Executive Summary of "It's not my fault! Insights into subordinate auditors' attributions and emotions following audit review"

The study explores the audit review process, focusing on how subordinate auditors mentally process their best and worst review experiences. While audit review is crucial for quality control and auditor development, it often faces criticism at various levels within audit firms. This study investigates the attributions and emotional responses of subordinate auditors to their review experiences, providing insights into the impact of these experiences on audit quality.

Method: The study utilizes an experiential questionnaire to gather 198 recollections from subordinate auditors at two global public accounting firms. The auditors were asked to detail their worst and best audit review experiences. The data were analyzed through the lens of attribution theory, which examines how individuals attribute causes to events and how these attributions influence their emotions and behaviors.

Key Findings

1. **Worst Review Experiences**: Subordinates frequently attribute their worst review experiences to external factors, such as supervisors, the review process, or the firm environment. Common sentiments include feelings of frustration, invisibility, and powerlessness due to perceived carelessness, incompetence, or impersonal nature of supervisors, and systemic flaws in the review process.
2. **Best Review Experiences**: Contrary to attribution theory, subordinates attributed their best review experiences not to their own merits but to relational factors. Positive experiences are linked to honest, balanced feedback and strong supervisor-subordinate relationships, which left auditors feeling empowered, appreciated, and motivated.

Key Takeaways

- **External Attributions for Worst Reviews**: Subordinates often blame external factors for negative review experiences, leading to demotivation and negative emotions.
- **Relational Attributions for Best Reviews**: Positive review experiences are heavily influenced by relational dynamics, emphasizing the importance of strong supervisor-subordinate relationships.
- **Impact on Audit Quality**: The findings indicate significant concerns about audit quality due to inconsistent supervisory reviews and high turnover at the supervisory level. Poor supervision could lead to errors and reduced audit quality.
- **Organizational Control**: Inconsistencies in the review process highlight potential issues with organizational control and socialization within audit firms. These inconsistencies can affect auditors' development, job satisfaction, and retention.

Contributions to the Literature

1. **Attribution Theory in Organizational Settings**: Extends the application of attribution theory to a real-world organizational setting, highlighting the importance of relational attributions in professional contexts.
2. **Audit Review Process**: Adds to the audit literature by providing a deeper understanding of subordinate auditors' perspectives on the review process, emphasizing the emotional and long-term impacts of review experiences.
3. **Affect in Auditing**: Underscores the role of affect in auditing, demonstrating how emotions generated by review experiences can influence auditors' attitudes and behaviors.

The study's insights into the audit review process have significant implications for audit practice and regulation, highlighting the need for consistent and constructive supervisory practices to foster positive auditor development and maintain high audit quality.