Chapter 14:

Talent Acquisition and Retention Crisis in Auditing: Factors and Recommendations

Nur Sabrina binti Kamaruddin, Ros Amalina binti Zakaria

Faculty of Accountancy, UiTM Cawangan Kelantan

amalina86@uitm.edu.my

ABSTRACT

The auditing profession is facing a severe talent acquisition and retention crisis due to increasing regulatory demands, evolving financial complexities, and declining interest among young professionals. As the demand for skilled auditors rises, fewer individuals are entering the field, creating a competence gap that threatens audit quality and financial accountability. High workloads, excessive stress, work-life balance issues, remuneration discrepancies, and limited career growth opportunities contribute to high attrition rates, making it difficult for firms to retain experienced auditors. Additionally, the shift to remote work following the COVID-19 pandemic disrupted traditional training and mentorship programs, further exacerbating the talent shortage. To address these challenges, audit firms must implement targeted strategies, including enhancing employee engagement, promoting work-life balance, offering competitive compensation, and investing in professional development. Flexible work arrangements, structured career progression, and a strong culture of recognition can improve job satisfaction and reduce turnover. Firms that prioritize employee well-being and create supportive work environments will be better positioned to attract, develop, and retain top talent. By proactively addressing these issues, the auditing profession can sustain its long-term viability, maintain high-quality financial reporting standards, and continue to uphold public trust in corporate governance and accountability.

Key Words: Auditing Profession, Retention Crisis, Competence Gap, Audit Quality

1. INTRODUCTION

The auditing profession is currently facing a severe talent acquisition and retention issue, which poses significant problems to firms and the wider financial landscape. As we approach 2025, there is an unprecedented demand for trained auditors due to increased regulatory scrutiny, complex financial transactions, and the need for greater transparency in corporate governance. However, as demand rises, the quality of qualified individuals entering the area decreases significantly. The combination of these factors has resulted in a competence gap that threatens the integrity and effectiveness of audit methods worldwide.

The lack of interest among young professionals currently represents one major cause of this situation. University statistics show scientific attendance in accounting and auditing has witnessed dramatic decrease. Auditing jobs fail to engage many students who prefer technology and consulting work which they consider exciting and innovative (ACCA, 2024). A new professional perspective has created dwindling fresh talent access which forces companies to hunt for suitable staff to meet essential roles.

Audit work has become substantially more complex due to various factors. Current auditing professionals must demonstrate strong expertise in accounting principles and essential understanding of complex regulatory systems and complex financial products. Specialized training along with knowledge constitutes a critical requirement for auditors because the profession continues to get more complex which creates difficulties in finding candidates who adapt to its evolving demands (IPS Finance, 2024). High standards of quality and compliance become harder for audit firms to sustain.

High attrition rates worsen the talent shortage in the auditing industry. The demanding nature of audit work, which includes long hours, tight deadlines, and high-pressure conditions, can cause severe stress and burnout among professionals. Many auditors prefer to quit the field for less difficult employment in other industries, contributing to a turnover cycle that puts further burden on the existing staff (The HR Director, 2024). This attrition not only reduces the pool of experienced auditors, but it also lowers team morale and productivity.

The COVID-19 epidemic has also had a significant impact on the current situation of talent acquisition and retention in the audit industry. The transition to remote work disrupted traditional training and mentorship models, which are critical for creating new auditors. Many businesses failed to adapt their onboarding processes to a virtual setting, leaving gaps in knowledge transfer and professional development.

2. LITERATURE REVIEW AND DISCUSSION

High Workload and Stress

Auditors experience severe work-related stress and heavy workloads that present the primary challenges in their profession today. The workflow of auditors commonly develops intense pressure because different deadlines meet during peak times. The Centre for Accounting Transformation (2024) reports that burnout affects 68% of accountants based on recent research findings while many professionals find their workloads excessive. Intense work conditions generate cognitive overload which makes auditors lose their ability to stay focused and make sound judgments thus affecting their work quality. When deadlines approach alongside stricter regulatory obligations the intense working conditions drive down auditing staff appreciation for their work while encouraging them to leave their positions.

High workloads create diverse impacts which spread from single auditors to slow down the operational performance and functional quality of audit projects. Audit firms often need to use both untrained personnel for complicated audits and fully occupy their current staff pool which leads to staff exhaustion and diminished workplace contentment according to IPS Finance (2024). The current audit workloads create doubt about professional financial reporting standards and the ability to keep strict financial reporting and accountability measures. A shortage of experienced auditors emerges because of stress or burnout which creates difficulties for firms to find suitable replacements who can fulfil customer requirements.

A study conducted by Syarif and Fitriyani, 2017 suggest that high volume of work can resulted in engagement in dysfunctional behavior, reducing the auditors' capability. Auditors working long hours are more susceptible to exhaustion, which can harm their ability to conduct audits effectively and detect fraud (Syarif and Fitriyani,2017). The accumulation of stress from heavy workloads not only impacts auditors' mental health but also reduces their cognitive capacities, increasing the probability of errors during the audit process (Dorgham, 2024). When auditors are overwhelmed with their tasks, they may take shortcuts or ignore essential audit procedures, resulting in worse audit quality.

Furthermore, excessive workload stress has been linked to a cautious approach among auditors. According to Accounting Perspectives study, when auditors encounter considerable workload pressures, they prefer to provide more conservative audit opinions as a risk mitigation approach (Sirois & Simunic, 2016). While conservatism may protect against potential errors in judgment, it can also result in unnecessary changes to audit findings that do not adequately reflect the client's financial situation. This tendency highlights the intricate interaction between workload stress and decision-making processes in the auditing field.

Work-life Balance

Work-life balance has become a crucial factor in the auditing profession's ability to attract and retain employees. According to an ACCA report (2024), work-life balance emerged as a major issue which makes auditing unattractive to professionals according to 61% of surveyed respondents. Authorization work requires many professionals to experience extreme stress as they dedicate numerous hours while busy periods robs them from spending enough time fulfilling their personal life obligations. Auditors' dissatisfaction together with lower interest from potential candidates develops when work-life balance becomes unfavourable.

Work-life balance deficiencies cause the greatest challenges in auditor retention efforts. Auditors tend to leave their firms when personal life suffers due to excessive work responsibilities since they search for positions that create better match between career demands and lifestyle needs (Chartered Accountants Worldwide, 2024). Companies need to modify their operational approaches because younger professionals select jobs that support personal life harmony so they must create wellness-friendly work settings for their personnel.

Remuneration Discrepancies

Auditors who face heavy workload responsibilities generally consider payment as important but they do not rank it first among their primary concerns when it comes to talent retention. Professional auditors have documented they receive insufficient compensation when dealing with excessive workloads at peak season (AB Magazine, 2024). Low employee pay together with excessive work hours and stress creates a soil in which employee motivation begins to die. Salaries play a vital role in talent recruitment but on their own they fail to solve existing problems regarding workload management and work-life balance needs.

Auditors typically leave their positions to search for better opportunities because of unsettled compensation issues which increase organizational employee turnover. Organizations enter a perpetual pattern where they must boost employee pay scales to recruit professionals while handling escalating operational expenses (MIA, 2024). Professionals need comprehensive treatment of salary concerns by evaluating financial rewards and additional career growth chances with supportive work environments

Limited Career Advancement Opportunities
Audit firms experience difficulties keeping their employees because auditors commonly feel there are restricted chances for career growth inside their organization. Auditors currently express dissatisfaction with the established promotion framework which primarily leads to partnership positions (ICAEW, 2024). Employee dissatisfaction emerges when employees want diverse career paths together with lateral movement options inside the organization. Chartered Accountants Worldwide,2024 suggests that rather than continuing applying a rigid conventional hierarchical system, organizations should apply a "career lattice" model to let employees find positions that match their combined skills and interests. Organizations which provide defined career advancement opportunities and mentoring support and training opportunities create workplaces that motivate staff members to stay permanently. The method both promotes employee contentment and develops adaptable staff who maintain organization resilience in the face of changing markets.

3. RECOMMENDATION

Enhance Employees Engagement and Work-Life Balance
A positive work environment built around employee engagement combined with work-life balance retention strategies serves as the main factor for keeping talent in auditing work. Audit firms need to perform systematic assessments of their workplace environment as they launch initiatives which focus on employee wellbeing. One way to perform the assessment is by using staff surveys since this will help the detection of work-life balance problems and problems with childcare support alongside diversity inclusion challenges (Chartered Accountants Worldwide, 2024). Companies need to solve employee issues in order to establish supporting work environments where personnel choose to remain.

Flexible work arrangements consisting of remote work capabilities and adaptable schedules have been proven to enhance employee job satisfaction at high levels. Employee satisfaction along with lower workplace stress reach peak levels when workers maintain authority over their work schedule according to Deloitte (2024). Audit firms that focus on work-life balance manage to lower staff burnout rates and raise workplace spirit which results in greater employee retention.

In addition, firms can consider offering compressed workweeks during non-peak seasons, allowing auditors to work longer hours over fewer days to have additional time off. This flexibility can contribute significantly to employee satisfaction, reduce burnout, and improve retention rates. A flexible work culture can be a significant selling point for younger auditors who increasingly value work-life balance.

Competitive Remunerations and Incentives Structures
Auditing firms must provide compensation packages that match market expectations if they want to acquire and maintain excellent staffing. The ACCA (2024) notes that audit staff show dissatisfaction with their earnings levels during peak periods thus causing firms to experience elevated turnover. Audit firms need to review their pay grades at regular intervals to maintain salaries in line with current market rates and inflation. An implementation of meaningful bonus programs that reward team and individual achievements promotes employee retention in the firm.

Organizations need to establish distinct pay scales separating superior performers from standard performers. Employee commitment to their organization strengthens when they detect that their work gets compensated according to its value (Inflo Software, 2024). Audit firms that establish an open compensation strategy for excellence-based rewards will keep their employees dedicated and decrease staff turnover.

Invest In Professional Development Opportunities
The auditing profession requires professional development investments as a key factor to hold onto its talented employees. Organizations need to establish formal career advancement plans which show the progression steps for employees. The supply of clear growth pathways to employees at ICAEW increases their retention rate substantially (ICAEW, 2024). Auditing firms should establish two programs to support advancement: senior

auditors should guide younger colleagues through career planning and the organization needs to teach current and emerging technological concepts such as data analytics and artificial intelligence.

Through Individual Development Plans (IDPs) organizations enable their auditors to reach their personal goals by keeping their career progression in line with company targets (Saviom, 2024). The continuous provision of skill-building opportunities through audit firms establishes an atmosphere of growth which concurrently maintains current staff and attracts rising professionals who seek career growth in an encouraging professional setting.

Professional development provides auditors with better career advancement opportunities. Auditors can establish themselves as better than their competition through ongoing education since it shows dedication to staying sharp and bettering themselves (Digger App, 2023). Auditors who earn Certified Internal Auditor (CIA) or Certified Public Accountant (CPA) certifications display workplace dedication to professional standards to employers while deepening their auditing expertise. Auditors who invest in multiple educational avenues such as workshops and seminars and online courses develop the abilities needed to advance their careers in their organizations.

Fosters A Culture of Recognition Feedback

Building organizational recognition systems establishes crucial conditions for boosting employee satisfaction together with employee loyalty in auditing. Formal recognition programs along with informal feedback suitably acknowledge employee work which results in improved morale according to Thomson Reuters (2024). The commitment of auditors to remain with their firm increases when they experience validation for their laborious commitment.

A free exchange between employees for feedback strengthens both employee satisfaction and the sense of organizational belonging. Performance reviews established for ongoing assessment of employees through constructive feedback and not disciplinary methods both boost professional development and build stronger workplace bonds between managers and employees (The IIA, 2025). Audits firms which implement recognition systems along with open conversations will develop an engaged workforce that maintains commitment toward their organization.

The practice of recognizing employees serves as an essential motivational force to build positive workplace behaviors in audit organizations. Gratification received by auditors for their work efforts strengthens their job satisfaction while enabling them to uphold professional standards (PCAOB, 2024). When organizations establish recognition systems their employees show improved teamwork and extended commitment which leads to longer professional durations. Lack of appreciation in audit teams triggers employee devaluation that reduces job satisfaction and drives up the abandonment rate.

Feedback plays a fundamental role in developing professionals through its contribution to ongoing improvement activities. Through open communication systems auditors obtain beneficial feedback regarding their work performance which guides their personal development as professionals (IIA, 2025). Feedback sessions that happen regularly establish conditions in which employees can connect with their supervisors for advice and problem solving. A culture of collaboration and teamwork develops within audit firms when performance-improving feedback is received by individuals which ultimately enhances personal performance outcomes.

4. CONCLUSION

In conclusion, the auditing profession faces an urgent talent retention problem along with a related problem retaining newly hired talent. Audit firms experience an intensified combination of regulatory complexities and vendor transparency requirements while facing growing barriers to keep and acquire appropriate talent. Several important factors that include heavy workload combined with stress and work-life balance conflicts together with payment disparities as well as restricted career progression create serious issues for talent retention in auditing.

The auditing profession requires these issues to be addressed in order to secure its long-term survival. Audit firms will build better work environments by launching strategic moves that involve employee involvement support together with improved work-life balance and market- competitive compensation plans alongside professional development options. Equal pay practices that eliminate gender disparities will both boost organizational diversity and achieve superior audit performance across the industry.

The ability of audit firms to adapt to workforce needs represents the essential factor for resolving their talent retention and acquisition problems. Organizations that focus on employee health promotion along with development programs for professional advancement will develop dedicated and loyal staff members. A proactive approach will build staff retention as well as establish audit firms as top employers in the competitive recruitment field.

The auditing field's development demands auditing firms to fully understand how their workforce represents financial accuracy and public confidence in all operations. Audit firms that dedicate resources towards their employees and tackle talent deficit causes will maintain strong capabilities to serve clients at a high level through upcoming challenges.

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