Designing a Model for Enhancing Audit Quality Based on Auditors' Managerial Characteristics

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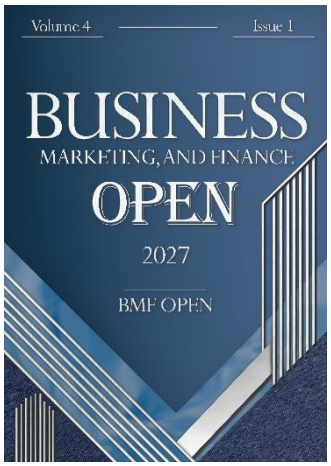

Citation: Shamohammadi, M. A., Rostami Jaz, H., Imani, Z., & Ranjbar, M. H. (2027). Designing a Model for Enhancing Audit Quality Based on Auditors' Managerial Characteristics. *Business, Marketing, and Finance Open*, 4(1), 1-15.

Received: 01 February 2026
Revised: 08 June 2026
Accepted: 15 June 2026
Initial Publication: 02 July 2026
Final Publication: 01 January 2027

Abstract: The present study was conducted with the aim of designing a model for enhancing audit quality based on auditors' managerial characteristics. Grounded in the pragmatist paradigm and pursuing a fundamental-applied objective, the study was carried out using an exploratory sequential mixed-methods design. In the qualitative phase, data were collected through semi-structured interviews with 19 theoretical experts (professors of auditing and behavioral sciences) and practical experts (partners and senior managers of audit firms) and were analyzed using thematic analysis with MAXQDA 18 software. In the quantitative phase, a researcher-developed questionnaire was designed based on the extracted codes and distributed among 300 independent auditors and officials of audit firms. The validity of the questionnaire was confirmed through face validity, content validity (CVR and CVI), and construct validity (confirmatory factor analysis), while its reliability was established using Cronbach's alpha (0.945) and composite reliability. Quantitative data were analyzed using Structural Equation Modeling (SEM) and the Partial Least Squares (PLS) approach. The findings of the qualitative phase revealed that audit quality is a four-dimensional construct comprising "professional competence," "independence and professional ethics," "audit process and execution," and "professional judgment and audit reporting." Furthermore, the managerial characteristics affecting audit quality were classified into four dimensions: "leadership style and professional guidance," "audit human resource management," "control, supervision, and quality assurance," and "communication management and team culture." The results of the structural equation modeling indicated a direct, positive, and significant effect of all four managerial dimensions on audit quality. Among these, the dimension of control, supervision, and quality assurance demonstrated the highest path coefficient (0.766). The model fit indices (R^2 = 0.679, GOF = 0.579, NFI = 0.975) indicate excellent model fit and high explanatory power. The final model exhibited satisfactory internal and external validity and provides a scientific framework for professional policymaking within audit firms.

Keywords: Audit Quality, Managerial Characteristics, Leadership Style, Human Resource Management, Control and Supervision, Team Culture.

1. Introduction

Audit quality has long been regarded as one of the most critical pillars of financial reporting credibility, corporate accountability, and stakeholder confidence. In increasingly complex business environments characterized by globalization, technological transformation, regulatory pressures, and heightened stakeholder expectations, the quality of auditing services has become a strategic concern for organizations, regulators, investors, and professional bodies alike. High-quality audits contribute to the reliability of financial information, reduce information asymmetry, strengthen investor confidence, and support effective corporate governance systems. Conversely,

deficiencies in audit quality can lead to financial misstatements, reduced market trust, regulatory sanctions, and substantial economic losses. Consequently, understanding the determinants of audit quality has become a central theme in contemporary accounting and auditing research [1-3].

The concept of audit quality has evolved considerably over the past decades. Earlier perspectives primarily emphasized technical compliance with auditing standards and the ability to detect material misstatements. More recent viewpoints conceptualize audit quality as a multidimensional construct encompassing professional competence, auditor independence, ethical commitment, judgment quality, effectiveness of audit procedures, and the reliability of audit reporting. Research has demonstrated that audit quality extends beyond procedural compliance and reflects the overall capability of auditors and audit firms to provide objective, accurate, and value-adding assurance services [4-6]. This multidimensional perspective suggests that audit quality emerges from a complex interaction of technical, organizational, behavioral, and managerial factors.

The significance of audit quality has become even more pronounced in the aftermath of financial crises, corporate scandals, and major economic disruptions. Evidence suggests that audit quality plays a crucial role in maintaining financial reporting integrity during periods of uncertainty and organizational stress. Organizations that benefit from high-quality audits demonstrate greater resilience, improved transparency, and stronger stakeholder trust compared with firms exposed to low-quality audit practices. Recent studies investigating audit performance during periods of crisis have reinforced the importance of effective audit processes in preserving market confidence and organizational legitimacy [7, 8]. These developments have intensified scholarly interest in identifying the organizational and managerial antecedents of audit quality.

A substantial body of literature has examined the structural and institutional determinants of audit quality. Studies have investigated the influence of auditor tenure, auditor rotation policies, audit committees, corporate governance mechanisms, and auditor specialization on audit outcomes. Research findings generally indicate that institutional arrangements can significantly influence the effectiveness and independence of auditors, thereby affecting audit quality. For example, auditor tenure has been associated with both knowledge accumulation benefits and independence concerns, while audit committees have been found to influence auditor selection and oversight processes in ways that affect audit performance [9-11]. Similarly, governance structures have been shown to strengthen the relationship between auditing activities and organizational performance outcomes [2, 3].

Another important stream of research has focused on the consequences of audit quality for organizational outcomes. High-quality audits have been associated with improved financial reporting quality, reduced earnings management, enhanced financial performance, lower costs of capital, stronger environmental, social, and governance (ESG) performance, and greater organizational transparency. These findings highlight the strategic value of audit quality beyond regulatory compliance and demonstrate its contribution to sustainable organizational performance and stakeholder confidence [1, 12-14]. Consequently, enhancing audit quality has become a priority not only for audit firms but also for policymakers and corporate leaders seeking to strengthen accountability mechanisms.

Recent technological developments have further transformed the auditing profession and introduced new dimensions to the quality debate. The emergence of artificial intelligence, advanced analytics, digital auditing platforms, and remote auditing practices has significantly altered how audits are planned, executed, and evaluated. These technological innovations offer opportunities to improve audit efficiency, expand analytical capabilities, and enhance risk assessment procedures. However, they also require auditors and audit managers to develop new competencies and managerial approaches to ensure that technological adoption translates into improved audit

quality. Research has demonstrated positive relationships between technology readiness, artificial intelligence adoption, and sustainable audit quality outcomes [15, 16]. These findings suggest that managerial capacity to guide technological transformation may play an increasingly important role in shaping audit quality.

In parallel with technological advancements, contemporary auditing environments have become increasingly dependent on knowledge sharing, collaboration, and organizational learning. Audit engagements often involve multidisciplinary teams operating across different locations and organizational contexts. Effective management of human resources, communication networks, and knowledge transfer mechanisms has therefore become essential for maintaining audit effectiveness. Research indicates that common auditor networks facilitate knowledge transfer processes that can improve audit quality, while spatial and social factors influence auditor independence and professional judgment in important ways [17, 18]. Such findings underscore the importance of managerial practices that support collaboration, coordination, and professional development within audit teams.

Despite the extensive literature on audit quality, many studies have predominantly focused on structural, institutional, and technical determinants while paying comparatively less attention to managerial characteristics within audit firms. Yet management represents the mechanism through which organizational resources, professional expertise, quality control systems, and team interactions are coordinated and directed toward achieving audit objectives. In professional service organizations such as audit firms, managerial effectiveness can substantially influence the quality of work processes, employee performance, ethical conduct, and decision-making outcomes. Therefore, understanding how managerial characteristics shape audit quality represents an important and underexplored area of inquiry.

Leadership constitutes one of the most influential managerial factors in professional organizations. Effective leaders establish strategic direction, promote professional values, encourage ethical behavior, and create environments conducive to learning and innovation. In auditing contexts, leadership influences auditors' commitment to professional standards, willingness to exercise professional skepticism, and ability to navigate complex client relationships. Studies examining organizational culture, ethical environments, and professional conduct suggest that leadership behaviors significantly affect the quality of professional judgments and organizational outcomes [19-21]. Consequently, leadership style may represent a critical managerial determinant of audit quality.

Human resource management also occupies a central position in the audit quality equation. Audit quality ultimately depends on the competencies, motivations, experiences, and ethical commitments of audit personnel. Effective recruitment, training, development, performance evaluation, and career management systems are therefore essential for building and sustaining high-quality audit capabilities. Prior studies have highlighted the importance of auditor competence, professional expertise, and behavioral characteristics in achieving desirable audit outcomes. Research on auditor personality, forensic accounting competencies, and professional development further supports the argument that human resource practices can substantially influence audit quality [4, 22, 23]. However, the mechanisms through which managerial approaches to human resource management contribute to audit quality remain insufficiently examined.

Another dimension receiving increasing attention is quality control and supervisory management. Audit firms operate within highly regulated environments where compliance with professional standards and quality assurance procedures is essential. Effective monitoring systems, review mechanisms, and accountability structures help ensure consistency, reduce errors, and strengthen professional performance. Previous research has emphasized the importance of internal audit quality, governance quality, and organizational control systems in

enhancing reporting timeliness and organizational effectiveness [24, 25]. Nevertheless, relatively few studies have integrated quality control and supervisory management into comprehensive models explaining audit quality.

Communication management and team culture represent additional managerial dimensions with potentially significant implications for audit effectiveness. Auditing is inherently collaborative, requiring continuous interaction among team members, clients, regulators, and other stakeholders. Transparent communication, constructive conflict management, trust-building, and knowledge sharing contribute to effective team functioning and professional judgment. Organizational culture influences how employees interpret ethical standards, respond to pressures, and prioritize quality objectives. Empirical evidence indicates that organizational culture affects disclosure quality, professional behavior, and audit outcomes, while ethical cultures can mitigate the adverse effects of time pressure on audit performance [19-21]. These findings suggest that communication and culture should be considered integral components of any comprehensive framework for understanding audit quality.

The importance of managerial factors becomes particularly evident when considering the broader organizational context in which auditing activities occur. Studies outside the auditing domain have consistently demonstrated that managerial practices influence implementation quality, organizational performance, employee engagement, and institutional effectiveness. Research examining intra-organizational factors in project-oriented organizations, for example, highlights the critical role of management systems in determining implementation success and organizational outcomes [26]. Similar mechanisms may operate within audit firms, where managerial characteristics influence the effectiveness with which professional standards, quality assurance procedures, and organizational resources are translated into audit outcomes.

Although previous studies have investigated isolated aspects of leadership, governance, ethics, technology, independence, and auditor competence, there remains a notable gap in the literature regarding the development of an integrated model that systematically explains how managerial characteristics collectively influence audit quality. Existing research tends to examine individual determinants in isolation, making it difficult to understand the broader managerial ecosystem that supports high-quality auditing. Furthermore, many prior studies have relied exclusively on quantitative approaches, potentially overlooking valuable insights embedded in the lived experiences of audit partners, managers, and professional experts. An integrated mixed-methods approach may therefore provide a richer and more comprehensive understanding of the managerial foundations of audit quality.

The need for such a model is especially relevant in emerging and developing professional environments, where audit firms face increasing competitive pressures, regulatory demands, technological disruption, and stakeholder expectations. Under these conditions, audit quality can no longer be viewed solely as a function of individual auditor competence or compliance with standards. Rather, it must be understood as the outcome of managerial systems that shape professional behavior, organizational culture, resource allocation, communication processes, quality control mechanisms, and leadership practices. Developing a scientifically grounded model capable of explaining these relationships can provide valuable guidance for audit firms, professional associations, regulators, and policymakers seeking to strengthen audit quality and professional accountability.

Therefore, the present study aims to design and validate a model for enhancing audit quality based on auditors' managerial characteristics by identifying the key managerial dimensions affecting audit quality and examining their structural relationships within an integrated conceptual framework.

2. Methodology

The present study was conducted within the framework of the pragmatist paradigm and using an exploratory sequential mixed-methods design to answer the fundamental question: "What are the managerial characteristics that affect audit quality, and how can a model be proposed for enhancing audit quality based on these characteristics?" This design was selected because the complex phenomenon of "audit quality" and its linkage with "management" cannot be assessed solely through numbers and statistics; rather, it requires immersion in the lived experiences of audit managers and partners so that hidden and overlooked components can emerge from their narratives. Accordingly, the study proceeded in two main phases: first, a qualitative and exploratory phase for identification and conceptualization; and second, a quantitative and survey-based phase for testing and validating the findings.

In the qualitative phase, the statistical population consisted of two groups: theoretical experts and experiential experts. The theoretical experts included seven faculty members specializing in auditing and behavioral sciences who were well acquainted with the theoretical foundations of management and auditing. The experiential experts included 12 partners, senior managers, and technical officers of audit firms who had extensive professional experience and were closely involved with the challenges of managing audit teams. These 19 participants were selected using purposive sampling and in accordance with the principle of theoretical saturation. The data collection instrument at this stage was a semi-structured interview designed around two main axes: the nature of the dimensions and components of audit quality, and the nature of the managerial characteristics affecting it. Each interview lasted between 30 and 90 minutes and, after obtaining written consent, was audio-recorded and then carefully transcribed.

The qualitative data were analyzed using thematic analysis based on the flexible approach of Braun and Clarke (2020), with the assistance of MAXQDA 2018 software. The analytical process proceeded in a step-by-step and iterative manner: first, the interview texts were read several times so that the researcher could become deeply familiar with the data; then, initial codes were inductively extracted. In the next stage, these codes were categorized based on semantic relationships into basic themes, then organizing themes, and finally overarching themes. To enhance the trustworthiness of the findings, several strategies were employed, including member checking by returning the findings to five interviewees, test–retest reliability through recoding several interviews after two weeks and calculating an agreement coefficient of 80.7%, and inter-coder thematic agreement by inviting a second coder and calculating the percentage of agreement. In addition to the interviews, a meta-synthesis study based on the PRISMA model was also conducted to review and synthesize the prior systematic literature on audit management and audit quality. From an initial pool of 316 articles, 18 articles were selected as the final studies after preliminary and detailed screening and were used in combination with the interview findings.

After completing the qualitative phase and developing the thematic network, the quantitative phase was conducted. The statistical population at this stage included all independent auditors and managers of audit firms. Considering the requirements of confirmatory factor analysis and structural equation modeling, the minimum sample size was set at 300 participants, and non-random quota sampling was used to preserve the geographical distribution of members in the sample. The data collection instrument was a researcher-developed questionnaire whose items were directly extracted from the codes and themes of the qualitative phase. The final questionnaire contained 155 items rated on a five-point Likert scale, ranging from 1 = very low to 5 = very high. It measured only the dimensions of audit quality, including professional competence, independence and professional ethics, audit

process and execution, and professional judgment and reporting, as well as the dimensions of managerial characteristics, including leadership style, human resource management, control and supervision, and communication management and team culture. No item was allocated to personality traits. Content validity was confirmed using the Content Validity Ratio and Content Validity Index, as well as the judgments of 10 experts. Construct validity was also established through confirmatory factor analysis. The reliability of the instrument was confirmed by calculating Cronbach's alpha coefficient, which was 0.945 for the entire questionnaire and above 0.85 for the managerial components, as well as by composite reliability.

Before the main analysis, the questionnaire data were preprocessed: missing data (9 cases) were replaced using appropriate imputation methods, careless respondents (3 individuals with more than 70% identical responses) were removed, and outliers (7 cases) were adjusted using the median method. Then, the assumptions of parametric tests, including normality using skewness and kurtosis indices and the Shapiro–Wilk test, adequacy of sample size using the KMO and Bartlett's tests, and absence of multicollinearity using the Variance Inflation Factor, were examined and all were confirmed. Quantitative data analysis was conducted at both descriptive and inferential levels using SPSS 27 and SmartPLS 3 software. At the inferential level, Pearson correlation was first calculated, followed by confirmatory factor analysis, and finally structural equation modeling using the Partial Least Squares approach. In the final step, to assess the external and internal validity of the model, a separate 34-item questionnaire was distributed among 30 independent experts, and the results were evaluated using the one-sample t-test.

3. Findings and Results

The findings presented below are the result of implementing this methodological path: from the unembellished narratives of audit managers to the numerical evidence that ultimately led to a model for enhancing audit quality based on management.

In the qualitative section, among the 19 participating experts, 12 individuals, approximately 63%, were experiential experts, including partners and managers of audit firms, and 7 individuals, approximately 37%, were theoretical experts, including university faculty members. In terms of gender, 15 participants were men, 78.8%, and 4 were women, 21.1%. The highest age frequency was in the 45–50 age group, with 9 participants, 47.4%, and the highest frequency of related work experience was in the 10–20 years group, with 10 participants, 52.6%. In the quantitative section, 300 auditors and audit managers participated, with the highest age frequency being over 50 years, 42.8%, 129 individuals, and the highest work experience frequency being more than 20 years, 33.8%, 101 individuals. The gender composition of the quantitative sample was relatively balanced, consisting of 54% men, 162 individuals, and 46% women, 138 individuals. These characteristics indicate that the respondents in both phases were experienced and skilled individuals in the field of auditing.

The first research question concerned the nature of the dimensions and components of audit quality. The experts regarded audit quality as a multidimensional concept that is not limited merely to the final output, namely the audit report, but rather flows through inputs, including auditor competence, processes, including planning, execution, and supervision, and outputs, including judgment and reporting. Table 1 presents these four dimensions, along with their components and key indicators.

Table 1. Dimensions, Components, and Indicators of Audit Quality Derived from Thematic Analysis and Meta-Synthesis

Dimension of Audit Quality	Components	Key Indicators (Examples)
Professional audit competence	Technical audit knowledge	Mastery of auditing standards, familiarity with financial reporting standards, understanding of governing laws and regulations, ability to analyze complex financial issues, continuous updating of professional knowledge
Professional audit competence	Professional experience	Experience in similar engagements, ability to detect material misstatements, effective use of past experiences, skill in experience-based judgment, learning from previous professional errors
Professional audit competence	Analytical skills	Ability to analyze financial data, identification of unusual patterns and relationships, use of advanced analytical methods, logical evaluation of audit evidence, integration of quantitative and qualitative evidence
Independence and professional ethics	Independence of mind	Impartiality in judgment, resistance to client pressure, lack of influence from personal interests, maintaining professional skepticism, honest reporting
Independence and professional ethics	Independence in appearance	Absence of financial relationships with the client, maintaining professional distance from management, transparency in work relationships, compliance with the code of professional conduct, prevention of conflicts of interest
Independence and professional ethics	Ethical commitment	Adherence to principles of professional ethics, accountability to stakeholders, maintaining confidentiality of information, prioritizing the public interest, professional accountability
Audit process and execution	Audit planning	Development of a risk-based plan, identification of significant areas, appropriate allocation of human resources, logical scheduling of activities, flexibility of the plan
Audit process and execution	Evidence collection	Sufficiency of evidence, reliability of evidence, diversity of evidence-gathering methods, application of professional judgment in selecting evidence, appropriate documentation
Audit process and execution	Supervision and control	Continuous review of team members' work, compliance with quality control procedures, timely correction of deviations, effective team coordination, adherence to the professional hierarchy
Professional judgment and audit reporting	Expert judgment	Evaluation of contradictory evidence, use of professional reasoning, reduction of cognitive biases, consistency in audit decisions
Professional judgment and audit reporting	Final decision-making	Correct identification of the type of opinion, attention to the materiality of misstatements, evaluation of the effects of misstatements, coordination of team members' opinions, alignment of decisions with standards
Professional judgment and audit reporting	Report quality	Clarity of content, appropriate wording of qualified paragraphs, understandability of the report, disclosure of significant risks, timeliness of the report

However, the answer to the main research question, namely which managerial characteristics affect audit quality, is illustrated in Table 2. The experts explicitly stated that "good management" in auditing is something beyond administrative supervision, and they explained it through four main pillars: leadership style and professional guidance, audit human resource management, quality control and supervision, and communication management and team culture.

Table 2. Dimensions, Components, and Indicators of Managerial Characteristics Affecting Audit Quality Derived from Thematic Analysis and Meta-Synthesis

Managerial Dimension	Components	Key Indicators (Examples)
Leadership style and professional guidance	Professional leadership	Guiding the team based on auditing standards, creating a clear vision for the engagement, modeling professional behavior, supporting team members' professional decisions, creating professional motivation within the group
Leadership style and professional guidance	Transformational leadership	Encouraging critical thinking, supporting innovation in auditing methods, strengthening learning and professional development, creating organizational commitment, empowering team members
Leadership style and professional guidance	Participative leadership	Involving members in decision-making, strengthening two-way communication, paying attention to members' expert opinions, increasing team belongingness, enhancing intra-group trust

Audit human resource management	Selection and recruitment	Selecting individuals based on professional competence, considering job–engagement fit, transparency in recruitment criteria, use of specialized assessments, recruiting individuals committed to professional ethics
Audit human resource management	Training and development	Planning specialized training, updating auditors' technical knowledge, developing professional judgment skills, training behavioral skills, evaluating training effectiveness
Audit human resource management	Performance evaluation	Quality-based performance evaluation, provision of constructive feedback, identification of strengths and weaknesses, linking evaluation to professional promotion, ensuring fairness in evaluation
Control, supervision, and quality assurance	Professional supervision	Continuous review of team members' work, guiding timely corrections, monitoring compliance with standards, preventing professional errors, increasing the accuracy of procedure implementation
Control, supervision, and quality assurance	Quality control	Implementation of an audit quality control system, documentation of control processes, compliance with regulatory requirements, continuous monitoring of engagement quality, continuous improvement of the audit process
Control, supervision, and quality assurance	Managerial accountability	Responsibility for audit outcomes, accountability to professional bodies, transparency in managerial decisions, acceptance of professional criticism, correction of ineffective procedures
Communication management and team culture	Professional communication	Transparency in information transfer, facilitation of communication flow within the team, reduction of professional misunderstandings, enhancement of member coordination, increased effectiveness of collaboration
Communication management and team culture	Quality culture	Promotion of an audit quality culture, emphasis on accuracy and correctness of work, prioritizing quality over speed, institutionalization of professional values, encouragement of adherence to professional ethics
Communication management and team culture	Conflict management	Timely identification of conflicts, professional resolution of conflicts, prevention of destructive tensions, preservation of team cohesion, transformation of conflict into organizational learning

After extracting this thematic network, the quantitative phase was conducted to test the validity of the model. Table 3 presents the descriptive indices of the main dimensions of the study. Among the dimensions of audit quality, "independence and professional ethics" obtained the highest mean score, 3.83 out of 5, while "audit process and execution" obtained the lowest mean score, 3.17. On the other hand, among the managerial characteristics, "audit human resource management" had the highest mean score, 3.86, and "control, supervision, and quality assurance" had the lowest mean score, 3.42. All skewness and kurtosis values were within the acceptable range, between −2 and +2, confirming the assumption of normality of the data.

Table 3. Measures of Central Tendency, Dispersion, and Distribution for the Dimensions of Audit Quality and Managerial Characteristics

Construct	Dimension	Mean	Standard Deviation	Skewness	Kurtosis
Audit quality	Professional competence	3.31	0.83	−0.36	−0.11
Audit quality	Independence and professional ethics	3.83	0.78	−0.06	0.37
Audit quality	Audit process and execution	3.17	0.76	0.05	0.07
Audit quality	Professional judgment and reporting	3.39	0.80	−0.12	−0.09
Managerial characteristics	Leadership style and professional guidance	3.79	0.73	0.02	0.06
Managerial characteristics	Human resource management	3.86	0.82	−0.34	−0.15
Managerial characteristics	Control, supervision, and quality assurance	3.42	0.72	0.10	0.20
Managerial characteristics	Communication management and team culture	3.61	0.75	−0.05	−0.54

Before entering the modeling stage, simple linear relationships were examined by calculating Pearson correlations (Table 4). All four dimensions of managerial characteristics had positive and significant correlations with audit quality ($p < 0.01$). The highest correlation was related to "leadership style and professional guidance" (0.763), and the lowest correlation was related to "communication management and team culture" (0.729).

Table 4. Correlation Matrix of the Dimensions of Managerial Characteristics with Audit Quality

Managerial Dimension	Correlation Coefficient with Audit Quality	Significance Level
Leadership style and professional guidance	0.763	0.000
Audit human resource management	0.751	0.000
Control, supervision, and quality assurance	0.743	0.000
Communication management and team culture	0.729	0.000

Note. $p < 0.01$.

However, the most informative finding in the quantitative phase was the result of structural equation modeling using the Partial Least Squares approach. After estimating the model and confirming acceptable fit (GOF = 0.579, NFI = 0.975, $Q^2 = 0.239$), the path coefficients presented in Table 5 showed that all four managerial dimensions had direct and positive effects on audit quality, with t-values greater than 1.96. Notably, "control, supervision, and quality assurance" showed the strongest effect on audit quality with a coefficient of 0.766, while "leadership style and professional guidance" showed the weakest effect with a coefficient of 0.737. The coefficient of determination (R^2) for the audit quality construct was 0.679; in other words, nearly 68% of the variance in audit quality was explained by the four managerial dimensions, a proportion that is considered very high in social and behavioral science research.

Table 5. Path Coefficients, t-Statistics, and Hypothesis Status: The Effect of Managerial Characteristics on Audit Quality

Path: Managerial Factor → Audit Quality	Path Coefficient (β)	t-Statistic	Result
Leadership style and professional guidance	0.737	33.101	Confirmed
Audit human resource management	0.746	34.819	Confirmed
Control, supervision, and quality assurance	0.766	38.491	Confirmed
Communication management and team culture	0.759	37.448	Confirmed

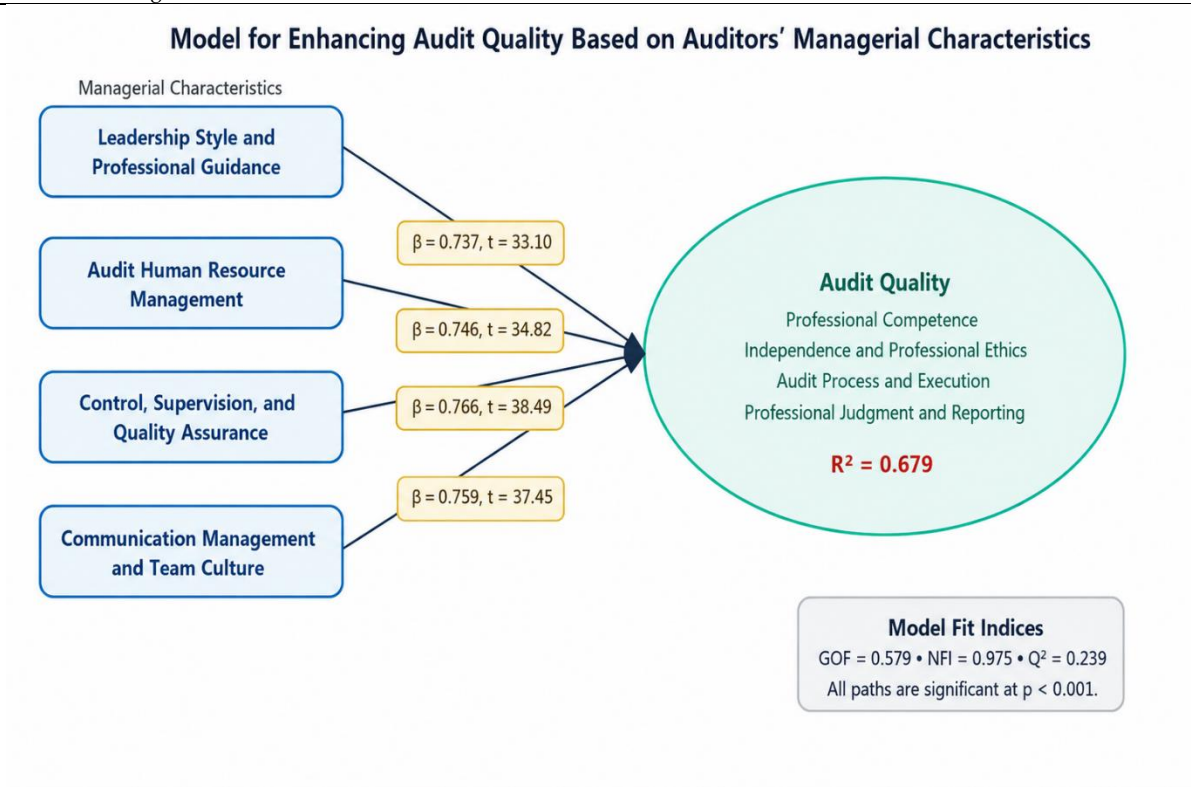

Figure 1. Model for Enhancing Audit Quality Based on Auditors' Managerial Characteristics

Finally, the integration of the qualitative and quantitative findings produced a model in which the four managerial pillars, namely leadership style, human resource management, control and supervision, and communication management and team culture, directly affect the four dimensions of audit quality, namely competence, independence, process, judgment, and reporting, and collectively explain a substantial proportion of the variance in audit quality. To ensure the validity of the model, a separate questionnaire was distributed among 30 independent experts. The results of the one-sample t-test showed that the mean score for the internal validity of the model was 4.35 out of 5, and the mean score for external validity was 4.20 out of 5, both of which were significantly higher than the average level of 3 ($p < 0.001$). The predictive relevance index (Q^2) was also 0.239, indicating the appropriate predictive power of the model. Overall, the findings of this study reveal that enhancing audit quality is not possible by relying solely on auditors' individual competencies; rather, its key lies in effective management: leadership that guides the team toward standards while also providing motivation and trust; a recruitment and training system that develops both technical and behavioral competencies; a supervisory framework that detects errors and corrects them without being suppressive; and a culture in which transparent communication, constructive conflicts, and quality are prioritized over quantity. This model can serve as a roadmap for managers of audit firms and professional bodies to transform quality into a systemic and sustainable advantage based on the identified managerial dimensions.

4. Discussion and Conclusion

The present study sought to design and validate a model for enhancing audit quality based on auditors' managerial characteristics. The findings demonstrated that audit quality is a multidimensional construct comprising professional competence, independence and professional ethics, audit process and execution, and professional judgment and reporting. Furthermore, four major managerial dimensions were identified as key determinants of audit quality, including leadership style and professional guidance, audit human resource management, control, supervision and quality assurance, and communication management and team culture. The structural equation modeling results revealed that all four managerial dimensions exerted significant positive effects on audit quality, with control, supervision and quality assurance exhibiting the strongest influence. Moreover, the proposed model explained approximately 68% of the variance in audit quality, indicating substantial explanatory power and confirming the central role of managerial factors in shaping audit outcomes.

One of the most important findings of this study is the conceptualization of audit quality as a multidimensional phenomenon rather than a singular outcome represented solely by the audit report. The identification of professional competence, independence and ethics, audit execution processes, and professional judgment as interconnected dimensions supports contemporary perspectives that regard audit quality as a comprehensive organizational and professional capability. This finding aligns with studies emphasizing that audit quality is reflected not only in technical compliance but also in the broader effectiveness of professional decision-making, reporting reliability, and financial reporting quality [4-6]. Similarly, research has shown that audit quality influences the credibility of financial reporting, organizational transparency, and stakeholders' trust in corporate disclosures [3, 14]. The multidimensional structure identified in the present study therefore provides empirical support for broader conceptualizations of audit quality and highlights the need to address multiple professional domains simultaneously when seeking quality improvement.

Another important finding concerns the significant role of leadership style and professional guidance in enhancing audit quality. Although this dimension exhibited the lowest path coefficient among the four managerial

dimensions, its effect remained highly significant. Effective leadership contributes to audit quality by establishing professional standards, fostering ethical conduct, supporting professional judgment, and creating a shared commitment to quality objectives. Audit teams operate in environments characterized by uncertainty, complex judgments, and competing stakeholder expectations. In such contexts, leadership serves as a critical mechanism for directing professional behavior and reinforcing quality-oriented values. This interpretation is consistent with studies demonstrating that organizational culture, ethical climates, and managerial leadership influence professional performance and audit outcomes [19, 20]. Furthermore, research examining organizational disclosure and culture has emphasized that managerial leadership shapes organizational values and ultimately affects the quality of professional outputs [21]. Therefore, the positive effect of leadership identified in the present study reinforces the argument that audit quality depends not only on technical expertise but also on the ability of leaders to cultivate professional commitment and accountability.

The findings also revealed that audit human resource management significantly influences audit quality. This result highlights the strategic importance of recruiting competent personnel, providing continuous professional development, evaluating performance effectively, and creating opportunities for professional growth. Auditing is fundamentally a knowledge-intensive profession in which the quality of outcomes depends largely on the competence and capabilities of auditors. Consequently, management practices that enhance employee skills, motivation, and commitment contribute directly to audit effectiveness. This finding is supported by studies indicating that auditor competencies, professional expertise, and behavioral characteristics influence the quality of audit judgments and outcomes [4, 22]. The results are also consistent with research showing that knowledge development and professional learning play essential roles in sustaining audit quality in dynamic business environments [17]. From a theoretical perspective, effective human resource management increases the stock of professional capital available to audit firms and enhances their capacity to perform complex audit engagements with greater reliability and accuracy.

Among all managerial dimensions, control, supervision and quality assurance exhibited the strongest influence on audit quality. This finding is particularly noteworthy because it emphasizes the importance of systematic monitoring and quality management mechanisms within audit firms. Effective supervisory practices help ensure compliance with professional standards, identify deficiencies before they affect audit outcomes, and provide auditors with guidance for continuous improvement. Quality assurance systems create organizational structures that support consistency, accountability, and professional rigor throughout audit engagements. These findings correspond with previous studies highlighting the importance of internal audit quality, governance mechanisms, and organizational oversight structures in improving reporting quality and organizational effectiveness [24, 25]. Similarly, research investigating audit quality during periods of crisis demonstrates that strong monitoring systems and quality controls help organizations maintain reliability and stakeholder confidence even under challenging circumstances [7, 8]. The substantial effect observed in the present study suggests that quality assurance systems serve as a critical bridge between professional standards and actual audit performance.

The positive impact of communication management and team culture on audit quality also represents an important contribution of this research. Auditing is inherently collaborative and requires effective information sharing among team members, supervisors, clients, and regulators. Transparent communication reduces misunderstandings, enhances coordination, and facilitates the timely resolution of professional issues. Likewise, a strong quality-oriented culture encourages ethical conduct, professional responsibility, and collective commitment to high standards. The present findings are consistent with evidence suggesting that ethical cultures significantly

enhance audit performance and mitigate the negative consequences of organizational pressures such as time constraints [19]. Furthermore, studies examining spatial and social dimensions of auditing indicate that communication processes and interpersonal relationships influence auditor independence and professional judgment [18]. Research on corporate culture also demonstrates that shared organizational values can affect financial reporting quality and professional outcomes [20]. Therefore, fostering constructive communication and cultivating a quality-oriented culture appear essential for achieving sustainable improvements in audit quality.

The strong relationships identified between managerial characteristics and audit quality can also be interpreted in light of broader organizational theories. Management serves as the mechanism through which organizational resources, competencies, technologies, and professional practices are coordinated to achieve strategic objectives. Consequently, managerial characteristics influence not only operational processes but also organizational culture, employee behavior, and decision-making quality. Research conducted in other organizational contexts similarly demonstrates that managerial systems significantly affect implementation quality, organizational performance, and institutional effectiveness [26]. The present findings extend these insights into the auditing domain and suggest that management represents a fundamental organizational capability that shapes audit quality outcomes.

The findings additionally provide valuable insights regarding the interaction between management and emerging technological developments in auditing. Modern auditing increasingly relies on digital technologies, artificial intelligence, remote auditing tools, and advanced analytical methods. However, the successful implementation of these technologies depends largely on managerial capabilities related to leadership, training, supervision, and organizational adaptation. Previous studies have reported positive relationships between technology readiness, artificial intelligence adoption, and sustainable audit quality [15, 16]. The current findings suggest that managerial characteristics may act as enabling conditions that determine whether technological investments translate into genuine improvements in audit quality. Without effective management, technological resources may fail to achieve their intended benefits.

Another notable implication of the findings concerns the role of managerial characteristics in supporting auditor independence and professional ethics. Independence remains one of the defining attributes of high-quality auditing because it ensures objectivity and protects the credibility of audit opinions. The present model suggests that independence is not solely an individual characteristic but is also shaped by organizational and managerial environments. Leadership practices, communication systems, quality controls, and human resource policies collectively create conditions that either reinforce or undermine auditor independence. This interpretation is consistent with studies emphasizing the importance of objectivity, professional ethics, governance structures, and organizational contexts in determining audit quality [2, 4, 10]. Consequently, strengthening audit quality requires managerial interventions that support ethical conduct and professional autonomy throughout the audit process.

The study also contributes to understanding the strategic consequences of audit quality. Previous research has demonstrated that high-quality audits are associated with enhanced financial performance, improved ESG outcomes, lower costs of capital, stronger governance systems, reduced earnings management, and more reliable financial reporting [1, 3, 12, 13]. Because managerial characteristics significantly influence audit quality, they may indirectly affect these broader organizational outcomes as well. In this sense, investments in leadership development, professional training, quality assurance systems, and communication practices should not be viewed merely as administrative expenditures but rather as strategic investments that contribute to organizational value creation and stakeholder confidence.

The findings also complement previous research on auditor switching, auditor tenure, and professional role structures. Studies examining auditor rotation, interchangeable auditor positions, and auditor selection processes suggest that organizational systems influence audit effectiveness and quality outcomes [9, 11, 23]. The present research extends this perspective by demonstrating that managerial characteristics represent an overarching organizational framework through which such structural arrangements operate. Effective management can maximize the benefits of institutional structures while mitigating their potential weaknesses.

Overall, the findings provide strong evidence that audit quality is not solely a technical phenomenon but also a managerial achievement. The substantial explanatory power of the model indicates that managerial characteristics collectively play a critical role in determining the quality of auditing outcomes. By integrating leadership, human resource management, quality assurance, and communication management into a unified framework, the study advances current understanding of audit quality and provides a comprehensive perspective on how professional excellence can be achieved within audit firms.

Despite its contributions, this study has several limitations. First, the data were collected from auditors and audit managers within a specific professional context, which may limit the generalizability of the findings to other countries or regulatory environments. Second, the cross-sectional nature of the quantitative phase prevents definitive conclusions regarding causal relationships among the variables. Third, the use of self-reported questionnaire data may have introduced social desirability bias, particularly when participants evaluated managerial practices and audit quality. Finally, although the study identified major managerial dimensions affecting audit quality, other contextual factors such as organizational size, market competition, regulatory pressure, and technological maturity were not explicitly incorporated into the model.

Future studies should examine the proposed model in different national, cultural, and regulatory settings to assess its generalizability. Longitudinal research designs could provide deeper insights into the causal mechanisms linking managerial characteristics and audit quality over time. Researchers may also investigate potential mediating and moderating variables, including organizational culture, technological readiness, professional commitment, and governance quality. Comparative studies between large international audit firms and smaller local firms could further illuminate contextual differences in managerial practices. Additionally, qualitative investigations exploring auditors' lived experiences may enrich understanding of how managerial characteristics influence professional judgment and ethical decision-making in practice.

Audit firms should invest systematically in leadership development programs that strengthen managers' abilities to guide professional teams, support ethical conduct, and promote quality-oriented cultures. Human resource systems should prioritize competency-based recruitment, continuous professional development, and performance evaluation mechanisms aligned with quality objectives. Organizations should also strengthen supervisory and quality assurance systems through regular reviews, feedback processes, and accountability mechanisms that encourage continuous improvement. Furthermore, audit firms should cultivate transparent communication channels, foster collaborative team cultures, and establish constructive conflict-management practices that support professional learning and innovation. By adopting a comprehensive managerial approach to quality enhancement, audit firms can transform audit quality from an individual responsibility into a sustainable organizational capability and a long-term competitive advantage.

Authors' Contributions

Authors equally contributed to this article.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

Acknowledgments

Authors thank all participants who participate in this study.

Conflict of Interest

The authors report no conflict of interest.

Funding/Financial Support

According to the authors, this article has no financial support.

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