

Audit Quality: The Effect of Role Stressor and Job Stress

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Background: The public accounting profession is widely recognized as a highly stressful work environment (Gaertner & Ruhe, 1981; Libby, 1983) due to factors such as intense “busy seasons,” extended working hours that often exceed 60 per week (Ward & Albright, 2009), and boundary-spanning responsibilities (Rebele & Michaels, 1990). These pressures expose auditors to significant job stress, which can negatively affect performance and audit quality (Gundry & Liyanarachchi, 2007; Otley & Pierce, 1996b). Job stress has been identified as a major contributor to reduced audit quality practices (RAQP), threatening firms’ credibility and increasing their legal risks (Fisher, 2001). Since stress is an unavoidable aspect of auditing work (DeZoort & Lord, 1997), its impact remains a critical concern, particularly in the wake of corporate scandals. Although prior studies have examined the link between stress and RAQP, limited research has applied a comprehensive theoretical model to fully explain how job stress influences auditors’ behavior and audit outcomes (Libby, 1983).

Purpose: This article aims to examine how job stress influences reduced audit quality practices (RAQP) using a two-level job stress outcome model. The framework focuses on the relationship between key role stressors, including role overload, role ambiguity, and role conflict, and how these factors collectively contribute to auditors’ job stress and their tendency to engage in RAQP.

Methodology: The study’s respondents consist of external auditors who are registered members of the Malaysian Institute of Accountants (MIA). Data were gathered through a survey questionnaire distributed to participants, accompanied by a pre-addressed envelope with postage paid to facilitate responses.

Finding: The study reveals that all role stressors are positively associated with job stress; however, only role conflict shows a significant positive link with reduced audit quality practices (RAQP). Consistent with the proposed hypothesis, the findings also indicate a clear relationship between job stress and RAQP.

Limitation: This study acknowledges several limitations that may influence the interpretation of its findings. The relatively small sample size may not accurately reflect the overall auditing environment in Malaysia, and the predominance of respondents from non–Big Four firms could bias the results, as work conditions and practices differ between larger and smaller firms. Additionally, since the study relies on self-reported questionnaires addressing sensitive topics such as reduced audit quality practices (RAQP), there is a possibility that some respondents may have withheld complete honesty in their answers, potentially affecting the reliability of the data.

Originality: This study is among the earliest to simultaneously explore how role stressors and job stress interact to influence reduced audit quality practices (RAQP). By examining these factors together within a single framework, the research provides a more comprehensive understanding of how various sources of stress collectively affect auditors’ professional behavior and the overall quality of audit outcomes.

Keywords: Audit Quality, Dysfunctional Behavior, Job Stress, RAQP, Overload, Conflict, Ambiguity, Role Stressor