

*Original Research*

# Assessing the Relationship Between Auditor Well-Being and Audit Quality: Insights from the North American Auditing Context

Jonathan Muterera<sup>1</sup> 

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

Julia Ann Brettle 

Windsor-Essex Catholic District School Board, Ontario, Canada

Alireza Khorakian 

Faculty of Education & Professional Studies, School of Business, Nipissing University, North Bay, Ontario, Canada

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## Abstract

This research examines the relationship between auditors' psychological well-being and the quality of audits they conduct, a subject that has received limited attention in scholarly discourse. Traditional studies in the field have primarily centred on auditors' professional skills, ethical standards, and the pressures inherent in their roles, often overlooking the potential influence of their mental health on audit outcomes. By conducting an empirical investigation among auditors in North America, this study finds a significant and positive link between the well-being of auditors and the quality of their audit work, thereby underscoring the critical role of psychological health in the auditing profession. The findings of this research underscore the necessity for auditing firms to adopt and enhance mental health and well-being programs as part of their strategic initiatives to improve audit quality. By integrating well-being into the organizational culture and operational practices, firms can not only elevate the quality of audit outputs but also contribute to a healthier, more productive, and ethically sound professional environment. This study broadens the scope of audit quality research by integrating psychological well-being into the array of factors that influence audit outcomes, offering a new perspective on achieving excellence in auditing practices. The implications of this research extend beyond the immediate auditing community, suggesting a reevaluation of professional well-being in similar high-stakes, high-pressure fields.

**Keywords:** Audit Quality, Auditor Well-being, Cultural Nuances, North American Auditing, Organizational Culture, Psychological Well-being.

<sup>1</sup> Corresponding author's Email: [jonathanm@nipissingu.ca](mailto:jonathanm@nipissingu.ca)

## Introduction

The relationship between audit quality and the myriad factors influencing it forms a critical discourse within the financial integrity and accountability domains. Much of the current research predominantly hones in on the professional attributes of auditors—such as independence, competence, and workload pressures—as pivotal to audit quality (Himmawan et al., 2019; Ismail et al., 2019). Moreover, aspects like tenure length are posited to enhance quality perceptions, likely due to accrued expertise and familiarity with auditing standards over time (Ghosh & Moon, 2005). Intellectual capital, consisting of the collective knowledge, expertise, and professional rapport within audit firms, also emerges as a vital determinant of audit outcomes (Peprah, 2019). Additionally, the ethical demeanour of auditors and their adeptness at managing comprehensive tasks under stringent deadlines are linked to superior audit results (Calocha & Herwiyanti, 2020; Meidawati & Assidiqi, 2019).

Despite the substantial exploration of these dimensions, the specific impact of auditors' psychological well-being on audit quality remains remarkably under-explored. This oversight is notable given the critical role of cognitive functioning and decision-making, underpinned by psychological well-being, in the meticulous and impartial execution of audit tasks.

As demonstrated by studies such as Fitriani et al. (2022) and Muterera and Brettle (2024), the emerging literature indicates a noteworthy correlation between auditor well-being and audit quality. The body of work underscores the imperative to dig deeper into this potential relationship across diverse regulatory and cultural backdrops, including the North American auditing landscape.

Aiming to fill this gap, the present study investigates the direct and positive correlation between auditor well-being and audit quality within a North American framework. By synthesizing insights from prior investigations and adopting a rigorous methodological approach, this study seeks to explain the influence of auditors' psychological well-being on audit quality. Additionally, it seeks to inform the development of worthwhile strategies aimed at bolstering audit quality by promoting auditor well-being, thereby offering substantial implications for both the scholarly domain and auditing practice.

## Literature Review and Theoretical Background

In recent years, the discourse surrounding audit quality has intensified, with scholars investigating various factors influencing it. For example, Alissa et al. (2014) explored the effects of audit characteristics and auditor traits on auditor performance. In another study, Ismail et al. (2019) explored the relationship between auditor independence, competence, and workload with audit quality in the Malaysian public sector. Their findings underscored the critical role of auditor competence as a significant determinant of audit quality, while workload was found to have a negligible impact.

Building upon this, (Himmawan et al., 2019) extended the analysis to include auditor ethics as a moderating variable. Their research revealed that while auditor competence

positively affected audit quality, independence did not significantly impact it. However, when moderated by auditor ethics, independence positively influenced audit quality. This introduced the pivotal role of ethics in enhancing the relationship between independence and audit quality, suggesting that ethical considerations can amplify the positive effects of auditor independence.

Meidawati and Assidiqi (2019) broadened the scope further by examining additional factors such as audit fees and time budget pressure. Their findings indicated that while competence and auditor ethics positively influenced audit quality, audit fees negatively impacted independence, and independence was non-influential. This suggests a complex interplay between financial incentives and professional attributes in determining audit quality.

Peprah (2019) and Calocha and Herwiyanti (2020) contributed to the discussion by providing empirical evidence from different contexts. Peprah (2019) highlighted the influence of regulatory frameworks on audit quality, pointing to the need for robust standards and practices that ensure auditor independence and competence. On the other hand, Calocha and Herwiyanti (2020) emphasized the impact of organizational culture and auditor-client relationships on audit quality, suggesting that these softer factors play a crucial role in shaping audit outcomes.

Ghosh and Moon (2005) provided a historical perspective, tracing audit practices' evolution and impact on audit quality. Their analysis suggested that the development of auditing standards and the increasing emphasis on auditor independence and competence have been central to enhancing audit quality over time.

The research by Truong (2018) investigated the relationship between audit employee job satisfaction and audit quality, employing a dataset from Glassdoor.com and utilizing natural variations in local precipitation as an exogenous factor. The study found that higher job satisfaction among audit employees significantly improved audit quality, evidenced by decreased absolute abnormal accruals and a higher likelihood of detecting significant accounting irregularities. Notably, the aspects of job satisfaction driving these effects are identified as management quality and career opportunities, suggesting specific areas for audit firms to focus on to enhance audit quality.

Collectively, these studies paint a comprehensive picture of the factors influencing audit quality. They underscore the multifaceted nature of audit quality, influenced by a combination of auditor attributes (such as competence and ethics), organizational and client relationships, regulatory frameworks, and financial incentives.

### *The Emergence of Psychological Well-Being*

Although the effects of auditor independence, expertise, and workload pressures are well-established, the direct impact of auditors' psychological well-being on audit quality is less examined. Psychological well-being encompasses life satisfaction, emotional equilibrium, and a sense of purpose, which are vital for cognitive functions and decision-making capabilities. Some researchers, including; Çollaku et al. (2023); Fauzan and Kamaruddin (2022); Yana et al. (2022); Ramadhani et al. (2020); Suwandi et al. (2020);

Salehi et al. (2020); Merawati (2019); Lohapan and Ussahawanitchakit (2016) have begun to address aspects of this issue.

The Fitriani et al. (2022) study investigated the impact of a healthy lifestyle and psychological well-being on auditor performance, with auditor integrity as a moderating variable. The research posited that a healthy lifestyle and psychological well-being could positively influence auditor performance. A healthy lifestyle was conceptualized as practices contributing to physical and mental health, such as regular exercise, a balanced diet, adequate rest, and avoiding harmful substances. Psychological well-being was understood as a state of positive mental health where individuals have a positive attitude towards themselves and others, exhibit self-regulation, and find meaning and purpose in life.

The study's hypotheses were grounded in expectancy theory, which suggests that expected outcomes drive behaviour (Fitriani et al., 2022). The research hypothesized that a healthy lifestyle would directly contribute to better auditor performance by enhancing physical and mental readiness for audit tasks. Similarly, psychological well-being was expected to lead to improved performance by fostering a positive work attitude and reducing stress and job dissatisfaction (Fitriani et al., 2022).

The moderating role of auditor integrity was also examined (Fitriani et al., 2022). Integrity was defined as honesty, transparency, responsibility, courage, and wisdom in the audit process. The study speculated that high levels of integrity could enhance the positive effects of a healthy lifestyle and psychological well-being on performance. This is because auditors with high integrity are likely to be more committed to their professional responsibilities, including maintaining their health and mental well-being, thereby potentially amplifying the benefits of a healthy lifestyle and psychological well-being on their work performance.

Most recently, the research conducted by Muterera and Brettle (2024) investigated the relationship between auditor well-being and audit quality, highlighting the crucial but often overlooked aspect of auditor well-being within the auditing profession. The key findings from this study underscored a significant positive relationship between auditor well-being and audit quality (Muterera & Brettle, 2024). These results indicate that auditors' mental well-being, characterized by aspects such as positive affect, interpersonal satisfaction, and effective functioning, contributes to enhancing the performance and outcomes of audit processes.

Building on the research discussed earlier, this study proposes the theoretical model depicted in Figure 1 and the hypothesis that there is a direct and positive link between the well-being of auditors and the quality of their audit work. This hypothesis is based on the idea that auditors' mental and emotional state plays a crucial role in their capacity to perform detailed and impartial audits. Thus, the hypothesis posited is as follows:

**H<sub>1</sub>:** Auditor Well-being (WB) and Audit Quality (AQ) have a significant positive relationship.

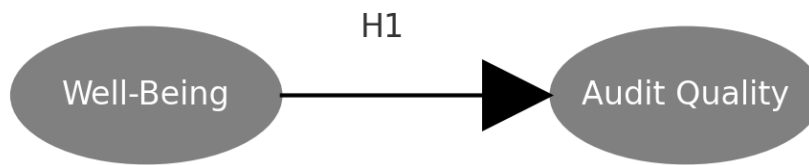


Figure 1: Theoretical Model

## Methods

### *Sampling Strategy and Participants*

The study's sample was composed of auditors, strategically selected through a snowball sampling technique, initiated from various professional auditing and accounting membership bodies in the United States and Canada. This approach was particularly effective in reaching a broad and diverse group of practitioners in the field, starting with initial contacts within these organizations and expanding outward through their professional networks. By leveraging the interconnectedness of members within these bodies, the study was able to tap into a rich vein of participants, encompassing a wide range of organizational affiliations. This method ensured the inclusion of a diverse array of auditors, from those in large, multinational firms to individuals in smaller, local practices, thereby providing a comprehensive view of the auditing landscape across these two countries.

The demographic profile of the 593 participants in this study revealed a balanced gender distribution with 54% females ( $n=321$ ) and 46% males ( $n=272$ ). The majority of participants held a Bachelor's degree (60%,  $n=355$ ), followed by those with a Master's degree (33%,  $n=197$ ), and a smaller fraction had obtained a PhD or other doctoral degrees (7%,  $n=41$ ). A significant proportion of the respondents (92%,  $n=546$ ) reported having professional certifications, contrasting with 8% ( $n=47$ ) who did not possess such qualifications. Regarding tenure in their current position, the largest group comprised individuals with 6-10 years of experience (38%,  $n=224$ ), followed by those within the 1–5-year range (27%,  $n=162$ ). Participants with 11-15 years of tenure accounted for 20% ( $n=120$ ), those with 16-20 years constituted 10% ( $n=60$ ), and a minority had been in their position for over 21 years (5%,  $n=27$ ).

### *Measurement Instruments*

*Auditor Well-being:* For assessing auditor well-being, the study adopted the Warwick-Edinburgh Mental Well-being Scale (WEMWBS), a tool crafted initially to measure the psychological welfare of healthcare professionals (Tennant et al., 2007). This scale comprises 14 positively worded items, offering respondents a five-point scale that ranges from "none of the time" to "all of the time," thereby capturing a broad spectrum of mental well-being dimensions, both emotional and functional. The WEMWBS has been validated through rigorous testing, showing strong construct validity with all items being significant contributors to the scale and exhibiting high levels of reliability, as evidenced by a test-retest reliability score of 0.83 and an internal consistency coefficient (Cronbach's alpha) of 0.89 (Stewart-Brown & Janmohamed, 2008).

*Audit Quality:* The concept of audit quality is multifaceted, reflecting diverse perspectives and proxies outlined in the literature. Husain (2020) provides a comprehensive review, categorizing the various proxies for audit quality utilized in research, such as auditor firm size, audit fees, and auditor independence. This categorization aids in navigating the complexity of this domain. Considering the complexities and the array of definitions surrounding audit quality, this study employed subjective measures to capture this construct, utilizing a Likert-type scale ranging from 1 to 5, where 1 signifies "Strongly Disagree" and 5 denotes "Strongly Agree."

Audit Quality (AQ) was assessed in the study using a set of seven items developed by the authors. AQ1, "The auditor maintains an objective and unbiased stance throughout the audit process"; AQ2, "The auditor is free from external pressures that could influence audit decisions"; AQ3, "The auditor effectively uses professional judgment in evaluating financial information"; AQ4, "The auditor critically assesses accounting estimates and management representations"; AQ5, "The audit procedures are comprehensive and cover all necessary aspects of the financial statements"; AQ6, "The auditor adequately tests the internal controls of the organization"; and AQ7, "The auditor consistently follows national and international auditing standards." These items were designed to encompass the multifaceted nature of audit quality, capturing aspects of auditor independence, professional judgment, thoroughness of audit procedures, and adherence to auditing standards.

### *Data Analysis*

In this study, we selected several statistical methodologies to thoroughly analyze data from auditors and effectively interpret the relationship between auditor well-being and audit quality. Initially, we thoroughly examined the data and assumptions of multivariate analysis—including normality, linearity, and multicollinearity—confirming that they were within acceptable limits. This ensured the validity of the statistical techniques employed in our study.

We conducted descriptive statistics to provide an overview of sample characteristics, including means, standard deviations, and distributions for key variables. Auditor well-being, assessed through the Warwick-Edinburgh Mental Well-being Scale (WEMWBS), was treated as the independent variable, while perceptions of audit quality served as the dependent variable.

To ensure the reliability of our measurement models for well-being and audit quality, we utilized Confirmatory Factor Analysis (CFA). This statistical technique tested whether our selected observed variables—such as responses from the WEMWBS for well-being and the developed items for audit quality—aligned with their underlying theoretical concepts. By employing CFA, we aimed to validate our measurement scales and establish a strong foundation for analyzing the relationship between auditor well-being and audit quality.

Furthermore, Structural Equation Modeling (SEM) was employed to evaluate the proposed theoretical model. SEM integrates factor analysis and multiple regression elements, making it well-suited for examining relationships between observed and latent

variables. This approach allowed us to explore direct effects within our model, providing a nuanced understanding of the relationship between auditor well-being and audit quality.

## Results

### *Means and Construct Reliability*

The descriptive statistics for the constructs of Auditor Well-being and Audit Quality, as presented in Table 1, offer insightful details about the distribution and reliability of the measured variables within our sample.

Table 1. Means and Construct Reliabilities

	Mean	Std. Deviation
Auditor Well-being (Reliability $\alpha = 0.97$ )		
WB1	2.99	0.81
WB2	2.97	0.80
WB3	3.06	0.84
WB4	2.93	0.79
WB5	3.04	0.83
WB6	2.97	0.80
WB7	3.00	0.79
WB8	2.99	0.83
WB9	3.02	0.81
WB10	3.00	0.80
WB11	2.93	0.78
WB12	3.02	0.80
WB13	3.04	0.85
WB14	2.93	0.78
Audit Quality (Reliability $\alpha = 0.90$ )		
AQ1	3.17	0.67
AQ2	3.02	0.75
AQ3	2.98	0.75
AQ4	2.93	0.70
AQ5	2.81	0.62
AQ6	2.99	0.69
AQ7	2.89	0.65

The construct of Auditor Well-being, with a high-reliability coefficient ( $\alpha = 0.97$ ), indicates excellent internal consistency among its 14 items (WB1-WB14). The means of the Well-being items ranged narrowly from  $\bar{x} = 2.93$  (WB4, WB11, and WB14) to  $\bar{x} = 3.06$  (WB3), suggesting a relatively uniform perception of Well-being among the auditors in this study. The standard deviations for these items ranged from  $sd = 0.78$

(WB 11 and WB14) to  $sd = 0.85$  (WB13), indicating a modest spread of responses around the mean values.

Similarly, the Audit Quality construct demonstrated robust reliability ( $\alpha = 0.90$ ), underscoring the consistency of the 7 items (AQ1-AQ7) in capturing the essence of audit quality. The mean scores for audit quality items ranged from  $\bar{x} = 2.81$  (AQ5) to  $\bar{x} = 3.17$  (AQ1). This range indicates a generally positive assessment of audit quality among the participants. The standard deviations for these items, ranging from  $sd = 0.62$  (AQ5) to  $sd = 0.75$  (AQ2 and AQ3), indicate consistent responses among participants.

The descriptive statistics discussed above underline a moderate level of perceived well-being among auditors, with relatively consistent responses across the well-being items. Similarly, the audit quality construct demonstrates a slightly broader but moderate range of perceptions, with consistent responses and high internal consistency. These results provide a solid foundation for further analysis of the relationship between auditor well-being and audit quality.

### *Convergent Validity*

In evaluating the constructs of auditor well-being (WB) and audit quality (AQ) within the North American auditing profession sample, confirmatory factor analysis (CFA) served as a tool to ascertain the convergent validity of our measurement model. Convergent validity assesses the extent to which multiple indicators of a single construct converge, reflecting a shared underlying theoretical concept. This section delves into the model fit indices and standardized loadings as evidence of convergent validity in our study.

The Chi-Square test ( $\chi^2$ ) yielded a value of 213.66 with degrees of freedom ( $df$ ) = 188 and a  $p$ -value of .097. According to conventional thresholds, a  $p$ -value greater than .05 denotes an acceptable model fit (Kline, 2023). Furthermore, the  $\chi^2/df$  ratio stood at 1.14, significantly below the widely accepted cutoff of 3 (Carmines et al., 1981), suggesting a good model fit.

The Root Mean Square Error of Approximation (RMSEA) was .02, well below the .05 threshold (Steiger, 1990), indicating a close fit between the model and the observed data. Complementary indices such as the Comparative Fit Index (CFI), the Tucker-Lewis Index (TLI), and the Incremental Fit Index (IFI) were all .99, surpassing the commonly accepted benchmark of .95, indicating an excellent fit between the hypothesized model and the observed data (Hu & Bentler, 1999). The Standardized Root Mean Square Residual (RMR) was measured at .01, while the Goodness of Fit Index (GFI) was .97. A GFI close to 1 is generally desired, and an RMR approaching 0 indicates minimal residual variance, both of which suggest a good fit of the model (Jöreskog & Sörbom, 1982). Overall, these indices collectively affirm the model's strong fit, providing a solid foundation for assessing the constructs' convergent validity.



Table 2. Measurement Model Fit Indices and Convergent Validity

Construct	Indicator	Standardized Loading	R <sup>2</sup> Value
Auditor Well-being (WB)	WB1	0.83*	0.69
Auditor Well-being (WB)	WB2	0.87*	0.75
Auditor Well-being (WB)	WB3	0.80*	0.64
Auditor Well-being (WB)	WB4	0.85*	0.72
Auditor Well-being (WB)	WB5	0.80*	0.64
Auditor Well-being (WB)	WB6	0.86*	0.74
Auditor Well-being (WB)	WB7	0.82*	0.67
Auditor Well-being (WB)	WB8	0.84*	0.71
Auditor Well-being (WB)	WB9	0.82*	0.68
Auditor Well-being (WB)	WB10	0.85*	0.72
Auditor Well-being (WB)	WB11	0.86*	0.74
Auditor Well-being (WB)	WB12	0.80*	0.64
Auditor Well-being (WB)	WB13	0.83*	0.69
Auditor Well-being (WB)	WB14	0.70*	0.49
Audit Quality (AQ)	AQ1	0.77*	0.59
Audit Quality (AQ)	AQ2	0.77*	0.59
Audit Quality (AQ)	AQ3	0.78*	0.61
Audit Quality (AQ)	AQ4	0.73*	0.53
Audit Quality (AQ)	AQ5	0.74*	0.55
Audit Quality (AQ)	AQ6	0.70*	0.49
Audit Quality (AQ)	AQ7	0.76*	0.57
All coefficients were significant $p < 0.01$			

For the Auditor Well-being construct, all indicators (WB1 to WB14) demonstrated substantial standardized loadings, ranging from  $lx = 0.80$  to  $lx = 0.87$ , indicating strong associations with the latent construct. These loadings are above the recommended threshold of 0.7, suggesting a high level of convergent validity (Hair et al., 2010). Correspondingly, the  $R^2$  values for these indicators varied between  $R^2 = 0.64$  and  $R^2 = 0.75$ , implying that the underlying Auditor Well-being construct can explain between 64% and 75% of the variance in each well-being indicator. These high  $R^2$  values further affirm the indicators' substantial shared variance with the latent construct, reinforcing the convergent validity of the Auditor Well-being construct.

Similarly, the Audit Quality construct indicators (AQ1 to AQ7) exhibited strong standardized loadings, with values ranging from  $lx = 0.70$  to  $lx = 0.78$ . These loadings, consistent with the Auditor's Well-being indicators, exceed the 0.7 benchmark, indicative of satisfactory convergent validity (Hair et al., 2010). The  $R^2$  values for these indicators ranged from  $R^2 = 0.50$  to  $R^2 = 0.61$ , suggesting that the latent Audit Quality construct accounts for 50% to 61% of the variance in each Audit Quality indicator. These findings provide empirical support for the indicators' substantial shared variance with the Audit Quality construct, further validating its convergent validity.

### *Discriminant Validity*

In assessing discriminant validity within the constructs of Auditor Well-being (WB) and Audit Quality (AQ), we utilized the Heterotrait-Monotrait (HTMT) ratio of correlations as an indicator. The HTMT ratio is a relatively new criterion for assessing discriminant validity and is considered a superior approach relative to traditional methods, such as the Fornell-Larcker criterion (Henseler et al., 2015).

The HTMT ratio is calculated as the mean of the heterotrait-heteromethod correlations (correlations between items measuring different constructs) divided by the mean of the monotrait-heteromethod correlations (correlations among items measuring the same construct). For our analysis, the heterotrait-heteromethod (HT) correlations averaged 0.212, and the monotrait-heteromethod (MT) correlations averaged 0.268 for the AQ scale and 0.452 for the WB scale. This yielded an HTMT ratio of 0.61.

According to Henseler et al. (2015), an HTMT value below 0.85 is indicative of sufficient discriminant validity, although a more conservative threshold of 0.90 is sometimes employed. With an HTMT ratio of 0.61 in our analysis, we are well below both thresholds, indicating a clear discriminant validity between Auditor Well-being and Audit Quality constructs. This suggests that the constructs are distinct and that the indicators used to measure them do not reflect an excessive overlap in what they are purported to measure.

### *Hypothesis Testing in SEM Analysis of Auditor Well-being and Audit Quality*

We posited that Auditor Well-being (WB) significantly impacts Audit Quality (AQ). This hypothesis was grounded in the theoretical framework suggesting that auditors' psychological and emotional state, reflected in their Well-being, influences their ability to conduct thorough and accurate audits, thereby affecting the overall quality of audits.

As shown in Figure 2, our SEM analysis revealed that the direct path from Auditor Well-being to Audit Quality was significant, with a standardized regression weight of  $\gamma_1 = .61$ . This finding substantiates our hypothesis that Auditor Well-being has a positive and meaningful impact on Audit Quality. The positive weight indicates that improvements in auditor well-being are associated with enhancements in audit quality, which aligns with our theoretical expectations.

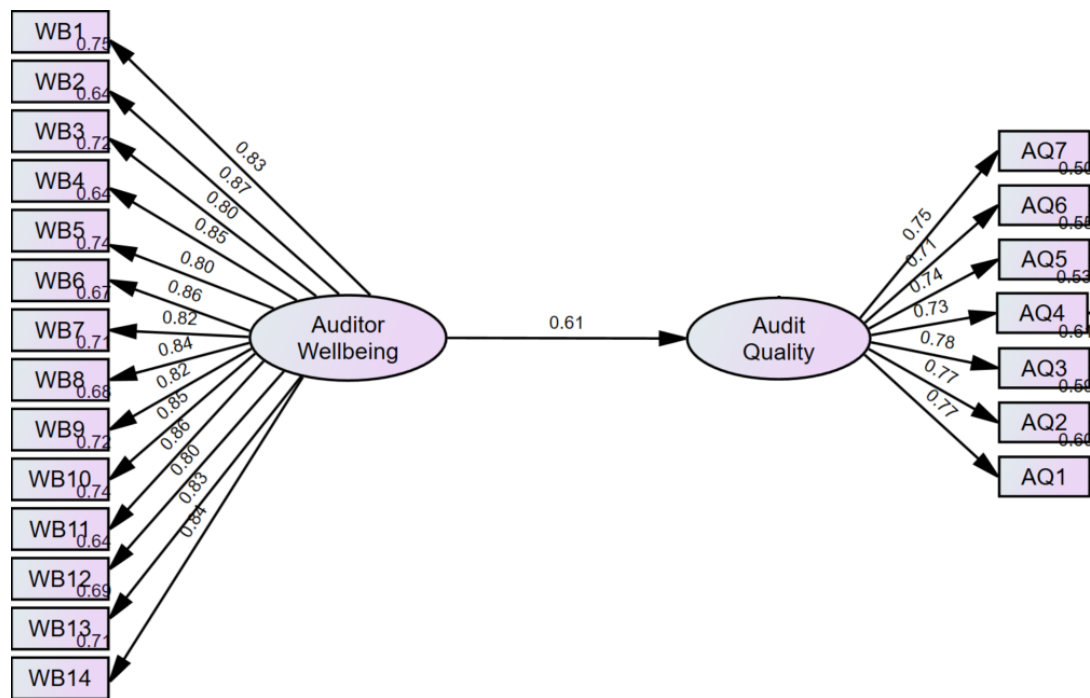


Figure 2. Results from the Structural Model Analysis

## Discussion

Our study's results resonate with the findings of Muterera and Brettle (2024), yet extend the discourse by situating it within the North American context. Both studies affirm a significant positive correlation between auditor well-being and audit quality, underscoring the pivotal role of psychological well-being in the auditing profession. The current research also aligns with Fitriani et al. (2022) in underscoring the significance of psychological well-being and a healthy lifestyle in enhancing auditor performance. Fitriani et al. revealed that a healthy lifestyle and psychological well-being positively and significantly influence auditor performance. This finding is particularly resonant with our study, which also identifies a positive correlation between auditor well-being and audit quality. The convergence of these findings underscores the broader applicability of the relationship across diverse contexts and highlights the universal importance of auditor well-being in promoting high-quality audit outcomes.

Our research, leveraging a sample of 593 auditors from the United States and Canada, demonstrated through structural equation modelling (SEM) that auditor well-being significantly impacts audit quality (standardized  $\gamma_1$  coefficient = 0.61). This indicates that as auditor well-being increases, so does the quality of audit work. This positive association echoes Muterera & Brettle's (2024) findings, which, through a survey of 360 auditors in southern African countries, revealed a similar positive relationship. However, the current study distinguishes itself by delving into the North American auditing environment, characterized by its unique regulatory, cultural, and professional landscapes.

The convergence of findings across different geographical regions highlights the universality of the well-being-audit quality link, suggesting that irrespective of locale, auditors' well-being is a crucial determinant of audit quality. This universality reinforces the imperative for auditing firms globally to invest in supportive work environments that foster auditor well-being.

Moreover, the current study enriches the dialogue initiated by Muterera and Brettle (2024) by shedding light on the specific aspects of well-being that are most salient in the North American context. The nuanced understanding of well-being in our study, measured through the Warwick-Edinburgh Mental Well-being Scale (WEMWBS), provides a comprehensive view of well-being that encompasses both emotional and functional dimensions. This holistic approach to assessing well-being offers a deeper insight into how various facets of psychological health influence auditors' performance and, by extension, audit quality.

Additionally, our research contributes to a broader conceptualization of audit quality within the auditing profession. By employing subjective measures developed by the authors to capture the multifaceted nature of audit quality, our study acknowledges the complexity of defining and measuring audit quality. This approach contrasts with traditional proxies such as auditor firm size or audit fees, encouraging a more nuanced exploration of what constitutes quality in audit work.

Overall, the current study not only corroborates the findings of Muterera and Brettle (2024) regarding the positive impact of auditor well-being on audit quality but also advances the discourse by contextualizing it within the North American auditing environment. The consistency of findings across different regions underscores the global relevance of auditor well-being as a key determinant of audit quality.

### **Limitations and Opportunities for Future Research**

While providing valuable insights into the relationship between auditor well-being and audit quality, our study is subject to several limitations. Firstly, the foundational reliance on self-reported data stands as a primary limitation. While self-assessment instruments provide a window into the auditors' perceptions of their well-being and their appraisal of audit quality, they inherently carry the risk of response bias. Such bias might manifest in various forms—social desirability bias could lead auditors to portray an overly positive view of their well-being or the quality of audits they conduct, or, conversely, a tendency towards self-criticism might skew results in the opposite direction. While valuable for capturing personal experiences and perceptions, this subjective nature of data collection necessitates cautious interpretation and underscores the need for triangulation with more objective measures in future research endeavours. Future studies could employ a mixed-methods approach, incorporating both qualitative and quantitative measures to triangulate data and mitigate the risks of response bias. For instance, integrating objective performance metrics or third-party evaluations of audit quality with self-reported measures could offer a more comprehensive and balanced view. Additionally, qualitative interviews could provide deeper insights into the personal experiences and perceptions of auditors, enriching the understanding of the well-being-audit quality relationship.

Second, the cross-sectional design of our study, capturing a single snapshot in time, constrains our ability to ascertain causal relationships. While we identify a notable association between auditor well-being and audit quality, the directional intricacies of this relationship remain speculative. Does enhanced well-being lead to improved audit quality, or do successful audit outcomes contribute to an auditor's sense of well-being? Or perhaps a reciprocal relationship exists between the two? These questions point towards the complexity of causality that a cross-sectional approach cannot unravel, highlighting the potential value of longitudinal studies that can track these variables over time and offer a clearer view of their interaction and causal pathways. Longitudinal research designs present a significant opportunity to explore the temporal dynamics and causality within the well-being-audit quality relationship. Future research could track auditors over time, examining how changes in well-being impact audit quality and vice versa. Such studies could also explore the potential reciprocal nature of this relationship, providing insights into how auditors' well-being and audit outcomes influence each other over time.

Third, the methodology employed in sample recruitment, though strategic, introduces another layer of limitation. While effective in reaching a wide network of auditors across various firms and practice settings, the snowball sampling technique may inadvertently lead to a sample with inherent biases. Given its reliance on professional networks and contacts, this approach might skew the sample towards auditors within certain circles or with specific shared characteristics, potentially overlooking the diversity present in the broader auditor population. This limitation points to the possibility that our findings, though indicative, may not fully encapsulate the varied experiences and perceptions of auditors across the entire North American auditing landscape. Future studies might explore alternative sampling strategies to ensure a more representative and diverse participant pool. Stratified random sampling, for instance, could ensure the inclusion of auditors from a wide range of firm sizes, specialties, and geographic locations, providing a more comprehensive view of the auditing landscape. Additionally, the research could investigate potential differences in well-being and audit quality across different segments of the auditor population, such as those working in different types of audit firms (Big 4 vs. non-Big 4), industries, or regions, to discern any variances attributable to these factors.

The fourth limitation of our study is its focus on the North American context, which may constrain the generalizability of our findings to regions with different cultural and organizational norms. While our research provides valuable insights into the relationship between auditor well-being and audit quality within the North American auditing landscape, the applicability of our findings to other cultural contexts warrants careful consideration. Future research endeavours could address this limitation by conducting cross-cultural studies that examine the relationship between well-being and audit quality across diverse cultural and organizational settings. Additionally, comparative analyses between regions could help identify similarities and differences in this relationship, offering insights into the influence of cultural and organizational factors. By acknowledging and addressing these contextual differences, researchers can enhance the breadth and applicability of knowledge in auditing and well-being.

Finally, one of the most significant limitations of our study is the simplicity of the conceptual model that primarily focuses on the direct relationship between auditor well-

being and audit quality. While this approach provides valuable initial insights into the potential impact of well-being on audit outcomes, it overlooks the complexity of the auditing environment and the myriad factors that can influence this relationship. The audit process is multifaceted, with numerous individual and organizational variables that can mediate or moderate the well-being-audit quality link. For instance, factors such as job stress, organizational support, work-life balance, and the ethical climate of the workplace can significantly affect this relationship but were not accounted for in our simplistic model. This limitation opens several avenues for future research to develop a more comprehensive and nuanced understanding of the dynamics at play. Future studies could adopt a more complex model that includes potential mediators and moderators in the well-being-audit quality relationship. For example, research could explore how job stress mediates the relationship between well-being and audit quality or how organizational support and ethical climate might moderate this relationship, enhancing or diminishing the impact of well-being on audit outcomes.

Incorporating these additional variables into the model could provide a deeper, more nuanced understanding of the conditions under which auditor well-being most strongly influences audit quality. Moreover, investigating these mediators and moderators could offer actionable insights for audit firms looking to design interventions to enhance audit quality by fostering auditor well-being.

Additionally, future research could employ advanced statistical techniques, such as structural equation modelling (SEM) with mediation and moderation analysis, to test these more complex models. This approach would allow for a more detailed examination of well-being's direct and indirect effects on audit quality, accounting for the interplay of various individual and organizational factors.

Therefore, while our study lays the groundwork by highlighting the importance of auditor well-being for audit quality, acknowledging and addressing its model's simplicity paves the way for more sophisticated research endeavours. By embracing the complexity of the auditing profession, future studies could significantly advance our understanding of how to enhance audit quality through the well-being of auditors.

### **Practical Implications**

The findings from this study carry significant implications for auditing firms and the broader accounting profession. Firstly, we call for a paradigm shift in how firms approach auditor well-being. Creating a supportive work environment that balances the demanding nature of auditing with adequate job resources can mitigate burnout and stress, enhancing audit quality. Firms are encouraged to adopt flexible work arrangements, provide opportunities for remote work, and introduce well-being initiatives such as sabbaticals or mental health days.

Secondly, fostering a corporate culture that prioritizes well-being can lead to a more engaged, motivated, and resilient workforce. This cultural shift should include regular well-being assessments and confidential counselling services to address well-being issues proactively. Integrating well-being metrics into performance evaluations and recognizing practices that enhance well-being can further solidify this culture.

Lastly, investing in auditor well-being should be considered a strategic imperative for improving audit quality. This could involve leveraging advanced technological tools to streamline audit processes, reducing manual workload and stress. Continuous professional development programs that equip auditors with the latest skills and knowledge can bolster their confidence and job satisfaction.

By reorienting their strategies towards enhancing auditor well-being, firms can elevate the quality of their audit outputs and forge a reputation for ethical and professional integrity. This, in turn, can strengthen client trust and satisfaction, securing a competitive edge in the market. As the auditing profession evolves, emphasizing auditor well-being will likely become a hallmark of forward-thinking, responsible, and successful auditing practices.

## Conclusions

The current study, conducted within the North American context, provides valuable insights into the interplay between auditor well-being and audit quality, offering significant implications for both research and practice in auditing. By employing a quantitative approach and utilizing established psychological scales such as the Warwick-Edinburgh Mental Well-being Scale (WEMWBS), this research sheds light on the crucial role of auditor well-being in enhancing audit performance and ethical decision-making.

The study's findings reveal that auditors' well-being is positively associated with the quality of audit work. This suggests that auditors who experience higher levels of well-being are more likely to approach their tasks with greater precision, commitment, and ethical consideration, thereby contributing to the overall integrity and effectiveness of the audit process.

Furthermore, the research highlights the importance of creating supportive work environments that balance the rigorous demands of the auditing profession with adequate job resources. Such environments mitigate the risk of job burnout and stress and foster a culture that values well-being, ultimately leading to improved audit quality. This underscores the need for auditing firms to prioritize initiatives aimed at enhancing auditor well-being as a strategic approach to achieving excellence in audit quality.

In conclusion, our study, in conjunction with the insights from Fitriani et al. (2022) and Muterera & Brettle (2024), collectively advocate for reorientating auditing firms' policies toward fostering auditor well-being. This strategic focus on well-being is posited as a moral imperative and a foundational pillar in the pursuit of excellence in audit quality. As the profession continues to evolve, the well-being of auditors will undoubtedly remain a critical factor in shaping the landscape of audit quality and integrity.

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