

The Effect of Factors on Audit Renewal Strategy of Certified Public Accountants (CPAs) In Thailand

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Abstract

The purpose of this study is to examine the influences of market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, stakeholder expectation increase and professional competition intensity on audit renewal strategy. Audit renewal strategy is the auditor's capability to transform their method, concept, audit process, and learning to raise audit performance. Likewise, audit renewal strategy is directly influenced by external environmental factors and internal factors based on contingency theory. The data were collected from a survey of 391 CPAs. The results of regression analysis find that internal factors, including market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, and stakeholder expectation have a positively influence on audit renewal strategy. Finally, theoretical and managerial contributions, conclusion, and suggestions for future research are discussed as well.

Keywords: Audit Renewal Strategy, Market-Driving Audit Vision, Audit Well-Roundedness, Comprehensive Knowledge Diversity, Stakeholder Expectation Increase, Professional Competition Intensity

1. Introduction

The change of the global economy and international investment force the intense audit competition between the firms in Big 4 (PricewaterhouseCoopers, Deloitte, Ernst & Young and KPMG) and the local audit firms or non Big4. Moreover, the auditing context in Thailand are also affected by the entry into the ASEAN Economic Community (AEC) that brings about to auditors' opportunities, challenges, and significantly changing points under the new realm of free movement of labor. These things will result in higher competitive field auditing. It also affects the success and survival of the auditor (Federation of Accounting Professions, 2014). Thus, Thai auditors must adjust their audit strategy in accordance with this new era, as well as the changes in the international accounting standard and complex transactions to ensure sustained success in the audit profession. To fulfill confidence to investors since they need to be assured, in order for them to make a correct business decision that the financial statements have accurate and prepared according to the international standards, good auditing is of great importance to the economy (Peecher, Schwartz, and Solomon, 2007). The aspect of strategic renewal in the field of strategic management focuses on the need of firms to continually renew or recreate their new strategies (Agarwal and Helfat, 2009).

Besides, the firm's strategic renewal includes the use of new knowledge and innovation in organizational management leading to increase the competitive advantage and bring a firm to superior performance than other competitors (Floyd and Lane, 2000). Thus, auditors are necessary to renew in audit strategy because it is the main procedure for developing new strategy in the audit practice to suit the situation and it corresponds to the audit standard for audit performance, including the requirement to developing their well-roundedness and sensibly seeks the capability to transform the situation (Federation of Accounting Professions, 2014). Audit renewal strategy is the best response for auditors to create a competitive advantage, survival, and support to utilize new knowledge and innovative behavior (Chakravarthy and Doz, 1992).

Thus, audit renewal strategy in this study has integrated the main concept of strategic renewal that focus on the need of firms to continually renew or recreate their strategies (Huff, Huff, and Thomas, 1992), and self-renewal of organizations while neglecting individual-level heterogeneity (Lacetera et al., 2004). Especially, it still focuses directly on renewal strategy in individual-level that is CPAs in Thailand for fulfilling research gap that lacks in the prior literature. Audit renewal strategy offers the perspective of 5 dimensions, including audit development continuity, audit method adaptation, audit concept change, audit process flexibility, and audit learning dynamism. The previous literature reviews on audit renewal strategy use contingency theory to describe the positive relationship between the antecedent variables and audit renewal strategy (Chang, Joyce, and Varun, 2003; Curtis and Payne, 2008; Nicolaou, 2000). The important principles of contingency theory are 1) there is no universal or one best way to perform 2) the design of audit planning and its subsystems must fit with the environment. Thirdly, effective audits not only have a proper fit with the environment but also between its subsystems. Finally, the auditors' needs are more satisfying when appropriately designed for both the tasks undertaken and the nature of the workgroup (Fiedler, 1964).

Moreover, the relationship between the antecedent variables and audit renewal strategy is supported by many studies such as Bierstaker and Brody (2001) find that competitive tendency markedly has a direct influence on audit quality. Besides, audit well-roundedness increase audit performance and create the credibility of audit opinion in the financial report (Carpenter, 2007). The auditor's comprehensive knowledge diversity has importance for protecting stakeholders from financial statement fraud (Peecher, Schwartz, and Solomon, 2007). Stakeholder expectation is positively associated with the level of operational activity and audit performance (Burke and Logsdon, 1996). Professional competition intensity causes an important change in the auditing industry (Sudsomboon and Ussahawanitchakit, 2009). These dependent variables are part of audit renewal strategy. However, the few studies focus on the auditor's strategic capability of an integrated approach. Besides, the prior studies lack to link the relationship between internal factors, external factors, and audit renewal strategy together.

As a result, the study aims to examine the influences of market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, stakeholder expectation increase and professional competition intensity on audit renewal strategy. The key question is "How do market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, stakeholder expectation increase and professional competition intensity affect audit renewal strategy?" As a result, the key objective of this study is to examine the influences of market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, stakeholder expectation increase and professional competition intensity on audit renewal strategy.

2. Literature Review and Hypotheses Development

Theoretical Foundation

The relationship between the antecedents and audit renewal strategy is explained by the contingency theory. The antecedent variables consist of market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, stakeholder expectation increase, and professional competition intensity, which all are the main determinant of audit renewal strategy. The contingency theory is applied to explain how audit renewal strategy achieves audit performance in a dynamic situation. The contingency theory is the behavioral theory to describe that there is no one best way to design the systems, organize a corporation, or make decisions by management concepts and practices which are based on the situation. Any way of organizing is not equally effective, and an organizational style which may be effective in some situations, may not be successful in others (Fiedler, 1964). This theory can explain the relationships among task environment, technology, and work-unit structure, which suggest that the demand is imposed by technical tasks in firms that encourage strategy improvement to coordinate and control activity. Most previous studies use the contingency theory to examine the relationships between various internal and external factors of audit functions (Anderson et al., 2012). The external factors are stakeholders' expectations, technology, and environmental. Internal factors include internal audit resources, experience, and leadership. Thus, the relationship between the antecedent variables and audit renewal strategy are supported by contingency theory. The conceptual model is presented in Figure 1.

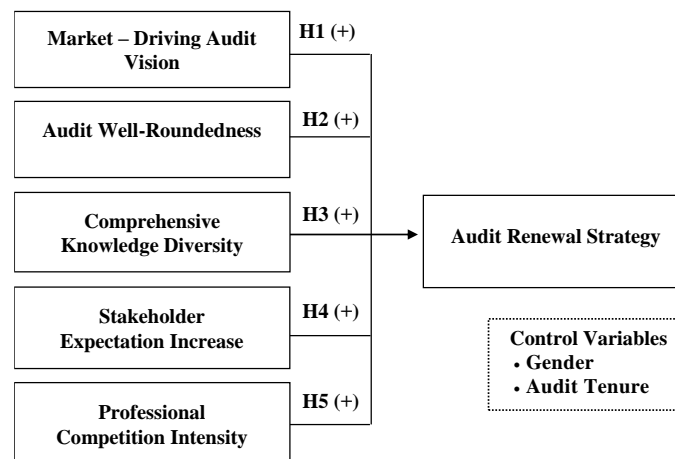


Figure 1: The Conceptual Model of the Effects of the Antecedents on Audit Renewal Strategy

Antecedents of Audit Renewal Strategy (ARS)

Market-driving audit vision (MDA) is defined as goal-setting or future expectations in the quality of auditing for stakeholders, rules, and regulations related to constant accounting changes. It is one of the important factors in setting policy or a process of auditing in a long term to create a competitive advantage and audit survival. As a result, auditors must modify their audit strategy and upgrade the audit profession to advanced audit performance. They have to develop the ability to audit and understand the implementation of the new business model to be able to effectively react to change both from increasing competition in audit volatility and the entry into the ASEAN Economic Community (AEC). Besides, the previous literature review found that competitive tendency markedly has a direct influence on audit quality (Bierstaker and Brody, 2001).

Audit vision has a significant positive influence on modern audit practice ability, audit knowledge diversity, and audit learning competency of Thai auditors (Wiroterat, 2014). Thus, market-driving audit vision is likely to increase the capability of audit renewal strategy so that the hypothesis is proposed as follows:

H1: Market – driving audit vision has a positive effect on audit renewal strategy.

Audit well-roundness (AWR) is defined as the omniscient and understanding in audit work about accounting and auditing standard, law, regulations, accounting information system and characteristics of firms. an auditor who is knowledgeable and has expertise or skills, including capability and professionalism (Haurani et al., 2007; Struweg and Meintjes, 2008). The auditors who are the well-roundedness are more successful than other auditors who do not have these things (Dando and Swift, 2003; Robertson and Houston, 2010). Besides, audit well-roundedness increase audit performance because it provides an opportunity to develop understanding in the audit task (fraud detection, risk assessment, and misconduct) and create the credibility of audit opinion in the financial report (Kariuki and Lowe, 2006; Trotman, Wright, and Wright, 2005). In summary, audit well-roundedness has the potential possibility to affect audit renewal strategy. Audit profession well-roundedness has the important past to support the comprehensive audit planning proficiency. Audit profession well-roundedness has a positive influence on audit risk assessment, excellent audit resource allocation, and integrative audit method use (Chopset, 2014). Thus, the hypothesis is proposed as follows:

H2: Audit well-roundness has a positive effect on audit renewal strategy.

Comprehensive knowledge diversity (CKD) refers to potential in the integration of knowledge and ability about auditing or the holistic system view of audit knowledge evaluated by an auditor's individual learning from the success and mistakes basing on their prior experiences. It is because when auditors have the capacity to completely retrieve information by knowledge encoding, retrieval, and analysis (Libby and Luft, 1993), they are high audit performance well and receive reliability from clients. This includes an auditor's ability to implement their superior variety of comprehensive knowledge to plan audit procedures and to gain an accurate, consistent, and stable audit judgment and report. In the previous literature review, the auditor's comprehensive knowledge diversity has importance for protecting stakeholders from financial statement fraud (Peecher, Schwartz, and Solomon, 2007). Therefore, the auditors need to be concerned with comprehensive knowledge diversity because it is an essential element required for the development of the audit in order to have the competitive advantage in the audit profession. The knowledge diversity of auditors is positively associated with greater audit renewal strategy capacity. The dynamic audit learning positively affects audit adaptation capability (Thongchai, 2017). Thus, the hypothesis is proposed as follows:

H3: Comprehensive knowledge diversity has a positive effect on audit renewal strategy.

Stakeholder expectation increase (SEI) is defined as the growing willingness of groups of consumers to demand that companies refrain from egregious, irresponsible, and exploitative behavior. Stakeholders are any group or individual who could affect or have affected by the achievement of an organization's objectives (Jurgens et al., 2010). The stakeholders include two groups of stakeholders that influence organizations: internal and external stakeholders. Internal stakeholders include owners, employees, managers, and board members. External stakeholders include customers, suppliers, creditors, governments, unions, local communities, and the general public. In the previous literature review, stakeholder expectation is positively correlated with the level of operation activity and related to audit performance, which pressure rise indicates that the auditor has to perform audits to ensure that there is more accuracy to perform their jobs and that they are proactive which is indicative of higher performance (Burke

and Logsdon, 1996). It is consistent with the study of Sarkis, Gonzalez-Torres, and Adenso (2010) that confirms the pressure of stakeholders affects audit process. The stakeholder expectation has an effect on the level of audit quality (Nehme, 2013). When there is high expectation of auditing work and audit quality, it pressure on the auditor need to use all skills to provide reliability and assurance of the financial statements. Thus, the hypothesis is proposed as follows:

H4: Stakeholder expectation increase has a positive effect on audit renewal strategy.

Professional competition intensity (PCI) is defined as the degree of competition in the audit profession that an auditor faces at current. It is measured by the competitive climate in the audit market (Chanruang and Ussahawanitchakit, 2011). In competitive climate of the audit market, investors always rely on the professionalism of auditors in considering investments in stock. Auditors raise the increasingly stringent audit, including adding more internal controls. The auditors need to heal damage to its reputation caused by the fraud of the client, and continue to face major problems in their auditing industry in that the industry is monopolized by four giant companies or the "BIG 4". In the previous literature review, professional competition intensity causes a significant change in the auditing industry (Sudsomboon and Ussahawanitchakit, 2009). Environmental pressure and competition intensity cause auditors are likely to adapt and improve auditing process by creating a new method of detection (Wiraterat, 2014). Thus, the hypothesis is proposed as follows:

H5: Professional competition intensity has a positive influence on audit renewal strategy.

Audit Renewal Strategy (ARS) as a dependent variable

In this study, audit renewal strategy is defined as the auditor's capability to transform their method, concept, audit process, and learning to raise audit performance. These results in effectiveness and an effective audit, improve the dynamic capabilities, leading to the creation of competitive advantage, and meet with environmental uncertainty. The key question of this study is "How do market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, stakeholder expectation increase, and professional competition intensity affect audit renewal strategy?" It is because audit renewal strategy has been received as an important topic for academics and many audit firms. In general, it is considered as strategic actions, including the content, context, and process of strategic renewal to align organizational competencies with the environment to increase competitive advantage (Flier, Van Den Bosch, and Volberda, 2003).

Particularly, the dimensions of audit renewal strategy in this study have been adapted from strategic renewal. The concept of strategic renewal is strategy procedures that affect a firm's adaptation in light of environmental changes and impediments, the same as its self-renewal in terms of changes in capabilities and strategic intent (Chakravarthy and Doz, 1992). Therefore, audit renewal strategy consists of five dimensions: 1) audit development continuity, 2) audit method adaptation, 3) audit concept change, 4) audit process flexibility, and 5) audit learning dynamism.

Firstly, audit development continuity provides an overview of an auditor's learning characteristics that knowledge is acquired mainly through education and training in accounting and auditing programs, communication or interaction with the external environments such as clients and others, and conversely with auditors.

Secondly, audit method adaptation provides an overview of achieving an audit's objective by gathering sufficient and appropriate audit evidence in order to obtain a reasonable opinion regarding the financial statement compliance with Generally Accepted Accounting Principles (GAAP).

Thirdly, audit concept change provides an overview of adjusting the notion and the attitude which is necessary for auditing because the uncertainty of the competitive environment that results in the auditor reacting to changes within them.

Fourthly, audit process flexibility provides an overview of the ability to adjust audit procedure; audit planning, audit practice, and making audit reports to agree with the situation while also good operation in order to comply with the continued, changed situation and auditing to enhance effective and timely performance.

Fifthly, audit learning dynamism provides an overview of professional learning, including the behavioral skill development via training and pursuing relevant news in tasks, and to communicate or interact with the external environment.

3. Research Methods

Sample Selection and Data Collection Procedure

Certified public accountants (CPAs) or auditors in Thailand are chosen as the population of this study and the database uses from the online database of the Federation of Accounting Professions under the Royal Patronage of His Majesty the King. The population size amounts to 9,250 auditors (information drawn on May 22, 2015). A required sample size is 385 auditors selected by using Yamane (1967) to calculate the sample size. In the previous literature, an adequate response rate for a mail survey is 20% (Aaker, Kumar, and Day, 2001), and to maximize the response rate to 100 percent, this study systematically confines 1,925 (385x5) auditors as a sampling frame. Later, the questionnaires are directly mailed to all 1,925 auditors. The survey questionnaires were directly mailed to 1,925 CPAs using a simple random sampling procedure. A total of 395 respondents mailed back the questionnaire, representing an overall response rate of 22.47% (391/1,740*100).

Further four returned surveys were incomplete responses that lack personal or household information, thus resulting in 391 completed questionnaires used in this study. Time of data collection is about eight weeks. Moreover, the non-response bias is tested for generalization based on Armstrong and Overton (1977) to test the significant differences of the demographic information of age, marital status, education level between early respondents (the first group) and late respondents (the second group). The result of t-test comparison provides the evidence that there are no statistically significant differences between the two groups. Thus, it can show that non-response bias is not a serious problem.

Measurement

To measure each construct in the conceptual model, all variables are anchored by five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree), excluding control variables. Additionally, all constructs are developed for measuring from the definition of each construct and examining the relationship from theoretical framework and previous literature reviews. Thus, the variables measurement of a dependent variable, independent variables, and control variables are described as follows:

Dependent Variable

Audit renewal strategy is measured by using a twenty four-item scale which involves these attributes reflect auditing development continuing, audit method adaptation, audit concept change, audit process flexibility, and audit learning dynamism. The construct of this variable is developed a new scale and based on its definition.

Independent Variables

This study has five independent variables; including 1) market-driving audit vision is measured by using a five-item scale which is modified from Langkunsuen and Ussahawanitchakit (2014). Moreover, 2) audit well-roundedness is measured by using a four-item scale that is adapted from Wangcharoendate and Ussahawanitchakit (2010). 3) Comprehensive knowledge diversity system has a four-item scale that is developed from Sinchuen and Ussahawanitchakit (2010). 4) Stakeholder Expectation Increase is measured by using a four-item scale, which is adapted from Uachanachit and Ussahawanitchakit (2012), and 5) professional competition intensity is measured by using a five-item scale, which is adapted from Chanruang and Ussahawanitchakit (2011).

Control Variables

Control variables in this study include gender and audit tenure because they have an influence on the relationships between all antecedent variables and audit renewal strategy. The previous related literature found that there are differences between male and female in audit performance and audit quality. For instance, male auditors have better problem-solving skills than female auditors because male auditors discover more potential misstatements than female auditors (Mgbame and Enofe, 2012). Thus, this study demonstrates that gender has an effect on audit renewal strategy. Thus, gender is represented by a dummy variable of which 0 means female, and 1 means male (Chung and Monroe, 2001). Audit tenure is one of control variables and is defined as the number of years the auditor has been in an auditing job and practicing.

In literature review found that a long period in the working of auditors can increase competency in the audit performance. It corresponds to the study of Gul, Fung, and Jaggi (2009) that found the association between shorter auditor tenure and lower earnings quality is weaker for firms audited by industry specialists compared to non-specialists. It suggests that audit tenure affects audit performance. This study controls audit tenure by representing as a dummy variable, 0 refers to less than or equal to 11 years, and 1 refers to more than 11 years.

Reliability and Validity

The questionnaire consists of six parts. Part one asks for the personal information of auditors such as gender, age, marital status, education level, audit experiences, and length of CPA tenure. Part two to five ask to measure each of the constructs in the conceptual model. These items are adapted from previous related literature and are created from the definition of each variable. It is designed as a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The last part is the recommendations and suggestions. Two academic experts who have experience in this area reviewed the instrument to ensure that the questionnaires use suitable wordings, and all constructs are adequate to cover the content of the variables. Then, the pre-test is conducted with the first 30 returned questionnaires.

The range of factor loadings by EFA and CFA is between 0.442-0.862. These values are greater than the cut-off score of 0.4 to indicate acceptable construct validity (Hair et al., 2010). Moreover, the results of Cronbach's alpha coefficients are 0.774-0.936 which exceed the acceptable cut-off score, which is equal to or greater than 0.7. It ensures that validity and reliability of the questionnaires.

Table 1: Result of Validity and Reliability Testing

Variables	n	Validity (Factor Loadings)	Reliability (Cronbach's Alpha)
Audit Renewal Strategy (ARS)	30	0.442- 0.799	0.936
Market-Driving Audit Vision (MDA)	30	0.703- 0.806	0.828
Audit Well-Roundedness (AWR)	30	0.764- 0.808	0.797
Comprehensive Knowledge Diversity (CKD)	30	0.752- 0.862	0.843
Stakeholder Expectation Increase (SEI)	30	0.706- 0.823	0.774
Professional Competition Intensity (PCI)	30	0.733- 0.810	0.835

Statistical Techniques

The Ordinary Least Squared Regression (OLS) is used to test all hypotheses. OLS is how to appropriate to examine the relationship between the dependent variable and independent variables which are based on data qualified as interval and categorical scales (Hair et al., 2010). The regression equation is a linear combination of the independent variables that are the best for explaining and predicting the dependent variable (Aulakh, Kotabe, and Teegen, 2000). As a result, all proposed hypothesis is transformed to one statistical equation as shown:

$$\text{Equation 1: ARS} = \alpha_1 + \beta_1 \text{MDA} + \beta_2 \text{AWR} + \beta_3 \text{CKD} + \beta_4 \text{SEI} + \beta_5 \text{PCI} + \beta_6 \text{GEN} + \beta_7 \text{ATN} + \varepsilon$$

4. Research Finding

Table 2 presents the descriptive statistics and correlation matrix for all variables. With respect to potential problems relating to multicollinearity, variance inflation factors (VIF) is used to provide information on the extent to which non-orthogonality among independent variables inflates standard errors. Table 3 shows that the maximum value of VIF is 3.783 (Equation 1), which is lower than the cut-off score of 10 (Hair et al., 2010). Therefore, VIF ensures the non-existence of multicollinearity problem.

Table 2: Descriptive Statistics and Correlation Matrix

Variables	ARS	MDA	AWR	CKD	SEI	PCI	GEN	ATN
Mean	4.08	4.15	4.16	4.14	4.14	3.99	n/a	n/a
Standard	0.44	0.48	0.50	0.52	0.54	0.59	n/a	n/a
Audit Renewal Strategy (ARS)	1							
Market-Driving Audit Vision (MDA)	0.724***	1						
Audit Well-Roundedness (AWR)	0.777***	0.813***	1					
Comprehensive Knowledge Diversity	0.749***	0.741***	0.772***	1				
Stakeholder Expectation Increase (SEI)	0.615***	0.638***	0.648***	0.619***	1			
Professional Competition Intensity (PCI)	0.577***	0.609***	0.596***	0.603***	0.672***	1		
Gender (GEN)	0.058	-0.028	0.002	0.029	-0.046	0.023	1	
Audit Tenure (ATN)	-0.001	-0.077	-0.052	-0.033	-0.075	0.002	0.405***	1

*** Correlation is significant at the 0.01 level (2-tailed), ** Correlation is significant at the 0.05 level (2-tailed).

Table 3 shows the regression analysis results of hypotheses 1–5. Firstly, the result indicates that market-driving audit vision positively affects audit renewal strategy ($\beta_1 = 0.135$, $p < 0.01$). It is consistent with the study of Figueroa and Cardona (2013), who found that the auditors should continue improving and be aware of the long-term value creation for clients with an emphasis on extensively monitoring mechanisms. Moreover, it is also supported by the study of Altiok (2011) who found that market-driving audit vision that focuses on auditing, leadership, realizing an effective audit, comprehensive monitoring mechanisms, and continued development can achieve long-term success.

Thus, Hypothesis 1 is supported.

Secondly, the findings from this study describe that audit well-roundedness has a positive influence on audit renewal strategy ($\beta_2 = 0.361$, $p < 0.01$). Accordingly, audit well-roundedness can improve audit performance during audit practice because it provides an opportunity to develop understanding in the audit task such as fraud detection, risk assessment, and misconduct. Audit profession well-roundedness is an important determinant on audit renewal strategy and resolving conflicts of performance problems (Wilks and Zimelman, 2004). ***Thus, Hypothesis 2 is supported.***

Thirdly, the findings indicate that comprehensive knowledge diversity positively affects audit renewal strategy ($\beta_3 = 0.285$, $p < 0.01$). It is generally known that comprehensive knowledge diversity has potential in the integration of knowledge and ability about auditing, or the holistic system view of audit knowledge as evaluated by an auditor's individual learning from successes

and mistakes, based on their prior experiences. It is consistent with Real, Leal, and Roldan (2006) who supported that comprehensive knowledge diversity improves the auditor's completely capacity to retrieve information and analysis. *Thus, Hypothesis 3 is supported.*

Table 3: Results of Regression Analysis

Independent Variables	Dependent Variable
	Audit Renewal Strategy (ARS)
	Equation 1
Market-Driving Audit Vision (MDA: H1)	0.135*** (0.054)
Audit Well-Roundedness (AWR: H2)	0.361*** (0.056)
Comprehensive Knowledge Diversity (CKD: H3)	0.285*** (0.049)
Stakeholder Expectation Increase (SEI: H4)	0.089** (0.044)
Professional Competition Intensity (PCI: H5)	0.049 (0.042)
Control variables: Gender (GEN)	0.099 (0.066)
Audit Tenure (ATN)	0.053 (0.066)
Adjusted R²	0.672
Maximum VIF	3.783

*** p < 0.01, ** p < 0.05, * p < 0.10, Beta coefficients with standard errors in parenthesis

Fourthly, the study reveals that stakeholder expectation increase significantly influences audit renewal strategy ($\beta_4 = 0.089$, $p < 0.05$). This is consistent with Sarkis, Gonzalez, and Adenso (2010) who find that the pressure of stakeholders affects the operation of the auditor in accordance with the expectations of society. The stakeholder pressure has an effect on audit renewal strategy of audit learning capabilities (Roome and Wijen, 2006). *Thus, Hypothesis 4 is supported.*

Fifthly, the analyses indicate professional competition intensity does not significantly influence audit renewal strategy. The result is consistent with Geiger and Rama (2006), who suggest that external environment has an insignificant impact on audit independence and audit professional.

Thus, Hypothesis 5 is not supported.

Additionally, the results of control variables indicate that gender and audit tenure have no a significant influence on audit renewal strategy. It can be interpreted that the audit renewal strategy is not influenced by the auditor who is male or female and the number of years in an auditing job and practicing in the context of Thailand.

5. Conclusion

The investigation of the influences of market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, stakeholder expectation increase and professional competition intensity on audit renewal strategy is the purpose of this study. The results indicate that market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, and stakeholder expectation increase have a strong and positive effect on audit renewal strategy, and they seem to be the most influential determinants of the successful implementation of audit renewal strategy. The results confirm contingency theory that the effectiveness of audit performance will occur when new strategies fit or match within their internal and external context. In this study, stakeholder expectation is an external factor which has an important role in determining the success of audit renewal strategy. Meanwhile, market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity are internal factors which have a positive effect on generating audit renewal strategy as well based on the contingency theory.

Moreover, the results help Thai auditors identify and select to focus on market-driving audit vision, audit well-roundedness increase, and professional competition intensity which are factors to improve the effectiveness of audit renewal strategy. When Thai auditors recognize these important factors that there are the effect on the use of new audit strategy or audit renewal strategy, it causes them adapt themselves these contexts to enhance the quality of audit practices, audit value increase, audit report quality, audit performance and financial information usefulness which can lead to audit survival. Furthermore, to maximize benefits this result, CPAs who apply audit renewal strategy include 1) audit development continuity, 2) audit method adaptation, 3) audit concept change, 4) audit process flexibility, and 5) audit learning dynamism will have the achievement depend on market-driving audit vision, audit well-roundedness, comprehensive knowledge diversity, and stakeholder expectation. There are two limitations: the first limitation is the results lack confirm again such as in-depth detail about audit renewal strategy of auditors. Secondly, data collected from Thai certified public accountants cannot explain comprehensively the context of auditors in other countries. The future research may re-investigate the research hypotheses for fully understanding the good characteristics of audit renewal strategy that affect audit performance. Similarly, the future research should use other approaches such as mixing method between qualitative and quantitative research to gain anticipated the more precise analytical results.

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