



## RESEARCH ARTICLE

## Modeling the Consequences of the Auditors' Leaving the Public Accounting Profession: Is There a Brain Drain in Auditing?

Saeed Ghasemi

Department of Accounting, Kish International Campus, University of Tehran, Tehran, Iran

Mohammadreza Mehrabanpour\*

Department of Accounting and Finance, Faculty of management and accounting, University of Tehran, Farabi Campus, Qom, Iran

Ghodratillah Talebnia

Department of Accounting, Science and Research Branch, Islamic Azad University, Tehran, Iran

### How to cite this article:

Ghasemi, S., Mehrabanpour, M., & Talebnia, G. (2023). Modeling the Consequences of the Auditors' Leaving the Public Accounting Profession: Is There a Brain Drain in Auditing?. Iranian Journal of Accounting, Auditing and Finance, 7(1), 69-91. doi: 10.22067/ijaaf.2023.42678.1168  
[https://ijaaf.um.ac.ir/article\\_42678.html](https://ijaaf.um.ac.ir/article_42678.html)

### ARTICLE INFO

#### Article History

Received: 2022-09-30

Accepted: 2022-11-31

Published online: 2023-01-20

**Keywords:** Auditor Leaving, Leaving the Profession of Certified Public Accountant, Modeling

### Abstract

Many recent professional reports have reported that professional turnover is a primary concern for the audit profession. Also, based on the information received from the Securities and Exchange Organization by March 2019, the average retention period for auditors who worked in their trusted firms was 574 days, which is too low compared to global statistics. This study investigates why auditors leave public accounting and the consequences of auditor departures. We find that audit competency is negatively associated with a departure decision. Specifically, audit partners, managers, and auditors generating more audit revenues and providing higher quality audits have a lower likelihood of departure. Therefore, this study examines why auditors leave the formal accounting profession and the consequences of auditors leaving the profession. In order to achieve this goal, the present study uses a data theory strategy based on interviews with 18 experts in the auditing profession in 2022 who were improbably and purposefully selected using the snowball method. Finally, the developed model includes four categories of conditions (including individual factors, job factors, internal organizational links, organizational characteristics, perceived organizational climate, organizational job attitudes, audit fees, and career advancement), context (including macro-level factors). At the professional level, actions and consequences were presented and conceptualized. Finally, it can be said that the present study can provide specific and interesting perspectives for the auditing profession, auditing firms, and legislators to use in relation to the performance analysis of the profession.

 <https://doi.org/10.22067/ijaaf.2023.42678.1168>



  
NUMBER OF REFERENCES  
41

  
NUMBER OF FIGURES  
1

  
NUMBER OF TABLES  
-

Homepage: <https://ijaaf.um.ac.ir>  
E-Issn: 2588-6142  
P-Issn: 2717-4131

\*Corresponding Author:  
Mohammadreza Mehrabanpour  
Email: mehrabanpour@ut.ac.ir  
Tel: 09123409737  
ORCID: 0000-0002-1086-5652

## 1. Introduction

The “brain drain” from public accounting has greatly concerned audit firms and regulators worldwide. According to the employment information received from the Tehran Stock Exchange and Securities Organization, the average retention period of people who were hired after 2012 and left the profession of auditing and certified auditors of the Exchange Organization by the end of 2017 was 571 days "equivalent to one year and seven months", which is much lower than the global three-year average. In addition, the trend of input and output employees working in the audit profession in recent years indicates a greater output growth than input in the audit profession, such that in 2016, the profession's output exceeded its inputs. Surveys conducted in 150 countries by the Association of Chartered Certified Accountants (ACCA, 2017) indicate that many auditors desire to leave the profession at some point in their careers. Regulators such as the Public Company Accounting Oversight Board of the US, and the Financial Reporting Council of the UK, have expressed concerns over the departure of auditors from the profession and its potential effect on audit quality. However, despite the growing literature on the performance of individual auditors (Lennox and Wu, 2018), there is little empirical academic research on the issue of auditors leaving the profession entirely.

Our study examines why auditors leave the audit profession and the audit-related consequences of such a departure. To be clear, the focus of our study is not on auditors moving within the profession from one audit firm to another, which we refer to as “auditor turnover”. Rather, we examine auditor departures from the profession itself. Auditor departure from the profession may have profound practical implications compared to within-profession auditor turnover. For example, it is conceivable that while a high-quality auditor is more likely to be lured away by a competing audit firm (auditor turnover), a low-quality auditor is more likely to leave the profession (auditor departure). Suppose audit quality is synonymous with ability in general. In that case, a high-quality auditor may be more likely to have opportunities outside auditing, resulting in auditor departure. At the same time, a low-quality auditor may have to move to different (possibly smaller) audit firms to survive, resulting in auditor turnover. Relatedly, the impact on audit firms and clients stemming from auditor turnover and auditor departures are not necessarily the same. This study focuses on the determinants and consequences of auditor departures. We also examine the determinants and consequences of auditor turnover compared to auditor departure.

A large flow of auditors leaving a firm tends to increase labor costs and lower productivity, as human capital is the most critical input factor in the audit profession (Lennox and Wu, 2018). Such losses may be more critical for firms when the departures are partners and senior audit personnel lead engagements. Auditor departures reflect a loss for the audit profession, in contrast to auditor turnover, where an auditor goes from one firm to another. If auditors depart due to poor performance, then the profession, as a whole, may be better off even though such departures cause some disruptions. Therefore, the reasons why signing auditors leave public accounting, and the corresponding economic consequences of such an exodus, are interesting research questions with important practical implications.

The long time series of such disclosures allow us to identify which auditors leave the profession, facilitating our investigation into the determinants and consequences of an auditor's exit from public accounting. Moreover, even though certain aspects of the institutional environments in Iran differ from those in markets such as the US and Canada, the microeconomic factors relevant to our study are not country-specific. For example, an individual's trade-off between utility gains from leisure versus income, the search for better career outcomes given education and skills, the ease of geographic and occupational labor mobility, and how audit firms evaluate and reward auditor performance apply to the profession in most countries. This implies that our results are likely to have implications for other institutional settings. A typical public audit involves two signing auditors, the

“engagement auditor”(the individual who leads the team through the audit process) and the “review auditor” (the individual who reviews the audit work). The roles of these two auditors are analogous to the lead and review partners in the US (Gul et al., 2013). The signatory auditors' names are disclosed in the audit report, and their personal profiles (e.g., education, professional status, sanctions, etc.) are publicly available on the Chinese Institute of Certified Public Accountants (CICPA) website. This information enables us to trace an individual auditor's career and compile a dataset treating each signing auditor's career as one observation. Our empirical analyses yield a number of interesting results. First, an auditor's revenue-generating ability, proxied by the average number of audited clients of an auditor, or the average of audit fees earned by an auditor for the three years before his/her departure, is negatively associated with the likelihood of departure. A loss of clients over three years is positively associated with the likelihood of departure. Second, audit quality, proxied by the three-year average proportion of clients misstating their financial reports or the three-year average discretionary accruals of clients, is negatively associated with individual departure. To the extent that audit revenue generation and quality reflect an auditor's professional competency, these results suggest that lower-competency auditors tend to drop out of auditing.

Third, several auditor demographic characteristics are associated with leaving the profession. Specifically, non-Big 4 auditors and auditors who are female, less than 30 years old, or graduated from top universities with graduate degrees are more likely to leave the audit Profession. Auditors who are managers, partners, or more than 50 years old are less likely to leave the profession.

We also find that when an auditor leaves public accounting, there are significant consequences for both the audit firm and its clients. In particular, a client whose signing auditor leaves public accounting is more likely to switch to a different audit firm after the departure. Additionally, clients that stay with the incumbent audit firm despite an auditor's departure pay lower audit fees without an apparent loss of audit quality. Thus, for the average departure, audit firms barely miss a step and, like water flowing around a rock, return to their quality level despite the temporary disruption of the loss of a client or a drop in audit fees. To put our results into context, we also examine the determinants and consequences of auditor turnover. Similar to the auditor departure analyses, we find that clients tend to switch audit firms after one of the auditors assigned to their engagement moves to another audit firm. Similar to departures, clients that stay with the incumbent audit firm obtain reduced fees with no loss of audit quality. However, we find that the effects of revenue-generating ability, audit quality, and gender on auditor turnover are opposite to those for auditor departures. To the extent that competent auditors with more clients and high audit quality have more opportunities within auditing, they are less likely to leave the profession. Auditor turnover is lower for less competent auditors, and if competency is sufficiently low, they leave the audit industry.

The additional finding also corroborates that the audit quality of departing auditors is lower than those of turnover auditors before the departure.

While we cannot track the career path of many departures due to data limitations, we can examine a subset of departing auditors who move into high-visibility corporate positions. Comparing new executives to non-departing auditors, we find that male auditors with better educational backgrounds are more likely to depart and become corporate executives after their departures. We also find that after a signing auditor departs for the corporate world, clients are even more likely to switch to different audit firms or pay lower audit fees and, in these situations, receive *lower* audit quality if they stay with the incumbent firm. In these cases, the signing auditor's departure may be especially detrimental to an audit firm and its clients as the replacement signing auditor is less skilled than the departing auditor. This departure may constitute a “brain drain” from the audit profession that is less easy to manage. In addition, we compare auditors who depart to choose a non-executive career path (“invisible” departures) to non-departing auditors. The results from the determinant and consequence

analyses largely resemble those from the main analyses.

Our study contributes to both auditing theory and practice. To the best of our knowledge, this is the first large-sample archival study examining the determinants and consequences of auditor departure from the profession. We document that demographic and competency-related factors explain auditor departures and that departures from the profession have audit-related consequences. We further show that the determinants and consequences of auditor *departure* are often contrary to the determinants and consequences of auditor *turnover*. In addition, this study complements behavioral studies, which generally show high audit workload leads to job Burnout, job dissatisfaction, and an *intention* to leave (Sweeney and Summers, 2002; Chong and Monroe, 2015). We find that auditors with high revenue-generating ability are less likely to leave the audit profession. Since high levels of revenue are often interpreted as a measure of audit workload, our results differ from prior research on this topic and may indicate that high audit workload is endogenous to the audit firm, i.e., workload reflects the ability of auditors, while increasing their reputation, status and compensation, helping to keep these talented individuals in the profession unless they have an attractive alternative career opportunity (Kirschenbaum and Weisberg, 1990).

Practically, the study should have implications for audit firms and regulators. Our study highlights the importance of retaining highly talented personnel in audit firms since high auditor departure negatively impacts audit firms more than clients. After an auditor leaves the audit profession, clients are more likely to switch to other audit firms despite switching costs. The clients who choose to stay with the incumbent audit firm pay lower fees, negatively affecting the audit firm's revenues. In contrast, while auditor departure can be detrimental to audit firms, its impact on clients and the audit market is minimal because good performers are more likely to stay in the profession, and audit quality does not deteriorate after a signing auditor leaves the audit profession. This suggests that the exit of audit personnel from the profession may not be as serious a problem as regulators have argued. No empirical and comprehensive research has been carried out regarding the factors affecting the exit of employees working in the auditing profession. Therefore, considering the importance of the impact of auditors' departure on auditing institutions and the auditing profession, the main issue investigated in this research will be what factors affect the willingness of auditors to leave the auditing profession. The remainder of the paper is organized as follows. Section 2 describes the institutional background and presents our main predictions. Section 3 describes the research design. Section 4 presents the empirical results on the determinants and consequences of auditor departures, respectively. Section 5 discusses additional analyses. Section 6 concludes.

## 2. Theoretical Framework

To be a signing auditor, an auditor must pass the Certified Public Accountant(CPA) Examinations and become a CPA. The following requirements must be satisfied to become a CPA: (1) earn a college degree or higher, (2) pass all six parts of the CPA exams, (3)work in an audit firm for at least two years, and (4) register with the Chinese Institute of Certified Public Accountant (CICPA).<sup>6</sup> When a CPA registers with the CICPA, he/she must complete his/her personal profile information on the CICPA website. The personal profile includes name, gender, birth date, education, position in the audit firm, CPA qualification year, and Chinese Communist Party membership. CPAs must regularly update their personal profiles with the CICPA. The personal profile is deleted from the database of CPAs qualified to audit public-traded firms once a CPA leaves the audit profession. Still, the CICPA maintains a permanent record of all CPA personal profiles. These unique characteristics allow us to track the career path of individual auditors. The fundamental model that an individual chooses between work and leisure gave the constraint of a fixed block of time dates back to Hicks (1946, 1965). The main results revealed that all dimensions of organizational commitment were negatively

related to turnover intentions, where affective commitment was the strongest predictor. Economic theory guides what factors affect an individual's labor market decision. For example, [Jovanoic \(1984\)](#) and others argue that macroeconomic conditions and perceived market opportunities affect occupation and/or geography mobility. [Becker \(1967\)](#) and subsequent economics research also support that wages, labor market opportunities, and occupational mobility increase with an individual's human capital, such as education, skills, and experience.

[Lee et al. \(1999\)](#) propose a theoretical model to explain voluntary turnovers in a profession that incorporates six drivers of an individual's decision to leave a current employer (the terms of [Lee et al. 1999](#) appear in the following parentheses). First, there must be a stimulus for the individual to consider a career change (*shock*). This stimulus can be positive (i.e., a new opportunity) or negative (i.e., a bad experience). Second, the individual must be able to visualize an alternative career path (*script*). Third, the individual must perceive that the desired career path cannot be achieved within the current organization (*image violation*). Fourth, a low level of current satisfaction must be present (*satisfaction*). Fifth, the individual must be willing to search out specific employment alternatives (in contrast to a generalized career path) (*search*) and have a reasonable expectation of job success (*offer*).

While [Lee et al. \(1999\)](#) developed this model in the context of a job change rather than a career change, it is reasonable to expect that a similar logic can lead an individual to leave a profession, especially in the case where there is a significant misalignment of career goals and alternatives within the profession and an individual experiences low personal satisfaction. For example, the "shock" is likely to be more extreme than is needed for a job change, e.g., penalized for poor performance or targeted by a head hunter. Further, a departure from the profession may be the obvious choice when there is no obvious "script" to relieve low satisfaction, e.g., a lack of upward promotion. Finally, depending on the individual's skill set, the "search" process may fail to yield an acceptable "offer" within the profession. Some of these drivers are under the control of the individual, while others are outside their influence. As professionals, auditors are likely to implicitly or explicitly consider the trade-off of income and leisure and other attributes of jobs, opportunities, and transaction costs when planning their career choices ([Simon, 1951](#)). While changing jobs within the profession is one possible manifestation of these considerations, a more extreme manifestation is the decision to pursue an alternative career path. Prior economics research leads us to predict that various auditor-level characteristics are likely to influence an auditor's status in the labor market, with potential opportunities arising that are commensurate with their experience, skills, and abilities. If those skills and abilities do not map well to the opportunities in the audit profession, an individual may decide (or be forced) to depart. The decision to leave the audit profession can be complex and idiosyncratic to each individual. Nevertheless, we argue that specific characteristics related to audit-related competency and demographic characteristics are likely to be systematically associated with an auditor's departure from public accounting.<sup>7</sup> For example, [Rhode et al. \(1977\)](#) report that the most cited reason for voluntarily leaving an accounting firm, in some cases, the public accounting profession, was uncertainty about the requirements of a job, followed by heavy workload and geographical preferences. While labor theories do not necessarily point to all of the determinants that might apply to our specific context, they give us the foundation for understanding the labor market behavior of auditors.

### 3. Research Methodology

Many cases of leaving the company auditors are associated with increased wages and reduced productivity. In this situation, it can be seen that human capital is the essential input factor in the audit profession ([Lennox and Wu, 2018](#)). Such losses, especially for companies, are more fundamental when leaving the firm for partners and senior auditors in the management process. Thus, leaving the

profession indicates the occurrence of losses for the auditing profession and differs from the cases of auditor rotation in which the auditor is transferred from one institution to another. On the other hand, in cases where the auditor leaves the profession due to poor performance, then the general situation of the profession can be expected to improve despite some problems. Therefore, the reasons auditors leave the profession, and the economic consequences of these conditions in practice can create meaningful and interesting research questions with important practical applications. Therefore, the primary purpose of this study is to investigate the factors affecting the tendency of auditors to leave the auditing profession. This has been achieved by applying data-driven multiple-theory theories. This method, which is a restored method of data foundation theory, adds theoretical context to the experimental context (Goldkuhl and Cronholm, 2010). In this method, codes and concepts are extracted from the existing background, and then in a two-way process, Experimental grounding is combined with codes and concepts from interviews with experts, and a new theory is created. Thus, while avoiding the purely inductive approach, multiple-based data theory uses the deductive approach of the previous theories, which adds to the richness of the research. For this reason, this approach has been used in the present study.

### 3.1. First Stage

#### Theoretical background:

First, codes and concepts are extracted from the background to extract the theoretical data needed to develop the model. The introduced meta-combination method has been used in the present study to review the background (Sandelowski and Barroso, 2007). According to this method, after the research question and the appropriate keywords were determined, "the presence of each of the selected keywords in the title, abstract or keywords of the article" and "access to the full text of the article in the online archive of the journal" were determined as entry criteria. The literature available in the online database of domestic journals approved by the Ministry of Science and foreign journals indexed in the JCR that are active in the field of accounting and auditing was reviewed. After studying the title and keywords, the study was retrieved in 2011. Keywords in this search include "Tendency to leave", "Employee turnover", "Continuity of cooperation", "Employee departure", "Job change", "Sustainability", "Exit", "Change", "Quit", "Persistence", "Swatch", "Turnover intention" was "Retention".

In searching for articles, the title, abstract, content and other details of the article are considered by the researcher and articles that do not fit the question and purpose of the research are removed. In this regard, 69 studies were excluded from the analysis using the vital assessment skills program, and other studies (70 cases) entered the coding and analysis stage.

### 3.2. Second Stage

#### Experimental context:

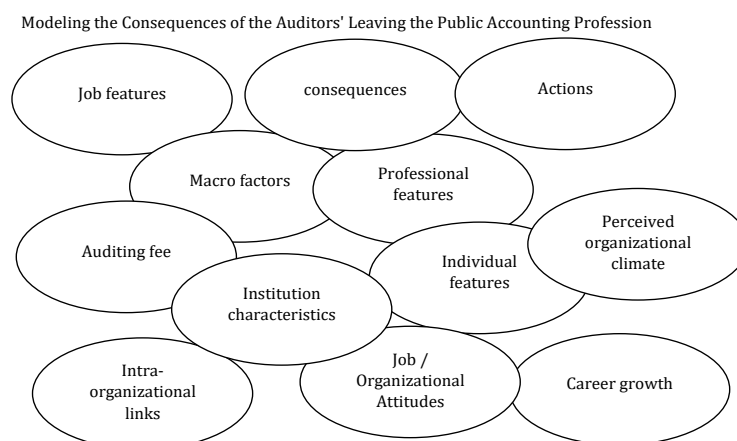
Then, this study's statistical population includes the auditing profession's experts, consisting of people who have been employed or have left the profession. A combination of purposeful judgment and snowball methods, which are unlikely, was used to select the statistical sample, and this process continued until saturation was achieved. A total of 18 experts were interviewed, and the interviews were recorded and conducted with their permission. The average time spent on each interview in this study was 58 minutes. Of the 18 interviewees, 7 were removed from the audit profession (6 were in the partnership category, 1 was in the supervision category, and 11 were partners in the audit profession). The study's frequency of male and female participants was 1 and 17, respectively. After reviewing the data several times, the findings were tested, and the final model was refined by discussing it with several interviewees. Finally, to ensure the research's validity, five participants

were asked to review the final model of the research, express their opinion and submit their proposed amendments, the results of which were also used in creating the model. In the present study, following the techniques they introduced, five techniques have been used to ensure the validity of the research, and three techniques have been used to ensure reliability, which will be discussed below. Techniques used to ensure the validity of the research include "triangulation", which means gathering evidence from a variety of sources, including various theories and a variety of people (non-professionals and professionals) (and a variety of data sources) interviews. Previous research, "Researcher's long-term involvement with the research topic", "Control of the validity of the findings" by requesting a review of the model by 5 participants, "Providing detailed and rich explanations" of the coding method, quotes and research have been used to help readers judge the transferability of findings, and the "researcher's introspection" has been driven by constant review of the model. Regarding reliability, all interviews were "recorded", the participant's moods and emphases were obtained with his permission, and in order to review them several times, "accurate notes" were taken, and also a "research colleague" was used. If one of the interviews was randomly selected and the researcher's colleague was asked to code independently, the kappa coefficient of 68% was obtained, which indicates a good agreement.

#### 4. Research Findings

**Preliminary coding:** The data needed to identify the factors affecting the tendency of auditors to leave the auditing profession were collected and analyzed in two interrelated stages through systematic review and semi-structured interviews with selected experts. Refinement and classification of 1321 codes extracted from this stage led to the identification of 51 concepts in the field of factors affecting the tendency of auditors to leave the auditing profession.

**Pattern coding and category extraction:** Pattern coding is equivalent to axial coding in the foundation data approach, in which, after conceptual refinement, the enumerated concepts are categorized, and categories are formed. Based on this, by analyzing and categorizing the identified concepts, 10 categories were formed to describe and conceptualize the factors affecting the auditors' desire to leave the auditing profession. The concepts and reference codes related to them are presented in Figure 1. Also, in this Figure, the frequency of background codes and interviews are shown separately. As can be seen, 483 codes were extracted from the background, and 838 codes were extracted from the interviews.



**Figure 1.** The main factors affecting the tendency of auditors to leave the auditing profession

##### Job features

Job design: Technology used, requirements for continuous performance evaluation and ranking of

employees, multiple job missions, change of physical environment depending on the client's location, the need to interact with different people in different companies, and deadline-oriented jobs.

Job stress: Overtime working, job stress, working hours flexibility.

Role difficulty: Role stress, role conflict, role overload, role ambiguity.

Job Expectations: Student level, expectations of the profession at the time

### **Career growth**

Career growth opportunities: Existence of successor-training plans, the existence of career growth opportunities, specific benefits at the time of exit or retirement, and perception of career path preparation.

Unfavorable prospects for the profession's future: Narrowing the space for the auditors' activity, emptying the profession of the experts, welfare and social level of managers and partners working in the profession, hope for the future.

Alternative job opportunities for the individual: Capital market boom, employment demand in other markets.

Lack of youth orientation in the audit profession: Lack of retirement age for partners, lack of youth orientation in the profession, and the high average age of partners working in the profession.

### **Job / Organizational Attitudes**

Job burnout: Decreased individual performance, depersonalization, emotional fatigue.

Homogeneity of values: Professional-organizational conflict, alignment of individual and organizational goals and values.

Commitment: Emotional- professional commitment, normative engagement commitment, continuous job commitment, organizational commitment.

Perceived identity: Common organizational identity, professional identity, social identity, shared identity

Feeling of usefulness at work: The degree of importance of the person for the institution, the degree of being recognized at the workplace

### **Intra-organizational links**

Characteristics of audit groups: The need for change in team members in different projects, team building, hierarchical structure of the team, the low culture of teamwork, the presence of people with other specialities in audit teams, the existence of homosexuals in the team

Quality of interaction between the partners of the institution: Existence of a leader in the institution, contradiction in the institution, structure

Getting feedback: Island of institutions, culture between partners as a source of feedback, intra-group or extra-group feedback, unfavorable supervisory feedback, feedback sign

Mentor: Access to the mentor, gender of the mentor, organizational category of the mentor, relationship between the mentor and the protégé, mentor performance, development assistance, career path, role modeling, psychological empowerment, protection and assistance to the protégé, psychological and social support

Supervising factors: Correct division of labor, guidance, satisfaction with supervision

### **Perceived organizational climate**

Organizational support: Availability of partners for the employees, the existence of alternative work arrangements, job security, perceived support from colleagues and superiors, work-life balance, praise and appreciation of employees for their good performance, non-payment of financial facilities by audit firms to employees, feeling of respect in the workplace, providing appropriate working



conditions, healthy competition between employees of the institution, interaction with desirable colleagues

Sharing knowledge: Organizational knowledge, training of auditors, the effectiveness of training, presence of updated people, transfer of staff experience, the scientific and professional advantage of auditing profession over other professions, low quality of education in universities

Organizational Culture: Cultural/ideological cohesion in the institution, level of trust in individuals, freedom of expression, male gender stereotypes, moral conditions

### **Individual features**

Perceived justice: Social justice, external justice, interactive justice, procedural justice, distributive justice, and the existence of a glass roof in the institution.

Experience and service history: Internship experience, organizational category, history of specialized activities

Experience and: Internship experience, organizational category, history of specialized activities.

Demographic factors: Age, ethnicity and race, education, gender, marital status, the millennial generation, physical appearance of auditors, IQ.

Lifestyle preferences: Personality type, healthy lifestyle, physical health, mental health, curious and questioning mind, stubbornness, holism.

### **Institution characteristics**

The professional strength of the institution versus the client: The power of auditing firms in interacting with the clients, the method of the firm's interaction with the client regarding the report, the firm's litigation with the clients, and the appropriate flow of information between the client and the auditor.

The administrative structure of the auditing firm: Inadequate organizational structure of institutions, suitable mechanism for hiring people in institutions, appropriate administrative/organizational system, suitable environmental space of institutions, skills of institute partners in human resource management.

Institutional Credit: Size of the firm, the life of the firm, position of the audit firm, role of the firm's partners in the profession, the firm's interaction with the international firms, other auditors' views of the current firm, acceptance of second-hand work.

Quality of services provided by the institute: Quality of audit services, the existence of a quality control committee in the institute, review of files by partners before submitting the report, the presence of a proper review plan, use of analytical reviews as 17 content tests, Implementation of risk-based auditing, low-efficiency auditing procedures.

Institution strategies: Existence of plans and strategies in institutions, lack of industrial specialization in institutions, organizational branding, individual branding of border cover activities.

### **Auditing fee**

Auditing fee: Wrong process of pricing the auditing fee, non-compliance of audit risks with the institutions' fees, quality pricing problems, ability to make the employees accept fees, low fees.

### **Professional features**

The structure of the auditing firm: the institution being either private or public, the existence of homosexuals in the management structure, the legal structure of auditing firms, and the hierarchy governing the firm.

Violation of professional behavior by community members: Adherence to professional independence, non-observance of professional conduct, negative competition between institutions,

sale of clauses, breach of auditing fee.

The role of non-professionals outside the profession in professional decision making: Governance system expectations from auditing, decision making for the profession by non-professionals, the political process of standardization, setting various rules and regulations for implementation by the auditing profession, Control Center.

Policies implemented by the regulator: Supervision style of the supervisory body, justice in the handling of the supervisory body, independence of the supervisory body, existence of professional standards in supervising institutions, expertise of community quality control members, quality of quality control performed.

Non-constructive interaction between audit firms: The power of consensus and cooperation of the auditing firms, a large number of auditing firms, and disputes among the firms.

Demand for entering the profession: Number of students at the institute, the relationship between the university and the profession, few applicants for employment in the auditing profession, and the quality level of the applicants entering the profession. Heterogeneity of values of the community of certified public accountants with a professional mission: Differences in the behavior and deed of high-level professionals, lack of proper interaction of the Society of Certified Public Accountants with professional and supervisory bodies, lack of interaction with international forums, factionalism of members of the Supreme Council of the Society of Certified Public Accountants, conflict of interests of members of the Supreme Council, Lack of reaction of the society to the surrounding events.

Government structure of the audit profession: Government structure of the audit profession, discrimination between auditing firms and the auditing organization and government agencies

Importance and status of auditing: Auditor's position from the point of view of the client, clients' involuntary willingness to audit, auditing social acceptance, lack of proper interaction with the media, client's inappropriate and inadequate knowledge of auditing services, lack of support from professional authorities, ban on the advertising of the audit firms, the impact of auditing on the users' decisions, demand level for audit.

The process of selecting certified public accountants: Granting special exemptions in the certified public accountant exam, non-standardization of community exams, and the requirement that experience must take precedence over the license to participate in the exam.

High level of accountability of the audit profession: Auditors' level, risk of fear of supervision's audit, lack of civil liability insurance.

Audit profession market size: Total revenue portfolio of professional products provided by auditing firms, underdeveloped auditing professions.

### Macro factors

The ruling economic system of the country: The economic model of the country, the alignment of the goals of the auditing profession with the economic model of the country, the underdevelopment of the private sector, the state economy and the underdevelopment of the private sector, economic corruption, the lack of an open economy in the country.

Economic crisis: Economic turmoil in society, inflation, sharp rise in exchange rates.

Level of accountability in the community: Society and the culture of lack of tendency for transparency in society, the culture of accountability.

Social challenge: Corona epidemic, childbearing in families, declining population growth, disease.

### Actions

Satisfaction with current working conditions: Satisfaction with the salary received, feeling proud of being a member of the institution, interest in the job, and meeting basic needs.

**Consequences:**

Decrease in audit quality: Decreased auditing quality, impaired audit planning, reduced job performance.

Imposing costs on institutions: Recognition of the employer by new people, training costs, hiring costs.

Declining audit position: Damage to the audit position and damage to the country's financial community.

**Theory enrichment**

Theoretical enrichment is the final stage of creating a theory in a multi-foundation data strategy, which is done along with theoretical matching, explicit empirical validation and evaluation of theoretical coherence, and then the theory is created. (Strauss and Corbin (1998) believe that drawing concepts in a form is better understood. Based on this, the research model is drawn in Figure 1, the explanations of the concepts are extracted, and the results of previous research studies are compared.

**Conditions**

Over the past years, with the peak of auditors leaving the auditing profession, identifying the antecedents of this phenomenon and trying to eliminate them has been felt more than ever. In this regard, in reviewing previous research and interviews with experts in this field, the first questions were asked about the reasons and factors affecting the tendency of auditors to leave. Then, the results of previous studies and the answers of all experts and specialists were divided into 8 main categories, each consisting of more detailed concepts and features.

**Analysis and interpretation of the category of "individual factors"**

Since auditing firms are service-oriented businesses whose services are provided by individuals at different levels, individuals with their characteristics need a lot of attention. In the present study, the results of analysis from previous research and interviews show that individual factors include the following three concepts:

Demographic factors: One of the most important and frequent demographic factors studied by researchers is the gender and ethnicity of the people, to which the interviewees also paid special attention. Researchers have alternately reported that in the auditing profession, the exit rate of women is much higher than the exit rate of men (Nouri and Parker 2020). Very few of these women remain in the auditing profession (Mehrani et al., 2016)

After gender, previous researchers have paid special attention to ethnicity and race, which the interviewees also mentioned.

Experience and service history: Another factor affecting employees' tendency to leave the auditing profession is the individual's job position in the organizational hierarchy. According to Baker's theory, it is believed that with more investment in an organization, the person will have more commitment to that organization, and with increasing this level of commitment, the level of desire to leave will decrease (Tehrani et al., 2005)

Lifestyle preferences: Personality type is one factor that determines lifestyle preferences. Personality is defined as: "A society of perceptions, cognitions, feelings, and motivations of individuals that determines individuals' unique responses to the environment." The relationship between personality and success in jobs has been the subject of many studies over the years. The research literature is based on accountant personality traits (Dole and Schroeder, 2001).

One aspect of personality is how people tend to manage their daily activities. In this regard, researchers have conducted studies on the relationships between personality types and the tendency

of auditors to leave. These studies have mainly considered the behavioral characteristics of type A personality more suitable for the audit profession (Glover et al. Schroeder, 2001)

### **Analysis and interpretation of the category of "occupational factors"**

**Job characteristics:** Job-derived characteristics that effectively retain employees in that job. Everyone has personality and mental characteristics that should be compatible with the type of job. If this relationship exists between the job and the person, it will make the person happy and not be looking for another job. The following concepts in this category are classified into four categories:

**Job Design:** Job design involves conscious efforts to organize tasks and responsibilities in a work unit to achieve specific goals and accomplish a task. The auditing profession has a different job design than other disciplines. For example, auditors need to leave their physical position after completing an audit of a company and move into a new client and interact with new people. Also, due to the concentration of auditing firms in Tehran, in order to carry out auditing and warehousing operations of clients operating in the cities, it is necessary to perform several missions. According to the interviewees, the specific characteristics of the auditing job, some of which were mentioned above, cause the dissatisfaction of the auditors and make them want to leave the profession.

**Expectations from the job:** Expectations from the job mean that the distance between the facts of the profession and the person's previous perception of the auditing profession in the student courses leads the person to leave the profession.

**Role Difficulty:** Accounting researchers have extensively used the concepts of role theory in organizational behavior. The higher the role ambiguity, role conflict, and burden in a job, the greater the role stress, which reduces job satisfaction and ultimately leads to the tendency of auditors to withdraw from the auditing profession.

**Workload:** Due to the design of the auditing job, a seasonal and deadline-based job, auditors face high and inflexible working hours during their working seasons, which puts them under pressure.

### **Analysis and interpretation of the category of "internal links"**

The auditing profession is based on teamwork and interaction between individuals. Therefore, some of the factors influencing the tendency of auditors to leave the auditing profession can be searched in the links that people have with each other and can be classified under the following five concepts:

**Supervisors:** Statement No. 4 of the Accounting Training Change Commission recommends that supervisors of audit firms take three supervisory actions to improve the job satisfaction of **novice auditors:** 1. Guidance and guidance 2. Provide appropriate working conditions 3. Division of labor Sahih (Rezazadeh and Davanipoor, 2008), with which the relationship between job satisfaction and the tendency of auditors to leave in accounting research has been proven.

**Factors of Mentoring:** A stream of studies on the structure of the audit profession using surveys to examine how mentoring affects reducing the willingness of auditors to leave; similar results have been achieved.

**Features of receiving feedback:** In the auditing profession, there is a significant emphasis on providing functional feedback to lower-level employees to maintain the quality of institutions' services while training those. The receiving feedback, its source and its direction affect satisfaction and is one of the critical characteristics of future performance and employee departure. Their results indicated that auditors were less satisfied with the negative feedback within the group than the negative feedback outside the group.

The extent of interaction between the institution's partners: This concept, which is completely extracted from the interviews, deals with the relationship and quality of interaction between the

institution's partners. According to one of the interviewees:

"Culture between partners, for example, where we are close, makes our employees feel a sense of belonging and affects their longevity."

Other issues raised by the interviewees include the island structure of auditing and multi-voice institutions and the absence of a leader.

**Characteristics of audit groups:** Auditors typically work in hierarchical groups (Mousavi and Yazdani, 2017). The characteristics of these groups and the quality of interaction between group members can be effective factors in auditors' decisions. Among these features, we can mention the culture of teamwork, the need to change group members in different designs, the size of the group and the hierarchical structure of the group.

### **Analysis and interpretation of the category "characteristics of institutions"**

Due to the competitive nature of the business environment of auditing firms, each firm develops a special feature in order to survive in this profession (Shamszade et al., 2016) and carry out its professional mission. These characteristics, which are mainly the external characteristics of the institution and are related to the quality of the audit, also affect the job satisfaction of the employees working in those institutions.

**Corporate Credentials:** The credibility of the auditing firm, which stems from the size, life and status of the auditing firm and the state of its interaction with international firms, can prevent its employees from leaving by personalizing them. According to one of the interviewees:

"Everywhere we went, we said we were working at Institute A4, but the views differed.

"This is one of the factors that made me stay at the institute."

Or about the role of the institute's partners in the profession, which adds to the institute's credibility, another interviewee said:

"What made me even more interested in being in this institution and in this profession, in general, was the then CEO of the institute, the chairman of the High Council of the community. It was an honor for me to work somewhere where "His people have a place in the profession."

**Professional strengths of the institution versus the client:** The economic environment has undergone many changes following the recent economic crisis. This environment has led to a lot of pressure on auditors and, consequently, the pressures that auditors put on auditors. These pressures are manifested by applying the client's power to influence the auditor's judgment (Hasas Yeganeh and Amouzad, 2020). According to one of the interviewees:

"The auditor has no power when, as the best and most independent auditors, we want to bring in a clause, or they want to do something and change it immediately, empty their feet and cause them a thousand kinds of trouble. Or institutions. "They should not be hired and eat out of their pockets and take their other income from other places and spend it, or we should accept this humiliation. So what is one of the reasons for leaving?"

**Quality of services provided by the institute:** Regarding the role of quality of services provided in the tendency of auditors to leave, one of the interviewees said:

"Auditors see the quality of the reports, the way the partners write the report, and how they treat their customers. They see what comes out of the partners' hands and say, 'I do not want to be like this.' So the best thing is that "Let me go out."

A number of interviewees also addressed the inefficiency of audit procedures, Such as not implementing risk-based auditing, not using analytical reviews as a content test, and not having proper audit scheduling programs. According to him, this inefficiency causes the dissatisfaction of auditors and makes them want to leave the profession.

**Institute Strategies:** Strategy is a set of goals and special operational plans that, if achieved, have

a competitive advantage will be achieved (Parsaeian, 2017).

According to one of the interviewees:

"Institutions have no plans for their work, nor individuals. The institution must have a plan for what I want to be in the next 10 years. I plan to grow people with these qualities and be aware that if you are weak, I will "I'm going to say goodbye. But this program does not exist, which could be a waste of time."

The vast majority of interviewees also believed that corporate partners focused on individual branding rather than organizational branding:

"Now, who knows the other partners of the institutions where the profession's greats are? Do you know the name of their institution? No. They are the only ones who have a name and a tradition. What will happen to these people who made the institution dependent on them?" I see?"

**Administrative/organizational structure of institutions:** The interviewees considered auditing firms' administrative and organizational structure as an important factor in their tendency to leave the profession. One of the most criticized parts of auditing firms mentioned by most interviewees was the lack of human resources unit and the lack of skills of human resource management partners. Appropriately pointed out at the institute.

#### **Analysis and interpretation of the category of "perceived organizational atmosphere"**

Previous research has shown that organizational climate is an influential factor in the behavior of members of the organization. Organizational climate is a set of workplace criteria directly or indirectly perceived by people active in that environment and affects their motivation and behavior (Shaemi et al., 2014). The following concepts in this category are classified into 4 categories:

**Perceived Organizational Support:** According to Organizational Support Theory 44, individuals' generalized feelings and beliefs are that the organization values cooperation and assistance and support to its members and is concerned about their happiness, future and well-being. Based on this feeling, employees in the organization will feel satisfied and satisfied (Mehrani et al., 2016). One of the most critical issues categorized under this concept is the issue of work-life imbalances in the auditing profession, which has been widely discussed in the previous literature, and the interviewees took a special look at this concept.

**Perceived Justice:** Organizational justice refers to employment conditions that lead people to be treated fairly or unfairly. The long-standing research in management and applied psychology, including hundreds of studies, has shown that justice affects employee turnover (Nouri and Parker, 2020). Accounting researchers have also examined the effects of justice in dimensions such as distributive justice, procedural justice, interactive justice and external justice, but the interviewees focused more on external justice;

"The young group of four companies go; they see the salaries of the companies, how far they are from their own salaries. The first thing he does is he compares his academic level with theirs, and then he says, 'How do I stay here (in this profession)?' I do, and I go. "

**Knowledge sharing:** Knowledge sharing is an activity in which individuals, organizations or organizations exchange knowledge (information, skills or expertise) (Khajavi and Kermani, 2019) that can share knowledge in the training of auditors and transfer of experience. Redefine employees. Training enables employees to realize potential and actual opportunities for better performance. These opportunities reduce their tendency to leave work and relocate from the organization (Taheri et al., 2016).

**Organizational culture:** Organizational culture affects the members of the organization to such an extent that by examining its angles, it is possible to understand the behavior, feelings, views and attitudes of the members of the organization and evaluate, predict and guide their possible reaction to the desired developments (Nejati, 2016). Components of organizational culture, the effect of which is that auditors tend to withdraw from the auditing profession in previous research and interviews,

including freedom of expression, perceived trust, professionalism, prevailing ethics, gender stereotypes, and perceived environmental uncertainty.

### **Analysis and interpretation of the category "Job / Organizational Attitudes"**

A set of beliefs, emotions and behavioral intentions towards an object, person or event is called attitude (Gholipoor, 2013)

**Feeling useful at work: According to one of the interviewees:** "If auditors feel effective and find the outcome of their work useful, it makes them more sustainable."

**Perceived Identity:** Different levels of identity are defined, including shared, organizational, professional, and social identities. Perceived identity arises from a person's psychological relationship with a group, organization, profession, or community. The stronger the perceived identity, the greater the individual's commitment to staying in that structure. For example, organizational identity is defined in such a way that people working in the organization consider the successes and failures of the organization as their successes and failures. Such a connection reduces the probability of employees leaving the organization (Rezaei et al., 2018).

**Homogeneity of individual values with institution and profession:** According to the interviewees, the smaller the gap between individual and organizational and professional values, the higher the organizational and professional commitment will be experienced and the less the desire to leave.

**Commitment:** Commitment is the relationship between an employee and the organization or profession in which he/she works. Commitment can be defined at two levels: organizational and professional. Although there are different concepts of commitment in the research literature, emotional commitment is the most related concept to the tendency of auditors to leave the auditing profession. Emotional commitment includes accepting the goals and values of the organization, the desire to make efforts that benefit the entire organization, and the desire to be a member of the organization (Porter et al., 1974).

**Burnout:** Burnout, in particular, is a useful mediator variable in understanding the effect of job stressors on the desire of employees to leave. Burnout structures consist of three interrelated **dimensions:** emotional fatigue (47), depersonalization (48) (treating others like objects), and reduced individual performance (49) (Smith et al., 2017).

### **Analysis and interpretation of the category "Audit fee"**

Audit fees are among the topics that have always been of interest to researchers, but in different models presented by them. (Noshadi et al., 2019), (Sadraei et al., 2022) The consequence of the tendency of auditors to leave the auditing profession has been neglected. Even though in previous studies, the effects of auditing fees on the desire to leave the auditing profession have not been examined, one of the key factors from the interviewees' point of view was its inadequacy, which caused auditors dissatisfaction with the current situation, to his departure from the profession. Interviewees pointed to issues such as the impossibility of quality pricing, non-compliance with auditing fees, incorrect auditing fee pricing process, and inability to accept employer remunerations. One of the interviewees expressed his opinion about the audit fee as follows:

"One thing that makes us always worry about the departure or non-departure of auditors is the mismatch between the audit risk and the fee that is paid for that audit. The firm assumes it is not responsible for the audit risk. We have a variety of risks, including employer risks, community risks {certified public accountants}, government agencies and personnel risks, all of which make us Let's weigh one scale and see the benefits associated with the fee in the other scale. The fact is that you, apart from the depreciation of the body and the passing of life and the expenditure of knowledge without receiving sufficient returns, will eventually pay according to the offer that is out. "It's being

audited; you better get out. It may be against your will."

### **Analysis and interpretation of the category "Progress in professional career"**

Career or career path means that while increasing skills, information, knowledge and awareness in a particular job, you can reach a higher position in the same job and find a better position in it, and auditing is no exception to this rule. The more progress there is in this career path, the higher the job satisfaction will be.

**Career growth opportunities:** The growth opportunities of the auditors' profession do not arise only within the firm employed in it (Nouri and Parker, 2013) and with the increase in the duration of auditors' activity in auditing firms over time, in addition Upon improving the level of work within the same institution, there are opportunities to change the current institution and cooperate with other institutions. This is an important concept of professional growth among institutions, which affects auditors' job satisfaction. And the probability that dissatisfied employees leave their jobs is higher than satisfied employees (Taheri et al., 2016).

**Alternative Job Opportunities:** Interviewees believe that alternative job opportunities in other markets and the development of financial markets in recent years are one of the main reasons auditors leave the auditing profession.

**Lack of youthfulness in the profession:** No information is available on the average age of partners in auditing firms, but according to the interviewees: "Our problem is the average age in the profession. "It is a fact that perhaps our profession is not a profession of youthfulness." "When we see that the average age of the partners is so high that we do not hope to become a partner one day. And if I do one day, I do not hope to improve."

**Unfavorable prospects for the future of the profession:** The interviewees did not envision a good future for the profession, and this unfavorable outlook causes auditors to invest in another field. One of the interviewees thought that:

"When it comes to the profession, when we look at the highest levels of the profession, which are partners and compared to 20 years ago, they are now completely different in every way. They were outside the profession, they were counting on them differently, they were more professional, and they were more ethical. Still, now you see, the highest levels are considerably far away. "This {person}? Then I look outside the profession and see where the people who left the profession are now. Where is someone like the person who is left in the profession now? So I conclude that it seems better outside." In addition to the welfare and social level of managers and partners described above, the interviewees also made other statements such as hope for the future, narrowing the space for auditors and emptying the profession of experts, which is an unfavorable perception. This causes auditors to withdraw from the auditing profession.

### **Bed**

Each category occurs in a specific context. In this context, strategies and interactions take place to manage, implement, control and respond to the phenomenon under study. In relation to the present study, the categories and actions mentioned in the model occur in specific contexts. By conducting interviews, going back and forth between data and categories, and receiving feedback from the participants in the research, the context or contextual conditions were determined at both macro and professional levels.

### **Macro level ground conditions**

This class includes factors raised at the macroeconomic and social levels.

**Economic crises:** In this section, factors such as inflation, sharp rise in exchange rates and economic turmoil in the community were mentioned as factors affecting the tendency of auditors to



leave the auditing profession by the interviewees.

"During the years when the exchange rate went up, I myself had a sharp fall in some of the institutions I worked with. Currency directly affects people's lives. On the other hand, salaries do not increase accordingly."

**Social Challenges:** In this section, factors such as coronary heart disease and family culture of childbearing were discussed as factors affecting the tendency of auditors to leave the auditing profession by the interviewees;

"When I got into the profession myself, I believed that after graduating, I should go and earn money and not stretch my hand in front of the family. We were more (in the family), but now, as a boy or a girl, families are children. They provide their services and do not need much of this work (auditing). "There is no justification for me wanting to work so hard," he said.

The economic system of the country: From the point of view of the interviewees, the economic system of the country conflicts with the origin of the auditing profession and this contradiction degrades the position of the auditing profession in the country;

"We have several types in the West, the Continental, the Anglo-Saxons, etc. The auditing profession started with the same views. But our economy is state-owned. And in this government's view, we copied the audit from the Anglo-Saxons. "The government is developing day by day, and privatization is failing. The auditing profession, which was supposed to be the arm of the private sector, was left out because the private sector did not develop."

Also, the underdevelopment of the private sector and the closure of the economy due to the conditions of sanctions were other factors that were raised.

Level of accountability in the community: The interviewees also mentioned the low level of accountability in the community as a factor influencing dissatisfaction with the current situation:

"No one is applying for auditing services, and all this goes back to accountability. Transparency and accountability, which are the foundations of democracy, are weak in our country. "It is legal from the owners' point of view."

### **Background conditions at the professional level**

The profession has characteristics that form the tendency of auditors to leave it in its context. In interviews with experts, the auditing profession described the following characteristics.

Violation of members of the code of professional conduct: The interviewees mentioned issues such as non-adherence of members of the Society of Certified Public Accountants to professional independence, negative competition between institutions and breaking the rates of some members and buying auditor comments (selling clauses).

**The role of non-professionals in professional decision-making:** The main interviewees thought that the various rules and regulations for implementation by the auditing profession and incorrect and excessive expectations of the auditing profession's governing system led to the profession's withdrawal. It goes from its main path and goals. He said that the source of this current auditing is people outside the profession. For example, the interviewee believed that:

"We are 100% affiliated with the government and the Ministry of Economy and Finance, and a few people appointed and elected by the Ministry of Finance govern us; neither the Supreme Council nor this board has power."

Quality control policies implemented by the oversight body: Interviewees criticized the quality aspects of quality control, committee members' expertise, professional standards in oversight, independence, fairness in oversight, and the oversight body's oversight style.

**The interviewee stated that:**

"Although there is an oversight body, it does not have adequate oversight and evaluation, and they do not have justice in quality control and control. We need a professional, independent oversight body that gives credibility and trust to the profession."

Another interviewee continued:

"An oversight body like the rest of the world. It's an oversight body like the United States and the United Kingdom that has a stick and beats everyone with the same stick. "They have to deal with quality owners. That's one of the factors that keep them going."

Low quality of applicants: The interviewees assessed the quantity of applicants as weaker than in the past. The reasons for this were the lack of connection between the university and the profession, the poorer profession and the absence of universities in the last two years.

Heterogeneity of the values of the Society of Certified Public Accountants with the professional mission:

Article 2 of the Articles of Association of the Society of Certified Public Accountants states some of the goals of the formation of this society, including the protection of members' professional rights and relations with regional and international professional organizations and associations, which the interviewees believe not properly observed by the Society of Certified Public Accountants:

"The Society of Certified Public Accountants has not been able to defend the rights of institutions. Where has it helped? Where has society helped not to take work (auditing) from institutions? Where has it stood against (the Exchange Organization)? This (Exchange Organization) has annoyed many institutions. "There is no proper interaction between the stock market and society."

Another interviewee believed that the Society of Certified Public Accountants did not interact well with the international community and took a passive approach. Some interviewees also pointed out the contradictions in the interests and factions of the ruling accountant community, which is contrary to their professional mission.

**Government structure of the auditing profession:** According to the interviewees, the foundation of the auditing profession has been laid by people who have previously been government employees, and the government economy of the country has become more dependent on the profession to be highly dependent on the government.

The process of selecting certified public accountants: According to one of the interviewees:

"Another of our problems, which is also very important and causes people to run away from society (certified public accountants), is the irrational exams of the society. Hard, unscientific and irrational exams."

Other problems mentioned by the interviewees were the granting of special exemptions to some candidates, as well as the condition of gaining pre-test experience.

**High level of accountability of the auditing profession:** According to the interviewees, producing an audit report is risky and lacks civil liability insurance coverage. A number of interviewees noted the specificity of the audit work, which has this level of risk and accountability:

"I'm the only product I offer to one person, but it has 10 buyers at a time. Why? (Because) it can claim. I contract with you, but the rest can claim." According to another interviewee:

"I think fewer unions have this level of accountability, documentation, and claimant level."

**Non-constructive interaction between auditing firms:** According to the latest report of the Annual Council, the Supreme Council, and the Society of Certified Public Accountants, at the end of 2021, there were 251 active auditing firms, which in 2001 were 26 auditing firms. The vast majority of the interviewees attributed this large number to the wrong policies of the Society of Certified Public Accountants, which, regardless of any quality, with the cooperation of three members of the certified public accountants, it was possible to establish an audit firm. Constructive interaction between them

has created unhealthy competition among institutions.

**Importance and status of auditing:** The interviewees mentioned factors such as lack of proper interaction with the media, prohibition of advertising for auditing firms, lack of support from professional authorities and inadequate knowledge of auditing services among the factors according to which the auditing profession could not achieve its true status and importance. This lack of real status of the profession has led to a lack of demand from auditors for auditing, and the auditing profession does not have a sufficient influence in society and can't influence users' decisions.

**The size of the auditing profession market:** According to the Supreme Council of the Society of Certified Public Accountants' annual report for the fiscal year ending March 2017, the total income of the auditing profession in the country is 14.848 billion Rials. The auditing organization is worth 3,000 billion rials. According to the same report, the number of employees working in auditing firms at the end of 2021 is 10,058. Performing simple calculations using these numbers results in the fact that the per capita monthly income of each person in the profession, regardless of job category, will be 123 million rials; the amount that each employee can receive will be much lower than this number.

**The legal structure of auditing firms:** According to Article 3 of the sample statutes of auditing firms, members of the Society of Certified Public Accountants of Iran, the auditing firm is a non-profit commercial institution that imposes restrictions on partners and institutions. According to one of the interviewees:

"We have a structural problem in the auditing profession and auditing firms. As an audit firm partner, if I work here for 30 years and am retired, and say tomorrow that I want to be a partner and not work and not come to the firm, they say no! In the structure of our institutions, the partner must also be an employee, accept responsibility and sign; that is, the person says he has worked for 30 years and wants his goodwill, preventing him from leaving the institution. When he does not leave, his box is closed. Then, we wait to see when he dies. "So, this situation allows young people in the auditing profession to see a future (for themselves)."

### Consequences

Whenever a person chooses to do or not to do a particular action in response to a task or problem or to manage or maintain a position (Strauss and Corbin, 1998), participants in this study believe that the tendency to Withdrawal of auditors from the auditing profession, in addition to imposing high costs on institutions and the profession in general, will reduce the quality of auditing and ultimately lead to a further decline in the status of the auditing profession.

## 4. Discussion and Conclusion

The present study examined the influential factors and consequences of the auditor leaving the profession. Analyzing the data obtained from the systematic review of studies in the online archives of domestic and foreign journals and interviewing 18 experts using the multi-foundation data approach led to the development of a model that categorizes the identified categories of conditions, context, actions and consequences. Conceptualized. It should be noted that previous studies (Greenhaus et al., 1997) mainly examined the selection of related variables by examining the inclination and exit of auditors. (Ganji and Arabmazar Yazdi, 2021). One of the differences between the present study and his research is that he was satisfied only with a systematic review of the background, but in the present study, using the data approach of multiple foundations and in addition to considering the research background, the opinions of experts were included in presenting the model. Among the innovations of this research in relation to (Ganji and Arabmazar Yazdi, 2021), the categories of auditing fees, career advancement, macro and professional background factors and also adding some concepts in the categories of institutional characteristics (administrative structure) can

be presented and conceptualized; auditing firm and internal links (quality of interaction between audit firm partners).

As presented in some models of this research, the factors influencing the tendency, exit, auditing, and professionalism of auditing are classified into different levels. For example, professional policymakers, by controlling professional factors; partners of auditing firms by controlling the characteristics of the firm and correct policy to improve the organizational climate; managers and supervisors by trying to enhance intra-organizational links and human resource managers of the firms in terms of Individual factors and examining the job attitudes of candidates entering the profession, can use the results of this study to provide the conditions for auditors to stay in the audit profession and the growth and quality of the audit profession. For future research, researchers are suggested to assess and thus provide areas for improvement along with operational proposals to address them.

There are also suggestions for future research that were not considered in previous research. For example, it is suggested that researchers consider the departure of employees from the perspective of institutions and professions in their research. Previous research has argued that staff turnover is detrimental to institutions and the profession and leads to a major use of career resources to train staff who leave. While the cost of training is an irreparable loss to the profession, there may be benefits due to leaving. Studies in management and organizational behavior have examined the relationship between employee turnover and the performance of organizations that may be related to this issue. As outlined in the meta-analysis ([Park and Shaw, 2013](#)), this study course has many theoretical perspectives. According to the human capital approach, any departure of experienced, skilled, knowledgeable employees damages the organisation's performance. Staff replacements will not be effective unless the replacements receive adequate training. In addition, hiring and training alternatives are costly. Major research in accounting and auditing has taken this approach. As ([Park and Shaw, 2013](#)) have argued, the alternative approach is a cost-benefit approach that is a little more complex and subtle. While high exit rates are destructive and reduce the performance of institutions and the profession as a whole, lower levels of service and employee turnover may be beneficial to the profession by reducing the cost of rewarding and rehabilitating weak employees and making optimal use of them ([Park and Shaw, 2013](#)). Therefore, the auditing profession should strive to achieve an optimal level of exit rate that is neither high nor low.

According to the studies, the present study is the first archival study investigating the impact of auditors' departure from the profession. The results of this study show that the auditor's competence and demographic characteristics play a different and sometimes contradictory role in deciding whether to leave the profession compared to deciding whether to relocate the auditing firm (auditor rotation). In particular, the above results have specific applications for auditing firms in modifying recruitment patterns, training, and policies. In this way, by identifying the reasons and consequences of the auditor leaving the profession, it is possible to help retain talented personnel and reduce the likelihood of experienced auditors leaving the profession while minimising the damage to audit firms and clients. In addition, the results in this section show that the departure of professional auditors is not, as some legislators believe, a serious issue for the auditing profession. The above conditions can indicate the ability of the audit firm to overcome the relocation of labor in order to maintain the quality of its audit services.

The present study can also include several precautions. First, this study did not examine why auditors quit in most cases. In contrast to the large number of criteria considered as potential reasons for the auditor to leave the profession (for example, loss of clients and sanctions), according to the process of this study, it is not possible to clearly distinguish between voluntary and voluntary departures and cases. Withdrawal due to the status of the audit firm. Second, in this regard, there may always be other factors influencing the auditor's departure from the profession that can not be

observed in this study. For example, in this regard, we can name the partner's audit office culture or management style. Third, although signatory auditors are primarily responsible for maintaining the quality of high-level audit services, low-level audit staff can directly impact audit quality, even though their performance status in the present study has not been observable and reviewable. Finally, it should be noted that the present study's analyses were performed only using information from one country. Therefore, the above conditions may significantly affect the generalizability of the results. However, auditors in other countries should have common ground when considering personal employment aspects and workforce balance when deciding to leave the profession so that the results of this study can be well generalized to others. Despite the limitations described above, the results of this study can provide unique and valuable perspectives for analyzing auditing firms' personnel management dynamics. Future studies in this area will address some other potential factors due to staff turnover and its impact on quality. Consider the audit.

While research on the tendency of auditors to leave has been conducted in different countries, the tendency of auditors to leave has been largely examined (Nouri and Parker, 2020). For example, national culture may play a role in the tendency of auditors to leave. There is a limit between the person-organization fit and the willingness to leave Taiwan. Therefore, this study faces a limitation in that the results should be generalized by examining the prevailing culture in that country.

Other limitations of the present study include the difficult access to the partners of auditing firms and, in some cases, their refusal to be interviewed due to the tendency of auditors to leave the auditing profession. Therefore, the interviewees' views in this study may not reflect the views of all experts in the country.

## Reference

1. Association of Chartered Certified Accountants (ACCA). (2017). *Generation Next: Managing talent in small and medium sized practices*. London, United Kingdom
2. Becker, G. (1967). *Human capital and the personal distribution of income*. Ann Arbor: University of Michigan Press. Michigan, United States
3. Chong, V. K., and Monroe, G. S. (2015). The impact of the antecedents and consequences of job burnout on junior accountants' turnover intentions: a structural equation modelling approach. *Accounting & Finance*, 55(1), pp. 105-132. <http://dx.doi.org/10.1111/acfi.12049>
4. Dole, C., and Schroeder, R. G. (2001). The impact of various factors on the personality, job satisfaction and turnover intentions of professional accountants. *Managerial Auditing Journal*, 16(4), pp. 234–245. <https://doi.org/10.1108/02686900110389188>
5. Ganji, K., and Arabmazar Yazdi, M. (2021). Identifying the factors affecting professional turnover intention among the auditors. *Iranian Journal of Accounting, Auditing and Finance*, 5(3), pp. 83-106.
6. Gholipoor, A. (2013) *Organizational Behavior Management*. Samt, Tehran, Iran (In Persian).
7. Glover, H. D., Mynatt, P. G., and Schroeder, R. G. (2000). The personality, job satisfaction and turnover intentions of African-American male and female accountants: An examination of the human capital and structural/class theories. *Critical Perspectives on Accounting*, 11(2), pp. 173–192. <https://doi.org/10.22067/IJAAF.2021.40754>
8. Goldkuhl, G., and Cronholm, S. (2010). Adding theoretical grounding to grounded theory: Toward multi-grounded theory. *International Journal of Qualitative Methods*, 9(2), pp. 187–205. <https://doi.org/10.1177/160940691000900205>
9. Greenhaus, J. H., Collins, K. M., Singh, R., and Parasuraman, S. (1997). Work and family influences on departure from public accounting. *Journal of Vocational Behavior*, 50(2), pp. 249–270. <https://doi.org/10.1006/jvbe.1996.1578>

10. Gul, F. A., Wu, D. and Yang, Z. (2013). Do individual auditors affect audit quality? Evidence from archival data. *The Accounting Review*, 88(6), pp. 1993-2023. <https://doi.org/10.2308/accr-50536>
11. Hasas Yeganeh, Y. and Amouzad, Sh. (2020). The factors affecting the professional judgment (ethics) of auditors and the pressures on them, *Empirical Studies in Financial Accounting Quarterly*, 17(67), pp. 1-26 (In Persian).
12. Hicks, J. (1946). *Value of capital*, 2nd ed. Oxford: Oxford University Press. Oxford, United Kingdom
13. Hicks, J. (1965). *The theory of wages*, 2nd ed. London: Macmillan. London, United Kingdom
14. Johnson, V. E., Khurana, I. K., and Reynolds, J. K. (2002). Audit-firm tenure and the quality of financial reports. *Contemporary Accounting Research*, 19(4), pp. 637-660. <https://doi.org/10.1506/LLTH-JXQV-8CEW-8MXD>
15. Jovanoic, B. (1984). Matching, turnover, and unemployment. *Journal of Political Economy*, 92, pp. 108-122.
16. Khajavi, Sh. and Kermani, E. (2019). Investigating the factors affecting knowledge sharing in auditing institutions. *Audit Science Journal*, 19(75), pp. 31-60 (In Persian).
17. Kirschenbaum, A. and Weisberg, J. (1990). Predicting worker turnover: An assessment of intent on actual separations. *Human Relations*, 43(9), pp. 829-847. <https://doi.org/10.1080/09585199100000073>
18. Lee, T.W., Mitchell, T.R., Holtom, B.C., McDaniel, L.S., and Hill, J.W. (1999). The unfolding model of voluntary turnover: A replication and extension. *The Academy of Management Journal*, 42(4), pp. 450-462. <https://doi.org/10.5465/257015>
19. Lennox, C. S., and Wu, X. (2018). A review of the literature on audit partners. *Accounting Horizons*, 32(2), pp. 1-35. <https://doi.org/10.2308/acch-51942>
20. Mehrani, K., Nargesian, A., and Ganji, K. (2016). Antecedents and consequences of perceived gender discrimination in the audit profession. *Accounting and Auditing Review*, 23(1), pp. 97-116 (In Persian).
21. Mousavi Shiri, S. M. and Yazdani, M. (2017). The role of the auditor voice and team-oriented Leadership' supervisor on the effectiveness of the audit performance. *Quarterly Financial Accounting Journal*, 9(34), pp. 102-123 (In Persian).
22. Nejati, A. (2016). The relationship between organizational culture and Work Commitment. *Financial Accounting and Auditing Research*, 8(30), pp. 119-138.
23. Noshadi, M., Khodadadi, V., Vaez, S., and Hosseinzade, A. (2019). Development of audit services pricing model. *Journal of Accounting Advances*, 10(2), pp. 283-318 (In Persian)
24. Nouri, H., and Parker, R. J. (2013). Career growth opportunities and employee turnover intentions in public accounting firms. *British Accounting Review*, 45(2), pp. 138-148. <https://doi.org/10.1108/MAJ-03-2018-1823>
25. Nouri, H., and Parker, R. J. (2020). Turnover in public accounting firms: a literature review. *Managerial Auditing Journal*, 35(2), pp. 294-321. <https://doi.org/10.1108/MAJ-03-2018-1823>
26. Park, T. Y., and Shaw, J. D. (2013). Turnover rates and organizational performance: A meta-analysis. *Journal of Applied Psychology*, 98(2), pp. 268. <https://doi.org/10.1037/a0030723>
27. Parsaeian, A. (2017). *Strategic Management Accounting*, Termeh Publication, Tehran, Iran (In Persian).
28. Porter, L. W., Steers, R. M., Mowday, R. T., and Boulian, P. V. (1974). Organizational commitment, job satisfaction, and turnover among psychiatric technicians. *Journal of Applied Psychology*, 59(5), pp. 603. <https://doi.org/10.1037/h0037335>
29. Rezaei, N., Bani Mahd, B. and Hosseini, S. (2018). The effect of organizational and professional

- identity on the professional skepticism of the independent auditor. *Audit Science Journal*, 18(71), pp. 175-199 (In Persian).
30. Rezazadeh, J. and Davanipoor, A. (2008). An Investigation into the supervisory factors contributing to the auditors' job satisfaction and their intentions to remain in the firm: An Iranian case. *Accounting and Auditing Review*, 15(51), pp. 19-63 (In Persian).
  31. Rhode, J.G., Sorensen, J.E. and Lawler III, E.E. (1977). Sources of professional staff turnover in public accounting firms revealed by the exit interview. *Accounting, Organizations and Society*, 2(2), pp. 165-175. [https://doi.org/10.1016/0030-5073\(75\)90009-4](https://doi.org/10.1016/0030-5073(75)90009-4)
  32. Sadraei, Gh., Mohammadrezaei, F., Gholami Jamkarani, R., and Faraji, O. (2021). Audit fee model in Iran: First evidence from a mixed method. *Journal of Accounting Advances*, 13(1). <https://doi.org/10.22103/jak.2021.17928.3536>
  33. Sandelowski, M., Barroso, J., & Voils, C. I. (2009). Gender, race/ethnicity, and social class in research reports on stigma in HIV-positive women. *Health care for women international*, 30(4), pp. 273-288. <https://doi.org/10.1080/07399330802694880>
  34. Shaemi, A., Shabani Naftchali, J., and Khazaei Pool, J. (2014). Analysis of the impact of perceived organizational climate on organizational citizenship behavior. *Journal of Holistic Nursing and Midwifery*, 24(3), pp. 27-37 (In Persian).
  35. Shamszade, B., Seif, A. and Davoodabadi Farahani, H. (2016). Studying relationship between characteristics of audit institutions and audit partners with audit quality, *Financial Accounting Knowledge*, 3(1), pp. 135-156 (In Persian).
  36. Simon, H. (1951). A formal theory of employment relationship. *Econometrica*, 19, pp. 293-305. <http://www.jstor.org/stable/1906815>
  37. Smith, K. J., Emerson, D. J., and Everly, G. S. (2017). Stress arousal and burnout as mediators of role stress in public accounting. *Advances in Accounting Behavioral Research*, 20, pp. 79-116. <https://doi.org/10.1108/S1475-148820170000020004>
  38. Strauss, A., and Corbin, J. (1998). *Basic of qualitative research: Techniques and procedures for developing grounded theory*. Sage Publications. London, England
  39. Sweeney, J. T. and Summers, S. L. (2002). The effect of the busy season workload on public accountants' job burnout. *Behavioral Research in Accounting*, 14(1), pp. 223-245. <https://doi.org/10.2308/bria.2002.14.1.223>
  40. Taheri, Z., Moradi, M. and Jabbari Noghabi, M. (2017). Investigate the relationship between perceptions of professional growth opportunities and auditors' willingness to move. *Journal of Audit Science*, 16(65), pp.199-213. (In Persian)
  41. Tehrani, R., Ghazi Tabatabaei, S. and Khalife Soltani, S. (2005). Organizational professional conflict in accounting, *Accounting and Auditing Review*, 12(41), pp. 3-27. (In Persian)