

INTENTION TO LEAVE JOB: A RESEARCH ON TAX AUDITORS WORK IN INDEPENDENT AUDITING FIRMS IN ISTANBUL

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Abstract

In tax auditing sector, high turn over rate is a problem in Turkey. Independent tax auditing firms should find out reasons behind the high turnover rate in the sector and take affective steps regarding cost and quality.

In this research we tried to find out the relationship between intention to leave job and some of auditors' demographic characteristics, distance to job and office facilities in 12 independent auditor firms in Istanbul. 55 tax auditors (certified public accountants and sworn-in certified public accountants) participated in our research. According to research findings there are statistically significant relations between intention to leave job and duration to arrive at the workplace, salary level and workplace's vehicle facility. It is not a surprise to find out salary level is a reason for leaving the job. Because salary level is one of the main reason for leaving the job in Turkey. The second reason is related with traffic jam of Istanbul. Thinking about education level, prerequisite certification and legal standards of certified public accountants (SMMM) and sworn-in certified public accountant (YMM) management teams and human resource department staffs of auditing firms should take affective steps. We have some implications for human resource staffs.

Keywords: Tax auditors, intention to leave the job, certified public accountants

1. Introduction

Employees generally want to leave the job because their expectancies from the job or workplace are not met. These expectancies are related job itself, workplace environment and outcomes of the job. Employees' leaving the job results in some unexpected costs, direct or indirect for the organizations. Leaving jobs especially for the professions necessitating high level of education, long duration of work experiences and certifications such as tax auditing generally means loses of experience, time and workforce for the firms. Tax auditing is a high qualified profession performed by certified public accountants and sworn-in certified public accountants.

In this research we investigated the relationships between intentions of tax auditors to leave the job and some of their demographic characteristics, duration to arrive at workplace and their office facilities in the context of 12 independent auditing firms in Istanbul. 55 tax auditors (certified public accountants and sworn-in certified public accountants) participated in our research.

2. Tax auditing profession in Turkey

With the improvement of financial markets in Turkey independent auditing concept began to be interested by 1987. Some problems with tax system such as complexity of tax relations, economical and financial issues driven by developments in commerce and industry, increase in necessity of tax, inadequacy of official auditing performed by ministries and other state institutions necessitated a new profession qualified in contemporary accounting,

management and tax systems. This profession is tax auditing performed by certified public accountants and sworn-in certified public accountants (10).

Auditing professionals control the financial charts according to national and international tax regulations and report to related institutions. An auditor is an expert who makes auditing. An auditor must have necessary professional knowledge, experience and high level of ethical values. Auditors can behave independently. Auditors can be classified into three groups (3):

Independent auditors: these experts deliver professional auditing service for their customer and work on freelance basis or for auditing firms.

Internal auditors: these experts work for private enterprises/institutions as staff.

Public auditors: these expert work in public institutions.

According to legal regulations sworn-in certified public accountants have three tasks/or rights. These are controlling, counseling and ratifying. But controlling and ratifying are more important services. Counseling is a complementary service. Ministry of finance in a sense delegates the right of auditing to sworn-in certified public accountants under some specific conditions and circumstances (10).

3. Intention to leave job

Knowing employees' intentions to leave the job is important theme for organizations because of its direct or indirect costs (2). Weisberg (1994) defined intention to leave as an employee's plan of intention to quit the present job and look forward to find another job in the near future (13). Intention to leave the job is a reaction against the unsatisfying work conditions (14). According to Egan et al. (2004) intention to leave the job is a conscious and intentional behavior. It refers to conscious attitude and behavior to leave the job (2).

The main reasons behind the employees intentions to leave job result from personal, social environment and workplace environment. When employees think to leave job willingly they expect to get some benefits (18).

In a workplace if employees are dissatisfied there may be an increase in turnover rate, absenteeism, intention to leave the job and a decrease in organizational commitment. Moreover isolated, stressful and mentally and physically sick employees can damage workplace and result in unproductiveness (15).

Stress, physical and emotional environment, improvement facilities, salaries, job itself and behaviors of managers are general factors cause to leave the job. One or some of them together may be a factor for an employee to decide to leave the job

Salary is one of the basic prizes for an employee working in a workplace. It is seen by employees as a symbol of managers' thought about them (9). According to a research in Turkey 38 % of employees leave the job because of low wages and 27% of them leave the job because of professional dissatisfactions. So, low wages are main reason in Turkey to leave the job (19). But people do not only expect wages and concrete successful outcomes. People spending approximately half of its time in workplaces also want friends and supportive colleagues (11), in other words a good work environment or climate. If there are good and enough communications among the employees they are more satisfied from their jobs (4).

People working in stressful environment experience physiological dissatisfaction and as a result of this, mental and physical behavioral disorders may appear (1). Factors such as role conflicts and ambiguities, heavy work conditions and lack of adequate resources are general causes of stress in workplaces which cause dissatisfaction (5).

Promotion is one of the important factors make people to work and an instrument to satisfy people's ambitions. If a new incumbent thinks that there is some invisible glass ceiling, in other word there is no way to promote, and his or her wage does not increase, he or she may have negative attitude against the job (6).

Attitude of managers against employees affects job satisfactions in two ways. If managers or employers are interested in employees' private or work related problems and help them to improve themselves and employees participate in decision making related with their job, they are more satisfied (8).

According to Martin turnover means that employees unexpectedly leave the job (12). According to Eren, employees leave the job intentionally or employers make them leave the job do not make difference (7). So turnover is a workforce movement in a specific term in an organization. An incumbent intention to leave the job can be intentionally or unintentionally, or result from work conditions or other problems related with employee or without any reason.

When employees leave the job intentionally more negative effects can happen for the organizations than employers make them leave the job under some conditions. In auditing firms especially in June-July if auditors leave job, this

may result in some disorder for the organizations and increase workload of other staffs in the organizations. Because June and July are terms of preparing ratification rappers officially. At the same time, regarding the quality of auditing, controlling and preparing ratifying rappers by the same auditors may be effective. Otherwise there may be some mistakes in the rappers. Also a new incumbent may need orientation to give effective service and may need some educations. These are all extra costs for the firms. Moreover high turnover rate make the organization conditions hard for other employees physically and emotionally (16).

Turnover rate is accepted as performance criteria for human resource departments. A high turnover rate may means disorder in tasks, high education spending, low moral and satisfaction level for other employees working in the organizations and high level of changes in the work teams.

4. Factors affecting intention to leave job in tax auditing sector

Aim of research

Aim of the research to investigate the relationship between intention to leave job and some of tax auditors' personal and work related variables.

The following hypotheses were tested:

H1. There is not statistically significant difference among males and females to intend to leave the job.

H2. There is not statistically significant difference among those who arrive at the workplace in a longer time and those who arrive at the workplace in a shorter time to intend to leave the job.

H3 There is not statistically significant difference among those who work for a longer time and those who work for a shorter time a day to intend to leave the job.

H4. There is not statistically significant difference among the salary groups to intend to leave the job.

H5. There is not statistically significant difference among the age groups to intend to leave the job.

Method

The population of this study is independent auditor firms in İstanbul. Leader firms of sector are located in İstanbul. There are 24 independent auditing firms in Istanbul in 2012. But only 12 of them accepted to give information and help the survey.

We use questionnaires to get data. The questionnaire contains to parts. In the first part demographic information of respondents are given. The second part contains some work related questions; frequency of tasks, duration to arrive work place, office facilities, and whether he or she wants to leave the job. Survey's link which can be completed on internet were mailed to 94 (total number) auditors in 12 independent auditing firms. A total of 55 surveys were returned. All were fully completed. Response rate is 58.1 percent.

Independent variables are personal (demographic characteristics) and job related (duration to arrive workplace and office facilities, workload). Outcome is intent to leave job. To measure the intention to leave a single item was used. "Do you think to leave your job". This item was rated with "yes" or "no". The data obtained from the questionnaires was evaluated with a statistical package. Chi-Square Tests and Mann-Whitney U statistics were used for data analysis at 0.05 alpha levels.

Findings

Respondents were asked to provide their personal information such as age, gender, education profile, income and length of working experience. These items were generally measured on a categorical scale. The overall profile of the participating respondents' demographic characteristics is presented in Table 1. 55 tax auditors (certified public accountants and sworn-in certified public accountants) responded. Out of 55 respondents, 30 (54,5%) are female and 25 (45,5%) are male. This finding indicates that no gender dominates this profession. There was almost an equal distribution of males and females. Age distribution indicates that tax auditors are young.

Out of 55 respondents, 12 (21.8%) of them have been working as tax auditor in the auditing firm for less than 1 year. 17 (30,9) of them have been working between 1 and 2 years. 30 of them (36.3%) have been working between 3 and 7 years. Only 6 (10.9%) of them have been working over 7 years. 52 % of them have been working for less than 3 years. We think this is an indicator of high turnover rate in these firms.

Table 1. Demographic characteristics

		N	Frequency
Gender	Male	30	54,5
	Female	25	45,5
Age (year)	25 or under	3	5,5
	26-30	21	38,2
	31-35	21	38,2
	36-40	9	16,4
	41 or over	1	1,8
Tenure in current firm (year)	Less than a year	12	21,8
	1-2	17	30,9
	3-4	13	23,6
	5-7	7	12,7
	Over 7 Years	6	10,9
Salary level monthly (TL)	Less than 1000	3	5,5
	1000 – 2000	32	58,2
	2000 – 3000	17	30,9
	3000 – 4000	1	1,8
	Over 4000	2	3,6
Education profile	University	40	72,7
	Master	13	23,6
	PhD	2	3,6

Low wage rates are accepted as a fact for Turkey (17). As seen in Table 1, 94.8% of respondents get less than 3000 TL (1665\$). This can be accepted as a low level for the auditor regarding their education level, certifications, experiences and legal responsibilities.

H₀: There is not statistically significant difference among males and females to intend to leave the job.

Crosstabulation (gender * intention to leave job)

	Intention to leave the job		Total
	Yes	No	
Male	19	11	30
Female	11	14	25
Total	30	25	55

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.056 ^a	1	.152		
Continuity Correction ^b	1.350	1	.245		
Likelihood Ratio	2.065	1	.151		
Fisher's Exact Test				.182	.123
Linear-by-Linear Association	2.018	1	.155		
N of Valid Cases ^b	55				

a. 0 cells (,0%) have expected count less than 5. The minimum expected count is 11,36.

b. Computed only for a 2x2 table

H_0 is accepted ($p=0,152>0.05$). According to Chi-Square Tests statistics, the results indicate that there is not statistically significant difference among males and females to intend to leave the job.

H_0 : There is not statistically significant difference among those who arrive at the workplace in a longer time and those who arrive at the workplace in a shorter time to intend to leave the job.

Length of time to arrive at workplace	Groups	N	%
	Less than 30 minute	1	1,8
	30 minutes-1 hour	19	34,5
	1 hour -1.5 hour	29	52,7
	More than 1.5 hour	6	10,9

Test Statistics^b

	How long does it take to get the work?
Mann-Whitney U	137,000
Wilcoxon W	290,000
Z	-3,196
Asymp. Sig. (2-tailed)	,001

a. Grouping Variable: Do you think to leave the job?

H_1 is accepted ($p=0.001<0.05$). Mann-Whitney U test statistics indicates there is statistically significant difference among those who arrive at the workplace in a longer time and those who arrive at the workplace in a shorter time to intend to leave the job.

H_0 : There is not statistically significant difference among those who work for a longer time and those who work for a shorter time a day to intend to leave the job.

Working time a day (hour)	Groups	N	%
	8 or less than	8	14,5
	8-10	44	80,0
	10-12	2	3,6
	12-14	1	1,8

Test Statistics^b

	How long do you work a day?
Mann-Whitney U	356,500
Wilcoxon W	681,500
Z	-,449
Asymp. Sig. (2-tailed)	,653

Test Statistics^b

	How long do you work a day?
Mann-Whitney U	356,500
Wilcoxon W	681,500
Z	-,449
Asymp. Sig. (2-tailed)	,653

a. Grouping Variable: Do you think to leave the job?

H₀ is accepted ($p=0.653>0.05$). There is not statistically significant difference among those who work for a longer time and those who work for a shorter time a day to intend to leave the job.

H₀: There is not statistically significant difference among the salary groups to intend to leave the job.

Test Statistics^a

	How much do you get paid?
Mann-Whitney U	250,000
Wilcoxon W	575,000
Z	-2,402
Asymp. Sig. (2-tailed)	,016

a. Grouping Variable: Do you think to leave the job?

H₁ is accepted ($p=0.016<0.05$). We found no support for **H₀**. There is statistically significant difference among the salary groups to intend to leave the job.

H₀: There is not statistically significant difference among the age groups to intend to leave the job.

Test Statistics^a

	How old are you?
Mann-Whitney U	372,000
Wilcoxon W	697,000
Z	-,054
Asymp. Sig. (2-tailed)	,957

a. Grouping Variable: Do you think to leave the job?

H₀ is accepted ($p=0.957>0.05$). The findings revealed that there is not statistically significant difference among the age groups to intend to leave the job.

Moreover, frequency of tasks related auditing such as cross investigation, controlling financial tables, writing ratifying rappers etc. are not significantly related to intention to leave the job. Having some office facilities (room, table, education, and tea and meal est.) is not related to intention to leave the job. But there is a statistically

significant difference among those for whom office vehicles are allocated and those for whom office vehicles are not allocated ($p=0.048<0.05$).

5. Result and implications

To our knowledge this is the first empirical research about certified public accountants and sworn-in certified public accountants working as auditors in private auditing firms investigating intention to leave job. Findings indicate that more than half of the certified public accountants and sworn-in certified public accountants who work as tax auditor in independent auditing firms in Istanbul want to leave their jobs. Some independent variables; salary level, distance to workplace, vehicle facility provided by firm and high salaries in competitor firms are significantly related to intention to leave the job.

Our findings may be useful to employers and human resource managers of auditing firms to address some specific factors that lead to turnover of tax auditors. Based on our findings following are the implication of this research for the auditing firms' managers and policy makers:

- Low wage level is one of the main causes of leaving job for employees. Salary level for professions, which necessitate long duration of education, certification and experience such as certified public accountants and sworn-in certified public accountants working as auditors in private auditing firms, should be a satisfying level. When management team determine salary level they should take competitors firms salary level into consideration and decide for a optimum level satisfying both parties.

- When we think about traffic circumstances of Istanbul. Because of traffic jam and long distance to work lots of employees want to change the job if it is possible. Moreover some of them want to leave some monetary benefits. For example they prefer short distance to work – less salary to long distance-more salary if they can not move near the workplace and are not ready to change their social environment. That's why human resource departments give importance to applicant's location or distance to workplace in İstanbul and they should select the applicants who locate near the workplace. For example, firms located in Anatolian side can give priority for applicants located in Anatolian side. Same is true for firms located in European side. We can see this solution in some of job advertisements. Generally auditing is not an office job. In other word, auditors go to the customer firms to make auditing. The time consumed on the traffic to arrive at the workplace or task place is a deficit or time cost for the auditing firm. Moreover long time spent in traffic can make people tired and lessen their motivations. So, firms should think about to allocate vehicle for auditors or find other solutions to spend less time in traffic. Human resource policies must be improved to minimize intention to leave.

Making policies to motivate and satisfy tax auditors they would be more likely to stay in the current job rather to intend to leave.

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