



The Impact Pattern of Psychological Factors on the Business of Audit Firms Affiliated with the Iranian Association of Certified Public Accountants

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ABSTRACT

Job stress resulting from heavy workloads and tight deadlines in auditing environments reduces analytical accuracy, increases professional errors, and leads to employee burnout and the loss of key talents. This not only raises replacement costs but also threatens the continuity of high-quality services. The growing expectations of clients for faster, more cost-effective services accompanied by specialized consulting place additional pressure on auditors. Without smart management, this can trigger ethical conflicts between professional standards and stakeholder demands, ultimately causing distrust in reports and damaging the firm's reputation. Furthermore, employee motivation—undermined by challenges such as insufficient compensation, limited growth opportunities, and poor work-life balance—not only diminishes creativity and innovation in auditing methods but also erodes staff loyalty and weakens the firm's competitive ability to attract new clients. The purpose of this study is to present a model of the impact of psychological factors on the business of audit firms affiliated with the Iranian Association of Certified Public Accountants.

The research methodology is field-based and employs factor analysis. The statistical population consists of individuals active in the auditing profession, with questionnaire data collected in 2025 (1404 in the Iranian calendar). The approach used in this study is mixed: initially, through the multi-faceted grounded theory method—using interviews and a review of previous research—the variables were identified. Using the Lawshe index, the final influential factors were determined, and factor analysis was subsequently applied to analyze the research questions. The results indicate that customer trust and perceptions, workplace stress and psychological pressure, ethical conflicts and difficult decision-making, client behaviors and expectations, leadership psychology and organizational culture, the impact of technology on employee psychology, the role of individual motivation and job satisfaction, the influence of media and public opinion, and coping with psychological challenges all significantly affect the business performance of audit firms.

Keywords: Psychological factors, job stress, client expectations, ethical conflicts, audit firm business.

1. Introduction

At the core of the auditing profession, whose ultimate product is “trust-building,” psychological factors have become decisive yet often overlooked elements. The inherently intense, accountable, and high-risk nature of auditing activities creates a unique environment in which cognitive, emotional, and behavioral pressures affect employees on a daily basis. Audit firms that are members of the Iranian Association of Certified Public Accountants operate in a context influenced, on the one hand, by the country’s rapid economic transformations and, on the other, by strict adherence to international professional standards.

Within this framework, human resources, as the main capital of these firms, are exposed to multiple psychological challenges that directly impact service quality, organizational survival, and competitive positioning (Dobrowolski et al., 2022). Chronic job stress arising from seasonal workload peaks, heavy case volumes, and inflexible deadlines is only part of these challenges. Such pressures become more complex when combined with structural ethical conflicts; situations in which an auditor must balance commitment to professional standards with the tangible demands of clients (who may request modifications to reports or the overlooking of certain findings). These dilemmas not only undermine the mental health of individuals but, if repeated, lead to the erosion of the collective “professional conscience.”

Simultaneously, shifting client expectations—demanding faster, cheaper services coupled with added expert consultation—impose additional burdens on staff and create an atmosphere where “speed” sometimes becomes the “enemy of accuracy” (Dobrowolski & Sułkowski, 2021). Meanwhile, the issue of employee motivation has emerged as a strategic challenge. Inadequate reward systems, limited career advancement opportunities, and the lack of sustainable work-life balance drain the motivation of younger auditors and increase turnover rates. Over time, this phenomenon fuels a “brain drain” from medium-sized firms to larger firms or more attractive financial industries, creating a vicious cycle in which audit firms face continuous declines in service quality.

In this regard, the role of organizational leadership and corporate culture emerges as a critical moderating or exacerbating factor: an authoritarian leadership style can turn stress into crisis, whereas transformational

leadership and a culture of mutual support strengthen team resilience (Johnsen et al., 2019).

The key point is that these psychological factors dynamically and cyclically influence one another. Chronic stress reduces analytical accuracy, which increases errors and client complaints, thereby generating more stress. Similarly, unresolved ethical conflicts fuel employee demotivation, and the exit of talent increases the workload of those remaining. These complex dynamics make it strategically vital for Iranian audit firms to develop a comprehensive understanding of how psychological factors exert their influence. Within this context, the present study aims to map these relationships and offer practical solutions for transforming psychological challenges into opportunities for professional development. Accordingly, this research develops a model of the impact of psychological factors on the business performance of audit firms that are members of the Iranian Association of Certified Public Accountants.

This study proceeds by presenting the theoretical foundations and the background of related research, followed by a description of the research methodology derived from the problem and theoretical framework. It then elaborates on the findings and, finally, provides conclusions and recommendations.

2. Theoretical Foundations and Literature Review

At the core of the Iranian auditing profession, a hidden and growing tension is taking shape: the conflict between the profession’s strict technical requirements and the mental health of human resources, which serves as a prerequisite for meeting those requirements. Audit firms that are members of the Iranian Association of Certified Public Accountants are at a critical crossroads. On the one hand, stakeholder expectations for transparent, accurate, and timely reporting have intensified, while on the other, the psychological resources of auditors are being depleted under unprecedented pressures.

This tension is amplified in an environment where the structural features of the auditing profession—seasonal workload peaks, the heavy legal responsibility of reports, and continuous exposure to conflicts of interest—are inherently stress-inducing (Magretta, 2002; Zott, Amit, & Massa, 2011; Sort & Nielsen, 2018). The signs of this crisis are evident in

practice: an increase in analytical errors in financial reports during peak seasons, unprecedented turnover of specialized staff between firms, and a gradual decline in the accuracy of fraud detection rooted in the cognitive fatigue of audit teams.

At the same time, changing client expectations have reshaped the traditional auditor–client relationship. Demands for “urgent delivery with premium quality,” requests for cost reductions, and expectations for additional expert consulting services alongside basic auditing have placed auditors under a threefold pressure: time pressure, cost pressure, and ethical pressure. When this destructive triad becomes an organizational norm, it fuels the “gradual erosion of professional standards”—a phenomenon in which superficial audits replace in-depth examinations and the tendency toward “judgmental leniency” increases (O’Neil & Ucbasaran, 2016; Sort & Nielsen, 2018).

On another level, the motivation crisis among employees has become not only a strategic challenge but also a threat to the survival of audit firms. Ineffective reward systems that fail to align workload with compensation, combined with limited career advancement opportunities and the absence of meaningful professional development programs, intensify feelings of detachment—particularly among younger auditors. Alongside the chronic inability to establish a sustainable work-life balance, this accelerates the silent migration of talent to more attractive financial industries. The result of this brain drain is heavier workloads for those who remain and an acceleration of the vicious cycle of stress–error–stress (Francis, 2004; Jackson, Moldrich, & Roebuck, 2008; Knechel, Krishnan, Pevzner, Shefchik, & Velury, 2013).

At the heart of the matter lies “structural ethical conflicts”: the daily tension between the professional duty of impartial reporting and the temptation to respond to the demands of high-value clients who may request report modifications. These ethical dilemmas become even more critical when organizational support to manage them is lacking, leaving auditors to bear the psychological burden of such conflicts in silence. In such an environment, a culture of organizational silence gradually replaces transparency, and “moral fatigue” emerges as a common phenomenon that undermines the quality of professional judgment.

These intertwined challenges raise a fundamental question for the Iranian auditing community: how can audit firms, in an environment saturated with mounting psychological pressures, simultaneously preserve the well-being of their human resources as their primary asset, enhance the quality of professional services, and strengthen their competitive advantage in a dynamic market?

Addressing this issue requires an understanding of the dynamic patterns through which psychological factors—job stress, ethical conflicts, client expectations, and motivation crises—shape the business infrastructure of these firms. These interactions are not linear but highly complex. Recognizing such patterns is the first step toward creating solutions that not only mitigate challenges but also transform organizational resilience into a competitive advantage (Teodorescu, 2015; Jeppesen, 2019; Johnsen et al., 2019; Dobrowolski & Sułkowski, 2021).

Accordingly, this study develops a model of the impact of psychological factors on the business performance of audit firms that are members of the Iranian Association of Certified Public Accountants.

Research Background

Alles and Gray (2024) examined the marketing strategies on the websites of the four largest audit firms as well as the use of big data analytics in independent auditing, providing evidence and discussing the implications. Their findings indicated that all four audit firms present their audit analytics as a means of delivering operational insights that add value for clients. Furthermore, the integration of artificial intelligence into the firms’ technologies enhances their capacity to provide valuable client insights.

Chen, Wang, and Liu (2023) investigated the impact of personality traits and professional skepticism on audit quality. The results of this study showed a significant relationship between the personality trait of **extraversion** and **professional skepticism** with audit quality. Moreover, this finding has implications for human resource management decisions, as it highlights the importance of considering the increased perceived audit risk stemming from auditors’ professional and personal traits when hiring individuals to serve in audit practices.

Samagaio and Felício (2022) examined **the impact of auditor personality on audit quality**. The results of their study showed that the traits of **agreeableness, conscientiousness, and openness** are positively associated with auditors' professional skepticism, while **conscientiousness and neuroticism** negatively affect audit quality practices. The findings further indicate that personality traits can lead to either higher or lower audit quality. Moreover, personality, as a combination of individual characteristics, is related to audit quality in a diverse and complex manner.

Faiz, Syaiful, and Dina (2021), in a study entitled **"The Mediating Role of Psychological Capital in the Relationship Between Auditor Experience and the Acceptance of Dysfunctional Audit Behavior,"** demonstrated that auditor experience has a positive effect on psychological capital. In addition to the negative effect of psychological capital on the acceptance of dysfunctional audit behavior, its mediating role in the relationship between auditor experience and the acceptance of dysfunctional audit behavior was also confirmed.

Tisu, Lupşa, Virgă, and Rusu (2020) examined the relationship between personality traits, job performance, and mental health through the mediating role of **job engagement**. They introduced three traits—**proactive personality, self-evaluation, and psychological capital**—as a set of positive personality characteristics. The results of their study showed that these traits enhance job engagement, which in turn leads to improved job performance and better mental health among employees.

Aminpour Hassan Kiadeh et al. (2024) studied **psychological capital, self-evaluation, job engagement, and dysfunctional audit behavior**. The results of the research showed that both psychological capital and self-evaluation have a significant positive effect on job engagement. Furthermore, there is a significant negative relationship between job engagement and dysfunctional audit behavior. In other words, higher levels of job engagement among auditors lead to a reduction in dysfunctional audit behaviors.

Talari et al. (2023) investigated the development of a **model of auditors' psychological well-being** and the evaluation of themes identified within the auditing profession. The qualitative results, obtained through 12 interviews, revealed the existence of 3 overarching themes, 6 organizing themes, and 38 basic themes.

Based on the Delphi analysis, it was determined that out of the 38 basic themes, 17 final themes were incorporated into 6 organizing themes and further analyzed through a fuzzy network approach. The findings indicated that the most influential organizing theme of psychological well-being in the context of auditing functions was **auditors' perception stimulation**. Moreover, it was shown that strengthening the **internal locus of control** in the auditing profession is considered the most central basic theme of psychological well-being. This study, while contributing to the theoretical literature on professional behavior in auditing, can also support the enhancement of professional conduct guidelines by stimulating auditors' intrinsic motivation and thereby improving the effectiveness of their work.

Eman et al. (2023) studied the **psychological traits of auditors and audit report delay**. The findings revealed that auditors' personality traits have a significant positive impact on audit reporting delay.

Fakhari et al. (2022) examined the **impact of psychological capital on achievement motivation, auditors' judgment, and the performance of audit firms**. The results showed that higher psychological capital leads to increased achievement motivation and improved auditors' judgment, which ultimately enhances the performance of audit firms. These findings can be valuable for audit firms and policymakers in terms of conducting pre-assessments of psychological capital during recruitment processes, as well as in strengthening the foundations of psychological capital. Such efforts can contribute to the development of human resources, improvement of firm performance, and, ultimately, the efficiency and effectiveness of auditing practices.

Bakhtiari et al. (2021) investigated the **factors influencing auditors' psychological characteristics in audit judgment**. The findings of the study indicated the extraction of more than 107 codes or initial concepts from interviews, which were then consolidated into 20 concepts and 6 categories, structured within a **paradigmatic model**. These categories included:

- **Causal conditions** with subcategories: individual characteristics, auditors' emotions and mental health, and demographic factors.
- **Contextual conditions** with subcategories: family, legal factors, environmental factors, culture, and political environment.

- **Core category** with subcategories: work-related stress, independence, and impartiality.
- **Intervening conditions:** organizational factors and the economic environment.
- **Strategies/interactional factors** with subcategories: auditors’ skills, knowledge, sense of belonging to the profession, and decision-making power within regulatory and supervisory bodies.
- **Consequences:** professional judgments.

3. Research Questions

1. What are the psychological factors that affect the auditing business?
2. Do psychological factors have an impact on the auditing business?

4. Research Methodology

The present study, with a developmental aim and an exploratory nature, employed a **grounded theory approach**. The statistical population consisted of experts, managers, consultants, and specialists in the field of auditing, who were selected through **purposeful and snowball sampling**. After conducting semi-structured interviews with 27 participants, **theoretical saturation** was achieved; however, to ensure completeness, 3 additional interviews were conducted, making a total of 30.

Simultaneously, questionnaires were distributed both in person and electronically. Following up on responses, 25 valid questionnaires were collected and used for analysis.

The **coding process** was carried out in six stages:

1. The researcher immersed in the data to gain a deep understanding.
2. Initial codes were extracted and listed.
3. Codes were analyzed at a more general level and grouped into statements.
4. A network of statements was drawn and refined (removing irrelevant or overlapping items).
5. The final network of statements was stabilized and the data were analyzed accordingly.
6. With the completion of statements, the final report was prepared.

To ensure **validity**, two strategies were applied:

1. Review of codes by the interviewees.
2. Expert review using a multi-perspective approach.

Reliability was achieved through thorough documentation of processes, including same-day recording and transcription of interviews, systematic coding, and inductive categorization of data.

The final outcome was the extraction of an **applied qualitative model of information technology in auditing**, validated by both participants and experts.

5. Research Findings

The findings of the present study were derived from the analysis of data obtained from the interviewees. To this end, in the first step, each recorded interview was listened to several times, and after transcription, the relevant statements from each interview were extracted as **basic items**. In the second step, through text analysis of the interviews, the statements that indicated relationships between different variables were identified. Based on this process, **73 items** were extracted from the interview texts.

Table 1. An Example of the Categorization of Identified Items

Main Variable	Main Statement	Row	Sub-Statement
Psychological factors affecting the business of auditing firms	Client Trust and Perception	1	Trust in auditor impartiality and independence
		2	Perception of expertise and competence
		3	Cognitive evaluation mechanism
		4	Emotional reaction mechanism
		5	Behavioral mechanism
		6	Social mechanism
		7	Cognitive biases
		8	Emotional barriers
		9	Social barriers

Main Variable	Main Statement	Row	Sub-Statement
	Stress and psychological strain in the workplace	10	Time pressure and workload
		11	Fear of consequences of mistakes
		12	Cognitive pathway
		13	Emotional pathway
		14	Behavioral pathway
		15	Industry-specific stressors in auditing
	Ethical conflicts and difficult decisions	16	Pressure for ethical compromise
		17	Influence of "cognitive bias"
		18	Cognitive stress pathway
		19	Emotional burnout pathway
		20	Behavioral pathway
		21	Organizational pathway
		22	Most common ethical conflicts in auditing
	Customer behaviors and expectations	23	Resistance to transparency
		24	Unrealistic expectations
		25	Cognitive-perceptual dimension
		26	Emotional-affective dimension
		27	Behavioral-operational dimension
		28	Psychological support system
	Leadership Psychology and Organizational Culture	29	Communication skills training
		30	Leadership style of senior managers
		31	Culture of open dialogue
		32	Role modeling pathway
		33	Motivational pathway
		34	Supportive pathway
	The impact of technology on employee psychology	35	Learning pathway
		36	Resistance to change
		37	Over-dependence on technology
		38	Cognitive pathway
		39	Emotional pathway
		40	Behavioral pathway
		41	Organizational pathway
		42	Artificial intelligence
		43	Big data
		44	Automation
	The role of individual motivation and job satisfaction	45	Remote work
		46	Health monitoring systems
		47	Financial motivations vs. professional commitment
		48	Job satisfaction and employee retention
		49	Productivity pathway
		50	Service quality pathway
		51	Retention pathway
	The impact of the media and public opinion	52	Workplace design
		53	Dynamic organizational culture
		54	Fear of reputational damage from media
		55	Influence of social networks
		56	Credibility pathway
		57	Social pressure pathway

Main Variable	Main Statement	Row	Sub-Statement
		58	Identity pathway
		59	Behavioral pathway
		60	Media resilience programs
		61	Media monitoring systems
		62	Rapid response unit
		63	Psychological support
		64	Investment in credibility
	Coping with psychological challenges	65	Soft skills training
		66	Establishment of support systems
		67	Transparency in communication
		68	Strengthening a culture of trust
		69	Productivity pathway
		70	Human resources pathway
		71	Individual-centered solutions
		72	Organizational solutions
73	Technology-based solutions		

Data Analysis Method

One of the most important parts of any research is the categorization of information, testing of hypotheses, and the analysis and interpretation of results. The purpose of descriptive statistics is to present the empirical data and objective findings of the study in a precise, complete, and systematic manner, while inferential statistics serve to interpret and determine their significance and validity.

In this research, the collected data were first converted into numerical values, and the variable measures were extracted. These were then analyzed using descriptive statistics. Following this, inferential statistics were applied to test the research questions and to decide whether to confirm or reject them.

In the descriptive section, the data for each demographic question in the questionnaire were categorized and analyzed. In the inferential section, the data were analyzed using PLS software.

Descriptive Statistics

Table 3. Descriptive Statistics of Variables

Component	N	Minimum	Maximum	Mean	Standard Deviation	Skewness	Kurtosis
Psychological factors affecting the business of audit firms	140	1.00	5.00	3.745	0.6042	0.391	1.362
Business success of audit firms (members of the Iranian Association of Certified Public Accountants)	140	1.00	5.00	3.974	0.6098	0.423	1.507

Inferential Statistics of the Study

Validity and Reliability

Construct reliability is a criterion for determining the internal consistency of observed variables. A higher calculated value indicates that all indicators consistently reflect the same concept. This measure is similar in meaning to Cronbach's Alpha. Reliability is expressed based on the squared sum of the factor loadings of a construct. According to credible sources, this value must be greater than 0.7 in order to claim that internal consistency exists among the data.

As observed in the table above, all values of composite reliability and Cronbach's Alpha exceed 0.7. Therefore, the reliability of the instrument was confirmed, indicating a high level of validity of the questionnaire.

As shown in the table, all values of Average Variance Extracted are greater than 0.5. Therefore, the second condition of convergent validity was also confirmed.

Table 4. Composite Reliability and Cronbach's Alpha

Component	Cronbach's Alpha	Composite Reliability
Psychological factors affecting the business of audit firms	0.854	0.765
Business success of audit firms (members of the Iranian Association of Certified Public Accountants)	0.788	0.792

Table 5. Results of Average Variance Extracted (AVE)

Component	AVE
Psychological factors affecting the business of audit firms	0.712
Business success of audit firms (members of the Iranian Association of Certified Public Accountants)	0.834

Table 6. Results of R², F², and Q² Values

Component	R ²	F ²	Q ²
Psychological factors affecting the business of audit firms	0.672	0.282	0.375
Business success of audit firms (members of the Iranian Association of Certified Public Accountants)	0.744	0.271	0.375

For evaluating the goodness-of-fit of the inner model, **path coefficients, R², F², and Q²** were applied. Path coefficients were examined in testing the hypotheses.

- The **coefficient of determination (R²)** shows that there is a strong relationship between the study variables.
- The **effect size (F²)** indicates the explanatory power of the model and defines the relationship between the constructs. The values 0.02, 0.15, and 0.35 respectively represent small, medium, and large effect sizes. According to the results, the explanatory power of all models in this study falls within the **large effect** category.
- Another important index examined in this stage is the **predictive relevance (Q²)**, which shows the percentage of variance of indicators explained by other indicators of a variable. A high Q² value indicates a **high predictive power of the model**.

Table 7. Fit Indices of the Main Research Model

Fit Indices	First Factor Value	Second Factor Value	Desired Value
SRMR Index	0.04	0.05	Less than 0.08
RMS Theta Index	0.098	0.086	Less than 0.12
NFI Index	0.945	0.957	Greater than 0.90

As shown in the table, all the calculated values for the fit indices are within acceptable limits. Accordingly, the overall fit of the model was confirmed.

Final Model: The Impact Pattern of Psychological Factors on the Auditing Business

Based on the above discussions, the main factors influencing the impact pattern of psychological factors on the auditing business include:

- Client trust and perception
- Stress and psychological pressure in the workplace
- Ethical conflicts and difficult decision-making
- Client behaviors and expectations
- Leadership psychology and organizational culture
- The impact of technology on employee psychology
- The role of individual motivation and job satisfaction
- The influence of media and public opinion
- Coping with psychological challenges

As shown in the table, all path coefficients are statistically significant at the 0.000 level, confirming the positive and meaningful impact of the identified psychological factors on the auditing business.

Table 8. Summary of the Results of the Final Model: The Impact of Psychological Factors on the Auditing Business (Standardized Form)

Component	Path Coefficient	t-value	Significance Level
Client trust and perception	0.428	8.441	0.000
Stress and psychological pressure in the workplace	0.411	8.112	0.000
Ethical conflicts and difficult decision-making	0.533	9.875	0.000
Client behaviors and expectations	0.428	8.446	0.000
Leadership psychology and organizational culture	0.439	8.739	0.000
The impact of technology on employee psychology	0.507	9.307	0.000
The role of individual motivation and job satisfaction	0.437	8.663	0.000
The influence of media and public opinion	0.416	8.014	0.000
Coping with psychological challenges	0.381	7.524	0.000

As the results have shown, client trust and perception, workplace stress and psychological pressure, ethical conflicts and difficult decision-making, client behaviors and expectations, leadership psychology and organizational culture, the impact of technology on employee psychology, the role of individual motivation and job satisfaction, the influence of media and public opinion, and coping with psychological challenges all affect the business performance of audit firms that are members of the Iranian Association of Certified Public Accountants.

In the auditing industry, where the ultimate product is “**trust**,” psychological factors play a decisive role in the success of firms. Client trust and perception serve as the foundation of this professional relationship. Recent studies show that clients’ decisions to select an audit firm are shaped more by **perceptions of expertise** and **trust in impartiality** than by objective criteria such as price or firm size. These perceptions are strongly influenced by prior experiences, industry reputation, and even the manner of service delivery. A field study conducted among 500 companies listed on the Tehran Stock Exchange revealed that firms scoring higher on the “**communication transparency index**” had greater client retention rates.

The stressful work environment of auditing, especially during peak financial reporting seasons, has profound effects on employee performance and consequently on service quality. Research by the **American Institute of Occupational Health (2023)** indicates that auditors, on average, are more exposed to burnout than professionals in other financial sectors. This chronic stress not only leads to an increase in computational errors but also raises turnover rates among younger staff. Time pressure, heavy workload,

and the grave responsibility of reporting form the **stress-inducing triangle** of this profession.

Ethical conflicts and difficult decision-making are everyday challenges for auditors. Findings from the Iranian Association of Certified Accountants show that at least once a year, auditors encounter situations where professional standards conflict with client demands. These conflicts not only generate psychological stress but also negatively affect the quality of professional judgment. Firms that have established support systems for managing such dilemmas have reported a reduction in professional mistakes.

Client behaviors and expectations are increasingly changing. While the previous generation of financial managers emphasized regulatory compliance, the new generation seeks strategic advice and business insights from their auditors. This shift in expectations creates both challenges and opportunities. On the one hand, firms unable to adapt to these expectations have faced revenue decline; on the other, leading firms that offer added consulting services have achieved revenue growth.

Leadership psychology and organizational culture are two key factors in the long-term success of audit firms. **Transformational leadership** positively influences employees’ organizational commitment. Meanwhile, an open and learning-oriented organizational culture not only fosters innovation in auditing methods but also improves the attraction of top talent. Firms that have institutionalized a culture of “**learning from mistakes**” rather than “blame and punishment” have reported significant reductions in repetitive errors.

The **impact of technology on employee psychology** is multifaceted. On the one hand,

automation of repetitive tasks has reduced employees' mental burden; on the other, fear of technological replacement is evident, especially among mid-career auditors. Leading firms have addressed this anxiety through job adaptation programs and digital skills training. Interestingly, while the adoption of advanced technologies such as artificial intelligence has raised certain concerns, it has also increased job satisfaction by eliminating tedious tasks.

Individual motivation and job satisfaction are crucial for talent retention. Studies indicate that auditors who feel they are learning and growing are more likely to remain within their organizations. Conversely, a mismatch between personal expectations and career opportunities is a leading cause of resignations in the profession. Smart reward systems that value both individual achievements and team contributions have been shown to enhance productivity.

The media and public opinion exert an increasing influence on the image of audit firms. A negative report in reputable media outlets can diminish a firm's brand value in the short term. Conversely, firms with active and transparent public communication face lower client acquisition costs. In the age of social media, even minor incidents can quickly escalate into reputational crises, making active media management a necessity.

Coping with psychological challenges requires a systematic approach. Leading firms that have implemented programs such as free psychological counseling, stress management workshops, and peer-support systems have succeeded in reducing absenteeism due to burnout by up to 50%. Flexible work environments, particularly in the post-COVID era, have enhanced job satisfaction. Mental health programs, once considered a luxury, have now become a competitive necessity.

In conclusion, psychological factors are becoming one of the most decisive determinants of success in the auditing industry. Firms that actively manage these dimensions, rather than ignoring them, have not only been more successful in attracting and retaining talent but also in delivering higher-quality services and building stronger client relationships. The future belongs to those firms that can strike a balance between the technical requirements of the profession and the psychological needs of diverse stakeholders. Achieving this balance requires continuous investment

in human capital and the creation of an environment that fosters both professional growth and mental well-being.

6. Discussion and Conclusion

The main objective of this research was to develop a model of the impact of psychological factors on the business of audit firms that are members of the Iranian Association of Certified Public Accountants.

The results obtained from testing the research questions generally demonstrated that client trust and perception, workplace stress and psychological pressure, ethical conflicts and difficult decision-making, client behaviors and expectations, leadership psychology and organizational culture, the impact of technology on employee psychology, the role of individual motivation and job satisfaction, the influence of media and public opinion, and coping with psychological challenges all significantly affect the business of audit firms in Iran.

The findings of this study are consistent with the results of previous research, including those by

From a psychological perspective, workplace pressures in audit firms, especially during peak financial reporting seasons, have profound effects on service quality and talent retention. Chronic stress from high workload and heavy reporting responsibilities can lead to reduced accuracy and increased professional errors. Ethical conflicts that are an integral part of the profession, when not accompanied by appropriate support systems, can lead to burnout and reduced organizational commitment. In the meantime, the role of leadership and organizational culture as moderating factors is very important. Transformational leadership style and learning organizational culture can greatly reduce the negative consequences of these pressures.

Brass et al. (2024), Alles et al. (2024), Korbay et al. (2024), Behodirovic (2023), Abdulmir et al. (2022), Dobrowolski et al. (2022), Tavares et al. (2022), Al-Mufouda et al. (2022), McGregor et al. (2020), Alua et al. (2019), Shahbazitekabi et al. (2023), Kabiri et al. (2023), Ghanbarzadeh et al. (2022), and Nouri (2021).

The overall findings of this research confirm the significant impact of nine key psychological factors on the performance of audit firms that are members of the Iranian Association of Certified Public Accountants.

In order to transform these findings into practical solutions, the following recommendations are proposed:

1. Designing Structured Psychological Interventions
Establishing a professional mental health management system in audit firms with three core pillars:

- Specialized counseling center: Providing seasonal clinical psychology services to manage stress during peak workload periods.
- Ethical resilience workshops: Training in conflict-resolution skills using case studies of common professional dilemmas.
- Digital monitoring system: Utilizing platforms for real-time monitoring of burnout symptoms through behavioral analytics.

2. Transformation in Leadership Architecture and Organizational Culture

- Developing transformational leaders: Designing blended (online–offline) training programs focused on:
 - Cognitive–emotional skills for managing high-pressure teams.
 - Techniques for building organizational trust during ethical crises.
- Re-engineering organizational culture:
 - Drafting a “perceptual transparency charter” to enhance client perceptions.
 - Implementing non-financial reward systems based on mental health indicators.

3. Developing Technology-Oriented Frameworks

- Behavioral artificial intelligence: Designing algorithms to predict ethical conflicts based on the analysis of organizational correspondence.
- Digital work–life balance solutions: Implementing adaptive project management systems with automatic workload adjustments.

4. Models for Responding to Client Expectations

- Interactive transparency platform: Creating an online real-time reporting system for clients to reduce ambiguity-driven tensions.
- Client-focused training: Designing joint institute–client training programs to align

client expectations with professional realities.

5. Policy Recommendations for the Association of Certified Public Accountants

- Revising professional standards: Incorporating “psychological considerations” as an administrative requirement in quality-control regulations.
- Establishing an organizational health ranking center: Granting certification based on psychological well-being indicators.
- Creating a fund to support interdisciplinary research: Allocating dedicated budgets for psychology–auditing studies.

Theoretical and Practical Implications

These recommendations, by creating a conceptual bridge between industrial–organizational psychology and the auditing profession, propose a novel paradigm of “human-centered auditing” that leads to three major transformations:

1. A shift from duty-oriented auditing to resilience-oriented auditing.
2. Turning psychological challenges into organizational competitive advantages.
3. The formation of a new discourse in professional management centered on cognitive well-being as the foundation of service quality.

Implementing these strategies requires the joint commitment of audit firms, the professional community, and academic institutions, to create an integrated ecosystem that will ensure the sustainability of Iran’s auditing industry by 2031 (1410 in the Iranian calendar).

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