate the relative impact of interaction behavioural factors on

<sup>71</sup> Path from from behavioural interaction variables to relationship commitment (c) plus paths from behavioural interaction variables to service satisfaction, paths from service satisfaction to relationship commitment controlling for behavioural interaction variables.

<sup>72</sup> A specific indirect effect represents service satisfaction's (mediator's) unique ability to mediate the behavioural interaction variables and relationship commitment relationship.

<sup>73</sup> The direct effect of behavioural interaction variables on relationship commitment = Total effect of behavioural interaction variables on relationship commitment (c) minus indirect effect of behavioural interaction variables on relationship commitment through mediator service satisfaction.

service satisfaction and relationship commitment, an audit was held as a constant. Hayes<sup>74</sup> SPSS and SAS routines for bootstrap-based inference were used to find out indirect as well as direct effects in mediation. The indirect effects of five interaction behaviour factors on relationship commitment was bootstrapped using Hayes<sup>75</sup> PROCESS macro for SPSS. The model shows the indirect impact of listening, explaining, experience statement, perceived competence, cooperative intention (independent variables (IV)) to relationship commitment (dependent variable (DV)) via clients' satisfaction with tax practitioner services as mediating variable (MV), with a number of Inland Revenue audits entered as a control variable. It also shows the direct impact of the interaction behaviour factors on relationship commitment with a number of Inland Revenue audits entered as a control variable. Interestingly, the number of Inland Revenue audits was not found to have a statistically significant effect on clients' service satisfaction and relationship commitment with a tax practitioner.

## 5. SUMMARY, LIMITATIONS AND CONCLUSIONS

It is suggested that this study makes a valuable contribution to the literature regarding the relationship commitment between service providers and their clients in terms of trust and self-reported satisfaction. This New Zealand study attempted to explore the impact of the factors associated with clients' judgments of tax practitioners' behavioural interaction and how these factors determine clients' service satisfaction and their relationship commitment with a tax practitioner.

The present study incorporated the views of 211 New Zealand taxpayers regarding the present tax practitioners' interaction behaviour factors, service satisfaction and their relationship commitment. To evaluate the impact of taxpayers' perception about the services of their present tax practitioners, the study considered two key points. First, the study measured the direct relationship between interaction behaviour factors (tax practitioners' listening, explaining, perceived competence, cooperative intention behaviour and technical experience) and their relationship commitment. Secondly, it sought to explain the indirect effect of interaction behaviour factors through an intervening variable (mediator), clients' satisfaction with services on their relationship commitment.

The results establish that interaction behavioural factors (listening, technical experience, competence and cooperative intention) appears to exert an effect on their relationship commitment through service satisfaction. Clients' service satisfaction with a tax practitioner is found to have a significant effect on the relationship between interaction behaviour factors and their relationship commitment. The study demonstrates that tax practitioners' good listening, limited explanation of clients' obligations, perceived competence, clients' positive experience with a tax practitioners' technical experience, and cooperative intentions enhance relationship commitment under conditions of high service satisfaction with a tax practitioner. The most noteworthy finding of the study is that the service satisfaction results show that survey

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<sup>74</sup> AF Hayes, *Introduction to mediation, moderation, and conditional process analysis: A regression based approach*, Chapter 5, The Guilford Press, New York, 2013.

<sup>75</sup> AF Hayes, *Introduction to mediation, moderation, and conditional process analysis: A regression based approach*, Chapters 5-7, The Guilford Press, New York, 2013.

participants expressed a negative attitude when tax practitioners give enough information to them about their tax issues; explain implications of tax laws and regulations for their tax affairs using terminologies which they understand; explain the risks associated with a particular issue; and also explain their obligations under the law. Tax practitioners often take clients through a detailed questionnaire to ensure that all the relevant information is included in the return. It is suggested that the key reason for this attitude is that after giving the tax practitioner an authority to act on their behalf, clients believe that the tax practitioner understand their tax service needs and should accordingly make a judgment on their behalf rather than wasting their time. Most of the tax practitioners bill their clients according to time involved in tax advice, including explaining the implications of different approaches. The smaller tax practitioners' firms tend to deal directly with the taxpayers who have a financial stake in the resulting tax advice given and they are likely to be placed under greater pressure. It is suggested most tax practitioners in New Zealand are afraid of being held liable by their clients for giving incorrect advice and as a consequence, they tend to give conservative advice to their clients and provide detailed explanations on the tax consequences of their operations and should continue doing that under ethical pronouncement of the profession. Therefore, it demonstrates that tax practitioners have to be careful in dealing with their clients and marketing their skills in a way that is suitable to their clients and maximise taxpayer compliance, without any need to trade off their responsibilities to uphold the integrity of the tax system, to the revenue authorities and the Government.

This study is subject to several limitations. The principal limitation is attributable to the sampling process used. The respondents to the survey may not necessarily be representative of New Zealand taxpayers' population. The random selection of accounting firms (participants) and clients from those organisations alleviates this concern to some degree but does not completely rule it out.

Secondly, while there is a ranking for interaction behaviour factors, satisfaction and relationship commitment items, the reasons why some respondents regarded some items as 'strongly disagree' or 'strongly agree', compared to others, are not known. Each respondent is subjected to a set of factors that are unique to him/her. There is no reason to assume that participants did not answer honestly or that self-selection bias would render the results invalid. The non-response bias was tested by comparing responses received shortly after mailing to those received last but no statistically-significant differences were found.<sup>76</sup> It is suggested that further qualitative research be conducted to cross validate the statistical results perhaps. Furthermore, given the group sizes, it is not feasible to separate the subjects of the study into larger and smaller firms to test the effect of firm size or industry. A survey methodology measuring a single point in time also limits the conclusions about causality in relationship. The study relies on theory and existing literature to suggest the causal direction of various relationships, but it would be useful for future studies to statistically test the causality. Furthermore, the questionnaire was answered by New Zealand taxpayers, so the results of the present study might not be directly applicable to any other country or culture.

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<sup>76</sup> The appropriate *t* tests of differences in means between the respondents and nonrespondents to test for nonresponse bias was calculated.

Notwithstanding these limitations, the overall findings of this study largely confirm that trust and satisfaction with tax practitioner services are important determinants of behavioural interaction factors and their relationship commitment. Tax practitioners may use the information provided in this study to develop their skills and a services marketing plan that is more explicit about the qualities that taxpayers ultimately want. Potentially this will assist with building a relationship commitment between taxpayers and the tax practitioners, maximising taxpayer compliance and would lead to more client referrals, and ultimately, higher revenues.

The study suggests that tax practitioners should survey their clients regularly to determine their clients' needs and the strengths and weaknesses of their existing tax services. The study also suggests that practitioners should try to gain and maintain their clients' satisfaction by adopting fair practices and service-oriented behaviour. Knowledge gained from this study is beneficial to clients, tax practitioners, revenue authorities and tax practitioners' professional bodies. Consequently, this study contributes to the call for investigating the impact of trust upon the relationship between interaction behaviour factors and relationship commitment. Future research in this area is clearly warranted.

## 6. APPENDIX

Table X and Table Y present the demographic data of the sample.

**Table X: Summary of demographic data**

| Variable                                     | Responses  | Percentage (%) |
|----------------------------------------------|------------|----------------|
| Age                                          |            |                |
| 20-30                                        | 11         | 5.2            |
| 31-40                                        | 49         | 23.2           |
| 41-60                                        | 110        | 52.1           |
| Over 60                                      | 41         | 19.5           |
| Total                                        | 211        | 100            |
| Gender                                       |            |                |
| Male                                         | 132        | 62.6           |
| Female                                       | 79         | 37.4           |
| <b>Total</b>                                 | <b>211</b> | <b>100</b>     |
| <b>Highest level of completed education</b>  |            |                |
| Some high school                             | 21         | 10             |
| High school                                  | 70         | 33.1           |
| Graduate degree                              | 98         | 46.5           |
| Postgraduate qualification                   | 22         | 10.4           |
| <b>Total</b>                                 | <b>211</b> | <b>100</b>     |
| <b>Accounting knowledge</b>                  |            |                |
| No knowledge at all                          | 17         | 8.1            |
| I can understand financial reports           | 47         | 22.4           |
| Basic bookkeeping knowledge                  | 78         | 37.1           |
| Good bookkeeping knowledge                   | 44         | 21             |
| Qualified bookkeeper                         | 18         | 8.6            |
| Qualified accountant                         | 6          | 2.8            |
| <b>Total</b>                                 | <b>210</b> | <b>100</b>     |
| <b>Annual taxable income in current year</b> |            |                |
| Under \$40,000                               | 1          | 0.5            |
| Over \$40,000-\$100,000                      | 21         | 10             |
| Over \$100,000-\$200,000                     | 32         | 15.2           |
| Over \$200,000-\$500,000                     | 78         | 37.1           |
| Over \$500,000 -\$1 Million                  | 59         | 28.1           |

|                                                              |            |            |
|--------------------------------------------------------------|------------|------------|
| Over \$1 Million -\$5Million                                 | 17         | 8.1        |
| Over \$5 Million-\$20 Million                                | 2          | 1          |
| <b>Total</b>                                                 | <b>210</b> | <b>100</b> |
| <b>Current tax practitioner</b>                              |            |            |
| A Big Four Chartered accounting (CA) firm                    | 4          | 1.9        |
| A local or regional CA firm                                  | 171        | 81         |
| A non CA firm                                                | 32         | 15.2       |
| A law firm                                                   | 4          | 1.9        |
| <b>Total</b>                                                 | <b>211</b> | <b>100</b> |
| <b>Changed tax practitioner in the last 3 years</b>          |            |            |
| Yes                                                          | 22         | 10.4       |
| No                                                           | 189        | 89.6       |
| <b>Total</b>                                                 | <b>211</b> | <b>100</b> |
| Audited by the Inland Revenue before                         |            |            |
| Once                                                         | 60         | 28.4       |
| More than once                                               | 5          | 2.4        |
| Never                                                        | 146        | 69.2       |
| <b>Total</b>                                                 | <b>211</b> | <b>100</b> |
| <b>Switch to a new tax practitioner during the next year</b> |            |            |
| Very unlikely                                                | 85         | 40.3       |
| Unlikely                                                     | 71         | 33.6       |
| Undecided                                                    | 41         | 19.4       |
| Likely                                                       | 9          | 4.3        |
| Very likely                                                  | 5          | 2.4        |
| <b>Total</b>                                                 | <b>211</b> | <b>100</b> |
| <b>Using the services of current tax practitioner</b>        |            |            |
| Last 5 years                                                 | 69         | 32.7       |
| Last 10 years                                                | 93         | 44.1       |
| Last 15 years                                                | 37         | 17.5       |
| Last 20 years                                                | 12         | 5.7        |
| <b>Total</b>                                                 | <b>211</b> | <b>100</b> |

**Table Y: Summary of demographic data**

| <b>Type of return filed using tax practitioner's service</b> |     |      |
|--------------------------------------------------------------|-----|------|
| Individual (IR 3)                                            | 194 | 92   |
| Company (IR 4)                                               | 109 | 51.7 |
| Partnership income (IR 7)                                    | 62  | 29.4 |
| Trust (IR 6)                                                 | 110 | 52.1 |
| Clubs or Societies (IR 9)                                    | 11  | 5.2  |
| GST returns                                                  | 166 | 78.7 |
| Other, please specify                                        | 4   | 1.9  |
| <b>Type of services provided (excluding tax advise)</b>      |     |      |
| Business Advisory services                                   | 169 | 80.1 |
| Accounting services                                          | 200 | 94.8 |
| Audit services                                               | 147 | 69.7 |
| Other                                                        | 6   | 2.8  |
| None                                                         | 3   | 1.4  |
| <b>Type of services used (excluding tax advise)</b>          |     |      |
| Business Advisory services                                   | 91  | 43.1 |
| Accounting services                                          | 184 | 87.2 |
| Audit services                                               | 18  | 8.5  |
| Other                                                        | 4   | 1.9  |
| None                                                         | 6   | 2.8  |

**Table Z: Summary of survey results in descending order of items showing preferences for the tax practitioner**

| Description of item                                                                                                  | Min* | Mean | Median | S. D. | Ranking |
|----------------------------------------------------------------------------------------------------------------------|------|------|--------|-------|---------|
| The use of my tax adviser's service saves me considerable time in filing my tax return. (Q 13)                       | 2    | 6.27 | 6      | 0.94  | 33      |
| My appointments with the adviser are made easily and quickly. (Q 16)                                                 | 2    | 6.22 | 6      | 0.98  | 32      |
| My tax adviser gives me enough time to provide relevant information. (Q 22)                                          | 1    | 6.03 | 6      | 1.1   | 31      |
| The qualification of my tax adviser is important to me. (Q 18)                                                       | 2    | 5.69 | 6      | 1.03  | 30      |
| My tax adviser listens carefully to what I have to say. (Q 23)                                                       | 1    | 5.69 | 6      | 1.2   | 29      |
| My tax adviser explains to me my obligations under the law. (Q 29)                                                   | 2    | 5.68 | 6      | 1.34  | 28      |
| My tax adviser informs me my tax position when deciding my tax liability. (Q 21)                                     | 2    | 5.66 | 6      | 1.24  | 27      |
| My tax adviser gives me enough information about my tax issues. (Q 26)                                               | 1    | 5.6  | 6      | 1.36  | 26      |
| My tax adviser does not ignore what I have to say. (Q 24)                                                            | 1    | 5.56 | 6      | 1.22  | 25      |
| My tax adviser tells me the risks associated with the tax advice. (Q 28)                                             | 1    | 5.46 | 6      | 1.43  | 24      |
| My tax adviser saves me from paying a considerable amount of taxes. (Q 9)                                            | 1    | 5.41 | 6      | 1.41  | 23      |
| My tax adviser treats me the same whether the issue involves a small amount or a large amount. (Q 32)                | 1    | 5.36 | 6      | 1.18  | 22      |
| My tax adviser takes my concerns seriously. (Q 25)                                                                   | 1    | 5.34 | 6      | 1.27  | 21      |
| My tax adviser explains implications of tax laws and regulations for my tax affairs using words I understand. (Q 27) | 1    | 5.3  | 6      | 1.43  | 20      |
| My tax adviser keeps up on the latest changes in tax laws. (Q 20)                                                    | 1    | 5.27 | 6      | 1.33  | 19      |
| My tax adviser has expressed a desire to develop a long term business relationship with me. (Q 33)                   | 1    | 5.12 | 5      | 1.3   | 18      |

|                                                                                                                |   |      |   |      |    |
|----------------------------------------------------------------------------------------------------------------|---|------|---|------|----|
| I do not look out for an alternative tax adviser. (Q 38)                                                       | 1 | 5.09 | 5 | 1.58 | 17 |
| My tax adviser has better training than the average tax adviser. (Q 17)                                        | 1 | 5    | 5 | 1.05 | 16 |
| I am very satisfied with my present choice of tax adviser. (Q 1)                                               | 2 | 4.66 | 5 | 1.44 | 15 |
| I feel good about the decision to choose my present tax adviser. (Q 2)                                         | 2 | 4.6  | 5 | 1.43 | 14 |
| If I had to do it all over again, I would choose the same tax adviser. (Q 3)                                   | 1 | 4.54 | 5 | 1.55 | 13 |
| My tax adviser takes the time to prepare working papers and notes for my tax issues for me to evaluate. (Q 31) | 1 | 4.52 | 5 | 1.22 | 12 |
| My adviser helps me to reduce the chance of an IRD audit. (Q 15)                                               | 2 | 4.48 | 4 | 1.14 | 11 |
| I have a strong sense of loyalty toward my tax adviser. (Q 37)                                                 | 2 | 4.4  | 4 | 1.53 | 10 |
| I make a good effort to maintain the relationship with my tax adviser. (Q 36)                                  | 1 | 4.35 | 4 | 1.66 | 9  |
| My tax adviser does not make errors in preparing my tax returns. (Q 12)                                        | 1 | 4.29 | 4 | 1.35 | 8  |
| Compared with other tax advisers, my tax adviser makes fewer mistakes. (Q 19)                                  | 2 | 4.26 | 4 | 1.08 | 7  |
| I am very committed to my relationship with my tax adviser. (Q 34)                                             | 1 | 4.21 | 4 | 1.6  | 6  |
| My tax adviser knows many ways to save taxes. (Q 10)                                                           | 1 | 4.16 | 4 | 1.29 | 5  |
| I intend to maintain my relationship indefinitely. (Q 35)                                                      | 1 | 3.84 | 4 | 1.59 | 4  |
| My tax adviser helps me to interpret ambiguous or grey areas of tax laws in my favour. (Q 30)                  | 1 | 3.64 | 3 | 1.44 | 3  |
| My tax adviser charges reasonable fees for the service rendered. (Q 14)                                        | 1 | 3.54 | 3 | 1.51 | 2  |
| My tax adviser is more concerned with meeting my needs than earning fees. (Q 11)                               | 1 | 3.44 | 3 | 1.43 | 1  |

\*Maximum for all questions is 7 (strongly agree).

## 6.1 Questionnaire items

### 6.1.1 *Tax practitioner's explaining behaviour (1-7 Likert type scale)*

1. My tax practitioner gives me enough information about my tax issues.
2. My tax practitioner explains implications of tax laws and regulations for my tax affairs using words I understand.
3. My tax practitioner tells me the risks associated with the tax advice.
4. My tax practitioner explains to me my obligations under the law.

### 6.1.2 *Tax practitioner's listening behaviour (1-7 Likert type scale)*

1. My tax practitioner gives me enough information.
2. My tax practitioner listens carefully to what I have to say.
3. My tax practitioner does not ignore what I have to say.
4. My tax practitioner takes my concerns seriously.

### 6.1.3 *Tax practitioner's perceived competence (1-7 Likert type scale)*

1. My tax practitioner has better training than the average tax practitioner.
2. The qualification of my tax practitioner is important to me.
3. Compared with other tax practitioners, my tax practitioner makes fewer mistakes.
4. My tax practitioner keeps up on the latest changes in tax laws.
5. My tax practitioner informs me my tax position when deciding my tax liability.

### 6.1.4 *Tax practitioner's efficiency and technical experience (1-7 Likert type scale)*

1. My tax practitioner saves me from paying a considerable amount of taxes.
2. My tax practitioner knows many ways to save taxes.
3. My tax practitioner is more concerned with meeting my needs than earning fees.
4. My tax practitioner does not make errors in preparing my tax returns.
5. The use of my tax practitioner's service saves me considerable time in filing my tax return.
6. My tax practitioner charges reasonable fees for the service rendered.
7. My practitioner helps me to reduce the chance of an IRD audit.
8. My appointments with the practitioner are made easily and quickly.

#### 6.1.5 *Tax Practitioner's co-operative intentions (1-7 Likert type scale)*

1. My tax practitioner helps me to interpret ambiguous or grey areas of tax laws in my favour.
2. My tax adviser takes the time to prepare working papers and notes for my tax issues for me to evaluate.
3. My tax practitioner treats me the same whether the issue involves a small amount or a large amount.
4. My tax practitioner has expressed a desire to develop a long term business relationship with me.

#### 6.1.6 *Client's service satisfaction with tax practitioner (1-7 Likert type scale)*

1. I am very satisfied with my present choice of tax practitioner.
2. I feel good about the decision to choose my present tax practitioner.
3. If I had to do it all over again, I would choose the same tax practitioner.

#### 6.1.7 *Relationship commitment (1-7 Likert type scale)*

1. I am very committed to my relationship with my tax practitioner.
2. I make a good effort to maintain the relationship with my tax practitioner.
3. I have a strong sense of loyalty toward my tax practitioner.
4. I do not look out for an alternative tax practitioner.