

# **JOURNAL OF ECONOMICS AND BUSINESS RESEARCH**

**Volume XIX, No. 1/2013**

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**Volume XIX, No. 1/2013**

*Coverage: DOAJ  
EBSCO*

**ISSN 2068 – 3537  
E – ISSN (online) 2069 – 9476  
ISSN – L = 2068 – 3537**

**Edited by “AUREL VLAICU” University  
Arad, 2013**

## **A Study of Job Satisfaction - Comparison between the Auditors of Supreme Audit Court and CPAs. An Iranian evidence**

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### **Abstract**

In the current study, the job satisfaction of the auditors from the supreme audit court and from CPAs in Iran has been compared in terms of welfare factors, development and promotion opportunities, innovation and creativity possibility, manager and colleague behaviour, job security and passing services. Research findings show that job satisfaction of CPAs depends on the promotion and development opportunities, passing services, on the job training and its quality, on the creativity and innovation possibilities and on job diversity. The results illustrates that there is no meaningful differences in terms of welfare factors, manager and colleague behaviour, job security and social position.

**Keywords:** needs theory, job satisfaction, expectancy theory, supreme audit court, CPA

### **Introduction**

In managing organizations, the human being must be considered a basic resource. The auditors are human resources of auditing institutions, with an important effect on the economic development of the countries. Auditing institutions are responsible for the financial supervision of the entities controlled and for their fiscal statement (Salehi, 2008). The success of these entities depends on the efforts, motivation and satisfaction of the human resources. At the same time, the success, efficiency and effectiveness of auditing institutions depend

on the human resources efficiency, because of their effect upon the countries economic development.

### **Research issue**

In a simple definition, job satisfaction means the positive feelings and attitudes of the people, toward their job. Human resource satisfaction is one of the effective factors which increase efficiency.

Fisher and Hana (1931) consider job satisfaction as a mental element and assume it as an emotional consistency to job and employment condition. That means, if the job provides desirable sense for a person, the person would be satisfied. However, if there is no desirable sense, the person would not be satisfied and may change the job. Job satisfaction affects the private life of the people, inside and outside the organization (Grund, 2001). Job satisfaction has a close relationship with the wishes of the people. It means, if a person achieves important values, job satisfaction will be higher (Sherry et al., 1992).

Job satisfaction leads to increase people efficiency, commitment against organization, guaranteed mental and physical health, life satisfaction. Non-job satisfaction leads to anxiety, workableness, desertion and early retirement (Clark, 1997).

Hoppock (1935) introduced job satisfaction as a complex and multidimensional concept that is related to mental, physical and social factors. According to him, job satisfaction is not the result of one factor, but it is the result of a lot of combined factors.

Brophy (1996) divided the job satisfaction theories as follows:

a) *Needs theory*: people job satisfaction depends on two factors: how much demand would be supplied through the achievement related at work and how much demand would not be supplied through the related job?

b) *Expectancy theory*: if there is a high expectancy about job, satisfaction would be achieved difficult. For example, the people may be satisfied if all their expectancies have been achieved through their job.

c) *Role theory*. In this theory, two social and mental aspects would be evaluated due to social aspects, like organization system, workshop system and the work environment.

- Job nature - job itself is one of the most important job satisfaction resource.

- Using skills and capabilities - lead to the creation of competency and trust in the staff.
- Diversity: in contrast with the scientific management theory, it is believed that desire to specialization and continuous leadership will have results in job satisfaction.
- Promotion - leads to change in leadership, job context, colleagues and revenues.
- Supervision - strong relation and cooperation with the staff are an important factor.
- Job conditions are related to job satisfaction. These are: temperature, humidity, ventilation, sound, light, work hour, cleanliness and tools.

Flexible work time and shortening work weeks are effective factors of job satisfaction. Based on some researchers findings, the satisfaction resources like payments and job nature are the most important factors, promotion and supervision have relative importance and group or work team have less importance (Feldman and Turnley, 1996).

In service organizations, human resource management is also an important factor. That's why, in this paper, these issues are evaluated in the auditing institutions. We raise the following question: Is job satisfaction of the auditors of ICPA higher than those of the auditors of the Supreme Audit Court, in Iran?

### **Literature review**

A significant part of economic activities has been performed in Iran by official sectors, but during recent years, much activities have been done through a transfer of these activities to private sectors. In this paper, the job satisfaction of private and official sectors is compared. There is no record about this comparison in Iran in relation to auditors, but there are many researches in the world, as below.

Herzberg et al., (1959) researched about 200 accountants and engineers and the results indicated significant differences between the two groups. According to Herzberg, motivators as development, acknowledgment, responsibility and growth are specific. By encouraging them, job satisfaction will increase. According to him, lack of non-satisfaction did not mean satisfaction. Therefore, health factors assure lack of non-satisfaction. Further findings showed that in relation

with job satisfaction, the related factors to job context are numerous than the related factors to job field.

Albert et al., (1981) used postal questioners to evaluate the behavior of professional employees' coming from 25 auditing companies. The results of 296 questionnaires showed that despite of a complete partners' satisfaction, the auditors, leaders and managers are not satisfied.

Dean et al., (1988) has done an evaluation of the changes in some selected samples which includes accountants with low experience from great industrial companies and auditors of eight big audit firms, including auditors and non-auditors staff. Decrease of job satisfaction has been seen in two groups, but this decrease was more significant in the group of the auditors.

Carcello et al., (1991) used questionnaires to evaluate the differences between accounting students and beginner accountants in relation to duties, job responsibilities, development, training, supervision and personal consideration. Findings showed that student expectations were lower as those of the beginner accountants.

Hanafiah et al., (2007) performed a research regarding the relation between job satisfaction, mental pressure and the desire to desertion, of the staff working in auditing institutions from the South of Spain. Findings showed that there were significant relations between job satisfaction, mental pressure and desertion, while factors like the increasing of salary, promotion and high education, leads to increase job satisfaction.

Kass-Shraibman (2008) evaluated the relation between work district, control center, population variables (age, sex, education and salary) and job satisfaction of the American certified accountants. Results show that there is a significant relation between the work in the area of certified accountants (traditional and non-traditional) and job satisfaction. Also, there was a significant negative relation between control center and job satisfaction.

Glen et al., (2008) performed a research to compare job satisfaction of 78 persons of professional accountants from Spain and Russia. Among them, 12 respectively 11 persons have been selected from Russia and Spain. The obtained data through statistical methods were compared. Results show that job satisfaction of Spain accountants was higher than that of the Russian accountants in terms of supervision, award, development and promotion opportunities.

A recent study conducted by Ghaderi and Salehi (2011) about the level of anxiety between accounting and non-accounting student in Iran showed that non-accounting students have more anxiety than accounting students.

### **Research methodology**

In order to obtain relevant data, a questionnaire has been designed and developed. The statistical community includes all the auditors working in the Supreme Audit Court (1173 members), as like the organizational director, technical assistant, executive assistant, general auditor, boss senior auditor, senior auditor and auditors, but also auditors of the Iranian Association of Certified Public Accountants (1049 members) being in organizational position such as managers or partners, senior supervisor, supervisor, senior auditor and auditor. By using the Cochran formula, the sample size of Supreme Audit Court and the sample size of the Iranian Association of Certified Public Accountants were determined: 89, respectively 88 participants (Total 177). The method of sampling was the ratio random.

To collect the required information, a questionnaire designed by the researchers was used, which was based on other three questionnaires: Job description index (JDI) and Dale (2008) standard questionnaire. Job description index is a compilation by Smith Kendall and Hulin (1969) from Cornell University of America and since then, it was used in different countries. This questionnaire evaluates persons using six categories: nature of work, supervision, coworkers, promotion, salary/benefits and work conditions. The questionnaire contains seventy-two phrases; there is a seven-grade scale for each statement. The first grade indicates the lowest agreement of question respondents and the seventh grade indicates the highest agreement. Validity of this questionnaire is 92.8%.

This questionnaire has three sections: questions about personal details and occupation place, such as age, gender, work experience and education level. Second section contains twenty-six closed questions that are based on Likert's scale with five options "very satisfied", "satisfied", "moderate", "unsatisfied" and "very unsatisfied" and finally in the third section there is an open question for offering responsive comments, raised issues, additional descriptions and other effective elements about job satisfaction. .

For the reliability of the questionnaire, the Cronbach's alpha coefficient is used. Cronbach's alpha coefficient resulted from the preliminary sample questionnaire is ( $\alpha = 0.87$ ) that indicates that the reliability of the questionnaire is very high.

### Results of the study

Regarding the obtained data, it was found that the amount of total respondents is about 51.90% employed in the Supreme Audit Court and 48.90% from the Iranian Association of Certified Public Accountants. In addition, 80.30% were male and 19.70% were women. 76% of the total sample was married and 23% were single and one percent has not answered this question. In addition, the youngest person in the sample was 26 years and the oldest person 59 years old.

To test the hypotheses of T-student, independent two samples have been used. Before applying this test, the equity condition of two group's variances must be evaluated. For this purpose, first the Levene's test has been used, which inspect two groups variances equality. Considering the above-mentioned cases, the research hypotheses were tested (Table 2 and 3). The error level is 5% for all the hypotheses.

**Table no. 1.** General information regarding the participants

Variable	Job place	N	Mean	Std. Deviation
development and promotion opportunities	Supreme audit court	95	3.3035	1.01262
	IACPA	88	3.9318	0.61309
innovation and creativity possibility	Supreme audit court	95	3.0860	0.79888
	IACPA	88	3.6439	0.62062
passing service, training course and its quality	Supreme audit court	95	3.4110	1.14258
	IACPA	88	3.8739	0.70571
job diversity	Supreme audit court	95	3.4456	0.76971
	IACPA	88	3.6989	0.62864



**Table no. 2.** Levene's Test results

Levene's Test for Equality of Variances	F	Sig
welfare factors	0.894	0.346
development and promotion opportunities	30.339	0.000
innovation and creativity possibility	4.724	0.031
manager and colleague behaviors	6.677	0.011
occupational security	22.374	0.000
passing service training course and its quality	33.712	0.000
job diversity	4.072	0.009
job place	18.019	0.000

**Table no. 3.** T-test's results

T-test 's Test for Equality of Means		T	Sig
welfare factors	Equal variances assumed	-1.586	0.114
	Equal variances not assumed	1.583	0.115
development and promotion opportunities	Equal variances assumed	-5.029	0.000
	Equal variances not assumed	-5.119	0.000
innovation and creativity possibility	Equal variances assumed	-5.247	0.000
	Equal variances not assumed	-5.297	0.000
manager and colleague behaviors	Equal variances assumed	-0.316	0.752
	Equal variances not assumed	-0.320	0.750
occupational security	Equal variances assumed	-0.190	0.850
	Equal variances not assumed	-0.192	0.848
passing service training course and its quality	Equal variances assumed	-3.247	0.001
	Equal variances not assumed	-3.304	0.001
job diversity	Equal variances assumed	-2.426	0.016
	Equal variances not assumed	-2.445	0.015
job place	Equal variances assumed	-1.910	0.058

*First hypothesis:* the job satisfaction degree of the auditors from ICPA concerning welfare factors is higher than those of the auditors from the Supreme Audit Court.

Considering the F statistics and p-value (Table 2), the significance level of welfare factors is higher than 0.5%. Using the two-samples t-test (Table 3) can be observed that the significance level of the welfare factors is more than 5% (0.114). Results that the  $H^0$  hypothesis is not rejected in significance level of 0.5% in welfare factors. That means, there is not a significant difference between the auditor's job satisfaction members of ICPA concerning the welfare factors and the auditors of the Supreme Audit Court.

*Second hypothesis:* the job satisfaction degree of the auditors from ICPA concerning promotion and advancement opportunities is higher than those of the auditors of the Supreme Audit Court.

Considering the F statistics and p-value (Table 2), the significance level of promotion and advancement opportunities is less than 0.5% (0.000). Using the independent two-samples t-text (Table 3) it was observed that a significance level of promotion and advancement opportunities is less than 0.5% (0.000). Therefore, results that  $H^0$  hypothesis in significance level of 0.5% is repudiated and regarding to Table nr. 1, the average of satisfaction concerning promotion and advancement opportunities between the auditors of ICPA is higher than those of the auditors of the Supreme Audit Court.

*Third hypothesis:* the amount of auditors' job satisfaction from ICPA concerning possibility of creativity is higher than that of the auditors from the Supreme Audit Court.

Considering the F statistics and p-value (Table 2), the significance level of promotion and advancement opportunities is less than 0.5% (0.03). The variances of two groups are not equal with each other. By using the independent two-samples t-text (Table 3), it was observed that the significance level of possibility of creativity is lower than 0.5% (0.000). Therefore, it results that  $H^0$  hypothesis in significance level of 0.5% is repudiated and regarding Table nr. 1 results that the average of satisfaction possibility of creativity among auditors of ICPA is higher than that of the auditors of the Supreme Audit Court.

*Forth hypothesis:* the amount of job satisfaction concerning the behavior manner of managers and colleagues of the auditors from ICPA is higher than those of the auditors of the Supreme Audit Court.

Considering the F statistics and p-value (Table 2), significance level of promotion and advancement opportunities is less than 0.05% (0.011). Because the variances of two groups are not equal with each other, in the t-test variances equity rejecting must be used. Using the independent two-samples t-text (Table 3) it was observed that a significance level of behavior manner of managers and colleagues is higher than 0.5% (0.750). Therefore, results that  $H^0$  hypothesis in significance level of 0.5% is not repudiated. It means that there are not significant differences between the job satisfaction of the auditors of ICPA concerning the behavior manner of managers and colleagues and those of the auditors of the Supreme Audit Court.

*Fifth hypothesis:* the amount of job satisfaction regarding the job security of the auditors of ICPA is higher than those of the auditors of the Supreme Audit Court.

Considering the F statistics and p-value (Table 2), significance level of Job security is less than 0.05% (0.011). The variances of two groups are not equal with each other. In t-test; variances equality rejecting must be used. By using independent two-samples t-text (Table 3) it was observed that significance level of Job security is more than 0.5% (0.848).  $H^0$  hypothesis in significance level of 0.5% is not repudiated; it means that there is not significant difference between the job satisfaction of the auditors of ICPA concerning job security and those of the auditors of the Supreme Audit Court.

*Sixth hypothesis:* the amount of auditors' job satisfaction of the auditors of ICPA concerning passing service education periods and its quality is higher than of the auditors of the Supreme Audit Court.

Considering the F statistics and p-value (Table 2), significance level of passing service education periods is less than 0.5% (0.000). The variances of two groups are not equal with each other. During using t-test variances equity rejecting must be used. By using independent two-samples t-text (Table 3) it was observed that significance level of passing service education periods is less than 0.5% (0.001). Therefore,  $H^0$  assumption in significance level of 0.5% is repudiated. Taking into account Table nr. 1, we conclude that the average of satisfaction of passing service education periods among the auditors of ICPA is higher than those of the auditors of the Supreme Audit Court.

*Seventh hypothesis:* the amount of auditors' job satisfaction of the auditors of ICPA concerning diversity in work is higher than those of the auditors of the Supreme Audit Court.

Considering the F statistics and p-value (Table 2), significance level of diversity in work is less than 0.5% (0.009). Thus, the variances of two groups are not equal with each other; during using t-test variances equity rejecting must be used. Using the independent two-samples t-text (Table 3) it was observed that significance level of diversity in work is less than 0.5% (0.015).  $H^0$  hypothesis in significance level of 0.5% is repudiated. The average of satisfaction of diversity in work among the auditors of ICPA is higher than those of the auditors of the Supreme Audit Court.

*Eighth hypothesis:* the degree of job satisfaction concerning social position of auditors of ICPA is higher than those of the auditors of the Supreme Audit Court.

Considering the F statistics and p-value (Table 2), significance level of Job place elements is less than 0.5% (0.000). Thus the variances of two groups are not equal with each other. During using t-test, variances equity rejecting must be used. Table 3 shows that the significance level of Job place elements is higher than 0.5% (0.054).  $H^0$  hypothesis in significance level of 0.5% is not repudiated; it means that there is not significant difference between the job satisfaction of the auditors of ICPA concerning social position and those of the auditors of the Supreme Audit Court.

### **Other findings**

Various theories analysis the impact of personal factors on job satisfaction: age, gender, work experience and education. In some of the studies, the impact of these factors has been proved on job satisfaction, and others have disparaged its influence. Kronk's (2009) research finding shows that there is a significant and positive relationship between the gender, the different levels of education and job satisfaction. However, Donnel (2007) shows that there is no significant relationship between the biography variables (age, gender and difference in education) and job satisfaction. In many studies have been proved that younger people are more satisfied. An increase in the age means job satisfaction decreasing. It seems that the young forces have more energy and motivation to achieve the career vocational goals. Regarding Table 4, the Pearson correlation coefficient is equal to 0.263; that shows auditor's job satisfaction in both groups was not associated with the age. While in other similar foreign studies, an increase in the age means job satisfaction increase (Melany et al., 1999).

**Table no. 4.** Pearson Correlation results

Variable	Test	Age	Job Satisfaction
Age	Pearson Correlation	1	0.083
	Significance level	0	0.263
	N	183	183
Job Satisfaction	Pearson Correlation	0.083	1
	Sig. (2-tailed)	0.263	0.000
	N	183	183

Another research shows that job satisfaction by men is higher than by women (Table 5). Perhaps, the main reason for lower degree of satisfaction among women might be the lack of flexibility and long hours of audit working. That will lead to social pressures because of the responsibilities women have for their own families. In addition, satisfaction rate according to gender showed a significant difference, comparing with similar studies (Humermsh, 2001).

**Table no. 5.** Group Statistics regarding to the Gender

Gender	N	Mean	Std. Deviation	Std. Error Mean
Male	147	3.480	0.537	0.044
Femal	36	2.283	0.522	0.087

Regarding to the information mentioned in Table 6, Single people are more satisfied than the married one.

**Table no. 6.** Group Statistics Regarding to Marital Status

Marital Status	N	Mean	Std. Deviation	Std. Error Mean
Single	42	3.583	0.522	0.0808
Married	139	3.585	0.528	0.0448

The higher the education level is, the higher the job satisfaction will be. This group has expressed more satisfaction due to the information in Table 7 and 8.

**Table no. 7.** The results of ANOVA

Variable	Sum of Squares	df	Mean Square	F	Sig.
<b>Between Groups</b>	5.745	3	1.915	7.279	0.000
<b>Within Groups</b>	47.98	179	0.263		
<b>Total</b>	52.84	182			

**Table 8.** The results of Duncan Test

Education levels	N	Subset for alpha = 0.05		
		1	2	3
Diploma	7	3.0179		
student	21	3.1127	3.1127	
Bs.	103		3.4347	3.4347
MA.	52			3.6478
<b>Sig.</b>		0.578	0.060	0.211

### Conclusions

Since in recent years, all the employees from the same level have identical salaries and benefits, these elements have a great influence on identical job satisfaction concerning welfare factors in both groups.

The auditors of ICPA have a better, deeper and more meaningful perceived about their job, according to their special properties. One of the reasons may be the connection between their field of education and their job/activity.

Hanafiah et al., (2007) showed that physical factors such as increasing salary, promotion job status and tertiary education leads to increase job satisfaction.

The Supreme Audit Court, being a governmental institution which controls the financial activities of the executive agencies, should obey the homogeneous/equal rules and financial approvals; the employees must accomplish their duties within a framework and a certain path. The regulations, approvals, instructions and activities of ICPA are various and the staff have a lot of opportunities for innovation and making their potential talent to efflorescence.

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