Factors that Contribute to the Auditors' Likelihood to Stay in the Top 3 Audit Firms in Davao City

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ABSTRACT

This study explored the factors influencing the likelihood of auditors to stay in the top three audit firms in Davao City: Isla Lipana & Co., P&A Grant Thornton, and SGV & Co. Six factors from Herzberg's Two-Factor Theory were investigated: Recognition, Advancement, The Work Itself, Salary (Motivators), and Working Conditions, Salary, and Job Security (Hygiene Factors).

Using a descriptive-correlational research design, the data were collected from 103 CPA auditors employed by the specified firms. Statistical tools that were utilized are as follows: Arithmetic Mean, Standard Deviation, and Multiple Regression Analysis

Results showed that among Motivators, only Advancement significantly impacted auditors' likelihood of staying. Among the Hygiene Factors, only Salary notably reduced job dissatisfaction and increased the likelihood of staying. This study provided insights for Davao City's top three audit firms to improve retention strategies by addressing predictors of the likelihood to stay: Advancement (Motivator) and Salary (Hygiene Factors).

Keywords: *Likelihood to Stay, Audit Firm, Motivator, Hygiene Factor*

INTRODUCTION

The accounting profession has faced several issues in recent years due to heavy workloads and inadequate work-life balance, which have reduced its attractiveness and led to higher turnover rates. High auditor turnover leads to diminished audit quality, decreased investor confidence, and overall firm performance, while increasing the costs of recruitment and training (Sasongko et al., 2023; Ma et al., 2024; Kumar & Pansari, 2016). Globally, turnover rates are also high, with many auditors expressing a desire to leave the profession (Ghasemi et al., 2023). In the Philippines, firms struggle with the presence of non-CPAs as part of the workforce shortage (Bautista, 2024). To combat these issues, the Big Four (Deloitte, EY, PwC, and KPMG) have implemented various retention practices, including financial rewards, mentorship programs, and work-life balance initiatives, to enhance staff retention (Goelzer, 2023).

This study focuses on auditors' likelihood to stay, defined as an individual's self-assessed intention to remain employed in their current audit firm. Likelihood to stay is conceptually distinct from turnover intention, which emphasizes the desire to leave the organization (or, in this case, the audit firm), and from job satisfaction, which reflects the employee's affective evaluation of their job. While job satisfaction may influence retention-related decisions, it does not necessarily translate into continued organizational attachment, particularly in professional service contexts such as auditing, where career mobility is common. Likelihood to stay is adopted as a focal construct in this study, capturing auditors' intentions regarding retention decisions rather than general attitudes or withdrawal intentions.

Guided by Herzberg's Two-Factor Theory, this study examines both motivator and hygiene factors to the auditors' likelihood to stay. Motivators are intrinsic job attributes that relate to employee satisfaction and turnover. The motivators in this study were Recognition, Advancement, and the Work Itself.

Recognition directly increases engagement and productivity through non-financial rewards, as it motivates a sense of pride, leading to reduced turnover (Akafo & Boateng, 2015; Amoatemaa & Kyeremeh, 2016; Waqas et al., 2014). Sofana (2024) emphasized that recognition through praise, rewards, and job promotions for employees who performed well can be examples of strong recognition.

Advancement reinforces motivation, satisfaction, and retention by providing employees with a clear structure to align their personal goals with their career paths (Ramalho et al., 2018; Jia-jun & Hua-ming, 2022). An examination of auditors revealed that having a clear promotion strategy and professional skills development reduced auditor turnover and increased commitment to their respective firms (Edgley et al., 2016; Ho et al., 2022). The Asia Pacific Workforce Hopes and Fears Survey (2023) reported that employees in the Philippines were significantly more likely (59%) to request a promotion compared to other respondents in the Asia Pacific (21% to 27%).

The greater meaning employees attributed to their work and the better aligned the work was with their own values, the more they felt engaged in their work and the more productive they became (Ghadi et al., 2015; Allan et al., 2016). Studies have been conducted, across professions and industries (i.e., auditing), to support these aspects of work, specifically that significance of the work or the feeling that the work, however small the contribution, was perceived to have a larger contribution to others, resulted in job satisfaction and strengthened the intention to stay (Hasin & Omar, 2007; Purba et al., 2019; Haque & Khan, 2023). Meaningfulness in work was not just an individualistic approach; rather, it was a collective interest that made employees believe their work was meaningful, thereby stimulating job satisfaction.

According to Herzberg's Two-Factor Theory, Hygiene Factors are external to the job. Their presence prevents job dissatisfaction but does not necessarily promote job satisfaction. The Hygiene Factors in this study were Salary, Working Conditions, and Job Security.

Salary impacted job satisfaction and retention significantly (Antoni et al., 2017; Nguyen, 2020). When pay had an equitable base, auditors would increase their motivation level, while perceived unfairness and not being paid at the same rate as colleagues increased turnover (Alkahtani, 2015). However, a study by Pradana & Salehudin (2015) argued that monetary rewards and salary were not crucial factors in determining job satisfaction and that an employee would switch to another line of work the moment they felt overwhelmed with the workload, even if the new job paid them less. Furthermore, salary was not everything when it came to motivating a certain category of employees, and non-monetary rewards appealed to employees on a personal level (Olugbodi, 2017).

Job satisfaction is heavily influenced by working conditions and job security, in terms of remaining in the profession. Excessive pressure and work overload result in higher levels of stress and intention to leave, among auditors in Vietnam and the Philippines (Pham et al. 2022; Tubay 2020). Satisfaction with salary and working conditions significantly increased the auditors' likelihood of staying, and burnout and imbalance reduced it (Chong & Monroe, 2015). On the other hand, Purwati & Maricy (2019, as cited in Handayani et al., 2023) stated that "the work environment did not influence the intention to change jobs" (p. 13), indicating that working conditions did not necessarily predict the likelihood of staying compared to salary. This supports the claim that even when employees were provided with a good working environment, they often continued to seek out better opportunities (Kurniawaty et al., 2019).

Job security boosts attachment and commitment (Vu et al., 2022; Lahbar et al., 2024). When employees feel secure in their jobs, they feel motivated, productive, and satisfied. This increases the likelihood of remaining in the organization (Adade et al., 2017; Maan et al., 2020). In contrast, other studies have reported conflicting results, suggesting that job satisfaction is influenced by factors beyond job security (Putri et al., 2023). The results of Kwabiah et al. (2016) showed that job security had an insignificant relationship with job satisfaction—an employee might have been satisfied with his job yet still been laid off.

Job satisfaction is a critical factor that affects an employee's likelihood of staying with the organization. Job satisfaction involves a sense of accomplishment, optimism, and meaning, all of which help to increase productivity and commitment (Pandey, 2018; Jalagat, 2016). Employees who are satisfied with their work have a higher chance of staying with their employer compared to dissatisfied employees (Okeke & Mtyuda, 2017; Shbail et al., 2022).

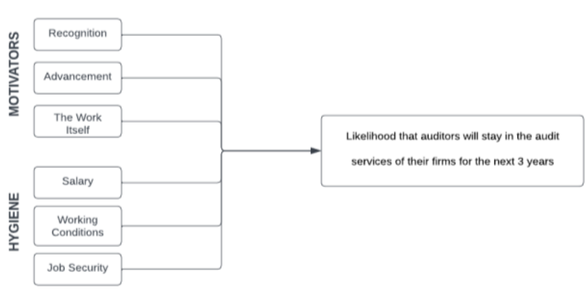

Figure 1 *Conceptual Framework*

This paper applies Herzberg's Two-Factor Theory (1966) to analyze auditor motivation and retention, categorizing motivators into Recognition, Advancement, and Work Itself, and hygiene factors into Salary, Working Conditions, and Job Security. Following Herzberg's Two-Factor Theory, motivators are assumed to positively influence job satisfaction, while hygiene factors are assumed to prevent job dissatisfaction. Nevertheless, this paper differs from Herzberg's Two-Factor Theory by applying it to the specific structural and environmental context of the audit profession, characterized by high busy-season workloads, increased regulatory oversight, and inflexible career structures. In this context, the simultaneous presence of motivators and hygiene factors is required to positively influence auditors' decisions to remain in their respective audit firms.

Although Herzberg considered salary a purely hygiene factor, this study's results acknowledge that it can be both a hygiene factor and a motivator in the context of auditing. Low salary is a cause of dissatisfaction and an intention to withdraw, relative to the long hours and stress involved in audit work. On the other hand, attractive and progression-related salary structures can motivate auditors by indicating recognition and professional worth. This is because the salary structure in audit firms is closely linked to promotion and professional standing, thereby stretching Herzberg's original categorization in a highly structured professional service delivery setting.

The study further integrates Mobley's Intermediate Linkage Model to describe the process by which motivation and dissatisfaction shape auditors' decisions to stay or quit. Mobley's model demonstrates how job-related factors influence job satisfaction, thoughts of quitting, alternative evaluation, and, ultimately, retention or turnover. In the current study, motivators and hygiene factors are considered antecedents of auditors' satisfaction and dissatisfaction, which, in turn, affect the dependent variable, the likelihood to stay, defined as the auditors' probability of remaining in their firms. The incorporation of Mobley's model helps explain that retention is not a function of discrete job-related factors but rather a process influenced by the interaction of motivational conditions and dissatisfaction thresholds.

In this study, six (6) null hypotheses were tested at a 0.05 level of significance: 1. Recognition does not significantly influence an individual's likelihood to stay in an audit firm, 2. Advancement does not significantly influence an individual's likelihood to stay in an audit firm, 3. The Work Itself does not significantly influence an individual's likelihood to stay in an audit firm, 4. Salary does not significantly influence an individual's likelihood to stay in an audit firm, 5. Working conditions do not significantly influence an individual's likelihood to stay in an audit firm, 6. Job security does not significantly affect an individual's likelihood of staying in an audit firm.

This study sought to fill gaps by undertaking a data-driven analysis to understand the motivations that affect the likelihood of auditors remaining with their firm. The research will help multiple stakeholders: Students, by improving understanding of public practice and preparing for professional careers; Professional accountants by aiding in professional decisions; Firm management, by improving retention strategies and overall experiences; Academe, by helping align curricula to industry; a Human Resource department by evidence informed policy; Employees, by providing a guide for career planning; Future researchers, by providing a basis for additional studies of auditor motivation and retention.

METHODS

The research utilized a descriptive-correlational research design. This study aimed to analyze whether there was a significant influence of the motivators (Recognition, Advancement, and The Work Itself) and hygiene factors (Salary, Working Conditions, and Job Security) on the intention of auditors' likelihood to stay in the top three (3) audit firms in

Davao City. The respondents in the study were CPAs currently based in Davao City, employed by one of the top three international audit firms in Davao City: SGV & Co., Punongbayan & Araullo (P&A Grant Thornton), or Isla Lipana & Co. (PwC Philippines). Additionally, the respondents were required to be assigned to an audit service and to have completed at least one busy season.

The study initially adopted a total enumeration approach due to the relatively small population of 155 eligible auditors. However, only 103 auditors participated, resulting in a response rate of approximately 66.5%. While this represents a substantial proportion of the population, the reduced participation indicates that the study relied on a partial census rather than a complete enumeration. Consequently, the possibility of non-response bias cannot be fully ruled out, as auditors who did not participate may differ in their perspectives or experiences regarding retention. Despite this limitation, the respondents were drawn from all three firms, providing reasonable representation across the targeted organization.

A descriptive-correlational design was used in the study. In order to ascertain the extent of perceptions regarding motivators (recognition, advancement, and The Work Itself) and hygiene factors (salary, working conditions, and job security), it used the arithmetic mean and standard deviation. Multiple regression analysis was used to determine whether motivators and hygiene factors significantly influence an individual's perceived motivation to remain in the audit firm. This analysis identified five (5) major assumptions: linearity, homoscedasticity, independence of errors, normality, and independence of independent variables.

The independent variables affecting the perceived level of satisfaction and the author's likelihood to stay in the audit firm are divided into two (2) subsections: motivators and hygiene factors. Under the motivators, the researchers used the factors of recognition, advancement, and The Work Itself. On the other hand, the hygiene factors chosen are salary, working conditions, and job security.

The study used three data types: nominal, ordinal, and interval. Nominal and ordinal data were used to classify the demographic variables, specifically respondents' firm affiliation, service types rendered, and years of experience. It was collected using a survey questionnaire designed with a 4-point bipolar adjective scale to assess respondents' views on statements about their work experiences. Meanwhile, the respondents' perceptions of motivators and hygiene factors were measured as interval data, providing a clear understanding of the respondents' perspectives. The level of motivation to remain with the audit firm, as well as the relationships among the variables, were also evaluated using interval data.

Auditors' likelihood to stay served as the dependent variable and was measured using a single-item indicator capturing respondents' overall intention to remain with their current firm. Consistent with prior human resource and organizational behavior research, a single-item measure was used to assess this unidimensional construct in the professional service context. However, this approach presents limitations related to measurement reliability; thereby, future studies may adopt multi-item scales to enhance construct validity

Primary data were collected using a hybrid questionnaire developed from standardized instruments used in related studies and adjusted to the present research context. The questionnaire was distributed to the employed auditors of the top three audit firms in Davao City. The research instrument was divided into five (5) main sections to collect information on respondents' demographic profiles and their satisfaction levels regarding the independent and dependent variables of the study. To assess the reliability of the scales used in the hybrid questionnaire, a reliability test was conducted with 30 respondents. The results of Cronbach's Alpha are presented in Table 2.3, and, based on Table 2.2, Working Conditions and Job Security are in the range 0.7 to < 0.8, indicating a good strength of association. Recognition, The Work Itself, and Advancement are within 0.8 to < 0.9, which indicate that the strength of association is good. A salary greater than 0.9 indicates an excellent association. Overall, the questionnaire's Cronbach's Alpha is 0.89, indicating a strong association.

For the interpretation, mean scores being within 3.25 – 4.00 indicated a very high level (strongly agree), 2.50 – 3.24 indicated a high level (agree), 1.75-2.49 indicated a low level (disagree), and 1.00 – 1.74 indicated a very low level (strongly disagree).

The top three auditing firms in Davao City, as well as the respondents, were approached and provided with the opportunity to participate and consent by the researchers. A strict adherence to ethical guidelines was observed throughout the data collection process to ensure participants' rights. To protect privacy and integrity, questionnaire confidentiality and respondent anonymity were maintained throughout the study.

RESULTS AND DISCUSSIONS

The demographic profile showed that respondents were predominantly early in their auditing careers as CPAs. More than half had been CPAs for 1-5 years and had stayed with their firms for the same period, followed by those with less than one year since their licensure and those who had been with their firm for less than a year. Most were employed at SGV, while the rest were from PwC and P&A Grant Thornton. All respondents are under the audit service and have experienced at least one busy season; these demographics indicate that the respondents are familiar with the demands of audit work.

Table 1 *Mean Scores for Recognition*

Statement	Mean	Standard Deviation	Interpretation
I believe I am satisfied with the recognition I receive for my contributions during audit engagements	3.11	0.64	There is a **high level of satisfaction** in terms of receiving recognition they receive in their contributions during an audit engagement
I believe that the recognition I receive influences my job satisfaction positively.	3.38	0.61	There is a **very high level of satisfaction** in terms of receiving recognition they receive in their contributions during an audit engagement
I believe recognition helps me feel understood and valued	3.43	0.62	There is a **very high level of satisfaction** in terms of receiving recognition they receive in their contributions during an audit engagement
I believe I feel appreciated when I achieve or complete a task.	3.29	0.59	There is a **very high level of satisfaction** in terms of receiving recognition they receive in their contributions during an audit engagement
I believe I am recognized by my leader/manager when I work well.	3.26	0.61	There is a **very high level of satisfaction** in terms of receiving recognition they receive in their contributions during an audit engagement
Overall Mean for Recognition	**3.29**	**0.47**	There is a **very high level of satisfaction** in terms of receiving recognition they receive in their contributions during an audit engagement

Table 1 shows that recognition obtained an overall mean of 3.29, indicating a very high level of satisfaction. This suggests that auditors generally feel appreciated and valued for their contributions. The findings imply that recognition practices in audit firms effectively strengthen employees' sense of belonging and motivation. When employees feel acknowledged by their supervisors and colleagues, they are more likely to develop positive attitudes toward their work and organization.

Table 2 *Mean Scores for Advancement*

Statement	Mean	Standard Deviation	Interpretation
I believe I have advancement opportunities beyond my current position.	3.35	0.54	There is a **very high level of satisfaction** in terms of the advancement of opportunity they have beyond their current position
I believe my firm encourages open discussions about career advancement.	3.32	0.64	There is a **very high level of satisfaction** in terms of the advancement of opportunity they have beyond their current position
I believe the firm I work for provides equal opportunities to get promoted.	3.37	0.61	There is a **very high level of satisfaction** in terms of the advancement of opportunity they have beyond their current position
I believe there is a clear promotion structure within my firm.	3.37	0.59	There is a **very high level of satisfaction** in terms of the advancement of opportunity they have beyond their current position
I believe that the timeline for promotions is transparent and consistently applied across all levels of the firm.	3.36	0.62	There is a **very high level of satisfaction** in terms of the advancement of opportunity they have beyond their current position
Overall Mean for Advancement	**3.35**	**0.47**	There is a **very high level of satisfaction** in terms of the advancement of opportunity they have beyond their current position

As presented in Table 2, advancement recorded the highest mean score of 3.35, reflecting very high satisfaction. Respondents believe that their firms provide clear promotion structures and equal opportunities for career growth. These results indicate that transparent career paths and open discussions about advancement which help employees set long-term goals and remain motivated. Such practices contribute to stronger professional commitment among auditors.

Table 3 *Mean Scores for The Work Itself*

Statement	Mean	Standard Deviation	Interpretation
I believe that I am satisfied with my job through accomplishing tasks and responsibilities.	3.09	0.58	There is a **high level of satisfaction** in terms of their satisfaction with their job through accomplishing tasks and responsibilities
I believe that I have a certain degree of authority in my work.	3.17	0.66	There is a **high level of satisfaction** in terms of their satisfaction with their job through accomplishing tasks and responsibilities
I believe that my job enriches my motivation and desire for self-fulfillment.	3.17	0.7	There is a **high level of satisfaction** in terms of their satisfaction with their job through accomplishing tasks and responsibilities
I believe that the content of my work is accountable.	3.34	0.62	There is a **very high level of satisfaction** in terms of their satisfaction with their job through accomplishing tasks and responsibilities
I believe that my work is thrilling and I have a lot of variety in the tasks that I do.	3.25	0.65	There is a **very high level of satisfaction** in terms of their satisfaction with their job through accomplishing tasks and responsibilities
Overall Mean for The Work Itself	**3.2**	**0.48**	There is a **high level of satisfaction** in terms of their satisfaction with their job through accomplishing tasks and responsibilities

Table 3 shows that the Work Itself had an overall mean of 3.20, indicating a high level of satisfaction. Respondents generally find their work meaningful and engaging. Auditors expressed satisfaction in accomplishing tasks, having some degree of authority, and experiencing variety in their responsibilities. However, the slightly lower rating compared to other motivators suggests that workload and work pressure may affect job satisfaction.

Table 4 *Summary Result of Motivators*

Indicators	Mean	Standard Deviation	Interpretation
Recognition	3.29	0.47	There is a **very high level** of satisfaction
Advancement	3.35	0.47	There is a **very high level** of satisfaction
The Work Itself	3.2	0.48	There is a **high level** of satisfaction
Overall Motivators	3.28	0.42	There is a **very high** level of satisfaction in terms of overall motivators

Table 4 summarizes the motivator factors. Recognition and advancement were rated very high, while The Work Itself received a high satisfaction rating. The overall mean of 3.28 indicates that auditors are generally satisfied with intrinsic motivators. These results show that respondents feel valued and supported in their professional development. However, consistent with previous studies (Michael et al., 2016; Rai et al., 2021), high satisfaction with motivators does not necessarily guarantee long-term retention.

Table 5 *Mean Scores for Salary*

Indicators	Mean	Standard Deviation	Interpretation
I believe I am paid fairly for the work I contribute to my firm.	2.48	0.75	There is a **low level of satisfaction** in terms of being fairly compensated for the work they have contributed to the firm
I believe my salary is adequate for the work I do.	2.38	0.73	There is a **low level of satisfaction** in terms of being fairly compensated for the work they have contributed to the firm
I believe my salary is sufficient to support my daily expenses.	2.53	0.85	There is a **high level of satisfaction** in terms of being fairly compensated for the work they have contributed to the firm
I am encouraged to work harder because of my salary	2.38	0.88	There is a **low level of satisfaction** in terms of being fairly compensated for the work they have contributed to the firm
I believe I earn the same as or more than others in similar roles.	2.6	0.88	There is a **high level of satisfaction** in terms of being fairly compensated for the work they have contributed to the firm
Overall Mean for Salary	**2.47**	**0.66**	There is a **low level of satisfaction** in terms of being fairly compensated for the work they have contributed to the firm

As shown in Table 5, salary obtained an overall mean of 2.47, indicating a low level of satisfaction. This suggests that many respondents are dissatisfied with their compensation. Although some auditors reported that their salary covers basic expenses, many perceived their pay as inadequate relative to their workload.

The findings indicate that compensation does not strongly motivate employees to exert additional effort and may weaken their commitment to the organization.

Table 6 *Mean Scores for Working Conditions*

Indicators	Mean	Standard Deviation	Interpretation
I believe my workplace offers a distraction-free environment.	3.12	0.63	There is a **high level of satisfaction** in terms of the workplace offering a distraction-free environment
I believe the employees are provided with an appropriate working environment (support & resources).	3.43	0.6	There is a **very high level of satisfaction** in terms of the workplace offering a distraction-free environment
I believe the facilities available for breaks and rest (e.g., break rooms, rest areas) were adequate and well-maintained.	3.31	0.71	There is a **very high level of satisfaction** in terms of the workplace offering a distraction-free environment
I believe my working hours are reasonable.	2.9	0.8	There is a **high level of satisfaction** in terms of the workplace offering a distraction-free environment
I believe that my workload is manageable.	2.79	0.8	There is a **high level of satisfaction** in terms of the workplace offering a distraction-free environment
Overall Mean for Working Conditions	**3.11**	**0.49**	There is a **high level of satisfaction** in terms of the workplace offering a distraction-free environment

Table 6 indicates that working conditions had an overall mean of 3.11, reflecting high satisfaction. Respondents generally viewed their workplace as supportive and well-equipped. Adequate facilities and resources contribute positively to employee comfort and productivity. However, lower ratings for workload manageability suggest that work demands remain a concern for many auditors.

Table 7 *Mean Scores for Job Security*

Indicators	Mean	Standard Deviation	Interpretation
I believe job security makes it easier for me to complete my assigned tasks.	3.18	0.59	There is a **high level of satisfaction** in terms of believing job security makes it easier to complete the assigned tasks
I believe my future looks promising if I continue working with this company.	3.18	0.64	There is a **high level of satisfaction** in terms of believing job security makes it easier to complete the assigned tasks
I believe I have job security.	3.27	0.72	There is a **very high level of satisfaction** in terms of believing job security makes it easier to complete the assigned tasks
I believe my organization treats its employees like real partners.	3.04	0.4	There is a **high level of satisfaction** in terms of believing job security makes it easier to complete the assigned tasks
I believe that I would not lose my job due to wrongful termination.	3.39	0.56	There is a **very high level of satisfaction** in terms of believing job security makes it easier to complete the assigned tasks
Overall Mean for Job Security	**3.21**	**0.45**	There is a **high level of satisfaction** in terms of believing job security makes it easier to complete the assigned tasks

As shown in Table 7, job security had an overall mean of 3.21, indicating high satisfaction. Respondents generally feel stable in their employment and optimistic about their future in the firm. Perceived job security helps employees focus on their responsibilities without fear of unfair termination. This finding highlights the importance of maintaining fair and transparent employment policies.

Table 8 summarizes the hygiene factors. Working conditions and job security were rated highly, while salary received a low satisfaction rating. The overall mean of 2.93 indicates general satisfaction with hygiene factors, except for compensation. These results suggest that although audit firms provide supportive environments and job stability, dissatisfaction with salary remains a major concern. Previous studies (Alkahtani, 2015; Zotorvie et al., 2017; Kurt, 2020) similarly emphasize the importance of compensation in employee retention.

Table 8 *Summary Result of Hygiene Factors*

Indicators	Mean	Standard Deviation	Interpretation
Salary	2.47	0.66	There is a **low level** of satisfaction
Working Conditions	3.11	0.49	There is a **high level** of satisfaction
Job Security	3.21	0.45	There is a **high level** of satisfaction
Overall Hygiene Factors	**2.93**	**0.42**	There is a **high level** of satisfaction in terms of overall hygiene factors

Table 9 *Likelihood to Stay*

Statement	Mean	Standard Deviation	Scale Description	Interpretation
How likely are you to stay in your auditing firm in the next 3 years?	2.26	0.85	Unlikely	The auditors are unlikely to stay in the same audit service in the same accounting firm for the next 3 years.

Likelihood to stay showed a mean score of 2.26, interpreted as "Unlikely." Even with very high levels of satisfaction across all three (3) motivators, as well as high levels of satisfaction in working conditions and job security, and with only Salary having shown a low level of satisfaction, the auditors still show a general tendency to consider leaving their current firms within the next three (3) years. Auditors reported a low likelihood of remaining with their firms over the next three years. Stepwise multiple regression analysis confirmed that, among the six factors examined, only salary and advancement significantly predicted auditors' likelihood of staying. Salary emerged as the strongest predictor, followed by advancement, while recognition, the Work Itself, working conditions, and job security did not significantly influence retention. These findings align with earlier research demonstrating the dominant role of financial rewards and career growth opportunities in retaining auditors and accounting professionals (Saat et al., 2021; Bomm & Kaimann, 2022)

Assumption testing indicated that linearity, independence of errors, normality of residuals, and multicollinearity requirements for conducting multiple regression were satisfied. Although the Breusch-Pagan test supported homoscedasticity, the residual scatterplot showed clustering, suggesting heteroscedasticity. This limitation may affect the precision of standard error estimates and, consequently, the interpretation of statistical significance. As such, the regression results should be interpreted with caution.

The study used stepwise multiple regression to determine which variables entered the model. Although stepwise regression is useful for determining the extent to which individual predictors contribute to explaining variance in a dependent variable, it is sensitive to small changes in the data, raising concerns about model stability and theoretical alignment. Thus, the results reflect statistical associations rather than definitive causal relationships grounded in theory.

Data was processed using IBM SPSS Statistics 30. Table 3.9 shows that of the six independent variables, only Advancement and Salary were included in the model and had significant effects on the likelihood of staying. Having $\mathbf{p < .05}$, their corresponding null hypotheses (H02 and H04) were rejected. The remaining variables (Recognition, Work Itself, Working Conditions, and

Job Security) had $p \geq .05$, and their respective null hypotheses were not rejected. Casewise diagnostics were conducted using standardized residuals, predicted values, residuals, Cook's distance, and leverage. No cases met the criteria for removal.

Table 10 *Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.468[a]	0.219	0.211	0.76
2	0.513[b]	0.264	0.249	0.74

a. Predictors: (Constant), Salary

b. Predictors: (Constant), Salary, Advancement.

Table 10 presents the model statistics and reports the overall significance test for the regression models. Two models were generated. Model 1 shows that Salary alone accounts for 21.9% of the variation in the Likelihood to stay. This means Salary is a significant influence on the dependent variable. Model 2 shows that when Advancement is added, the explained variance increases by 4.5%. This means that including Advancement improves the model, and that both Salary and Advancement together directly predict the Likelihood to Stay.

Table 11 *ANOVA*

Model		Sum of Squares	df	Mean Square	F	p-value
1	Regression	16.186	1	16.186	28.32	p <.001[b]
	Residual	57.736	101	0.572		
	Total	73.922	102			
2	Regression	19.486	2	9.743	17.9	p <.001[c]
	Residual	54.437	100	0.544		

a. Dependent variable: Likelihood
b. Predictors: (Constant), Salary
c. Predictors: (Constant), Salary, Advancement

The ANOVA table shows considerable F values for both models; their p-values are also below 0.001. This means that the observed differences in group means are statistically significant and that the regression models, as a whole, are statistically significant predictors of the Likelihood to Stay.

Table 11 presents the ANOVA results, which identify which predictors are significant and confirm that Salary and Advancement are the variables that make statistically significant contributions to explaining the dependent variable.

Table 12 *Coefficients*

Model		Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	P-value
1	(Constant)	0.768	0.29		2.646	0.009
	Salary	0.604	0.113	0.468	5.321	<0.001
2	(Constant)	-0.398	0.552		-0.721	0.473
	Salary	0.541	0.114	0.419	4.756	<0.001
	Advancement	0.395	0.16	0.217	2.462	0.016

a. Dependent variable: Likelihood

Based on the coefficients table, the model can be expressed as:

LTS **= -0.398 + 0.541s + 0.395a**

wherein:

LTS = Likelihood to Stay
s = Salary
a = Advancement

The model indicates that, with all other variables held constant, each unit increase in Salary leads to a 0.541 increase in the Likelihood to Stay. Likewise, a one-unit increase in Advancement results in a 0.395 increase.

Overall, although several variables demonstrated significant linear relationships with the Likelihood to Stay, only Advancement and Salary remained significant in the regression model. Recognition, The Work Itself, Working Conditions, and Job Security showed significant correlations at the bivariate level but did not remain significant once the effects of the other variables were accounted for in the regression model. Salary showed the strongest correlation with the Likelihood to Stay, and Advancement showed a significant contribution to further explaining retention.

CONCLUSION

This study examined the influence of motivators and hygiene factors on auditors' likelihood of remaining employed at the top three auditing firms in Davao City, drawing primarily on Herzberg's Two-Factor Theory and supported by Mobley's Intermediate Linkage Model. The findings provide insights into auditor retention in a high-pressure, competitive professional environment, where traditional motivational theories require contextual adaptation.

The very high level of satisfaction in terms of motivators indicate that the respondents are: well recognized for their contributions during audit engagements **(Recognition)**, very satisfied with career opportunities beyond their current position and the incentives for these advancements **(Advancement)**, and are satisfied with their job by accomplishing tasks and fulfilling their responsibilities, and how they have a certain degree of authority over their work **(The Work Itself)**.

The high level of satisfaction in terms of hygiene factors indicates that the respondents are: dissatisfied with how they are financially compensated with regard to their work **(Salary)**, satisfied with the environment they are in **(Working Conditions)**, and they believe that they are secure in their job and would not be laid off in the near future **(Job Security)**.

The variables Recognition, The Work Itself, Working Conditions, and Job Security failed to reject the null hypothesis, indicating that these variables do not have a significant influence on auditor retention. Although the four (4) variables showed high satisfaction levels, regression analysis indicates that the variables do not, independently or collectively, affect auditor retention. This suggests that high satisfaction with these variables does not offset aspects of the profession, such as low salary and less appealing job opportunities. Based on the findings, long-term career considerations in retention in auditing are given greater weight than immediate job satisfaction. On the other hand, the results of this study indicated that Advancement and Salary significantly influence an auditor's likelihood of staying. Theoretically, the findings both support and extend Herzberg's Two-Factor Theory. While Herzberg traditionally viewed hygiene factors as mechanisms for preventing dissatisfaction rather than generating satisfaction, this study demonstrates that salary can function as both a hygiene factor and a motivator in high-stress professions such as auditing. The strong relationship between salary and retention blurs the rigid distinction between motivators and hygiene factors, echoing arguments in recent literature that industry-specific pressures reshape motivational dynamics (Rai et al., 2021; Bomm & Kaimann, 2022). Furthermore, the regression model's moderate explanatory power suggests that retention decisions are influenced by additional factors beyond Herzberg's framework, highlighting the complexity of intention-to-stay behavior in professional service firms. On the other hand, the

RECOMMENDATION

Based on the findings and conclusions of this study, several recommendations are proposed to address the identified issues affecting auditor retention and to enhance future practices within the accounting profession, with emphasis on theoretical contribution, followed by practical implications grounded in empirical results.

Theoretical Implications

This study contributes to auditing and human resource theory by reinforcing the relevance of Herzberg's Two-Factor Theory to auditor retention. The findings highlight Salary and advancement as significant predictors of an auditor's likelihood to stay, supporting the distinction between hygiene and motivator factors in professional service firms. However, since these variables explain only 26.4% of the variance in retention, the results suggest that existing motivation theories may have limited explanatory power when applied in isolation to the auditing profession. This indicates the need to integrate additional perspectives, such as generational theory, work-life balance frameworks, and ethical climate models, into future retention research within accounting.

Implications for Practice

For accounting firms, the results emphasize the importance of aligning compensation and advancement structures with auditors' expectations. Evaluating salary levels relative to workload and industry benchmarks, alongside transparent promotion pathways, may help address retention challenges linked to these factors. Human resource units may also benefit from regularly assessing how advancement opportunities are communicated and perceived across different career stages

For accounting professionals and prospective auditors, awareness of salary conditions and advancement prospects is are key consideration when evaluating career opportunities in public accounting firms. Aligning personal career priorities with organizational offerings may reduce early turnover driven by unmet expectations.

Within the academe, the findings support closer alignment between accounting education and professional realities. Strengthening exposure to career progression structures and compensation realities in auditing may help students form informed career decisions

Directions for Future Research

Given the modest explanatory power of Salary and Advancement, future studies may explore additional variables influencing audit retention, including work-life balance, ethical pressures, organizational culture, and generational differences. Expanding the scope to include qualitative approaches, comparative firm-level analysis, alternative theoretical models, or accountants in other sectors may provide a more comprehensive understanding of retention dynamics in the accounting profession.

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