Towards Auditing Firm Success: Factors That Reduce Auditors' Intention to Leave

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This study investigates the factors that reduce an auditor's intention to leave the company, thereby addressing the challenges of hiring experts and the great resignation that may jeopardize auditing firm success. We surveyed 63 auditors regarding the impact of their membership esteem and status on the decision-making and consensus-building process and their intention to leave the auditing firm. While higher membership esteem is linked with increased expression of disagreements between the auditor and the lead engagement reviewer, higher status is associated with higher decision-making consensus. Although the auditors' decision-making consensus does not relate to their intentions to leave the auditing firm, a higher status increases their likelihood of leaving. In contrast, higher membership esteem is associated with lower intentions to leave the company. Our findings underscore the importance of developing higher membership esteem among auditors to reduce auditor attrition.

Keywords: employee retention, turnover intention, voluntary termination, great resignation, decision making, auditor attrition

INTRODUCTION

The auditing field is characterized by intricate decision-making processes (Bonner 2008; Libby 1995; Ostaev, Shulus, Mironova, and Smolin 2020). An auditor makes professional judgments in a task- and knowledge-specific domain in which the standards followed vary depending on the audited entity, e.g., publicly traded, non-profit, etc. (Tan and Libby 1997; Tan, Ng, and Mak 2002). Moreover, one must invest about ten years of deliberate practice to attain the necessary expertise to make high-level decisions (Ericsson 2008). However, accounting firms face the challenge of time and experience required for skill development. Therefore, attracting and retaining qualified auditors is vital for competitiveness.

Over the last two decades (1998-2020), the recruitment landscape has been marked by a "war for talent" (Eseryel, Eseryel, and Booij 2020). Coined by McKinsey and Company in 1998, this term emphasizes the difficulty in recruiting senior and expert talent (Chambers, Foulon, Handfield-Jones, Hankin, and Michaels 1998). Companies struggle to fill vacancies with highly skilled experts due to lacking technical competencies and an available applicant pool (Eseryel et al. 2020). Auditing firms have been further affected since they need well-educated, skilled, expert decision-makers who are resilient enough to follow the demanding path of partner track.

The COVID-19 pandemic has worsened labor shortages across industries, resulting in early retirements and mass resignations, termed the "Great Resignation" (Stine 2022). This phenomenon negatively impacted the accounting field, causing two to three million early retirements (Fields and Illuzzi 2022; Stine 2022). Reducing employee attrition is critical for accounting firms' success, given the scarcity of skilled talent and the shrinking workforce. Thus, this study explores organizational factors that aid in retaining expert personnel, enabling auditing firms to preserve valuable expertise.

By applying Social Identity Theory, we anticipate variations in auditors' consensus in decision-making based on their esteem within the firm and the status they derive from it. We expect a high consensus environment within auditing firms to reduce an auditor's intention to leave. No research has explored how an auditor's perceived membership esteem and status associated with the employing firm influence one's judgment and decision-making (JDM) process. Our study addresses this gap by examining the factors affecting consensus between audit experts and its impact on an auditor's intent to exit the firm.

Our study uncovers factors shaping an auditor's JDM process by examining survey responses from 63 auditing professionals. Empirical evidence reveals intriguing findings. Overall, membership esteem and status influence an audit expert's decisions. Specifically, higher membership esteem is linked to lower consensus with the lead engagement reviewer and a lower intention to leave the employing firm. Conversely, higher status is associated with greater consensus and a higher intention to exit the firm. However, decision-making consensus does not directly correlate with an auditor's intention to leave the employer.

These results suggest that when auditors perceive their contribution as valuable and helpful to the firm, they feel comfortable expressing opinions even if they differ from the group leaders' decisions. In such a healthy work environment, an auditor experiences less conflict between personal and professional values, reducing the likelihood of seeking employment elsewhere. On the other hand, when an expert believes that their status derives primarily from the firm, they tend to align their decisions with the company's lead engagement reviewers. This may give the appearance of higher decision-making consensus within the company. Nevertheless, an auditor gaining status from their employing firm tends to have greater intent on exiting the company, which shows that status is insufficient in reducing attrition.

This study significantly contributes to the literature under the JDM process umbrella, i.e., professionals' behavior, consensus, and audit experts, that holds implications of high value for accounting professionals, employing firms, and regulatory agencies. First, we expand the understanding of professional behavior within auditing by applying Social Identity Theory constructs to the business environment. Second, we identify previously unknown factors that influence an audit expert's decision-making consensus, strengthening accounting firms' argument that regulators' report findings result from differing professional judgments (e.g., Aubin 2011; Public Company Accounting Oversight Board 2012; Reilly 2007). Third, we identify elements that impact employers' ability to attract and retain highly skilled auditors. Finally, as firms' internal quality reviewers and regulators often assess documentation and process post-audit, the results from this study could serve as a debiasing technique.

This paper is structured as follows: The theoretical development section establishes the central research hypotheses based on existing research. The materials and methods section covers research participants, instruments, survey responses, and item descriptions. In the results section, we present our findings, and the conclusion encompasses a discussion of our final remarks, research limitations, and implications for regulators and auditing firms.

THEORETICAL DEVELOPMENT

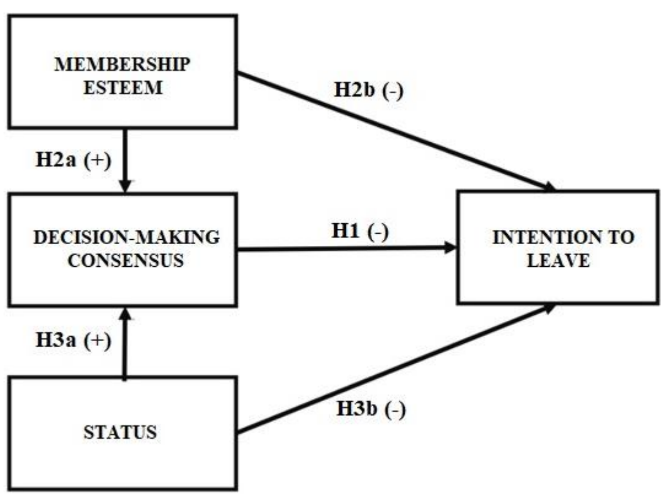
In this section, we explored the organizational factors fostering social cohesion and reducing turnover intentions within the firm. Based on Judgment and Decision-Making (JDM) process research, expertise development literature, and social identity theory, our hypotheses are summarized in Figure 1. Each part of the figure is discussed in the following sections.

Decision-Making Consensus and Intention to Leave

An audit firm's goal should be to reduce turnover since recruiting qualified candidates is arduous. Numerous factors influence employee turnover. Extant research shows that employee turnover has a negative relationship with age (Cotton and Tuttle 1986), tenure (Steers 1977), job satisfaction (Hom 1979), and organizational commitment (Shore and Martin 1989). The strongest predictor of employee turnover is employees' responses to whether they intend to leave the company (Bluedorn 1982); hence, "intention to leave" is the variable we employ in this study.

Employees consistently seek greater involvement in decision-making within organizations. The sharing of decisional process power between superiors and subordinates is called participatory decision-making (Crandall and Parnell 1994); its focus and strength is consensus-building, enhancing job satisfaction and performance (Parnell and Crandall 2003). Research identifying determinants affecting a person's intention to leave and participative decision-making include demographics, i.e., age, gender, years of management experience, and years of non-management experience (Crandall and Parnell 1994); job satisfaction (Hackman and Oldham 1975); and organizational commitment (Cook and Wall 1980). Interestingly, participated management is the strongest predictor of intention to leave – even more so than organizational commitment (Parnell and Crandall 2003).

FIGURE 1
DETERMINANTS OF AUDITORS' INTENTION TO LEAVE



One form of participative decision-making is consensus-based decision-making, where participants strive for unanimous agreement rather than relying on majority votes. Decision-making consensus offers advantages such as fostering collaboration, utilizing collective wisdom, and simplifying implementation (Bressen 2012). Given that decision-making consensus signifies participative decision-making, which significantly reduces intent to leave, we propose the following hypothesis:

H1: *The degree of consensus in decision-making is negatively associated with auditors' intentions to leave.*

Social Identity Theory

Social Identity Theory (SIT) explores the social-psychological processes linking an individual's identity and behavior (Hogg, Terry, and White 1995). Specifically, the theory highlights categorizing a person into social groups, where a group represents a shared social category, emotional involvement, and social consensus regarding group evaluation and membership esteem (Ashforth and Mael 1989; Tajfel and Turner 1979).

The theory comprises three stages: *social categorization*, *social identification*, and *social comparison* (McLeod 2023; Vinney 2019). Social categorization involves individuals categorizing others to understand their social environment. In our context, being categorized as an auditor frames a worker's social identity within the norms of the auditing field. Social identification occurs as an individual adopts their group's identity, leading to emotional significance and a connection between self-esteem and group membership. Social comparison involves a person comparing their group to others, affecting their membership esteem (McLeod 2023; Vinney 2019).

Membership Esteem and Decision-Making Consensus

As previously mentioned, a person's emotional attachment to a group is closely linked to self-esteem. We refer to an individual's self-esteem derived from social identification with an organization as "membership esteem." Membership esteem gauges how participants perceive their value as a group member (Jhangiani and Tarry 2022a). An auditor with high membership esteem believes their contribution to the firm is valuable and actively engages in organizational social activities.

Generally, a worker tends to conform to the expectations of their in-group (Hogg et al. 1995; Schenke, Wyer, and Bach 2016). Strong identification with a particular group motivates a person to adhere to group norms (Iacoviello, Lorenzi-Cioldi, and Kulich 2018). Further, an accepted in-group member tends to align their beliefs and behaviors with those of influential in-group figures and leaders (Hogg et al. 1995; Liu, Zhang, Qi, Wu, and Chen 2019). Over years of collaboration with their employing firms, a partner develops a robust sense of membership esteem (Bamber and Iyer 2002). Consequently, an auditor's membership esteem grows as they accumulate experience within their organizations. Social psychology literature supports that an individual's decisions can be influenced by the prominence of their perceived collective identity compared to their personal identity (Sedikides and Brewer 2001). Therefore, we anticipate that an auditor with high membership esteem will likely make decisions aligned with their lead engagement reviewers.

The acceptability heuristic posits that subordinates often align their actions with their superiors (Asare and Cianci 2009). For instance, Peytcheva and Gillett (2011) observe that an auditor's initial independent decision tends to converge with their supervisors over time as they embrace their supervisors' perspectives. Additionally, workers' susceptibility to influence decreases as their tasks become more structured in later career stages (Anatolievna and Evgenievna 2016).

An audit expert's tone and exemplified behavior shape the group climate (Colson 2004; Fogarty 1992), impacting every level within an audit firm's promotion system (Downar, Ernstberger, and Koch 2021) and guiding employees toward acceptable conduct (Jenkins, Deis, Bedard, and Curtis 2008). For instance, a seasoned audit team leader, advancing through the ranks, is partly responsible for acclimating new auditors as in-group members through socialization techniques (Fogarty 1992) akin to those used in the acculturation process.

Acculturation involves adapting to a "host culture," such as an accounting firm or audit team, and adopting its norms regarding acceptable behavior, actions, and decisions (Hwang and Ting 2008; Wu and Mak 2012). Therefore, we anticipate that an auditor employed within a firm has experienced social influence pressure, which may lead their decisions to align with those of their peers in the organization, as social influence pressure can influence judgments (Lord and DeZoort 2001).

Higher membership esteem increases the likelihood that group-serving biases, including in-group favoritism, may influence an individual's JDM process, safeguarding the group image and promoting overall group success (Abrams and Randsley de Moura 2001; Jhangiani and Tarry 2022b; Luhtanen and Crocker 1992). When an auditor assimilates well with the firm's culture and acculturation efforts prove successful, the worker's behaviors (and hence decisions) tend to mirror those of the specific group (De Cremer 2004; Hogg et al. 1995). Moreover, consistent conformity to group norms and prioritizing the group's image over an extended period may lead an auditor to adopt professional values similar to those prevalent in their organizations. Therefore, we hypothesize:

H2a: *An auditor's membership esteem is positively associated with the degree of consensus in decision-making.*

Membership Esteem and Intention to Leave

SIT suggests that an individual simultaneously holds multiple identities and group memberships, impacting their membership esteem. These group-based identities depend on inter-group relations and shared characteristics among in-group members (Hogg et al. 1995; Liu et al. 2019; Stets and Burke 2000). Conflicts between these identities can lead to emotional exhaustion and a greater likelihood of leaving conflicting groups (Ostermeier, Anzollitto, Copper, and Hancock 2023). Thus, we hypothesize:

H2b: *An auditor's membership esteem is negatively associated with their intention to leave the organization.*

Status, Decision-Making Consensus, and Intention to Leave

The concept of status reflects a person's value on their group membership and its influence on their self-worth and self-image. For example, a former Big four employee considers it a prestigious status symbol years after leaving the firm (Luhtanen and Crocker 1992). Therefore, we expect an accounting expert who perceives themselves as having higher prestige due to their affiliation with a specific company to possess high status.

Like membership esteem, an auditor with high status may exhibit consensus in decision-making and align with their organization's professional values. However, as the auditor gains professional experience, their values and expertise may or may not align with their organization's norms. Recent JDM research indicates that an expert's decision is affected by organizational and professional identification (Johnson-Snyder & Killingsworth, 2020), perceptions of their regulator (Johnson-Snyder et al., 2022), and varying evaluative experience (Johnson-Snyder et al., 2023).

When an auditor attains high status within a firm, we expect them to better fit in with the firm's culture and become more acculturated. Consequently, an individual with high status will likely make a decision aligned with their specific group, i.e., their employing firm (De Cremer 2004). Furthermore, the long-term commitment to group standards and prioritization of the group's image may lead an auditor to adopt professional values congruent with those of their organizations. Additionally, an individual with high status is expected to be more satisfied and therefore less motivated to leave the company than those with lower status. Thus, we hypothesize:

H3a: *An auditor's status is positively associated with their decision-making consensus.*

H3b: *An auditor's status is negatively associated with their intention to leave the firm.*

MATERIALS AND METHODS

Research Participants and Design

University Internal Review Board-approved surveys were distributed electronically via Qualtrics software from November 2013 to February 2014. Of the 107 initial survey participants, 80 completed it, and 63 provided usable responses for this analysis. The survey aimed to investigate factors within the auditing environment that could impact an expert's JDM process, focusing on social-psychological factors impacting the auditor's intentions to leave their organization.

Within accounting firms, auditors are categorized by rank, including staff auditors, managers, senior managers, directors, and partners (Downar et al. 2021). An auditor follows a path toward partnership upon achieving manager status, typically taking 10 to 15 years if they meet the firm's high expectations (Baysden and Wilson 2014). Given the substantial investment accounting firms make in hiring and training a skilled auditor, our survey intentionally gathered information from auditors on the partner track, representing the firm's significant investment in highly skilled employees.

Research Instruments

The survey comprises six sections: (i) informed consent; (ii) an audit scenario with links to working papers; (iii) a questionnaire for data collection; (iv) outcome information; (v) additional variables; and (vi) demographic details. This study focuses on an auditor's membership esteem, status, agreement with the lead engagement partner in a hypothetical scenario, and intent to leave their current organization. Detailed variable descriptions are provided in Appendix A.

Decision-Making Consensus and Intention to Leave

In this study, we evaluate an auditor's JDM process in two aspects: (i) assessing consensus between participants and lead engagement reviewers (CONSENSUS) and (ii) determining participants' intentions to leave their current organizations (INTENT). CONSENSUS is measured by participants' agreement on using a six percent growth rate assumption, matching the lead engagement partner's decision in a hypothetical goodwill impairment scenario. INTENT is measured by participants' willingness to consider changing jobs before retirement. Both aspects are rated on a Likert-type scale, ranging from one (strongly disagree) to seven (strongly agree).

Membership Esteem and Status

We utilized the Luhtanen and Crocker (1992) Collective Self-Esteem Scale, focusing on two key subscales: membership esteem and the importance of identity (p. 305). These subscales align with the concepts of self-perception and its reciprocal relationship with society in Social Identity Theory. Specifically, they gauge the salience of an individual's self-perception, represented by membership esteem (ESTEEM) and status (STATUS) levels (Caporael 2001; Luhtanen and Crocker 1992; Sedikides and Brewer 2001; Tropp and Wright 2001).

We adapted these two subscales, comprising eight questions, for our study. For instance, the membership-esteem question from the Collective Self-Esteem Scale, which reads, "I am a worthy member of the social groups I belong to" (Luhtanen and Crocker 1992, 307) was adapted to "my role in the firm is unimportant to my sense of what kind of person I am." We used four questions to measure an individual's membership esteem (ESTEEM) concerning their group membership in the auditing firm and another four questions to assess their perceived value or group status (STATUS). Each set of four questions contributed to creating these two primary components.

Table 1 presents the eight survey questions derived from the collective self-esteem scale and their factor loadings used to compute the ESTEEM and STATUS variables. All factor loadings exceeded the recommended threshold of 0.300 (Stewart, Barnes, Cote, Cudeck, and Malthouse 2001). Eigenvalues indicated that ESTEEM explained 65.45% of the variance, with a Cronbach's alpha of 0.80 for internal consistency. STATUS explained 66.84% of the variance, with Cronbach's alpha of 0.83 for internal consistency. No significant improvement in alpha for any of the subscales could have been achieved by including or eliminating additional items.

TABLE 1
FACTOR LOADINGS ON ESTEEM AND STATUS

Item No.	Item Description[a, b, c]	ESTEEM	STATUS
1	I am a valuable member of the firm.	0.79	
2	I feel that I don't have much to offer to the firm. (Reverse Coded)	0.87	
3	I like to participate in the firm's social functions.	0.50	
4	I often feel that I'm a useless member of the firm. (Reverse Coded)	0.77	
5	Overall, my work has very little to do with how I feel about myself. (Reverse Coded)		0.65
6	My role in the firm is an important reflection of who I am.		0.92
7	My role in the firm is unimportant to my sense of what kind of person I am. (Reverse Coded)		0.59
8	In general, belonging to the firm is an important part of my self-image.		0.83

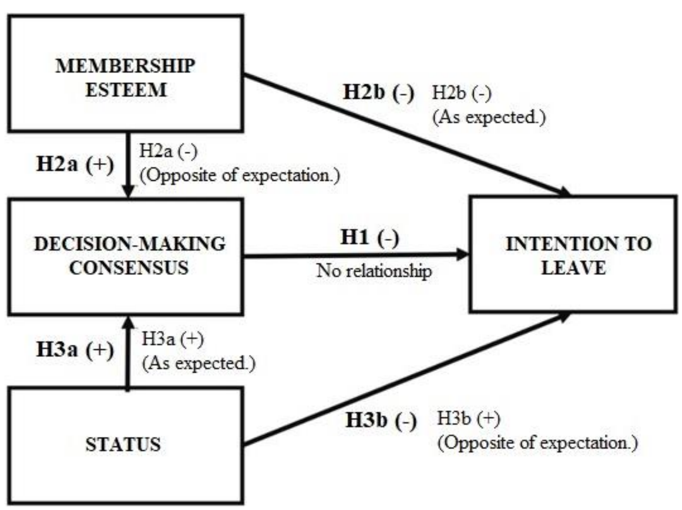
* Variable definitions are presented in Appendix A.
[a] Items were measured on a 7-point Likert scale with 1 = strongly disagree and 7 = strongly agree.
[b] Cronbach's alpha = 0.80 for ESTEEM.
[c] Cronbach's alpha = 0.83 for STATUS.

RESULTS

Decision-Making Consensus and Intention to Leave

Hypothesis 1 predicts that an auditor's intention to leave their organization decreases with increasing consensus in decision-making (see Figure 2).

FIGURE 2
SUMMARY OF FINDINGS [a]



[a] Original hypothesis are depicted in bold font, and the findings are depicted in non-bold font.

We divided our sample into terciles based on CONSENSUS, categorizing them as *Low*, *Average*, and *High* groups. We conducted a one-way ANOVA to test our predictions. The results in Table 2 do not provide empirical support for *H1*. Since the assumption of equal variances is not violated (Levene's statistics 0.318

with 0.729 significance), we may use F-statistics (0.640) to discuss our results. The p-value of 0.531 indicates that the means for low, average, and high consensus groups are not statistically different. This result suggests that subjects' intention to leave their firm does not vary by the degree of consensus they have with their lead engagement reviewer.

TABLE 2
THE DEGREE OF CONSENSUS IN DECISION-MAKING AND INTENTION TO LEAVE

Consensus on Intent (H1)			**Test of Homogeneity of Variances**		**ANOVA**	
Groups	**Mean**	**Std. Dev.**	**Levene's Statistics**	**Sig.**	**F**	**Sig.**
Low	3.75	2.050	0.318	0.729	0.640	0.531
Average	4.37	1.864				
High	4.56	2.097				
Total	4.30	1.948				

* Levene's Statistic is insignificant at the 0.05 level. The homogeneity assumption was not violated.
* The mean differences were assessed using F statistics and were insignificant at the 0.05 level.
* Since equal variance was assumed, post-hoc comparisons between groups were assessed using Tukey.

Table 2 also reveals another intriguing finding. Although the p-value shows no significant difference among means, we expected the means for the INTENT variable to decrease from low consensus to high consensus, given that both CONSENSUS and INTENT are measured using a Likert-type scale where one strongly disagrees and seven strongly agrees. However, the means for INTENT are 3.75 for low consensus, 4.37 for average consensus, and 4.56 for high consensus groups. These numbers suggest that participants with higher consensus expressed greater willingness to leave their current firms before retirement. This finding may be attributed to auditors' reduced impressionability as they take on more responsibilities later in their careers.

Membership Esteem's Influence on Decision-Making Consensus and Intention to Leave

We conducted a one-way ANOVA to test *Hypothesis H2a*, which posits that an auditor's membership esteem positively influences decision-making consensus. Our sample was divided into terciles based on ESTEEM, creating *Low*, *Average*, and *High* groups. Panel A of Table 3 presents the results for the degree of decision-making consensus as the dependent variable. Mean values for the degree of consensus were 4.71 for low esteem, 3.57 for average esteem, and 4.00 for high esteem levels. These means contradict *H2a*, which predicts that consensus increases with higher membership esteem. Levene's statistics indicate that the assumption of equal variances is not violated. The F-statistics and p-value (2.888 and 0.063, respectively) marginally support variation in the degree of consensus between groups. Therefore, we conducted a post-hoc analysis using Tukey HSD, assuming equal variances based on the homogeneity of variance test results. The results indicate only a marginally significant difference between low and average esteem levels (Mean difference = 1.143, Significance = 0.053).

Moreover, we did not find statistically significant p-values for the average-esteem and high-esteem groups. Contrary to *H2a*, our findings suggest that low-esteem participants, who perceive little value as group members, exhibit greater consensus than those with average esteem. This observation may be attributed to the willingness of an auditor who considers themself a valuable member to voice an opinion that differs from their group.

Hypothesis 2b predicts a negative association between membership esteem and intention to leave. Panel B of Table 3 presents the results for the intention to leave (INTENT) as the dependent variable. The means from the one-way ANOVA align with our prediction. Intention to leave means were 5.38 for the low-esteem group, 4.24 for the average-esteem group, and 3.29 for the high-esteem group. The homogeneity of variance test shows a Levene's statistics of 10.426 with a significance level of less than 0.001, indicating unequal variances.

Consequently, we reported Welch statistics to address this issue. Welch's statistics yielded 9.493 with a p-value of less than 0.001, suggesting differences in conflict levels across membership esteem levels. Post-hoc comparisons using Dunnett's T3 assessed individual differences between groups, considering the unequal variances. The results indicate a significant difference between low-esteem and high-esteem participants (Mean difference = 2.095 and Significance = < 0.001). These findings demonstrate that a low-esteem auditor has a higher intention to leave than one with high esteem, aligning with the original *hypothesis 2b*.

Status' Influence on Decision-Making Consensus and Intention to Leave

To assess whether an auditor's status influences decision-making consensus (*Hypothesis 3a*) and intention to leave (*Hypothesis 3b*), we categorized our sample into terciles based on STATUS, creating *Low*, *Average*, and *High-status* groups. Panel A of Table 4 displays the results for the degree of decision-making consensus as the dependent variable. Mean values for the degree of consensus were 3.52 for low status, 3.86 for average status, and 4.90 for high-status levels. Levene's statistics indicated no violation of the homogeneity of equal variances assumption. The F-statistics and p-value (4.754 and 0.012) supported the variation in decision-making consensus between groups. Post-hoc analysis using Tukey revealed significant differences between low-status and high-status auditors (Mean difference = -1.381, Significance = 0.012). These findings suggest that high-status participants exhibit more decision-making consensus than low-status ones, providing empirical support for *Hypothesis 3a*.

TABLE 3
MEMBERSHIP ESTEEM, DEGREE OF CONSENSUS IN DECISION-MAKING, AND INTENTION TO LEAVE

Panel A – Esteem on Consensus (H2a)			**Test of Homogeneity of Variances**		**ANOVA**	
Groups	**Mean**	**Std. Dev.**	**Levene's Statistics**	**Sig.**	**F**	**Sig.**
Low	4.71	1.347	2.011	0.143	2.888	0.063
Average	3.57	1.599				
High	4.00	1.703				
Total	4.10	1.604				

Group Differences

Esteem Levels	**Mean Difference**	**Sig.**	**95% Confidence Interval (Low -Up)**
Low – Average	1.143	0.053	-0.01 – 2.30

* Levene's Statistic is insignificant at the 0.05 level. The homogeneity assumption was not violated.
* The mean differences were assessed using F statistics and were insignificant at the 0.05 level.
* Since equal variance was assumed, post-hoc comparisons between groups were assessed using Tukey.

Panel B – Esteem on Intent (H2b)			**Test of Homogeneity of Variances**		**ANOVA**	
Groups	**Mean**	**Std. Dev.**	**Levene's Statistics**	**Sig.**	**Welch**	**Sig.**
Low	5.38	0.973	10.426	<0.001	9.493	<0.001
Average	4.24	1.972				
High	3.29	2.148				
Total	4.30	1.948				

Group Differences			
Esteem Levels	Mean Difference	Sig.	95% Confidence Interval (Low -Up)
Low – High	2.095	<0.001	-0.17 – 2.46

* Levene’s Statistic is significant at the 0.05 level. The homogeneity assumption is violated.
* The mean differences were assessed using Welch statistics and were significant at the 0.05 level.
* Since equal variance was not assumed, post-hoc comparisons between groups were assessed using Dunnett’s T3.

Panel B of Table 4 presents the results for the intention to leave as the dependent variable. *Hypothesis 3b* posits a negative association between status level and the intention to leave. However, the mean values from the one-way ANOVA show a trend that contradicts this prediction. Intention to leave means for participants were 3.38 for low status, 4.00 for average status, and 5.52 for high status. The homogeneity of variance test revealed Levene’s statistics of 12.175 with a significance level of less than 0.001. Consequently, we reported Welch statistics of 12.240 with a p-value of less than 0.001, suggesting differences in the intention to leave across different status levels. Post-hoc comparisons using Dunnett’s T3 assessed individual differences between groups, considering unequal variances.

TABLE 4
STATUS, DEGREE OF CONSENSUS IN DECISION-MAKING, AND INTENTION TO LEAVE

Panel A – Status on Consensus (H3a)			Test of Homogeneity of Variances		ANOVA	
Groups	Mean	Std. Dev.	Levene’s Statistics	Sig.	F	Sig.
Low	3.52	1.601	1.832	0.169	4.754	0.012
Average	3.86	1.590				
High	4.90	1.338				
Total	4.10	1.604				

Group Differences			
Status Levels	Mean Difference	Sig.	95% Confidence Interval (Low -Up)
Low – High	-1.381	0.012	-2.50 – -0.26

* Levene’s Statistic is insignificant at the 0.05 level. The homogeneity assumption was not violated.
* The mean differences were assessed using F statistics and were significant at the 0.05 level.
* Since equal variance was assumed, post-hoc comparisons between groups were assessed using Tukey.

Panel B – Status on Intent (H3b)			Test of Homogeneity of Variances		ANOVA	
Groups	Mean	Std. Dev.	Levene’s Statistics	Sig.	Welch	Sig.
Low	3.38	2.037	12.175	<0.001	12.240	<0.001
Average	4.00	2.049				
High	5.52	0.928				
Total	4.30	1.948				

Group Differences			
Status Levels	Mean Difference	Sig.	95% Confidence Interval (Low -Up)
Low – High	-2.143	<0.001	-3.44 – -0.84
Average – High	-1.524	0.018	-2.82 – -0.22

* Levene’s Statistic is significant at the 0.05 level. The homogeneity assumption is violated.
* The mean differences were assessed using Welch statistics and were significant at the 0.05 level.
* Since equal variance was not assumed, post-hoc comparisons between groups were assessed using Dunnett’s T3.

The results indicated significant differences between low-status and high-status participants (Mean difference = -2.143 and Significance = < 0.001). Additionally, those with average status differed significantly from those with high status (Mean difference = -1.524 and Significance = 0.018). Surprisingly, an auditor with a high status within their firm expressed a higher intention to leave. Given that these results contradict *Hypothesis 3b*, we cannot accept it. Considering the empirical evidence presented in this study, these findings may be attributed to high-status auditors feeling pressure to align their opinions with their peers to safeguard their employment, even if it does not align with their true beliefs. However, this personal dilemma may lead to disengagement over time and increase their willingness to leave their positions prematurely. Figure 2 highlights our original hypotheses in bold and the findings of our analysis in non-bold font, which are further described in the results section.

DISCUSSION AND CONCLUSION

This study found that membership esteem and status influence decision-making consensus and intention to leave. Specifically, an auditor with lower membership esteem displayed a significantly higher degree of decision-making consensus than one with an average membership esteem. Additionally, a low-esteem auditor expressed a significantly higher intention to leave their organizations than their high-esteem counterpart. In contrast, a high-status auditor exhibited significantly higher decision-making consensus and intention to leave than a low-status auditor.

These findings hold significant implications. First, higher membership esteem is associated with lower decision-making consensus, suggesting that an auditor who perceives themself as valuable group member is more comfortable expressing a diverse opinion and making a decision that may differ from that of their group leaders. This could potentially mitigate group thinking and enhance decision quality. Moreover, high membership esteem is linked to a lower intention to leave, indicating fewer conflicts between professional and organizational values.

Conversely, high status correlates with greater decision-making consensus, indicating that an auditor who considers their firm membership as integral to their self-image may hesitate to express a differing opinion or make a misaligned decision with their group leaders. When auditors link their employment to a higher status, they may feel pressured to conform to group standards and align their decisions with their leaders. Unfortunately, this dynamic can foster an unhealthy work environment where an auditor is reluctant to voice an opinion.

A high-status auditor is likelier to leave their firms, potentially reflecting heightened conflict between their professional and organizational values. They may prioritize organizational values at the expense of their professional convictions, ultimately increasing the likelihood of their departure from the firm. This aligns with existing literature, highlighting that conflicts arising from group-based identities can lead to emotional exhaustion and psychological distress, ultimately driving an individual to leave the conflicting group (Ostermeier et al. 2023). Such attrition can pose significant challenges for audit firms, considering their substantial investments in human capital through training and development processes.

Our findings also have several practical and managerial implications. In an era marked by significant attrition and a competitive talent landscape, audit firms heavily rely on expert decision-makers for high-quality audits and face dual challenges. To safeguard their firms' quality, senior executives and partners should prioritize addressing an auditor's plans to exit the firm. Our findings underscore the importance of enhancing an auditor's membership esteem, a critical retention factor. Creating a work environment that fosters individual development and acknowledges valuable contributions can be instrumental.

Rather than emphasizing the firm's brand and implying uniform high status among employees, organizational messaging and culture should celebrate each member's unique contributions. This approach can potentially mitigate groupthink tendencies, enabling healthy disagreement that enhances decision-making quality. Moreover, it can mitigate the conflict an auditor experiences between their professional and organizational identities, reducing exhaustion and curbing employee attrition.

Despite yielding valuable insights, our study is not without limitations. A notable constraint pertains to our small sample size, which restricts further in-depth analyses of associations. Nevertheless, our findings provide a promising foundation for future exploration. Subsequent research endeavors could extend this inquiry by investigating the potential of status, membership esteem, organizational identity, and professional identity to mitigate self-serving bias (Ellemers, Spears, and Doosje 2002). Moreover, investigating the impact of an auditor's rank on the examined variables warrants investigation. Additionally, it is pertinent for future studies to consider other frequently cited factors contributing to attrition in high-demand fields, such as emotional exhaustion (Havaei, MacPhee, and Dahinten 2016); generational differences (Koehler and Olds 2022); salary disparities, career advancement impediments, and workload (Connelly et al. 2016; Havaei et al. 2016; Koehler and Olds 2022; Vaicys 1990).

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APPENDIX 1: VARIABLE DESCRIPTIONS

Variables	Definition
CONSENSUS	Stands for decision-making consensus. A measure of whether the participant's decision and that of a lead engagement partner are in consensus when given similar documentation on a common audit scenario. Strongly disagree is equal to one, and strongly agree is equal to seven.
INTENT	Stands for Intention to leave. A measure of the participant's intention to leave the firm.
Construct: Self-Perception	
ESTEEM	Stands for membership esteem. A principal factor component that measures the strength of the participant's membership-esteem and is measured based on the following four questions: 1. I am a valuable member of the firm. (I_VALUE) 2. I feel that I don't have much to offer the firm. (I_OFFER) (reverse coded) 3. I like to participate in firm social functions. (I_SOC) 4. I often feel that I'm a useless member of the firm. (I_USELESS) (reverse coded)
STATUS	A principal factor component that measures the salience of the participant's perceived self-image and is measured based on the following four questions: 1. Overall, my firm partnership has very little to do with how I feel about myself. (I_FEEL) (reverse coded) 2. My partnership in the firm is an important reflection of who I am. (I_REFLECT) 3. My partnership in the firm is unimportant to my sense of what kind of person I am. (I_SENSE) (reverse coded) 4. In general, belonging to the firm is an important part of my self-image. (I_IMAGE)