

Original Research

Exploring the Impact of Auditor Well-Being on Audit Quality

Jonathan Muterera¹ 

Faculty of Education and Professional Studies, School of Business, Nipissing University, Ontario, Canada

Julia Ann Brettle

Windsor-Essex Catholic District School Board, Ontario, Canada

Received 22 February 2024 Revised 23 March 2024 Accepted 29 March 2024

Abstract

This study examines the underexplored link between auditor well-being and audit quality within the auditing profession, an area of critical importance for maintaining the integrity and effectiveness of audit processes. Despite extensive research on various determinants of audit quality, such as organizational factors, auditor competency, and technological support, there remains a significant gap in understanding the impact of auditor well-being, particularly as measured by established psychological scales like the Warwick-Edinburgh Mental Well-being Scale (WEMWBS). This research employs a quantitative approach, utilizing a structured survey instrument to collect data from 360 auditors across international accounting firms in three southern African countries. Through confirmatory factor analysis and structural equation modelling, this study provides empirical evidence supporting the positive relationship between auditor well-being and audit quality. The findings highlight the crucial role of auditor well-being in enhancing audit performance, underscoring the need for auditing firms to prioritize supportive work environments that foster auditor well-being. The implications of this research extend to organizational strategies and interventions aimed at improving auditor well-being, thereby contributing to the enhancement of audit quality and the overall integrity of the auditing profession.

Keywords: Audit Performance, Auditor Well-being, Audit Quality, Organizational Culture, Psychological Well-being, Work Environment.

¹ Corresponding author's Email: jonathanm@nipissingu.ca

Introduction

The nexus between auditor well-being and audit quality emerges as a compelling domain within the auditing literature, underscoring a pivotal yet underexplored dynamic in ensuring the integrity and effectiveness of audit processes. While the extant body of research has delved into various determinants of audit quality, including organizational factors (Samagaio & Felício, 2023), auditor competency and technological support (Susanto et al., 2022), personality traits (Samagaio & Felício, 2022), risk perception (Hurley et al., 2021), and broader economic and cultural influences (Păcuraru-Ionescu et al., 2023), a discernible gap persists in the examination of auditor well-being through established psychological frameworks and its consequential impact on audit quality.

This research posits a critical inquiry: How does the well-being of auditors, as measured by established psychological scales such as the Warwick-Edinburgh Mental Well-being Scale (WEMWBS), influence the quality of audits they conduct? The question summons a rigorous investigation into the role of auditor well-being, a factor potentially integral to auditors' performance and the overarching quality of their audit work. This inquiry not only addresses a notable gap in the literature but also propels the discourse toward an interdisciplinary juncture, merging psychological assessments of well-being with the evaluation of audit quality.

The significance of this research lies in its endeavour to fill this critical gap. Existing studies, while offering invaluable insights into the multifaceted determinants of audit quality, have seldom integrated the psychological dimension of auditor well-being into their analytical frameworks. This oversight overlooks a potentially crucial element influencing auditors' cognitive functions, ethical judgments, and professional diligence, all of which are instrumental in executing high-calibre audits. The integration of psychological well-being assessments, particularly through validated scales like the WEMWBS, with audit quality evaluation presents a pathway to a more comprehensive understanding of effective auditing practices.

Moreover, the implications of this research extend beyond academic contributions, offering pragmatic insights for auditing firms and the broader accounting profession. By explaining the relationship between auditor well-being and audit quality, this study advocates for organizational strategies and interventions aimed at enhancing auditor well-being. Such initiatives not only promise to uplift the quality of individual audits but also fortify the ethical and professional standards governing the auditing profession at large.

In essence, this research endeavours to bridge the existing gap in the literature by providing empirical evidence on the influence of auditor well-being on audit quality. Through a meticulous methodological approach, this study aspires to enrich the auditing discourse, offering both theoretical and practical insights that underscore the paramount importance of auditor well-being in the pursuit of audit excellence.

Literature Review and Theoretical Background

The relationship between auditor well-being and audit quality is a critical area of investigation in auditing. This literature review delves into the theoretical and empirical underpinnings that suggest a positive correlation between these two constructs, ultimately leading to the hypothesis that auditor well-being is positively related to audit quality.

Theoretical Framework

The Job Demands-Resources (JD-R) model, as elaborated by Bakker and Demerouti (2007), offers a robust framework for examining the dynamics between auditor well-being and audit quality. This model delineates working conditions into two primary categories: job demands and job resources, each playing a pivotal role in influencing both job performance and employee well-being.

In the context of auditing, job demands encompass the various physical, cognitive, and emotional challenges associated with the profession. These may include long working hours, tight deadlines, the complexity of audit tasks, and the high level of precision required. Such demands, if excessive, can lead to stress, job burnout, and ultimately, a decline in audit quality due to compromised decision-making and reduced attention to detail (Schaufeli & Bakker, 2004).

Conversely, job resources in the auditing profession—such as autonomy in decision-making, support from colleagues and supervisors, and opportunities for professional development—act as buffers against the negative impacts of job demands. Autonomy empowers auditors to use their professional judgment, enhancing job satisfaction and engagement. Support from colleagues and supervisors provides a safety net that mitigates stress and fosters a collaborative work environment. Opportunities for professional development ensure that auditors are well-equipped with the latest knowledge and skills, further enhancing their ability to perform high-quality audits (Bakker & Demerouti, 2007; Xanthopoulou et al., 2007).

The JD-R model emphasizes the importance of engagement—characterized by vigor, dedication, and absorption in work—as a key mechanism through which job resources exert their positive effects on job performance and well-being. In the auditing field, this engagement translates into a proactive, energetic approach to audit tasks, a strong sense of significance and enthusiasm towards one's work, and a deep, immersive concentration that ensures thoroughness and accuracy in audit processes. Such a state of engagement is not only beneficial for the well-being of auditors but is also crucial for the execution of complex and demanding audit tasks, ultimately leading to higher audit quality (Bakker & Demerouti, 2008; Schaufeli et al., 2002).

Therefore, the JD-R model provides a comprehensive understanding of how the interplay between job demands and resources in the auditing profession can influence auditor well-being and, by extension, audit quality. By fostering a work environment rich in resources and supportive of auditor engagement, audit firms can enhance both the well-being of their auditors and the quality of their audit outcomes.

Factors Affecting Audit Quality – Empirical Evidence

The quality of audits is not only influenced by the individual well-being of auditors but also by a constellation of organizational, competency, and environmental factors. Research indicates that organizational dynamics, such as the commitment to ethical standards and the robustness of internal control systems, play a critical role in audit outcomes (Fitriany et al., 2022; Samagaio & Felício, 2023). These organizational factors contribute to creating a conducive environment for auditors, potentially impacting their well-being and, consequently, their performance.

Furthermore, the competency and ethical behavior of auditors are foundational to audit integrity and effectiveness. Competency, enriched by continuous professional development and supplemented by technological tools like digital forensics, enables auditors to navigate complex financial landscapes effectively (Susanto et al., 2022). Ethical conduct, underscored by adherence to a strict code of conduct and due professional care, ensures that audits are performed with thoroughness and impartiality (Nurbaiti & Faturrahman, 2022). These aspects of auditor competency and ethics not only direct audit quality but may also influence auditor well-being by fostering a sense of professionalism and ethical satisfaction.

Auditor attributes, including personality traits such as agreeableness and conscientiousness, have been linked to the level of professional skepticism and, by extension, audit quality (Samagaio & Felício, 2022). These personal characteristics can enhance auditors' engagement with their work, contributing to both their well-being and the quality of their audits.

Environmental and market factors, including economic conditions and regulatory landscapes, also shape the auditing profession (Hurley et al., 2021; Păcuraru-Ionescu et al., 2023). These external factors can impact auditors' workloads and stress levels, thereby affecting their well-being and capacity to maintain high audit quality.

Empirical evidence underscores the significance of auditor well-being in enhancing job performance and audit quality. Wright and Cropanzano (2000) demonstrated that psychological well-being is a key predictor of job performance, highlighting the role of well-being in achieving high professional competence. This finding is particularly relevant to the auditing profession, where cognitive demands and ethical decision-making are paramount. Further, research by (Fogarty et al., 2000) has found a negative impact of job stress and burnout on auditors' performance, suggesting that diminished well-being, characterized by high stress and burnout levels, adversely affects audit quality. These studies collectively suggest a critical link between auditor well-being and their ability to conduct thorough and high-quality audits.

Hypothesis Development

Drawing upon the JD-R model and empirical findings, it is plausible to hypothesize a direct positive relationship between auditor well-being and audit quality. This hypothesis is predicated on the understanding that well-being enhances auditors' cognitive

functioning, attention to detail, and ethical decision-making, all crucial for conducting high-quality audits. Therefore, the hypothesis posits:

H₁: Auditor well-being is positively related to audit quality.

Although the model presented in Figure 1 is not inherently complex, it serves as the foundational framework for understanding the relationship between auditor well-being and audit quality. This relationship is pivotal in the field of auditing as it underscores the crucial interplay between the psychological and physical state of auditors and the effectiveness of their professional performance. At its core, the model posits that the well-being of auditors directly influences their ability to conduct high-quality audits.

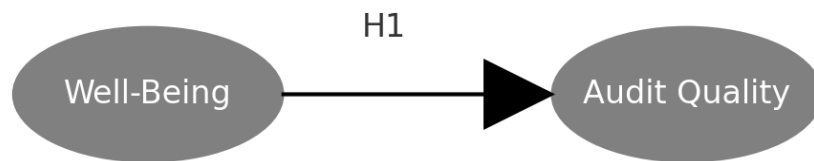


Figure 1: Theoretical Model

Methods

Design and Methodology

This study employs a quantitative research approach to investigate the relationship between Audit Well-being and Audit Quality. A structured survey instrument was utilized to gather data on various dimensions pertinent to both auditor well-being and audit quality.

Sampling Strategy and Participants

The study's sample consists of auditors selected through a rigorous sampling process. As part of a larger study, participants were recruited from international accounting firms operating in three southern African countries: Botswana, South Africa, and Zimbabwe. These firms were chosen for their extensive experience in auditing, global presence, and reputable standing in the accounting industry.

The sample is comprised of 360 participants, showcasing a balanced distribution across genders, with 57% female and 43% male respondents. The educational background of the participants predominantly included Bachelor's degrees (64%) and Master's degrees (30%), while a smaller subset held PhDs or other doctoral degrees (5%). Notably, a significant majority of participants (93%) held professional certifications, underscoring their high level of professional qualification. Furthermore, the tenure distribution in their current positions reflected a diverse range of experiences, with 29% having 1-5 years of tenure, 38% with 6-10 years, 20% with 11-15 years, and smaller percentages for longer tenures.

Measurement Instruments

Auditor Well-being: In this study, "well-being" is conceptualized as a multifaceted construct encompassing both subjective and psychological dimensions of an individual's experience. Subjective well-being typically refers to how individuals experience the quality of their lives and includes emotional reactions and cognitive judgments (Diener, 2000). Psychological well-being, on the other hand, extends beyond this to include aspects of personal growth, purpose in life, autonomy, and self-acceptance (Ryff & Keyes, 1995).

The Warwick-Edinburgh Mental Well-being Scale (WEMWBS), employed in this study to measure auditor well-being, aligns with this comprehensive understanding by capturing a wide spectrum of positive mental health attributes, including positive affect, satisfying interpersonal relationships, and positive functioning (Tennant et al., 2007). The use of WEMWBS is grounded in its robust psychometric properties and its wide application in research to assess mental well-being across different populations, thereby providing a reliable and validated measure for this study (Stewart-Brown & Janmohamed, 2008).

The Warwick-Edinburgh Mental Well-being Scale (WEMWBS) encompasses 14 items with five response categories ranging from 1 "none of the time" to 5 "all of the time." Notably, all items within the scale are positively formulated and coded, capturing both the affective and functional dimensions of mental well-being. The scale has exhibited satisfactory psychometric properties, including construct validity (with all items demonstrating significance), test-retest reliability ($\alpha = 0.83$), and internal consistency (with $\alpha = 0.89$), as corroborated by Stewart-Brown and Janmohamed (2008).

Audit Quality: Husain (2020) categorizes and summarizes various proxies used to measure audit quality. The study identifies several factors like auditor firm size, audit fees, auditor independence, and others, providing a structured overview that could guide especially new researchers in the field. For example, Rajgopal et al. (2021) included proxies such as restatements, the ratio of audit fees to total fees, and the presence of a city specialist auditor as proxies for audit quality. Husain (2020) concludes that researchers should map audit quality measurements to select the best approach for their research. Given the complexity and diversity surrounding measuring audit quality, subjective measures developed by the authors were used in this study. The authors used 7-items to measure audit quality to represent the degree to which audits conducted by an individual or organization encompasses the delivery of thorough, effective, standards-compliant, transparent, reliable, objective, and value-added audit services that contribute to enhancing organizational performance and accountability. The items were measured on a scale of 1 "very poor" to 5 "excellent." Sample items were "the thoroughness of our analysis and evaluation during audits is" and "the overall value-added insights and recommendations generated from our audits are".

Data Analysis

The statistical methodologies employed in this study were chosen to rigorously analyze the data collected from our sample of auditors and to interpret the relationship

between auditor well-being and audit quality effectively. Initially, descriptive statistics were computed to provide an overview of the sample characteristics, including means, standard deviations, and distributions for all key variables. Auditor well-being, measured using the Warwick-Edinburgh Mental Well-being Scale (WEMWBS), served as the independent variable, while perceptions of audit quality constituted the dependent variable. This analysis facilitated an understanding of how variations in auditor well-being could account for changes in reported audit quality.

To ensure the robustness of our measurement models for the well-being and audit quality constructs, we employed Confirmatory Factor Analysis (CFA). This statistical technique allowed us to rigorously test whether our chosen observed variables—responses from the Warwick-Edinburgh Mental Well-being Scale for well-being, and developed items for audit quality—reliably correspond to their respective underlying theoretical concepts. By applying CFA, we sought to affirm that our measurement scales were both valid and reflective of the constructs we aimed to investigate, thereby providing a solid foundation for the subsequent analysis of the relationship between auditor well-being and audit quality.

Structural equation modeling (SEM) was further utilized to test the theoretical model proposed in this study. SEM is a comprehensive statistical approach that combines aspects of factor analysis and multiple regression, allowing for the evaluation of complex relationships between observed and latent variables. This method was particularly suited to our study as it enabled the examination of direct effects within our model, offering a nuanced understanding of the dynamics between auditor well-being and audit quality.

The significance of the relationships tested was determined based on p-values, with a threshold of $\alpha=0.05$ indicating statistical significance. This criterion was applied to assess the robustness of the associations between variables and to ensure the reliability of our findings.

Throughout the analysis, assumptions of multivariate analysis, including normality, linearity, and multicollinearity, were examined and confirmed to be within acceptable limits, ensuring the validity of the statistical techniques employed.

Results and Discussion

Means and Construct Reliability

Table 1 provides the means, standard deviations, and standardized loadings for items related to Auditor Wellbeing and Audit Quality.

The construct of Auditor Wellbeing is represented by 14 items (WB1-WB14), with means ranging from and $\bar{x} = 3.81$ (WB2, WB9, and WB 11) to and $\bar{x} = 3.89$ (WB5, WB7, and WB14), indicating a moderate to high level of reported wellbeing among auditors. The standard deviations suggest variability in responses, with the least variability in WB6 ($sd = 0.98$) and the greatest in WB9 ($sd = 1.09$). The construct reliability of $\alpha = 0.94$ is above the commonly recommended threshold of $\alpha = 0.7$, indicating good internal consistency among the items (Nunnally & Bernstein, 1994).

The construct of Audit Quality is measured by 7 items (AQ1-AQ7), with means ranging from $\bar{x} = 3.90$ (AQ2) to $\bar{x} = 4.58$ (AQ1 and AQ7). The standard deviations, ranging from $sd = 0.67$ (AQ6) to $sd = 1.05$ (AQ2), suggest that the responses were not only consistently positive on average but also relatively consistent across respondents, indicating a common perception or agreement among the participants regarding the AQ items. The overall construct reliability is $\alpha = 0.88$, which is above the recommended threshold of 0.7 (Hair et al., 2010).

Table 1. Means, Construct Reliability Estimates, and Measurement Loadings

Item	Mean	SD	Standardized Loading
Auditor Wellbeing (Reliability $\alpha = 0.94$)			
WB1	3.83	1.05	.74*
WB2	3.81	1.04	.76*
WB3	3.87	1.06	.73*
WB4	3.88	1.06	.70*
WB5	3.89	1.04	.73*
WB6	3.87	0.98	.72*
WB7	3.89	1.02	.70*
WB8	3.88	1.08	.72*
WB9	3.81	1.09	.70*
WB10	3.87	1.02	.76*
WB11	3.81	1.04	.73*
WB12	3.88	1.00	.74*
WB13	3.82	0.99	.72*
WB14	3.82	1.05	.77*
Audit Quality (Reliability $\alpha = 0.88$)			
AQ1	4.58	0.68	.72*
AQ2	3.90	1.05	.78*
AQ3	4.51	0.74	.70*
AQ4	3.98	0.97	.74*
AQ5	4.54	0.68	.72*
AQ6	4.57	0.67	.76*
AQ7	4.58	0.69	.70*
*All coefficients were significant $p < 0.01$			

Overall, the constructs of Auditor Wellbeing and Audit Quality have been empirically evaluated, exhibiting satisfactory reliability properties. Auditor Wellbeing is robustly measured, with a Cronbach's alpha exceeding the acceptable reliability threshold, reflecting a coherent latent construct. Audit Quality's reliability also exceeds the conventional acceptability level, indicating a highly reliable scale.

Inter-item and Inter-scale Correlations

Correlations between items within each scale (WB and AQ) and between the scales themselves were examined. All items within each scale showed significant correlations ($p < 0.01$). The mean correlation among items was $r = .53$ for the Well-being (WB) scale

and $r = .54$ for the Audit Quality (AQ) scale. The correlation between the WB and AQ scales was found to be $r = .54$. All correlations, both within and between scales, exceeded the recommended threshold of $r = .3$, as suggested Hair et al. (1998).

Convergent Validity

The confirmatory factor analysis (CFA) of Auditor Wellbeing (WB) and Audit Quality (AQ) constructs reveals several significant findings that contribute to the understanding of their convergent validity. The analysis, performed on a sample size of 360, applied structural equation modeling (SEM) to test the hypothesized factor structure.

The model's fit was evaluated using various indices. A Chi-square (χ^2) value of 239.15 with 188 degrees of freedom was significant ($p = .007$), implying a discrepancy between the model and observed data (Field, 2022; Kline, 2023). However, considering the sensitivity of the χ^2 test to sample size, additional fit indices were consulted (Blunch, 2012).

First looked at the Chi-square to degrees of freedom ratio (CMIN/DF). Commonly accepted threshold values for a good fit range from 2 to 3, with values closer to 1 indicating an excellent fit (Kline, 2023). The CMIN/DF ratio in this study was 1.27 indicating a good fit. Second, we considered other fit indices such as the Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), and the Root Mean Square Error of Approximation (RMSEA) to provide a comprehensive assessment of model fit. The Root Mean Square Error of Approximation (RMSEA) stood at .028, indicating a good fit, as values under .05 are generally indicative of a close match to the data (Hu & Bentler, 1999). The Comparative Fit Index (CFI) was .99, Tucker-Lewis Index (TLI) was .99, NFI was .94, and the Goodness of Fit Index (GFI) was .94. All these indices were above recommended thresholds, suggesting that the model fits the data well (Hu & Bentler, 1999).

For the construct of Auditor Wellbeing, the standardized loadings range from $lx = 0.70$ (WB4, WB7, & WB9) to $lx = 0.77$ (WB14), which falls within the commonly accepted threshold indicating a strong relationship between items and their underlying factor (Hair et al., 2010; Nunnally & Bernstein, 1994). Conversely, for the construct of Audit Quality, the standardized loadings show a range, spanning from $lx = 0.70$ (AQ3 & AQ7) to $lx = 0.78$ (AQ2), also within the recommended threshold (Hair et al., 2010; Nunnally & Bernstein, 1994).

Discriminant Validity

In the present study, we rigorously evaluated discriminant validity to ensure that our constructs—Audit Quality (AQ) and Well-being (WB)—are empirically distinct. Following best practices in psychometric evaluation, we employed the Heterotrait-Monotrait (HTMT) ratio, a relatively novel yet robust approach for assessing discriminant validity in structural equation modeling (Henseler et al., 2015).

The HTMT ratio is predicated on the comparison of the mean heterotrait (inter-construct) correlations to the geometric mean of the monotrait (intra-construct)

correlations (Henseler et al., 2015). For our two constructs, AQ and WB, we computed an HTMT ratio of 0.54. This was achieved by dividing the average heterotrait correlation ($r = .29$) by the square root of the product of the monotrait correlations for AQ ($r = .54$) and WB ($r = .53$), as recommended by Franke and Sarstedt (2019) for enhanced accuracy in discriminant validity assessment.

The obtained HTMT ratio of 0.54 falls well below the conservative threshold of 0.85, suggesting strong discriminant validity between the AQ and WB constructs (Henseler et al., 2015). This indicates that the constructs measure distinct phenomena, as the shared variance between them is significantly less than the variance each shares with its own indicators.

Furthermore, the use of the geometric mean in the denominator of the HTMT ratio accounts for the average strength of the indicator loadings on their respective constructs, providing a more nuanced and reliable assessment of discriminant validity (Franke & Sarstedt, 2019).

In sum, the discriminant validity of the AQ and WB constructs within our study has been robustly established through the HTMT ratio, reinforcing the theoretical and empirical separation of these constructs. This validation step is imperative for the credibility of our findings and their contributions to the broader discourse on audit quality and well-being in the professional context.

Hypothesis Testing

The hypotheses were tested using structural equation modeling (SEM) and are presented in Figure 2. Prior to assessing the study's hypotheses, the model's overall fit must be established (Bollen & Long, 1993). The Chi-square (χ^2) statistic for the model was 239.15 with degrees of freedom (df) equal to 188. The associated probability level is less than 0.01, indicating that the model has a significant discrepancy from the observed data. However, it is important to note that the Chi-square test is sensitive to sample size; thus, a significant result may occur even when the model fit is adequate, especially in large samples (Hair et al., 1998). The model's goodness-of-fit measures indicate a generally good fit to the data: the Comparative Fit Index (CFI) is .99, the Tucker-Lewis Index (TLI) is .99, and the Root Mean Square Error of Approximation (RMSEA) is .028, which is below the .05 threshold indicating a close fit (Hu & Bentler, 1999).

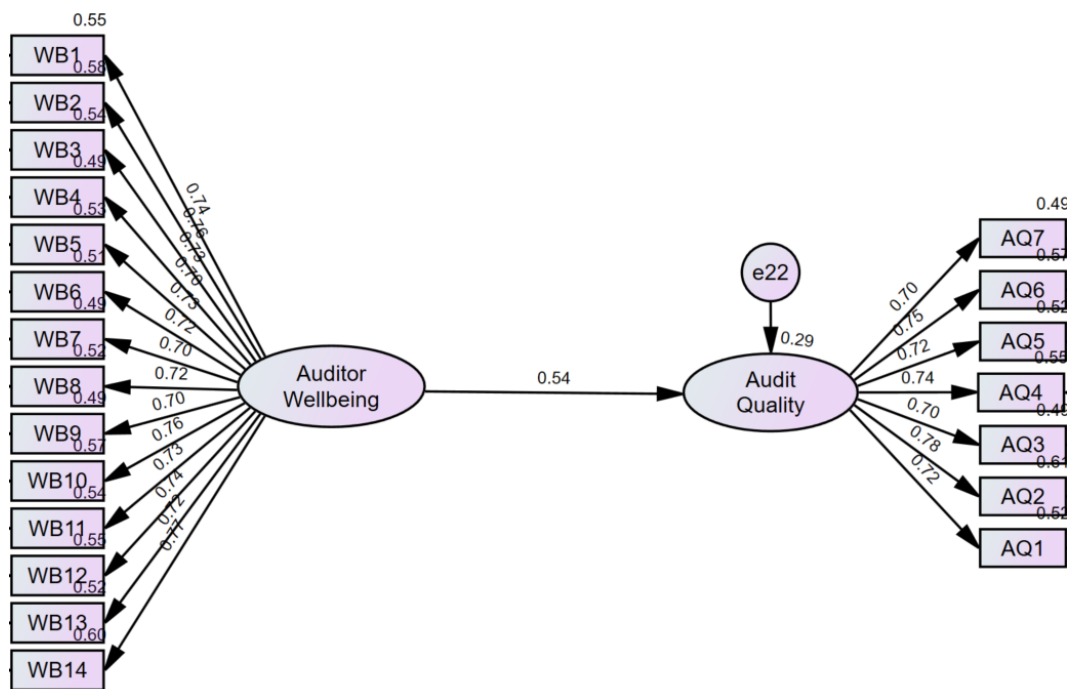


Figure 2. Results from the Structural Model Analysis

The hypothesis "Auditor well-being is positively related to audit quality" is supported. As seen in Figure 2, the standardized regression weight between Auditor Wellbeing (WB) and Audit Quality (AQ) is substantial and positive (standardized γ_1 coefficient = 0.54) indicating a strong relationship between the two constructs. The positive value indicates that as auditor well-being increases, audit quality also tends to increase, which is in line with the stated hypothesis.

Moreover, the significance of this relationship is underscored by the Critical Ratio (C.R.) value associated with this regression weight, which is 8.59. The C.R. value is a standardized estimate indicating the number of standard deviations; the parameter estimate is away from zero. A C.R. value greater than 1.96 (or less than -1.96) typically suggests statistical significance at the 0.05 level. In this case, the C.R. value far exceeds this threshold, strongly indicating that the relationship between auditor well-being and audit quality is statistically significant.

Discussion

The findings from this study confirm the anticipated positive link between auditor well-being and audit quality, highlighting the pivotal role of well-being in the auditing profession. This connection suggests that auditors who enjoy higher levels of well-being, marked by reduced stress levels, enhanced job satisfaction, and increased engagement, tend to approach their audit tasks with more precision, commitment, and ethical consideration, thereby boosting the quality of their audit work.

Elevated well-being among auditors can lead to sharper cognitive function and better judgment, essential traits for spotting inconsistencies in financial statements and

conducting accurate audits. Furthermore, a state of high well-being can encourage auditors to engage more deeply with their work, promoting a meticulous and devoted work ethic. Such an attitude not only elevates the caliber of individual audits but also contributes to the ongoing refinement of audit practices and standards.

Additionally, the emotional and psychological resilience fostered by high levels of well-being is crucial for maintaining high standards of audit quality, even in the face of challenging circumstances. This resilience ensures that auditors remain steadfast in their ethical obligations and professional standards, further reinforcing the integrity and reliability of the audit process.

Implications, Limitations, Future Research, and Conclusions

Implications

The implications of this study extend far beyond its immediate findings, offering substantive guidance for auditing firms and reshaping the broader contours of the accounting profession. At its core, this research underscores the critical importance of auditor well-being in sustaining and enhancing the quality of audit work, thus advocating for a paradigm shift in how auditing firms approach the welfare of their employees.

Firstly, the study draws attention to the necessity of creating a work environment that meticulously balances the rigorous demands of the auditing profession with sufficient job resources. This balance is pivotal in mitigating the risk of job burnout and stress, which can significantly impair audit quality. Auditing firms are thus encouraged to institutionalize policies that actively promote a healthy work-life balance. This could include introducing more flexible scheduling to accommodate personal commitments, creating opportunities for remote work to reduce the strain of commuting, and providing sabbaticals or mental health days to allow auditors to recharge.

Secondly, the findings of this study highlight the imperative for auditing firms to cultivate a corporate culture that places a premium on well-being. This cultural shift involves developing a keen organizational sensitivity to the early indicators of auditor burnout and stress. Proactive measures, such as regular well-being assessments and the provision of confidential counseling services, could be instrumental in addressing well-being issues before they escalate into significant problems that could compromise audit quality.

Thirdly, the research highlights the strategic value of well-being initiatives not merely as a moral or ethical consideration but as a cornerstone of professional excellence. A culture that venerates well-being is likely to foster a more engaged, motivated, and resilient workforce capable of upholding high standards of audit quality even under duress. Auditing firms should, therefore, prioritize well-being as a core aspect of their professional ethos, integrating well-being metrics into performance evaluations and recognizing and rewarding practices that enhance well-being.

Fourthly, the findings advocate for a reevaluation of the investment in auditor well-being as a strategic imperative for enhancing audit quality. This investment could

manifest in various forms, such as the deployment of advanced technological tools to streamline audit processes, thereby reducing manual workload and stress. Furthermore, continuous professional development programs can equip auditors with the latest skills and knowledge, bolstering their confidence and job satisfaction.

Lastly, our findings also hold significant relevance for clients, regulatory bodies, and the auditing profession as a whole. Clients, for instance, may benefit from considering the well-being practices of auditing firms as part of their selection criteria, ensuring their financial reports are handled by teams that are not only skilled but also well-supported in their work environments. Regulatory bodies could leverage these insights to inform the development of standards and policies that encourage or mandate well-being-supportive practices within auditing firms, enhancing the overall quality of audits across the industry. For the auditing profession at large, this study serves as a call to action to prioritize auditor well-being, not just for the betterment of individual auditors but as a strategic approach to uphold the integrity and quality of the auditing process.

Limitations

This study, centered on the relationship between auditor well-being and audit quality, presents several limitations that merit consideration. Firstly, the research focuses primarily on the direct correlation between these two constructs, overlooking the potential influence of a broader array of variables. The auditing field is a complex ecosystem influenced by myriad factors such as organizational culture, work environment, technological advancements, auditor training and competency, and economic conditions. These elements, along with psychological constructs like self-efficacy, may moderate or mediate the studied relationship, adding layers of complexity not explored in this paper. Our decision to concentrate on the well-being and quality nexus was motivated by the desire to first establish a foundational understanding before delving into the interplay of additional variables.

Secondly, the study's reliance on self-reported data introduces inherent biases such as social desirability, recall, and response biases, potentially affecting the accuracy of the findings. While such data offer valuable insights into auditors' perceptions and experiences, they may not fully capture the objective reality of auditor well-being and audit quality.

Thirdly, the generalizability of our findings is constrained by the sample size of 360 auditors. Although this number provided a solid basis for exploring the relationship between well-being and quality within the auditing context, it raises questions about the broader applicability of the results. The sample was carefully selected to balance representativeness with the logistical challenges of data collection across multiple firms in three southern African countries. However, this focus may limit the extension of our conclusions to other populations or geographic regions.

Fourthly, the exclusion of external factors from the analysis presents another limitation. The auditing profession is subject to external influences ranging from regulatory changes to industry-specific risks, which were not accounted for in this study. While our focused approach allowed for a detailed examination of the internal dynamics

within the auditing profession, it may restrict the applicability of our findings in environments subject to different external pressures.

Lastly, the study's industry-specific orientation, while providing in-depth insights into the auditing sector, may not translate seamlessly to other fields with distinct operational and regulatory environments. The unique characteristics of the auditing industry informed our investigation, but this specificity may limit the extrapolation of our findings to other professional contexts.

In recognizing these limitations, we underline the importance of interpreting our findings within the defined scope of the study, while also highlighting the opportunities for future research to expand upon our work, exploring the multifaceted influences on auditor well-being and audit quality across various contexts.

Future Research

Building upon the identified limitations of this study, there are several avenues for future research that can further elucidate the dynamics between auditor well-being and audit quality, as well as extend the applicability and depth of the findings.

1. *Incorporation of Additional Variables:* Future studies could explore a wider array of internal and external variables that influence the relationship between auditor well-being and audit quality. This includes examining organizational culture, work environment, technological advancements, auditor training, competency, and broader economic conditions. Additionally, psychological constructs such as self-efficacy should be considered to understand their moderating or mediating effects on the well-being-quality nexus.

2. *Objective Measures and Mixed-Methods Approaches:* To mitigate the biases associated with self-reported data, subsequent research could employ a mix of objective measures and qualitative methods. This might involve the use of performance metrics, third-party evaluations of audit quality, or observational studies to complement self-reported well-being and quality assessments.

3. *Larger and More Diverse Samples:* Expanding the sample size and ensuring diversity in terms of geography, firm size, and auditor demographics could enhance the generalizability of the findings. Future research should aim to collect data from a broader cross-section of the auditing profession, including different countries.

4. *Examination of External Influences:* There is a need for research that specifically addresses the impact of external factors such as regulatory changes, economic cycles, and industry-specific risks on auditor well-being and audit quality. Understanding how these external pressures interact with internal dynamics could provide valuable insights for both practitioners and policymakers.

5. *Cross-Industry Comparisons:* Given the industry-specific focus of this study, future research could explore similar constructs in other fields to assess the universality of the findings. Comparing and contrasting the relationships between professional well-

being and work quality across various industries could reveal universal principles or highlight industry-specific nuances.

6. *Longitudinal Studies:* To capture the evolving nature of auditor well-being and its impact on audit quality, longitudinal studies could provide insights into how these relationships change over time, especially in response to significant industry or economic shifts.

By pursuing these directions, future research can build on the foundation laid by this study, offering richer insights and more nuanced understandings of the factors that contribute to high-quality auditing practices and the well-being of those who perform this critical work.

Conclusions


This study contributes to the growing body of literature on auditor well-being and audit quality by empirically validating the positive relationship between these two constructs. The findings highlight the importance of auditor well-being in the auditing profession and suggest that fostering a supportive work environment can enhance audit quality. As the auditing landscape continues to evolve, with increasing complexities and demands, the well-being of auditors will remain a pivotal factor in ensuring the integrity, reliability, and quality of audits. Auditing firms and stakeholders in the accounting profession should, therefore, prioritize initiatives and policies that support auditor well-being as a fundamental aspect of professional practice and excellence.

References

- Bakker, A. B., & Demerouti, E. (2007). The job demands-resources model: State of the art. *Journal of managerial psychology*, 22(3), 309-328.
- Bakker, A. B., & Demerouti, E. (2008). Towards a model of work engagement. *Career development international*, 13(3), 209-223.
- Blunch, N. J. (2012). Introduction to structural equation modeling using IBM SPSS statistics and AMOS. *Introduction to structural equation modeling using IBM SPSS Statistics and AMOS*, 1-312.
- Bollen, K., & Long, J. (1993). *Testing Structural Equation Models*. Sage Publications.
- Diener, E. (2000). Subjective well-being: The science of happiness and a proposal for a national index. *American psychologist*, 55(1), 34.
- Field, A. (2022). *An adventure in statistics: The reality enigma*. Sage.
- Fitriany, F., Anggraita, V., Kurrohman, T., & Aulia, S. (2022). Determinant of Audit Quality: The Guardian and Justice Organizations (Target 16.6 SDGs). *KnE Social Sciences*, 386–394-386–394.

- Fogarty, T. J., Singh, J., Rhoads, G. K., & Moore, R. K. (2000). Antecedents and consequences of burnout in accounting: Beyond the role stress model. *Behavioral Research in Accounting*, 12, 31-68.
- Franke, G., & Sarstedt, M. (2019). Heuristics versus statistics in discriminant validity testing: a comparison of four procedures. *Internet Research*, 29(3), 430-447.
- Hair, J. F., Anderson, R. E., Tatham, R. L., & Black, W. C. (1998). Multivariate data analysis. Englewood cliff. New jersey, USA, 5(3), 207-2019.
- Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). Multivariate data analysis.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the academy of marketing science*, 43, 115-135.
- Hu, L. t., & Bentler, P. M. (1999). Cutoff criteria for fit indexes in covariance structure analysis: Conventional criteria versus new alternatives. *Structural equation modeling: a multidisciplinary journal*, 6(1), 1-55.
- Hurley, P. J., Mayhew, B. W., Obermire, K. M., & Tegeler, A. C. (2021). The Impact of Risk and the Potential for Loss on Managers' Demand for Audit Quality. *Contemporary Accounting Research*, 38(4), 2795-2823.
- Husain, T. (2020). Mapping evolution of audit quality measurement. *European Journal of Business and Management Research*, 5(3).
- Kline, R. B. (2023). *Principles and practice of structural equation modeling* (5 ed.). Guilford publications.
- Nunnally, J., & Bernstein, I. (1994). Psychometric Theory 3rd edition (MacGraw-Hill, New York). In.
- Nurbaiti, A., & Faturrahman, R. (2022). The effect of auditor behaviors on audit quality. In *Acceleration of Digital Innovation & Technology towards Society 5.0* (pp. 447-450). Routledge.
- Păcuraru-Ionescu, C.-P., Cîmpan, M., & Borlea, S. N. (2023). Determinants of Audit Quality and Connections with Economic Development and Education. Proceedings of the International Conference on Business Excellence,
- Rajgopal, S., Srinivasan, S., & Zheng, X. (2021). Measuring audit quality. *Review of Accounting Studies*, 26, 559-619.
- Ryff, C. D., & Keyes, C. L. M. (1995). The structure of psychological well-being revisited. *Journal of personality and social psychology*, 69(4), 719.

- Samagaio, A., & Felício, T. (2022). The influence of the auditor's personality in audit quality. *Journal of Business Research*, 141, 794-807.
- Samagaio, A., & Felício, T. (2023). The determinants of internal audit quality. *European Journal of Management and Business Economics*.
- Schaufeli, W. B., & Bakker, A. B. (2004). Job demands, job resources, and their relationship with burnout and engagement: A multi-sample study. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 25(3), 293-315.
- Schaufeli, W. B., Salanova, M., González-Romá, V., & Bakker, A. B. (2002). The measurement of engagement and burnout: A two sample confirmatory factor analytic approach. *J Happiness Stud*, 3, 71-92.
- Stewart-Brown, S., & Janmohamed, K. (2008). Warwick-Edinburgh mental well-being scale. *User guide. Version, 1*(10.1037).
- Susanto, H., Mulyani, S., Sukmadilaga, C., & Ghani, E. K. (2022). Sustaining Investigative Audit Quality through Auditor Competency and Digital Forensic Support: A Consensus Study. *Sustainability*, 14(22), 15141.
- Tennant, R., Hiller, L., Fishwick, R., Platt, S., Joseph, S., Weich, S., Parkinson, J., Secker, J., & Stewart-Brown, S. (2007). The Warwick-Edinburgh mental well-being scale (WEMWBS): development and UK validation. *Health and Quality of life Outcomes*, 5(1), 1-13.
- Wright, T. A., & Cropanzano, R. (2000). Psychological well-being and job satisfaction as predictors of job performance. *Journal of occupational health psychology*, 5(1), 84.
- Xanthopoulou, D., Bakker, A. B., Demerouti, E., & Schaufeli, W. B. (2007). The role of personal resources in the job demands-resources model. *International journal of stress management*, 14(2), 121.

<p>COPYRIGHTS</p> <p>©2024 The Author(s). This is an open access article distributed under the terms of the Creative Commons Attribution (CC BY 4.0), which permits unrestricted use, distribution, and reproduction in any medium, as long as the original authors and source are cited. No permission is required from the authors or the publishers.</p>	
<p>HOW TO CITE THIS ARTICLE</p> <p>Muterera, J., & Brettle, J. (2024). Exploring the Impact of Auditor Well-Being on Audit Quality. <i>International Journal of Management, Accounting and Economics</i>, 11(3), 212-228.</p> <p>DOI: https://doi.org/10.5281/zenodo.10966827</p> <p>URL: https://www.ijmae.com/article_193345.html</p>	