



The Impact of Auditors' Job Stress on Audit Quality in Companies Listed on the Tehran Stock Exchange

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Abstract: This study investigates the impact of auditors' job stress on the quality of auditing in companies listed on the Tehran Stock Exchange (TSE). The primary objective is to analyze the relationship between the psychological pressures inherent in the auditors' work environment and the quality of the outcomes of the audit process. Two main hypotheses were tested: the first examines the direct impact of job stress on audit quality, and the second analyzes this relationship within the specific context of initial audits. Multivariate regression models were employed to test the hypotheses. The study utilized financial data from a sample of 167 companies listed on the TSE over a five-year period from 2019 to 2023. To ensure the validity of the models, several statistical tests were conducted, including for data normality, variable stationarity, multicollinearity among independent variables, homoscedasticity, and the absence of autocorrelation in the residuals. The results from the first model indicate a significant and negative effect of job stress on audit quality, suggesting that increased stress levels among auditors lead to a decrease in the quality of audit reports. The second model, which specifically examined the impact of job stress in initial audits, revealed an even more pronounced negative relationship. This indicates that the adverse effects of job stress on audit quality are exacerbated during the initial stages of the auditor-client relationship. Overall, the findings of this research highlight job stress as a critical factor that can undermine audit quality. The study emphasizes the importance of considering the psychological well-being of auditors in the design of audit procedures and in the human resource management practices within the auditing profession.

Keywords: Job Stress, Audit Quality, Initial Audit, Tehran Stock Exchange, Regression Model.

1. Introduction

Auditing plays a pivotal role in the financial and economic ecosystem by ensuring the transparency of financial information and fostering public trust. Audit reports are a crucial tool for evaluating the financial performance of companies and providing reliable information to

investors, shareholders, and other stakeholders. Consequently, the quality of an audit, which serves as a measure of the accuracy, precision, and impartiality of the information provided by auditors, is of paramount importance.

Numerous factors can influence the quality of an audit, with the job-related stress experienced by auditors being one of the most significant. Job stress is a condition in which individuals experience psychological and physical tension due to environmental pressures, high expectations, and role conflicts. This phenomenon is particularly prevalent in the auditing profession due to its inherent complexities and sensitivities, and it can have a detrimental impact on the professional performance of auditors.

This research focuses on the impact of auditors' job stress on audit quality. The auditing profession is characterized by a high volume of tasks, strict time constraints, conflicting expectations from various stakeholders, and ethical dilemmas, all of which contribute to significant psychological challenges. These challenges can impair an auditor's ability to concentrate, conduct a thorough analysis of information, and produce unbiased reports. For instance, time pressure may prevent auditors from adequately reviewing financial information, leading to a decline in the quality of audit reports. Similarly, ethical conflicts arising from pressure from company management or stakeholders to alter financial reports can create considerable stress and anxiety for auditors. This situation not only negatively affects the mental well-being of auditors but can also erode public confidence in financial reporting and, consequently, in the financial markets as a whole.

The significance of addressing this issue is multifaceted. The quality of an audit is a primary factor in attracting investor confidence and promoting financial stability. If job stress negatively impacts the quality of auditors' work, it can lead to the dissemination of inaccurate or incomplete financial information, which can have severe consequences for financial decision-making. A decline in audit quality can increase financial risks, lead to economic losses, and reduce transparency in capital markets. Furthermore, it can undermine the credibility and trustworthiness of the auditing profession, which is a cornerstone of the financial system.

According to reports from Iran, a significant percentage of professional auditors face job-related stress, primarily stemming from time pressures and role conflicts. A study by Hosseini et al. (2021) revealed that over 60% of auditors in Iran experience varying degrees of job stress, which has been shown to affect the quality of their work. Failure to address this problem could have widespread negative consequences. A reduction in audit quality may lead

to decreased financial transparency and an increased risk of fraud within companies. This could, in turn, diminish public trust in the financial markets and ultimately lead to economic instability. Moreover, persistent job stress can jeopardize the mental health of auditors, leading to decreased motivation and job satisfaction. Therefore, examining the impact of auditors' job stress on audit quality is of great importance not only for the auditing profession but also for the entire financial system of the country.

The general objective of this research is to investigate the effect of auditors' job stress on the quality of auditing in companies listed on the Tehran Stock Exchange. By identifying stressors and their impacts, this research aims to provide solutions for managing auditors' job stress and improving audit quality. The findings of this study can assist policymakers and managers in the auditing profession in creating a suitable working environment for auditors and preventing a decline in audit quality.

Thus, the central question of this research is: What is the impact of auditors' job stress on the quality of auditing in companies listed on the Tehran Stock Exchange?.

The novelty of this research lies in the fact that, to date, few studies have specifically addressed the direct relationship between auditors' work stress and the quality of auditing in companies listed on the Tehran Stock Exchange. Most existing research in this area has typically focused on general factors of job stress or factors related to teamwork and organizational structure. In contrast, this research specifically targets auditors and the challenges associated with their profession, with a particular focus on audit quality at various stages of the audit process, especially in initial audits. Furthermore, considering the specific conditions of the Iranian capital market and its cultural and economic characteristics, this study can be recognized as the first comprehensive study in this field in the country. In other words, the present research can offer new strategies to educational and executive institutions in Iran for reducing auditors' work stress and improving the quality of audits, and by analyzing the specific situation in Iran, it can provide valuable information for enhancing audit processes.

2. Literature Review

2.1. The Concept of Audit Quality

Audit quality is a multifaceted concept with various definitions in the professional literature. Generally, it is associated with the extent of compliance with relevant auditing standards. However, accounting researchers have identified multiple dimensions of audit quality, often leading to seemingly different definitions. The most common definitions of audit quality encompass the following key aspects:

- The probability that an auditor will both discover and report material misstatements in the financial statements.
- The likelihood that an auditor will not issue a qualified report for financial statements that contain material misstatements.
- A measure of the auditor's ability to reduce errors and biased distortions, thereby improving the quality of accounting data.
- The accuracy of the information about which the auditor has issued a report.

These definitions incorporate varying degrees of the auditor's competence and independence in performing the audit, as well as how users perceive their independence.

A widely cited definition of audit quality was provided by DeAngelo (1981), who defined it as the market's assessment of the probability that an auditor will:

1. Discover a material misstatement in the client's financial statements or accounting system.
2. Report the discovered material misstatement.

The probability of discovering material misstatements is related to the auditor's competence, while the probability of reporting them is dependent on the auditor's independence.

Palmrose (1988) defined audit quality in terms of the level of assurance provided by the auditor. Since the purpose of an audit is to provide assurance regarding the financial statements, high audit quality implies that the audited financial statements are free from material misstatements. This definition emphasizes the outcome of the audit, meaning the reliability of the audited financial statements reflects high audit quality.

2.2. Job Stress in the Auditing Profession

Job stress is a prevalent issue in many professions, and auditing is no exception. It can be defined as the accumulation of stressors and job-related situations that most people would agree are stressful. In essence, it is the stress that an individual experiences in a specific job role. Job stress is one of the most common occupational problems and a serious threat to the health of the global workforce.

The sources of stress in the workplace, known as occupational stressors, can be numerous. In the context of auditing, these stressors often include role ambiguity, role conflict, and role overload. Role ambiguity occurs when an employee receives insufficient information or unclear policies and instructions. This lack of clarity about one's role in the organization can be a significant source of stress.

The conflict between an auditor's professional values and their organizational loyalty, or between the auditor and the client's staff, can take a personal toll. Some researchers have hypothesized that the high turnover rate in the public accounting profession is partly attributable to the role ambiguity and related stress that are often present in audit work. For instance, Senatra (1980) found that role conflict and work stress were positively and significantly correlated, meaning that high conflict leads to high stress. Conversely, role ambiguity and job satisfaction were negatively and significantly correlated, indicating that high ambiguity leads to low satisfaction.

2.3. The Impact of Job Stress on Audit Quality

The effect of work stress on auditing has been a topic of growing interest in the accounting literature. Soobaroyen and Chengabroyan (2006) and Agoglia et al. (2010) argue that stress arising from time budget pressures or deadlines for completing tasks can harm the quality and efficiency of an audit. Liu (2008), based on a survey of audit firms in his country, claimed that time pressure in audit work can prevent the proper execution of audit procedures and thus compromise audit quality.

Stress from time budgets or deadlines can exacerbate the pressure on auditors. Lopez and Peters (2012) argue that workload can damage audit quality at the audit firm level. Several researchers, focusing on the concept of "busyness," which is distinct from work stress, have also noted its detrimental effect on audit quality. However, some studies have presented a more nuanced view. For example, Goodwin and Wu (2016) suggest that the relationship between audit busyness and audit quality depends on whether the busyness is balanced.

In the last two decades, researchers have paid considerable attention to auditors' work stress. However, the scientific results have not been consistently fruitful, and the findings have not been stable. Theoretical discussions on the impact of work stress on audit quality and performance have been limited by a lack of reliability and generalizability, as most studies have used survey or experimental methods.

2.4. Previous Studies

2.4.1. Domestic Studies (Iran)

- **Hosseini et al. (2020):** This study examined the impact of job stress on the performance of auditors. The researchers investigated stressors in the auditors' work environment and their effect on professional performance. The study, using a descriptive-survey method and a standardized questionnaire, found that time pressures, job conflicts, and a lack of resources were the most significant stressors that could lead to reduced

accuracy and impartiality among auditors. The researchers concluded that poor management of job stress could have serious negative consequences for audit quality.

- **Mohammadi et al. (2021):** This paper explored the impact of job stress and workload on job satisfaction and audit quality. The study aimed to analyze how these factors affect the efficiency and performance of auditors. Using a correlational research design and data collected through questionnaires, the study found that increased job stress and workload led to decreased job satisfaction and a decline in the quality of audit reports. The researchers recommended that to increase productivity and audit quality, the workload of auditors should be managed and stressors reduced.
- **Ahmadi and Rezaei (2022):** This research analyzed the relationship between auditors' job stress and the rate of audit errors in financial reports. The study aimed to identify the negative effects of stress on auditors' ability to detect errors and provide accurate reports. A cross-sectional research method was used, with data collected through a standardized questionnaire. The results showed a significant and positive relationship between job stress and an increase in audit errors. The researchers concluded that reducing job stress could help decrease audit errors and improve the quality of financial reports.

2.4.2. International Studies

- **Johnson and Williams (2022):** This article, titled "The impact of workload pressure on audit quality," investigated the relationship between auditors' workload pressure and audit quality in audit firms. The study aimed to identify the impact of workload pressure on the accuracy and correctness of auditors' financial reports. The research used a survey method with data collected from auditors in large firms. The findings indicated that high workload pressures, especially during peak seasons, led to an increased probability of errors in the audit process, which could negatively affect the quality of reports.
- **Thomas and Anderson (2021):** In "Work stress and audit performance: A review of the literature," the authors reviewed existing research on the impact of job stress on auditor performance. Their comprehensive analysis of previous articles and research showed that job stress can have negative effects on auditors' performance and reduce audit quality. They also noted that job stress can lead to psychological disorders such as anxiety and depression, which can affect auditors' decision-making accuracy.

- **Moore and Clark (2023):** "The effects of job stress on audit quality: Evidence from the field" examined how job stress affects audit quality in various audit firms. Data was collected from auditors in large and medium-sized firms and analyzed using regression analysis. The results showed that job stress had a significant negative impact on audit quality, and that auditors in stressful situations were less able to make accurate decisions. The study also emphasized that factors such as time pressure, high workload, and job conflicts can contribute to job stress and negatively impact audit quality.

3. Methodology

3.1. Research Design and Approach

The present research is retrospective in its temporal design, as it examines the impact of auditors' job stress on audit quality in the past and present. This study analyzes historical data and existing evidence to uncover the relationship between job stress and audit quality. From a practical standpoint, this research is applied, as its primary goal is to enhance audit quality by identifying and analyzing the stressors present in the auditing profession, which can yield positive and practical outcomes for audit firms and institutions.

The research process was conducted using a quantitative approach. A quantitative method was used for data analysis and hypothesis testing, with statistical tools employed for the analysis of information. The use of a questionnaire as a data collection tool allowed for the measurement of the research variables. Statistical methods such as regression analysis and correlation tests were used to examine the relationship between the variables of job stress and audit quality to provide valid and reliable results.

The research is descriptive-survey in nature. The descriptive aim is to accurately describe the current state of job stress among auditors working in companies listed on the Tehran Stock Exchange and to identify the factors influencing it. To this end, the collected information will be used to analyze the current situation and identify challenges. On the other hand, this research is a survey because it will measure the relationships between variables and test hypotheses by examining numerical values and performing statistical analyses.

3.2. Data Collection

The data for this research was collected through a combination of library and field methods. In the library section, the required information was extracted from reputable scientific sources, articles, theses, and books related to auditors' work stress and audit quality. This information was used to complete the theoretical discussions of the research and to identify the research background. In the field section, data was obtained by collecting information from

companies listed on the Tehran Stock Exchange. This process involved using the financial and accounting data of the companies during the period from 2019 to 2023. The data in this research are panel data, which allows for the simultaneous analysis of cross-sectional and time-series data.

The data collection tool for the research included the use of information and financial statements of companies listed on the Tehran Stock Exchange. Data related to auditors' work stress was collected through questionnaires designed for this research, which were sent to auditors and financial managers to gather the necessary information for assessing audit quality and the impact of work stress on it. These data included variables such as the financial status of the companies, audit quality, auditors' work stress, company size, and other relevant financial indicators.

3.3. Population and Sample

The statistical population of this research consists of companies listed on the Tehran Stock Exchange that are currently active in this market and vary in terms of size and scope of activities. This population includes all auditors working in these companies who are directly or indirectly involved in the audit process and the evaluation of the companies' financial statements.

Due to the large number of companies and auditors, a systematic elimination method was used to select an appropriate sample size. In this method, individuals with specific characteristics were first selected from the statistical population, and then, by systematically eliminating irrelevant individuals or those with suspected errors in the provided data, a precise and suitable sample was obtained. This method ensures that the sample size is not only representative of the entire statistical population but is also selected with high accuracy and by considering specific parameters related to auditors' job stress.

Table 3.1: Systematic Sampling Elimination

Criteria	Number of Companies
Total companies listed on the TSE at the end of 2023	538
Companies not active in the 2019-2023 period	161
Companies listed after 2019	46

Criteria	Number of Companies
Holding companies, investment firms, financial intermediaries, banks, or leasing companies	49
Companies that changed their fiscal year or whose fiscal year does not end in March during the 2019-2023 period	60
Companies whose shares had a trading halt of more than six months during the 2019-2023 period	55
Sample Companies	167

3.4. Research Models and Variables

The regression models for testing the hypotheses are as follows:

Model 1 (for testing the first hypothesis):

$$DA_{it} = \beta_0 + \beta_1 WS_{it} + \beta_2 debt_{it} + \beta_3 size_{it} + \beta_4 cf_{it} + \beta_5 loss_{it} + \beta_6 inv_{it} + \beta_7 rec_{it} + \beta_8 tq_{it} + \beta_9 spv_{it} + \beta_{10} age_{it} + \beta_{11} big_{it} + \beta_{12} ften_{it} + \beta_{13} chg_{it} + \epsilon_{it}$$

Model 2 (for testing the second hypothesis):

$$DA_{it} = \beta_0 + \beta_1 WS_{it} + \beta_2 FST_{it} + \beta_3 debt_{it} + \beta_4 size_{it} + \beta_5 cf_{it} + \beta_6 loss_{it} + \beta_7 inv_{it} + \beta_8 rec_{it} + \beta_9 tq_{it} + \beta_{10} spv_{it} + \beta_{11} age_{it} + \beta_{12} big_{it} + \beta_{13} ften_{it} + \beta_{14} chg_{it} + \epsilon_{it}$$

In the models above, the variables are defined as follows:

- **DA:** The absolute value of discretionary accruals, as a proxy for audit quality.
- **WS:** Auditor's work stress, expected to be positive.
- **FST:** Initial audit.
- **debt:** Financial position.
- **size:** Company size.
- **cf:** Cash flow.
- **loss:** Loss.
- **inv:** Inventory ratio.
- **rec:** Accounts receivable.
- **tq:** Company value.
- **spv:** Corporate governance.
- **age:** Company age.
- **big:** Audit firm size.

- **ften**: Auditor tenure.
- **chg**: Auditor change.
- **ε**: Estimation error.

Model 1, for testing the first hypothesis, is particularly based on the research of Rahman and Pfaff (2022), which examines the relationship between job stress and audit quality among auditors. Their proposed model includes various variables such as company characteristics, financial conditions, and individual characteristics of auditors, analyzing the relationship of these factors with audit quality.

Model 2, for testing the second hypothesis, which examines the effect of auditors' work stress considering different audit approaches, is derived from the models proposed in the research of Zhang et al. (2023). This research investigates how job stress affects audit quality under different conditions and considers various audit approaches.

4. Results

4.1. Descriptive Statistics

This section presents a descriptive statistical analysis of the research variables. This analysis allows for an initial understanding of the general characteristics of the data, including measures of central tendency and dispersion.

Table 4.1: Descriptive Statistics of Research Variables

Variable	Mean	Median	Std. Dev.	Min	Max
Audit Quality (DA)	0.438	0.392	0.215	0.076	0.913
Job Stress (WS)	0.551	0.548	0.129	0.286	0.784
Initial Audit (FST)	0.192	0.000	0.394	0.000	1.000
Debt (debt)	0.427	0.405	0.187	0.096	0.891
Company Size (size)	13.824	13.659	1.087	11.731	16.423
Cash Flow (cf)	0.043	0.036	0.061	-0.108	0.237
Loss (loss)	0.247	0.000	0.432	0.000	1.000

Variable	Mean	Median	Std. Dev.	Min	Max
Inventory (inv)	0.184	0.176	0.094	0.027	0.397
Accounts Receivable (rec)	0.226	0.219	0.087	0.094	0.421
Market Value (tq)	1.932	1.753	0.817	0.874	4.018
Corporate Governance (spv)	0.361	0.348	0.112	0.119	0.602
Company Age (age)	24.785	23.000	8.624	8.000	46.000
Auditor Size (big)	0.318	0.000	0.466	0.000	1.000
Auditor Tenure (fien)	5.483	4.000	3.256	1.000	11.000
Auditor Change (chg)	0.165	0.000	0.372	0.000	1.000

Based on the descriptive statistics table, the mean of the dependent variable, audit quality (DA), is less than one, indicating a moderate average level of audit quality in the surveyed samples. The relatively high standard deviation for this variable suggests a wide dispersion and variation among different companies in terms of audit quality. The job stress variable (WS) also has a mean close to the moderate level, indicating the presence of a relatively significant level of stress among the auditors of the companies.

4.2. Stationarity Test of Research Variables

To ensure the validity of the regression models used in this research, a stationarity test (unit root test) was performed on the main research variables. As the data in this study are panel data, comprising information from 167 companies over a five-year period, checking the stationarity of the variables is essential.

The results in the table below show that all the main research variables, including the dependent variable (DA), the main independent variable (WS), and other control variables, are stationary at a 95% confidence level.

Table 4.2: Stationarity Test Results (Unit Root Test) of Research Variables

Variable	ADF Test Statistic	p-value	Test Result
Audit Quality (DA)	-4.382	0.001	Stationary
Job Stress (WS)	-5.027	0.000	Stationary
Initial Audit (FST)	-3.796	0.004	Stationary

(The table is abridged for brevity but all variables were found to be stationary as per the source document.)

4.3. Normality Test of Data

To ensure the validity of the results obtained from the regression models in this research, checking the normality of the error distribution of the models is necessary. The Kolmogorov-Smirnov test was used for this purpose. The results of the test indicate that for both Model 1 and Model 2, the test statistic is less than the critical value, and the p-value is greater than 0.05. Therefore, it can be concluded that the data distribution in both research models is normal, and the assumption of normality of the error distribution is met.

4.4. Multicollinearity Test

To check for multicollinearity among the independent variables in the research regression models, the Pearson correlation test was used. The results of this test, presented in the correlation matrix tables in the original thesis, show that in both models, the correlation coefficients between the independent variables are less than 0.8, and mostly in the range of 0.1 to 0.5. This indicates that there is no severe multicollinearity between the independent variables, and therefore the regression models can be estimated with high accuracy and validity.

4.5. Heteroscedasticity Test

In regression analysis, one of the main assumptions of the classical model is the homoscedasticity of error variances. The Breusch-Pagan test was used to examine this issue. The results of this test for both models showed that the p-value was significantly higher than 0.05, and therefore the null hypothesis of homoscedasticity is not rejected. This means that the models are statistically valid in terms of homoscedasticity, and their errors have a constant variance across the data spectrum.

4.6. Autocorrelation Test

Another important prerequisite for classical regression analysis is the absence of autocorrelation in the model's residuals. The Durbin-Watson test was used to examine this issue. The results showed that the Durbin-Watson statistic for both models was very close to

two (1.911 for Model 1 and 2.042 for Model 2). These results indicate the absence of autocorrelation in the model's errors, thus confirming another key assumption of regression analysis.

4.7. Multivariate Regression Model Estimation

This section presents the results of the estimation of the multivariate regression models. The goal of this analysis was to test the main research hypotheses by examining the impact of auditors' job stress on audit quality, both generally and in the specific context of initial audits.

Table 4.3: Multivariate Regression Results - Model 1

Variable	Coefficient (β)	t-statistic	p-value
Intercept	0.974	4.536	0.001
Job Stress (WS)	0.385	3.791	0.003
Debt (debt)	-0.214	-3.018	0.004
R-squared (R^2)	0.642		

(The table is abridged for brevity.)

The estimation results of the first model show that the coefficient of the job stress variable is positive and significant, with a relatively large value, which supports the first research hypothesis that job stress has a significant impact on reducing audit quality.

Table 4.4: Multivariate Regression Results - Model 2

Variable	Coefficient (β)	t-statistic	p-value
Intercept	1.032	4.867	0.000
Job Stress (WS)	0.412	4.045	0.002
Initial Audit (FST)	0.227	2.952	0.005
R-squared (R^2)	0.685		

(The table is abridged for brevity.)

In the second model, the results indicate that auditors' job stress in the context of an initial audit also has a significant effect on audit quality, and this effect is even slightly stronger

than in the first model. The coefficient of the FST variable in interaction with WS is also positive and significant, confirming the second research hypothesis.

4.8. Significance Tests of Regression Coefficients

To examine the significance of the regression models and the coefficients of each of the variables included in the model, two types of statistical tests were used: the t-test for examining the significance of each regression coefficient separately, and the F-test for examining the significance of the entire regression model. The results of the t-tests, as shown in the regression tables, indicated that all coefficients had high t-values and p-values of less than 0.05, meaning that all variables included in the model had a significant effect on audit quality. The F-test results for both models showed high F-statistics and p-values close to zero, indicating the overall significance of the models and their ability to predict audit quality.

5. Discussion

5.1. Discussion of the First Hypothesis

The findings from the test of the first hypothesis indicate that auditors' work stress has a significant impact on the quality of audit results. Based on the output of the first regression model, the coefficient of the job stress variable was positive and statistically significant, which shows that an increase in stress in the auditors' work environment leads to a weakening of the quality of audit reports. This result is consistent with the theoretical foundations related to the psychological effects and job pressures in sensitive professions like auditing. In the auditing profession, which requires precision, impartiality, concentration, and appropriate timing for gathering evidence and making financial judgments, high levels of stress can reduce the auditor's cognitive ability, distort their professional judgments, and decrease their accuracy in examining financial documents and records.

This finding is also in line with previous studies, such as the research by Rahman and Pfaff (2022), which confirmed the negative effect of work stress on the accuracy, independence, and final quality of audit reports. These studies have pointed out that high stress can lead to a decrease in job motivation, an increase in technical errors, and a reduction in ethical commitment among auditors, all of which directly or indirectly have a negative impact on audit quality.

5.2. Discussion of the Second Hypothesis

The findings from the test of the second hypothesis showed that auditors' job stress also has a significant impact on the quality of auditing in the initial stages of an audit, or in other words, in the first audit. In the second model, designed to test this hypothesis, the job stress

variable and the initial audit variable (FST) were included as independent variables, and both had positive and statistically significant coefficients. This means that when an audit is performed for the first time, the impact of job stress on audit quality not only does not decrease but is even intensified in some cases.

An initial audit is typically conducted in a situation where the new auditor is not yet well acquainted with the financial, operational, and cultural structure of the audited entity. Consequently, to make a correct assessment of audit risks, review internal controls, and design appropriate audit test procedures, more effort and extra precision are required. On the other hand, due to a lack of detailed knowledge of the client and time pressure to deliver the report, the auditor's stress increases at this stage. In such a situation, if the auditor is also under psychological and job pressures, the probability of errors in professional judgment, overlooking some important documents, or relying on insufficient evidence increases. The findings of the second model of this research showed that this negative interaction between stress and the initial audit, in practice, leads to a further weakening of audit quality.

6. Conclusion

This research aimed to investigate the impact of auditors' job stress on the quality of auditing in companies listed on the Tehran Stock Exchange. The findings of this study, based on a comprehensive analysis of data from 167 companies over a five-year period, provide significant insights into the relationship between the psychological well-being of auditors and the quality of their professional output.

The study confirmed both of its primary hypotheses. The first hypothesis, which posited a significant relationship between auditors' job stress and audit quality, was supported by the results of the first regression model. The findings revealed a statistically significant and negative relationship, indicating that as auditors' job stress increases, the quality of their audits tends to decline. This underscores the detrimental effect of a high-pressure work environment on the accuracy, impartiality, and overall reliability of audit reports.

The second hypothesis, which focused on the impact of job stress in the context of initial audits, was also confirmed. The results of the second regression model demonstrated that the negative effect of job stress on audit quality is even more pronounced during the initial stages of an auditor-client relationship. This suggests that the inherent uncertainties and pressures of a first-time audit, combined with job-related stress, create a particularly challenging environment for maintaining high-quality audit work.

6.1. Practical Implications and Recommendations

The findings of this research have several important practical implications for the auditing profession. Given the confirmed negative impact of job stress on audit quality, it is recommended that professional auditing bodies and audit firms take concrete steps to mitigate stress in the work environment. This could involve implementing stress management programs, redesigning work schedules to ensure a better work-life balance, providing training in coping with psychological pressure, and offering psychological support services to auditors.

In light of the findings related to initial audits, it is recommended that audit firms and regulatory bodies develop specific protocols for first-time audit engagements. This could include assigning more experienced audit teams to initial audits, providing specialized training on the unique challenges of first-time audits, and implementing a more rigorous review process for such engagements. These measures could help to alleviate the heightened stress associated with initial audits and thereby safeguard the quality of audit outcomes.

6.2. Limitations of the Research

This study has several limitations that should be considered when interpreting the results. First, the data for this research was extracted from companies listed on the Tehran Stock Exchange, and therefore the results are primarily applicable to the Iranian capital market and may not be generalizable to other economic contexts or non-listed companies. Second, the study used secondary data and indirect indicators to measure key variables such as job stress. A more direct approach, such as qualitative interviews or direct questionnaires, might provide a more nuanced understanding of auditors' experiences with stress. Additionally, some control variables, such as psychological characteristics, leadership styles of managers, and organizational support, which could have a significant impact on audit quality, were not included in the statistical models due to data access limitations.

6.3. Suggestions for Future Research

Based on the findings and limitations of this study, several avenues for future research are suggested:

1. Investigate the role of emotional intelligence in moderating the effect of job stress on audit quality.
2. Analyze the impact of organizational culture on the relationship between job pressures and auditor independence.
3. Examine the effect of long working hours on the accuracy and professional performance of auditors.

4. Assess the role of social support in reducing the negative effects of job stress in the auditing profession.
5. Explore the relationship between auditors' personality traits and their vulnerability to job stress.

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