

# From Stress to Exit: Why Millennial and Gen Z Auditors Leave?

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## Abstract

This study examines the relationship between job stress, psychological capital (PsyCap), and turnover intention among Millennial and Generation Z auditors in Indonesia. Grounded in the Job Demand-Control Theory, the study explores how job stress and PsyCap independently and interactively influence auditors' intentions to resign. Data were collected via an online survey, resulting in 121 valid responses from auditors working in public accounting firms across Indonesia. The analysis, using ANOVA and multiple regression, tested generational differences and the proposed relationships. The results show that job stress increases turnover intention, whereas PsyCap decreases it. However, PsyCap did not moderate the effect of job stress on turnover intention as expected. These results suggest that while high PsyCap does not directly buffer the effects of job stress, it plays a significant protective role by independently reducing auditors' likelihood of considering resignation. This study contributes to the literature by highlighting the importance of psychological resources in mitigating turnover intention in high-pressure professional environments. For practice, audit firms should prioritize PsyCap development programs to strengthen self-efficacy, resilience, optimism, and hope among young auditors.

**Keywords:** job stress, auditor turnover intention, psychological capital, millennial generation, generation z

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## 1. INTRODUCTION

High resignation rates remain a significant challenge for accounting firms (Smith et al., 2020), as they threaten audit quality. Frequent turnover among audit team members can lead clients to question the quality of the audit services provided (Nouri & Parker, 2019). This issue poses a threat to the role accounting firms play in delivering high-quality financial information to investors through audit opinions and other professional services (Vance & Stephens, 2010). The problem is further complicated by the growing dominance of Millennials and Generation Z (Gen Z) in the current workforce. They often labeled as “job hoppers” due to their tendency to change jobs more frequently than previous generations (Nabawanuka & Ekmekcioglu, 2021; Prakash & Tiwari, 2021). This perception stems from the widespread view among Millennial and Gen Z workers that frequent job mobility is both normal and acceptable (Prihadi et al., 2021). Supporting this trend, PwC's *Hopes and Fears Global Workforce Survey 2023* reported that 30% of Millennial and Gen Z respondents planned to seek new employment within the next 12 months (PwC, 2023). The PCAOB report noted that younger generations tend to have differing views on careers than their older cohort, with many see their work as short-term jobs rather than long-term careers, making them more likely to leave the profession when more attractive opportunities come (PCAOB, 2024). Given these developments, examining auditor turnover in accounting firms remains essential, as it plays a key role in preventing the loss of resources needed to uphold audit quality and protect the public interest (George & Wallio, 2017).

The auditor's intention to resign can be rooted in several factors, one of which is work stress. By its nature, audit work can be a very demanding, so the profession is considered vulnerable to work stress (Pascua & Badoy, 2022). This is supported by a survey conducted by the Chartered Accountant Benevolent Association which showed that 55% of accountants experience stress and emotional exhaustion due to the nature of the complex work with little

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tolerance for error (ICAEW, 2022). Job demand control theory (Karasek, 1979) is used in this study to explain the high job demand with low job control as a source of work stress. The tendency of high resignation intention from Millennial and Gen Z auditors is a warning sign for audit firm because high resignation intention will allow for high actual turnover. This is supported by Namin et al., (2022) that found strengthen resignation intention as an antecedent of actual resignation (Namin et al., 2022). By understanding the characteristics, needs, and expectations of Millennial and Gen Z auditors, audit firm can implement strategies to reduce resignation intention, which can then reduce the tendency of auditors leaving the firm (Nouri & Parker, 2019; Namin et al., 2022).

The millennial generation is a generation born between 1981 and 1995 and is known as the first generation to be close to technology because they grew up when technology was present (Kapoor & Solomon, 2011). In terms of work, this generation group highly values work-life balance (Kapoor & Solomon, 2011). When they experience difficulties in their work, they tend to resign rather than trying to invest themselves in their work or the company (Struckell, 2019). Meanwhile, the Gen Z is the generation born between 1996 and 2010, and is currently the youngest generation in the workforce (Prakash & Tiwari, 2021; Benítez-Márquez et al., 2022). The Gen Z group also values flexibility and balance between work life and daily life (Benítez-Márquez et al., 2022). However, when workplace conditions do not meet their expectations, they are also likely to leave their jobs (Benítez-Márquez et al., 2022).

A number of studies have explored strategies that both organizations and employees can adopt to reduce the negative effects of work-related stress, such as Mnif and Rebai (2022) who found that increasing workplace flexibility can reduce the negative impact. Beyond organizational factors, intrinsic elements such as individual attitudes and positive behaviors also play a role in mitigating stress (Pascua & Badoy, 2022). This is in line with the study by Smith et al. (2020), which stated that resilience within auditors can weaken the negative impact of work-related stress. Along with three other positive psychological conditions: self-efficacy, hope, and optimism, resilience forms a structure of psychological capital, or PsyCap (Çavuş & Gökçen, 2014). PsyCap is recognized as a valuable psychological asset that can help individuals manage anxiety, reduce stress, and encounter feelings of hopelessness, ultimately enhancing both employee performance and retention (Luthans et al., 2004; Avey et al., 2009). PsyCap serves as a critical internal resource that helps auditors manage and respond adaptively to stress. Therefore, in addition to focusing on resilience alone, as previous studies have done (e.g., Smith et al., 2020), it is essential to consider the broader construct of PsyCap, encompassing all four psychological dimensions, to better understand and address the turnover intention among Millennial and Gen Z auditors.

To the best of our knowledge, there were still few studies that linked the Millennial and Gen Z in examining the relationship of work stress on turnover intentions, especially for the auditor profession. Previous research has identified gaps, indicating that certain potentially influential factors have yet to be fully explored, one of which is PsyCap, which has been suggested as a protective factor against stress (del Castillo & Lopes-Zafira, 2022). The inclusion of PsyCap as a moderating variable aligns with prior studies highlighting that individual differences in personal characteristics can moderate the effects of stress (Parker & DeCotiis, 1983). The findings of this study reveal a significant positive association between work stress and the turnover intention of Millennial and Generation Z auditors. This indicates that higher levels of work-related stress are linked to a greater likelihood of auditors considering resignation. However, PsyCap does not appear to moderate the association between work stress and turnover intention, suggesting that PsyCap may not buffer the adverse relationship between these variables. Nevertheless, PsyCap demonstrates a direct negative association with turnover intention, implying that auditors with higher levels of PsyCap are generally less inclined to consider leaving their jobs. These findings highlight the importance of promoting PsyCap as a potential strategy for enhancing employee retention among young auditors.

## **2. LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT**

### **2.1 Job Demand-Control (JDC)**

Job demand-control (JDC) theory was developed by Karasek (1979) and is commonly used as a theory in work stress research (Pozo-Antúnez et al., 2018; Shao et al., 2022). This theory investigates the interaction of two sources of work stress, namely job demand and job control (Pozo-Antúnez et al., 2018; Shih et al., 2011). Job demands and job control are conceptualized as two core work dimensions that are strongly predictive of employees' well-being levels. The model's central hypothesis suggests that job demands and job control, either directly or through their interaction, significantly influence the experience of strain and well-being. The combination of high job demands with low job control is a source of work stress for workers. This is based on the premise that job control acts as a resource that workers can use to complete their work demands, thereby reducing the work pressure or stress experienced (Bakker et al., 2010). Meanwhile, Job demand is a physical, psychological, social, or organizational aspect of a job that requires continuous physical and psychological (cognitive and emotional) effort and therefore has certain psychological impacts (Bakker & Demerouti, 2007).

Job demand becomes a source of stress when employees need to make efforts beyond their abilities to meet these demands. Meanwhile, Job control is the ability of workers to organize and adopt their initiatives in their work so that workers have control over their work (Akbari et al., 2017; Del Pozo-Antunez et al., 2018). In the auditing profession, the job demand–control (JDC) theory (Karasek, 1979) offers a useful lens for understanding how auditors respond to the intense pressures of their work environment while often having limited control over task timing and scope.

## **2.2 Psychological Capital**

Psychological Capital (PsyCap) is defined as an individual's positive psychological state of development, that can be measured, developed, and managed to improve performance through four core constructs: hope, self-efficacy, resilience, and optimism (Luthans et al., 2007; Nolzen, 2018). According to Luthans et al. (2007), PsyCap cannot be classified as a stable and difficult-to-change trait, but rather as a state-like that can be changed, formed, and developed within oneself. This is supported by previous research which states that the four components of PsyCap can be developed within a person (Luthans et al., 2007). Each of the four components of Psychological Capital (PsyCap) is grounded in established theories and prior research that form the conceptual foundation of the construct. First component is hope, refers to the motivation to succeed combined with the ability to identify, plan, and pursue various pathways toward achieving one's goals (Luthans et al., 2007). Hope is grounded in three key conceptual foundations: agency, pathways, and goals. The agency component reflects the motivational will or determination to achieve the desired outcomes. Hope is conceptualized as a psychological state that integrates both agencies, or the motivational energy to pursue goals, and pathways, which refer to the capacity to generate routes toward goal attainment. Individuals with higher levels of hope engage in contingency planning by anticipating obstacles and proactively identifying multiple means to achieve their objectives. Thus, hope can be understood as the determination to succeed coupled with the cognitive capacity to define, strategize, and pursue effective pathways toward success (Snyder, as cited in Luthans et al., 2007)

The second component, self-efficacy has been recognized as the construct that most appropriately meets the criteria for PsyCap (Luthans, Youssef, & Avolio, as cited in Luthans et al., 2007). Self-efficacy, is a person's belief in their own capacity to execute specific actions or tasks necessary to achieve desired outcomes (Baatwah et al., 2023). Self-efficacy has been defined in the workplace context by Stajkovic and Luthans (1998b, p. 66) as employee's belief in their capability to generate the necessary motivation, cognitive resources, and actions required to effectively accomplish a particular task in a specific context (Luthans et al., 2007). The third is resilience, is an individual's capacity to survive when facing difficulties or challenges (Smith et al., 2020). In the workplace context, resilience refers to a person's ability to bounce back from conflicts or positive changes, such as increased responsibility (Luthans et al., 2007). This resilience helps individuals recover more quickly from stressful situations and maintain productivity during difficult times. Individuals can develop greater resilience to adverse situations by successfully recovering from previous setbacks. Lastly, optimism is a positive outlook toward future events that includes positive emotions and motivation, while maintaining a realistic perspective. (Luthans et al., 2007). According to attribution theory, Seligman (as cited in Luthans et al., 2007) defines optimists as individuals who attribute positive events (e.g., task accomplishment) to internal, stable, and global causes, while attributing negative events (e.g., a missed deadline) through external, unstable, and specific factors.

When these four components are combined into PsyCap, their motivational effects are more powerful than when considered separately (Luthans et al., 2007). By conceptualizing self-efficacy, hope, optimism, and resilience as integral facets of PsyCap rather than emphasizing any single dimension, it is expected that their combined motivational influence will be broader and more impactful than the effect of each construct in isolation. Employees with high PsyCap are not only resilient in overcoming adversity but are also confident and capable in exploring alternative paths to restore or even improve upon their original condition (Luthans et al., 2007). Given that audit assignments often involve high demands that may lead to a stress (Pascua & Badoy, 2022), developing PsyCap as personal capital provides millennial and Generation Z auditors with the capacity to alleviate work-related stress and discouragement.

## **2.3 Job Stress and Auditor Turnover Intention**

According to the JDC theory, job stress arises from the combination of high job demands and low job control. This theory is particularly useful in explaining the job stress experienced by auditors because it precisely captures the specific work-related stressors inherent in their professional environment. Auditors typically encounter high job demands, such as managing multiple engagements simultaneously while maintaining professional independence and skepticism (Pozo-Antúnez et al., 2018; Molina-Sánchez et al., 2019). At the same time, auditors often have limited control over their work processes during certain periods due to rigid deadlines (Teuchmann et

al., 1999). Auditors may appraise these situations as beyond their control because they lack flexibility in managing these demands (Pelfrene et al., 2003). This perception of low control can diminish auditors' motivation to seek alternative solutions, often leading them to avoid the source of stress or mentally disengage, which may manifest as a desire to leave the audit firm (Lewin & Sager, 2010; Jung & Yoon, 2015). In the auditing context, high job demands combined with limited control over work contribute to auditors' stress foster feelings of powerlessness in managing these pressures. As a result, auditors' motivation to cope effectively may decline, leading them to adopt avoidance strategies, which often manifest as a desire to leave the accounting firm. Thus, the following hypothesis was proposed:

H1: Job stress has a positive relationship on the turnover intention of millennial and Generation Z auditors.

#### **2.4 Psychological Capital weakens the relationship of job stress on auditor turnover intention**

Auditors will use their resources, including PsyCap to deal with negative situations such as stress (Pu et al., 2016; Raja et al., 2020). Auditors will seek and use PsyCap which acts as a reserve of personal resources to deal with existing work pressure or demands (del Castillo & Lopez-Zafra, 2022). PsyCap provides positive cognitive abilities that help auditors remain disciplined in dealing with existing work demands even under stress (Raja et al., 2020). PsyCap enables auditors to perceive work demands as challenges, whereas those with lower levels of PsyCap are more likely to interpret such demands as burdens or threats (del Castillo & Lopez-Zafra, 2022). Anjum and Shahzad (2020) found that PsyCap can moderate the effect of burnout on turnover intention, while Primadineska (2021) concluded that PsyCap can weaken the impact of work stress on auditors' resignation intention. Taken together, these findings suggest that PsyCap can mitigate the effect of work stress on the resignation intention of millennial and Generation Z auditors. By leveraging PsyCap, auditors are better equipped to manage work-related stress, thereby reducing their intention to leave the accounting firm. Thus, the following hypothesis was proposed:

H2: Psychological Capital weakens the positive relationship of job stress on the turnover intention of millennial and generation Z auditors.

### **3. RESEARCH METHOD**

#### **3.1 Data Source**

This study employs a quantitative approach by administering a questionnaire distributed to external auditors from public accounting firms who are classified as millennials (born between 1981 and 1995) and Gen Z (born between 1996 and 2001). The upper age limit of 2001 is based on the assumption that auditors in this group have graduated from university and begun their careers (Rani et al., 2023). We require a minimum of six months of work experience, as auditors with this tenure are expected to have gained adequate exposure to training and audit engagements, including at least one complete audit cycle spanning both low and peak seasons (Hermanson et al., 2009; Sun et al., 2016). This criterion helps reduce potential bias caused by work stress and reality shock typically experienced by new employees (Hermanson et al., 2009; Kodama, 2017). The present study focuses on auditors ranging from staff to manager levels, as turnover rates are typically higher within these positions. (Kornberger, 2011; Smith et al., 2020).

This study uses primary data collected from Millennial and Generation Z auditors through an online survey administered via Google Forms. The questionnaire was disseminated through multiple social media platforms, including LinkedIn, Instagram, LINE, and WhatsApp. To ensure the survey reached auditors who met the research criteria, we utilized LinkedIn's filtering feature by entering relevant keywords such as "audit manager" or "audit associate." LinkedIn then recommended auditor profiles matching these criteria. Permission was sought from eligible auditors to complete the questionnaire and to share it with colleagues who might also meet the study's inclusion criteria. Data collection occurred between February and March 2024. Since the population size was unknown, the determination of the minimum sample size was based on the observation-to-variable ratio. According to Memon et al. (2020), a ratio of 20:1 is recommended. Given that this study involves three variables, the minimum adequate sample size was set at 60 Millennial and Gen Z auditors. The data collected then were analyzed using SPSS version 26.

#### **3.2 Variable Measurement**

The measurement of job stress (JS) adopts the Karasek Job Content Questionnaire (K-JCQ) developed by Karasek et al. (1998). The K-JCQ assesses work stress based on two key dimensions: job demands, which include work overload and time pressure, and job control, which comprises skill discretion and decision latitude. In this study, the questionnaire was slightly modified by translating it into Indonesian and adapting the items to the context of auditors' work. The job demand dimension consists of 9 items, while the job control dimension includes 17 items. Respondents answer using a 5-point Likert scale, where 1 indicates "strongly disagree," 2 "disagree," 3 "neutral," 4 "agree," and 5 "strongly agree." The Measurement of turnover intention (TI) adopts Roodt's (2004) Turnover Intention Scale (TIS-6), which consists of six items, including statements such as "I often consider resigning from

the KAP where I currently work.” We made slight modifications to the TIS-6 by adjusting the language and tailoring the items to the context of auditors. The moderating variable in this study is PsyCap, which refers to an individual’s positive psychological state characterized by four components: hope, self-efficacy, resilience, and optimism. To measure PsyCap, this study adopts the Psychological Capital Questionnaire (PCQ) developed by Luthans et al. (2007). Each component is measured using six items, resulting in a total of 24 questions. The questionnaire items were slightly modified in terms of language and adjusted to fit the auditor context. Respondents answer using a 5-point Likert scale.

Control variables are included in the analysis to ensure that the observed relationship between the independent and dependent variables is not confounded by external factors. In this study, the control variables consist of demographic characteristics, including age, tenure, gender, type of audit firm, and position within the firm. These variables were controlled based on evidence from prior research indicating that they may be associated with auditors’ resignation intentions. Prior to analysis, the variables were coded as follows: Age was categorized into four groups, with “1” representing 22–27 years, “2” representing 28–33 years, “3” representing 34–39 years, and “4” representing 40–42 years. Tenure was coded based on the number of years the auditor had worked at the audit firm (e.g., “1” for one year of service, “2” for two years, and so forth). Gender and type of audit firm were coded dichotomously, where “1” denoted female and “2” male for gender, and “1” denoted Big Four and “2” non-Big Four for firm type. Position was coded on a scale from “1” to “4,” beginning with the entry-level associate position and progressing to higher ranks.

The results of the validity test show that all questionnaire items have correlation coefficients (r-values) greater than 0.195, indicating that each item is capable of producing valid measurements aligned with the objectives of the study. Furthermore, the reliability analysis demonstrates that all items yielded Cronbach’s alpha values above 0.60, signifying an acceptable level of internal consistency and confirming the reliability of the instrument in measuring the intended constructs.

### 3.3 Pilot Study

Before we collect the main data, pilot study was conducted to ensure that the questionnaire items are both valid and reliable. The sample size for the pilot study in this research was determined using the formula proposed by Viechtbauer et al. (2015), while also considering Julious’s (2005) recommendation of a minimum of 12 samples per group. Based on these parameters, the minimum sample size for the pilot study was determined to be 24 respondents, with 12 samples for each generation group. The sample size of 12 per group was selected to ensure feasibility and to achieve accurate estimates of means and variances (Julious, 2005). The pilot study was conducted in January 2024 after all questionnaire items were translated into Indonesian and contextualized to the auditors’ work environment. We distributed the questionnaire to 40 Millennial and Gen Z auditors. Over the three-week period, 25 auditors (62.5%) responded and completed the questionnaire, comprising 12 Millennial auditors and 13 Gen Z auditors. This sample size met the minimum requirements for the pilot study. All responses received were included in the pilot study as they met the research criteria. The validity test results indicated that 6 out of 56 questions failed to meet the validity threshold. However, the reliability test showed that all questionnaire items had acceptable reliability, with Cronbach’s alpha values exceeding 0.6. To improve validity, the researcher revised the wording of the problematic questions to make them clearer and easier to understand for respondents.

## 4. RESULTS AND DISCUSSION

### 4.1 Demographic Information

The questionnaire distribution process was conducted between February and March 2024, targeting Millennial and Gen Z auditors in Indonesia. We disseminated the questionnaire through multiple social media platforms, including LinkedIn, Instagram, Line, and WhatsApp, resulting in a total of 402 distributions. Of these, 123 responses were received, yielding a response rate of 30.59%. However, two responses (1.6%) were excluded from further analysis due to not meeting the inclusion criteria, resulting in a final sample of 121 eligible respondents. Table 1 presents the demographic characteristics of the respondents, all of whom are currently employed as auditors in Indonesia.

Description	Total Number (n)	Percentage (%)
<i>Gender</i>		
Male	65	53.7
Female	56	46.3
<i>Birth Year</i>		
1981 – 1995	33	27.3

Description	Total Number (n)	Percentage (%)
1996 – 2001	88	72.7
<i>Age</i>		
22 – 27 years old	89	73.6
28 – 33 years old	23	19.00
34 – 39 years old	6	5
40 – 42 years old	3	2.4
<i>Audit Firm Type</i>		
Big 4	60	49.6
Non-Big 4	61	50.4
<i>Job Position</i>		
Associate	59	48.8
Senior Associate	35	28.9
Manager	25	20.7
Senior Manager	2	1.6
<i>Tenure</i>		
6 months – 3 years	77	63.6
4 – 6 years	20	16.6
> 6 years	24	19.8

The sample consists of 121 respondents with a fairly balanced gender distribution: 53.7% male and 46.3% female. Most respondents (72.7%) were born between 1996–2001, aligning with Gen Z, while 27.3% were Millennials (born 1981–1995). Age distribution confirms this, with 73.6% aged 22–27, indicating a predominantly young workforce. Regarding the type of audit firm, the sample is evenly split, with 49.6% from Big Four and 50.4% from non-Big Four firms. This provides a balanced perspective on audit firm type. In terms of job position, nearly half (48.8%) are Associates, followed by Senior Associates (28.9%), Managers (20.7%), and a small number of Senior Managers (1.6%). This suggests that the majority of respondents are in early to mid-level professional roles. As for tenure, 63.6% have worked between 6 months to 3 years, indicating a relatively new workforce. Only 19.8% have more than 6 years of experience.

#### 4.2 ANOVA Test

An ANOVA test was conducted to examine whether there were differences in the average values of job stress, turnover intention, and PsyCap between the two groups of auditor generations. Table 2 below displays the result of the ANOVA analysis.

Table 2. ANOVA Test Results

Variable	Category	N	Mean	Sig.
JS	Millennial Gen	33	3.590	0.215
	Gen Z	88	3.680	
TI	Millennial Gen	33	3.176	0.548
	Gen Z	88	3.261	
PsyCap	Millennial Gen	33	3.811	0.579
	Gen Z	88	3.759	

Based on the Table 2 above, Gen Z auditors reported higher levels of job stress (JS) and turnover intention (TI) compared to Millennial auditors. Several factors may account for this difference. Gen Z tends to show lower tolerance for micromanagement or excessive oversight in the workplace (Mahapatra et al., 2022). In the audit profession, Gen Z auditors, most of whom occupy associate or senior associate positions, have less autonomy and decision-making authority compared to Millennial auditors who are typically in managerial roles. At the associate level, audit tasks are generally more structured, with tighter deadlines and limited scope for discretion (Pozo-Antúnez et al., 2018). Additionally, Gen Z is characterized by a strong motivation to learn and develop. When they perceive their roles as purely transactional as indicated by high in demands but low in developmental value, they may be more inclined to leave (Mahapatra et al., 2022). This tendency is further reinforced by their direct communication style and stronger alignment with personal values, which makes them more likely to seek alternative employment when they feel misaligned with their current work environment (Mahapatra et al., 2022).

In contrast to the findings on job stress and turnover intention, the average level of PsyCap among Gen Z auditors is lower than that of their Millennial counterparts. This discrepancy may be attributed to differences in professional experience. Millennial auditors, many of whom occupy managerial positions, are likely to have accumulated a

broader range of experiences within public accounting firms compared to Gen Z auditors. According to Sweet and Swayze (2017), accumulated experience enhances self-confidence and resilience, which are two core components of PsyCap. This aligns with the conceptualization of PsyCap as a developable construct, meaning it can be cultivated and strengthened over time. Therefore, the higher levels of PsyCap observed among Millennial auditors may reflect the cumulative effect of professional growth and exposure to various challenges over the course of their careers. Although the ANOVA test results indicated no statistically significant differences in the mean values of job stress, resignation intention, or PsyCap between the two generational groups (Sig. > 0.05), the descriptive statistics provide meaningful insights that enrich the interpretation of these patterns and offer a deeper understanding of generational dynamics within the auditing profession.

#### 4.3 Regression Analysis

Table 3 presents the results of two regression models examining the relationships among job stress, PsyCap, and turnover intention, while controlling for demographic and organizational variables.

Table 3. Regression Analysis

Variable	Model 1	Model 2
Age	0.098	-0.206
Tenure	0.021	-0.018
Gender	<b>0.166**</b>	<b>-0.283**</b>
Audit Firm	0.099	-0.069
Position	-0.079	<b>0.276*</b>
Job Stress	<b>0.427***</b>	<b>0.331*</b>
PsyCap	<b>-0.451***</b>	
Job Stress*PsyCap	-0.011	
<b>R<sup>2</sup></b>	0.185	0.189

**Note:** \*Significant at 10% ( $p < 0.10$ ); \*\*Significant at 5% ( $p < 0.05$ ); \*\*\*Significant at 1% ( $p < 0.01$ )

In Model 1, job stress shows a positive and statistically significant association with turnover intention ( $\beta = 0.427$ ,  $p < 0.01$ ), indicating that higher levels of job stress are related to a greater intention to resign. In contrast, PsyCap is negatively and significantly associated with turnover intention ( $\beta = -0.451$ ,  $p < 0.01$ ), suggesting that individuals with higher PsyCap are less likely to consider leaving their job. Among the control variables, gender exhibits a positive and significant relationship with turnover intention ( $\beta = 0.166$ ,  $p < 0.05$ ), implying that gender differences may influence resignation tendencies. These findings are consistent with previous research of Lukmawati and Pratono (2020), and Wahyono and Riyanto (2020), all of which identified job stress as a significant predictor of turnover intention. However, the results contradict those of Budiman and Tan (2022), who found that job stress was not a significant determinant of resignation intention among millennial and Gen Z employees.

Consistent with the job demand-control theory, the work stress experienced by auditors in this study appears to stem from an imbalance between high job demands and relatively moderate job control (mean job demand = 3.659; mean job control = 3.654). Similar findings were reported by Pascua and Badoy (2022) in their study of auditor stress in the Philippines, which also employed the job demand-control framework. The auditing profession is widely recognized for its intensive workload, often requiring auditors to handle multiple client engagements simultaneously. This situation is driven by the growing demand for audit services, which increases the likelihood of auditors being assigned to overlapping assignments. However, the substantial workload is frequently not accompanied by sufficient autonomy or flexibility in managing tasks. For instance, auditors must adhere to fixed deadlines that restrict their ability to adjust work schedules or independently apply initiatives (Teuchmann et al., 1999). Some scholars argue that the combination of high job demands and strict deadlines is deliberately designed by accounting firms to induce time pressure, which may enhance auditors' decision-making efficiency by compelling them to concentrate on the most relevant information (Guénin-Paracini et al., 2014). However, this strategy also entails substantial risks. Excessive time pressure can lead to heightened stress levels and negatively impact audit quality (Pozo-Antúnez et al., 2018). Moreover, although many audit firms have implemented flexible work arrangements to improve auditors' perceived job control, the inherently regulated nature of the auditing profession continues to restrict true autonomy. As emphasized by Peecher et al. (2023), auditors are required to operate within the boundaries of established professional standards, which limit their discretion in how audit tasks are performed. This regulatory environment ultimately constrains the effectiveness of flexibility initiatives in alleviating stress caused by high job demands.

When job demands exceed an individual's perceived capabilities, there is a greater tendency to adopt avoidance or escape-based coping mechanisms. These coping strategies involve cognitive or behavioral efforts to disengage from the stressor, either mentally or physically. In the context of auditing, high job demands that particularly those accompanied by inflexible deadlines, reduce the auditor's perceived autonomy and capacity to manage their workload effectively. This mismatch between job demands and coping resources contributes to a perception that the demands are unmanageable, which, over time, can diminish an auditor's commitment to their role. As a result, this stress appraisal process may culminate in an increased intention to resign from the organization.

In Model 2, the interaction term between job stress and PsyCap (Job Stress\*PsyCap) is not statistically significant ( $\beta = -0.011$ ,  $p > 0.10$ ), indicating that PsyCap does not moderate the relationship between job stress and turnover intention. Nevertheless, the negative coefficient ( $\beta = -0.011$ ) implies that the interaction between job stress and PsyCap may slightly reduce auditors' intention to resign. Furthermore, the analysis shows that PsyCap has a significant direct relationship with turnover intention (Sig. =  $0.002 < 0.05$ ), with a negative coefficient ( $\beta = -0.451$ ), indicating that increase in PsyCap corresponds to decrease in the turnover intention of millennial and Gen Z auditors. Consequently, it can be concluded that although PsyCap does not moderate the relationship between job stress and turnover intention, it directly contributes to lowering the intention to resign among these auditors. These findings contradict those of Anjum and Shahzad (2020), who reported that PsyCap mitigates the impact of burnout on resignation intention, as well as Primadineska (2021), who found PsyCap to be a significant moderator between job stress and resignation intention. Conversely, this study's results align with Ergun et al. (2023), who similarly concluded that PsyCap does not moderate the effect of job stress on turnover intention.

These findings align with the proposition by Avey et al. (2010) that PsyCap negatively predicts adverse employee behaviors such as resignation, thereby serving as an effective mechanism to reduce actual turnover (Shah et al., 2019). The differing roles of PsyCap as both a moderating and predictor variable, corroborate the findings of Primadineska (2021), who characterizes PsyCap as exhibiting quasi-moderation (or pseudo-moderation), allowing it to function simultaneously as an independent predictor and a moderator variable. Auditors leverage PsyCap as a direct psychological resource that fosters more positive cognitive appraisals, reducing impulsive decision-making, including premature resignation from the audit firms (Luthans et al., 2007). Auditors from the Millennial and Gen Z cohorts who possess high levels of PsyCap tend to exhibit greater optimism about their career trajectories within the audit firms and demonstrate stronger confidence in their professional competencies, thereby enhancing their motivation to continue their career at the firm (Dawkins et al., 2021). Additionally, PsyCap facilitates the development of a positive outlook towards their work, which contributes to increased job satisfaction and decreases the likelihood of considering resignation hastily (Dawkins et al., 2021).

Even though, PsyCap does not moderate the relationship between job stress and turnover intention, job stress remains significantly associated with turnover intention ( $\beta = 0.331$ ,  $p < 0.10$ ), while the negative relationship with PsyCap is consistent. Notably, in this model, gender becomes negatively significant ( $\beta = -0.283$ ,  $p < 0.05$ ), and job position demonstrates a positive relationship with turnover intention ( $\beta = 0.276$ ,  $p < 0.10$ ), suggesting that those in higher roles may experience increased turnover intention, possibly due to greater workload or expectations.

The  $R^2$  values for both models are relatively modest (0.185 for Model 1 and 0.189 for Model 2), indicating that approximately 18.5% and 18.9% of the variance in turnover intention is explained by the variables included in each model. In summary, the analysis reveals that job stress is positively and PsyCap is negatively associated with turnover intention, while the interaction between the two variables is not statistically significant. These findings highlight the independent roles of job stress and PsyCap in shaping turnover intention, without evidence of a buffering (moderating) effect.

## **5. CONCLUSION**

The findings of this study demonstrate that job stress positively associated with the turnover intention among Millennial and Gen Z auditors. Consistent with the job demand-control theory, the work stress experienced by auditors stems from an imbalance between high job demands and insufficient job control. Auditors often face simultaneous workloads that are not matched by the autonomy to organize and manage their tasks effectively. Auditors perceive these high job demands as exceeding their capacity, which diminishes their motivation to remain in their roles and manifests as an increased intention to resign, serving as a coping mechanism to avoid the stressors encountered. Contrary to some prior research, PsyCap was not found to moderate the relationship between job stress and resignation intention among these auditors. This suggests that while PsyCap may contribute positively to auditors' psychological resilience, it does not necessarily diminish the impact of job stress on their intention to resign. In other words, auditors with higher PsyCap still experience the adverse effects of job stress, and PsyCap does not significantly alter the strength or direction of this relationship. Nevertheless, PsyCap



demonstrated a direct and significant negative relationship with resignation intention. Although PsyCap does not moderate the relationship of job stress directly, its independent negative association with resignation intention highlights its role as a valuable personal resource in the retention of young professionals in the audit profession.

The findings of this study offer valuable empirical evidence for both practitioners and policymakers in the auditing profession. Specifically, the results suggest that Millennial and Generation Z auditors can be supported in developing PsyCap through interventions that encourage the cultivation of positive attitudes and cognitive habits in daily life. Audit firm management can play an active role by implementing targeted training and development programs aimed at enhancing PsyCap dimensions, namely self-efficacy, resilience, optimism, and hope. Such programs not only contribute to individual auditor well-being but may also improve organizational outcomes by promoting greater retention. Investing in PsyCap development can serve as a strategic approach to address workforce instability, especially among younger generations of auditors.

Despite its contributions, this study has several limitations. First, the data collection period coincided with the audit busy season, which likely constrained auditors' availability to participate. This resulted in a lower response rate, particularly among Millennial auditors, and contributed to the smaller representation of Millennials compared to their Generation Z counterparts. Second, the study employed a cross-sectional design, which limits the ability to establish causal relationships among variables. Third, all data were collected using self-reported questionnaires, which introduces the potential for common method bias and social desirability bias.

Building upon the current findings, future research can focus on evaluating the effectiveness of psychological capital development programs within the auditing profession. Longitudinal or experimental research designs could be employed to measure changes in PsyCap before and after program implementation, and to assess whether these changes are associated with improved work outcomes, such as reduced job stress, increased job satisfaction, organizational commitment, and lower resignation intention.

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