

Written Business Communication. Case Study: Auditor's Report

Alina Buzarna-Tihenea (Galbeaza)
"Ovidius" University of Constanta, Faculty of Letters
Alina_buzarna84@yahoo.com

Abstract

This paper is focused on the importance of written business communication and on some of the features that guarantee its success. In this regard, the theoretical part of the paper has tackled general aspects of written communication, focusing on its definitions, process, components and advantages. In the practical part, an analysis has been performed on three specialized texts dealing with auditor's reports. The texts were processed by specialized software that showed the readability indices and the lexical density of the texts. The analysis of the data revealed the importance of developing good writing skills for the purpose of successful written business communication.

Key words: written communication, business communication, auditor's report, lexical analysis, readability

J.E.L. classification: K00

1. Introduction

Communication, which is an element that inherently characterizes the human being, his/her patterns of behavior and relationships, involves more than one individual, i.e. usually at least a sender and a recipient of a certain message. Furthermore, as a "social animal", the human being needs to communicate constantly with his/her peers and to adjust his/her patterns of behavior accordingly.

Nowadays, in the information age, in a world profoundly marked by technological progress, written communication plays a key role in a wide variety of environments (such as businesses, politics, education, etc.). Written communication is eased especially by the developments in information technology and by the increase in the number of computer users. New IT gadgets and the expansion of IT networks contribute to the better organization and faster transmission of information. However, these modern communication methods trigger the need for efficient reading and writing skills.

2. Theoretical background: key concepts in written business communication

Scholars have been striving to define communication for decades and consequently a wide variety of definitions focused on this concept has emerged. This word derived from the Latin verb *communicare* (i.e. "to share") is related to the idea of information and meaning (Coates, 2009), because the communication process involves sharing and transferring pieces of information, transmitting and receiving messages from one or more persons (i.e. senders) to one or more other persons (i.e. receivers) (Nadrag, 2013). Although the idea of two-way communication is more frequent and often preferable, the one-way delivery of information (such as pieces of advice, orders or instructions), still represents communication.

When discussing communication, many scholars mention the definitions given by G. G. Brown and G. Meyer. For instance, A. Hans and E. Hans (2014, p. 72) quote them in their article as follows:

"Communication may be intentional or unintentional, may involve conventional or unconventional signals, may take linguistic or nonlinguistic forms, and may occur through spoken or other modes.

1. "Communication is transfer of information from one person to another, whether or not it elicits confidence. But the information transferred must be understandable to the receiver" – G.G. Brown.

2. "Communication is the intercourse by words, letters or messages"- Fred G. Meyer".

In his definition of communication, Keyton (2011) stresses the importance of transmitting pieces of information during the communication process and the significance of common understanding from one person to another. In DeVito's perspective, communication is referred to as a process and emphasis is placed on the fact that it is always changing, that it is always in motion (1986, p. 239). In this regard, Anderson (1987, p. 49) also argues that the characteristics, causes and consequences of some communication acts are subject to change over the life of the act, a key role being thus played by the change in the communication process. In his work, Griffin (2011, p. 9) defines communication as the relational process of creating and interpreting messages that elicit a response.

Communication is mainly of two types, i.e. verbal (takes place verbally or in written) and non-verbal (takes place through symbols, signs, body language, facial expressions, colors, gestures). In its turn, verbal communication can be oral (verbal, through spoken words) and written (written words).

Written communication, one of the most common and efficient means of business communication, is performed in companies by electronic mails, letters, memos, reports, contracts, official documents, written regulations, job descriptions, etc. Bovee and Thill (2010) see the written communication process a way whereby ideas are expressed through words meant to be read, while Griffin (2009; 2011) envisages it as the process of encoding and transmitting a message in a written form. As far as Mamoria (2016) is concerned, in his perspective, written communication is a process that fulfills the following criteria: the message is written, the audience is usually at a distance and/or a permanent record is needed. Another definition of written communication belongs to Korlahlli and Pal (2011) who argue that written communication deals with everything that must be written and sent in a written form. Therefore, all these scholars emphasize that the written communication process involves the written transmission or exchange of messages or various pieces of information between one or more senders and receivers.

It is noteworthy that efficient written communication is directly related to the adequate choice of terms, their correct arrangement into phrases and sentences, since the recipient of the written message should be able to understand them and trace the main ideas easily (in this regard, a certain structure and paragraphing should be respected). For the above-mentioned purpose (i.e. to be easily understood by the reader), coherence, accuracy, precision and clarity are also among the requirements of successful written communication. Moreover, the use of direct speech is also advisable, as it makes the written message more clear and accurate. Grammar and language mistakes should be avoided as they can hinder the meaning of the written message (see Lynch and Anderson, 2013). The sender should also imprint his/her attitude and personal image in the written message, as it strengthens its general organizational appearance.

Murphy and Hildebrandt (1997) state in their work, entitled *Effective Business Communications*, that good written communication should be characterized by completeness, concision, clarity, concreteness, correctness, consideration, and courtesy. In the authors' view, efficient written communication should be relevant, tactful, good-natured, accurate and nondiscriminatory. The purpose of this type of communication should be focused on answering several important questions (i.e. who, what, when, where). In this regard, it should employ active verbs, present particular facts and figures, give adequate examples and even visual aids, if required. Moreover, according to these authors, it should be focused on the receiver of the written message and on his/her interests. In order to increase readability, the sender may also use a conversational tone. Scholars (see Murphy and Hildebrandt, 1997; Maruntelu, 2006) warn that inefficient written business communication, characterized by lack of clarity, inaccuracy and disrespect usually waste both the sender and the receiver's valuable time; furthermore, it can drive off employees or clients, and negatively affect the reputation of the management or even of the entire business. Therefore, companies should

encourage their employees to develop good written communication skills.

Written communication is effective especially when the information that has to be conveyed is lengthy or when it includes complex concepts that cannot be easily explained. Additionally, written communication in companies represents a proof of various transactions and it is considered more valid, since people usually guide themselves by the saying *verba volant scripta manent* (i.e. words fly, writings remain).

Another advantage brought by written communication is represented by the fact that, since the sender is not required to deliver the message on the spot, s/he is able to edit and review it several times before sending it, thus making sure that its content, tone and form are as adequate and as correct as possible (which, on the other hand, can also take too much time). Therefore, written communication is more appropriate when the sender must provide complex business information, including essential facts and data (e.g. audit reports, director's reports, etc.). Moreover, a written message can be saved and read several times by the recipient, thus enabling him/her to take time in order to review it and give adequate feedback. Nevertheless, one of the most important differences between oral and written communication resides in the fact that the former is characterized by spontaneous feedback. As far as the latter is concerned, the feedback needs a time span that varies from just a few seconds to entire days, which can lead to uncertainty and frustration, especially in contexts where a fast answer is required. Overall, efficient written communication enhances the customer's satisfaction, contributes to inter-organizational and intra-organizational efficiency and improves the company's image in the business environment (see Berger, 2008).

3. Research methodology

The purpose of this study was to analyze three representative samples of written business communication, in terms of readability and lexical density, and to connect the results with the efficiency of the written communication process. Since written business communication comprises a wide variety of documents, I have chosen only one category, i.e. the auditor's reports, in order to compare the results obtained after analyzing each document. The three sample documents submitted to the analysis are: "International Standard on Auditing (UK and Ireland) 700. The independent auditor's report in financial statements" of the Financial Reporting Council (FRC) (June 2013) (hereinafter Text 1), "Illustrative Example of a UK auditor's report reflecting the requirements of ISA (UK and Ireland) 700 (Revised June 2013)" (hereinafter Text 2) and "Independent auditor's report to the members of Gas Networks Ireland Report on the audit of the financial statements" (hereinafter Text 3). It is noteworthy that the first document sets the international standards as far as auditing in the UK and Ireland is concerned, being, therefore, a guideline in this type of written business communication, i.e. auditor's report. The second document sets an example of such a report and the third document is an instance of the practical application of the "International Standard on Auditing (UK and Ireland) 700" (June 2013) and of the illustrative example provided by the Financial Reporting Council.

For the purpose of this study, each of the above-mentioned documents was processed by a specialized software – a text content and readability analyzer, i.e. *Analyze My Writing* (see http://www.analyzemywriting.com/about_us.html). This software provided valuable pieces of information regarding the documents' readability index (i.e. an estimation of how difficult a text is to read), by measuring their complexity, in terms of criteria such as word count, word lengths, sentence count, sentence lengths, syllable counts, punctuation marks (commas, periods, quotation marks, apostrophes, colons, semicolons, parentheses, dashes, question marks, exclamation marks, brackets etc.).

Afterwards, the complexity of the texts was compared to how well readers can understand the respective document, the software creating a formula that predicts the documents reading difficulty level, based on its complexity. According to the information provided by the specialized software *Analyze My Writing*, every readability index (i.e. Gunning fog, Flesch-Kincaid, SMPG, Coleman-Liau and Automated indices) is different, to some extent, as it highlighted certain elements related to text complexity. For instance, some readability indices were focused more on syllable counts while others placed more emphasis on word length and sentence length. Nevertheless, it is

noteworthy that readability indices measure especially a text's complexity (see http://www.analyze-my-writing.com/about_us.html).

4. Findings

As already mentioned, I processed the three texts by using the specialized text analysis software, i.e. *Analyze My Writing*. The first results of the analysis highlighted the texts' statistics, in terms of word count, sentence count, character count, complex word count, syllable count, punctuation marks, word length and sentence length.

Table no. 1 Word, Sentence, Syllable and Character Count

Category	Text 1	Text 2	Text 3
Word Count:	5411	1304	2962
Sentence Count:	195	34	94
Character Count Including Spaces:	35555	8330	19093
Character Count Without Spaces:	29842	6960	16062
Complex Word Count (3 or more syllables):	1459	314	755
Syllable Count:	9718	2257	5317
Period Count:	428	36	100
Comma Count:	158	22	114
Quotation Mark Count:	0	2	8
Apostrophe Count:	136	23	34
Colon Count:	48	8	6
Semicolon [Quotes and Links] Count:	32	11	12
Question Mark Count	0	0	0
Exclamation Mark Count	0	0	0
Dash Count:	10	2	2
Parenthesis Count:	242	28	42
Bracket Count:	22	42	0
Brace Count:	0	0	0
Average Word Length:	5.28	5.17	5.29
Median Word Length:	4	4	4
Standard Deviation of Word Length:	3.13	3.06	3.11
Average Sentence Length:	27.37	38.09	30.9
Median Sentence Length:	20	33.5	26
Standard Deviation of Sentence Length	26.23	20.73	18.53

Source: Author's own processing by "Analyze My Writing" software

The data provided in Table no. 1 show that, although the second and the third texts are smaller than the first one, all of them are similar in terms of word lengths. As far as sentence lengths are concerned, the second text, although smaller, has the longest sentences (i.e. its average sentence length is 38.09 compared to 27.37 for the first text and 30.9 for the third text). Moreover, it should be noted that although the first text is the longest in terms of number of words, it has the smallest average sentence length.

Table no. 2 Readability

Readability Score (Index)	Text 1	Text 2	Text 3
Gunning fog	21.88	24.97	22.8
Flesch-Kincaid	16.42	19.79	17.88
SMOG	18.76	20.49	19.32
Coleman-Liau	15.56	14.81	15.15
Automated	18.42	22.89	19.87
Average Grade Level:	18.21	20.59	19
Median Grade Level:	18.42	20.49	19.32

Source: Author's own processing by "Analyze My Writing" software

According to the specialized software *Analyze My Writing*, each readability index provides an approximate grade level needed in order to read and understand a text without many difficulties. In other words, a lower index indicates that the text is easy to read; consequently, when the index increases, the difficulty of the text in terms of readability also rises. Thus, as indicated by the grid provided by the specialized software, a readability index below 3 indicates that the respective text can be understood by emergent and early readers (such as early reader books). Indices between 3 and 5 indicate a children's level text (i.e. chapter books) while indices between 5 and 8 are typical of the texts dedicated to young adults (e.g. advertising copies, young adult literature). Texts with readability indices between 8 and 12 target general adult levels (novels, blog spots, news, political speeches) and those with readability indices between 12 and 16 are dedicated to undergraduates (for instance, college textbooks). As far as the texts with readability indices above 16 are concerned, they target graduate and post-graduate readers (such as scholarly journals and technical articles) (see http://www.analyzemywriting.com/about_us.html).

Nevertheless, good writing is not always more complex. On the contrary, a lower degree of text complexity may sometimes indicate that the respective text is characterized by clear and concise writing while higher degrees of text complexity may reveal bombastic, cumbersome, laborious texts.

Table no. 2 above shows that the three texts have high readability indices, which means that they are dedicated to readers specialized in the economic field. The second text, which is an "Illustrative Example of a UK auditor's report reflecting the requirements of ISA (UK and Ireland) 700", has the highest readability scores (the average grade level is 20.59, compared to 18.21 for the first text and 19 for the third text). Having in view that it sets an example for the auditors regarding the way in which an auditor's report should look like, this text should have been less complex and easier to understand. Consequently, in order to write such a report, auditors need solid reading and writing skills, as they are key elements of successful business communication. The use of a wide vocabulary, good knowledge of punctuation and grammar, clarity, accuracy, objectivity are only some of the elements that characterize good writing skills.

Another analysis performed by the specialized software *Analyze My Writing* regarded the lexical density of texts, which dealt with the number of lexical words (i.e. nouns, adjectives, verbs, and adverbs) in relation to the total number of words within the respective texts (Zamfir, 2011). According to *Analyze My Writing*, lexical words provide meaning and important pieces of information about the topics tackled by various texts. For instance, while nouns provide information about the subject, the adjectives give further details about them, verbs indicate what they (i.e. the subjects) do, and adverbs show how they do it. As far as non-lexical words or function words are concerned (such as articles, prepositions, conjunctions, auxiliary verbs etc.), their main role is to fulfill grammatical functions (Nadrag, 2004) and provide little or no information about the topics tackled by the respective text. Therefore, as suggested by the specialized software, lexical density emphasizes the percentage of words that provide meaningful pieces of information that are communicated to the receiver, measuring how informative, how descriptive and how meaningful a text is (see http://www.analyzemywriting.com/about_us.html).

Having in view that lexical words provide meaning to the language used by the sender within the written communication process, the specialized software underlines the fact that reading only the lexical words in a text can offer the receiver a "gist" of the main topics tackled by the respective text. It is noteworthy that, in written texts, the level of lexical density does not indicate their complexity or readability, but rather, the amount of information that they attempt to transmit. According to *Analyze My Writing*, high lexical density scores (usually over 56%) are typical of expository texts (i.e. news, journal, technical, and informative articles), which convey massive amounts of information (see http://www.analyzemywriting.com/about_us.html).

This above-mentioned specialized software further emphasizes that since lexical density is usually higher in written communication than in the oral one (which relies on non-verbal cues and is context-dependent), written texts have usually more expository features and include more pieces of information, which increase their lexical density. For instance, according to the grid provided by *Analyze My Writing*, the average lexical density of expository writings ranges between 55% and 58%, while that of fiction and general prose ranges between 48% and 51%. However, as far as interview transcripts are concerned, having in view that they are forms of oral communication at origin, their average lexical density reaches about 45% (see http://www.analyzemywriting.com/about_us.html).

Table no. 3 Lexical Density and Parts of Speech

Parts of Speech	Text 1	Text 2	Text 3
Nouns	31.97%	30.67%	32.44%
Adjectives	8.87%	8.05%	8.04%
Verbs	10.98%	10.97%	10.84%
Adverbs	2.13%	2.07%	2.23%
Prepositions	15.45%	17.02%	15.09%
Pronouns	0.91%	1.92%	2.67%
Auxiliary Verbs	3.64%	3.99%	3.85%
Lexical Density for Entire Text	53.95%	51.76%	53.54%

Source: Author's own processing by "Analyze My Writing" software

As far as the analyzed texts are concerned, they have similar lexical density averages, i.e. 53.95%, 51.76% and 53.54% respectively. According to these averages, the three texts can be classified as expository writings.

Table no. 4 20 Most Common Words

Rank	Word			Number of Occurrences			Percentage of Total Words		
	Text 1	Text 2	Text 3	Text 1	Text 2	Text 3	Text 1	Text 2	Text 3
1	the	the	the	561	129	290	10.37%	9.89%	9.79%
2	of	of	of	243	64	136	4.49%	4.91%	4.59%
3	and	and	and	163	44	104	3.01%	3.37%	3.51%
4	in	in	to	126	44	87	2.33%	3.37%	2.94%
5	financial	to	in	121	32	79	2.24%	2.45%	2.67%
6	to	financial	we	116	28	64	2.14%	2.15%	2.16%
7	a	on	audit	106	24	61	1.96%	1.84%	2.06%
8	statements	statements	financial	94	24	49	1.74%	1.84%	1.65%
9	report	report	our	92	23	47	1.7%	1.76%	1.59%
10	on	for	for	87	17	40	1.61%	1.3%	1.35%
11	auditor	we	statements	84	16	39	1.55%	1.23%	1.32%
12	that	by	a	75	15	34	1.39%	1.15%	1.15%
13	by	audit	group	70	15	33	1.29%	1.15%	1.11%
14	auditor's	our	on	69	14	31	1.28%	1.07%	1.05%
15	is	group	report	62	13	30	1.15%	1%	1.01%
16	with	that	that	61	13	30	1.13%	1%	1.01%

17	or	or	are	60	12	30	1.11%	0.92%	1.01%
18	opinion	changes	is	56	11	29	1.03%	0.84%	0.98%
19	an	are	with	53	11	27	0.98%	0.84%	0.91%
20	audit	have	or	51	10	27	0.94%	0.77%	0.91%

Source: Author's own processing by "Analyze My Writing" software

Table 4 shows the ranking of 20 most common words in the three analyzed texts. In this regard, it should be noted that non-lexical items (such as the definite article "the", the indefinite article "an", the prepositions "of", "in", "to", "on", "for", "by" and "with", the conjunctions "and", "or") play a very important part in all three texts, as they have the highest occurrence degree. Dominant lexical items are the adjectives "financial", the nouns "audit", "statements", "auditor" and "report", which belong to the economic field. The most frequently used verbs are "to be" (its present tense forms "is" and "are") and "to have".

As far as the most common word pairs are concerned, the software emphasized the following combinations: "financial statements", "of the", "in the", "the auditor", "the group", "by the", "the audit", the financial", "auditor's report", "on the", "for the". Most of them are combinations between non-lexical and lexical words or even between two non-lexical words, which means that the role of these function words should not be underestimated. Although they do not usually provide any meaning, they fulfill grammatical functions that contribute to the understanding of the messages conveyed by the texts.

5. Conclusion

The analysis of the data that resulted after processing the three texts (i.e. "International Standard on Auditing (UK and Ireland) 700. The independent auditor's report in financial statements" of the Financial Reporting Council (FRC) (June 2013), "Illustrative Example of a UK auditor's report reflecting the requirements of ISA (UK and Ireland) 700 (Revised June 2013)" and "Independent auditor's report to the members of Gas Networks Ireland Report on the audit of the financial statements") by the specialized software, in terms of text readability and lexical density, emphasize the urgent requirement of developing good written communication skills. Nowadays, when the information technology plays a vital part in the establishment and development of solid business relationships both with partners and customers, written communication is increasingly used especially as a valid proof of various transactions or as a means to convey lengthy or complex instructions or pieces of information.

However, successful written business communication should be characterized by accuracy and concision, in order to reach its purpose. For instance, auditor's reports should transmit valuable pieces of information about the validity of a company's financial statements. Based on the information provided by auditors, certain decisions are taken, which may affect the future of the respective company. Therefore, in written businesses communication, both the over-formal and the informal style should be avoided. The former may hinder the understanding of the message conveyed while the latter may be regarded as discourteous and untrustworthy. The best solution is to employ a respectful and direct tone, which is usually obtained by hard work and writing practice.

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