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Ego depletion: Applications and implications for auditing research



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ABSTRACT

In this paper, I synthesize the prior psychology literature on ego depletion and apply this literature to an auditing setting. Ego depletion refers to a reduced desire or ability to use self-control in task performance due to using self-control on prior tasks. I focus on the likely causes and consequences of depletion in an auditing setting, as well as means of mitigating depletion and recovering self-control resources. While ego depletion theory is prevalent in the psychology literature, little is known about whether or how ego depletion affects professionals on meaningful task performance. As a result, this synthesis is aimed at stimulating future ego depletion research in accounting, and specifically auditing, by surveying existing literature and applying this literature to an auditing setting. Further, I develop 13 questions for future research to investigate. My synthesis reveals that ego depletion likely has a pervasive effect in an auditing setting, and can hinder auditors' judgment and decision-making (JDM) quality. Therefore, this synthesis helps to provide a greater understanding of the impact of auditing tasks on individuals, and refines both auditor JDM and ego depletion theories.

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It's not the work that's hard, it's the discipline.

– Anonymous

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1. Introduction

The above quote captures one of the most important advances in recent psychology research: the rise of ego depletion theory and the recognition that self-control has a pervasive impact on human judgment and behavior. For instance, consider the sensational example of [Danziger, Levav, and Avnaim-Pesso \(2011\)](#), who find that Jewish-Israeli judges' propensity to grant parole declines as they presumably become more depleted later in the day. That is, as the judges become more depleted they are more likely to default to the status quo, which is denying the parole request and keeping the prisoner incarcerated. Importantly, the status quo is the safer option here, while the status quo in a financial statement audit (i.e., accepting the client's representations without obtaining sufficient evidence) is much riskier. However, to date auditing research has largely ignored the potential impact of ego depletion, and ego depletion theorists have largely ignored whether their theory extends to professional settings and meaningful tasks. The purpose of this paper is to synthesize the existing ego depletion literature in order to identify important findings that apply to the auditing setting and to suggest future research opportunities. To accomplish this purpose I first review prior ego depletion literature to identify key findings arising from the theory. I then apply the theory and these findings to an auditing setting, while suggesting potential implications for auditors' judgment and decision-making (JDM) quality. Finally, I propose research questions that can advance our understanding of depletion and its potential role in auditors' JDM quality.

Self-control – the ability to consciously control one's own behavior, especially to conform to standards or pursue long-term goals ([Baumeister, Vohs, & Tice, 2007](#)) – underlies many judgment processes (e.g., reasoning, cognitive processing, decision-making). However, prior psychology research finds that self-control functions as a limited and expendable resource (e.g., [Baumeister, Bratslavsky, Muraven, & Tice, 1998](#)). Using self-control depletes this resource – a phenomenon that psychologists refer to as “ego depletion” (hereafter also “depletion”). Ego depletion leads to a reduced willingness and/or ability to engage in subsequent acts of self-control ([Baumeister et al., 1998](#)). Self-control therefore represents a “Catch-22” for public accounting: auditors must use self-control to exhibit high-quality task performance, yet using self-control depletes this resource, which can decrease judgment and decision-making (JDM) quality (i.e., increase audit risk) in future tasks.

A useful analogy to conceptualize self-control is that of a muscle in one's body: performance declines with use and a recovery period is necessary to restore performance. As a result, the timing of (i.e., one's level of depletion during) task performance is critical; depletion is a person-related and situation-specific mechanism that can impact auditors' JDM quality and professional skepticism. Despite the usefulness of the muscle analogy, depletion is not the same as physical or mental fatigue, which follow from repetitive or extended effort. Prior research finds that physical fatigue may be a signal of depletion, but is neither a necessary nor sufficient condition for depletion, and that individuals are often unaware that they are depleted ([Baumeister et al., 1998](#); [Muraven, Tice, & Baumeister, 1998](#)). Further, depletion is dependent upon a task's self-control requirements, but not necessarily its duration as prior literature typically observes depletion in less than 10min of task performance ([Hagger, Wood, Stiff, & Chatzisarantis, 2010](#)).

This paper is primarily motivated by two factors. First, there is a pressing need to better understand the determinants of auditors' JDM quality. [Church and Shefchik \(2012\)](#) study PCAOB inspection reports from 2004 to 2009 for the largest eight auditing firms in the U.S. and find that, while audit quality is improving over time, the PCAOB issued 664 audit deficiencies to these firms over this time period. Further, [Knechel, Krishnan, Pevzner, Shefchik, and Velury \(2013, 407\)](#) note “virtually every so-called ‘audit failure’ can be traced to an error in judgment . . . made by the audit team during the course of an engagement.” Exploring depletion will allow auditing researchers to build a more extensive theoretical understanding of auditors' JDM processes.

Second, despite being studied in the psychology literature, depletion warrants study in an auditing and/or accounting context. Prior psychology research ignores important ecological features of professional tasks and the auditing environment that may impact the effects of depletion. For example, prior psychology research uses mundane tasks that center on impulse inhibition and are not familiar or meaningful to task performers. Attributes of professional auditors and the auditing environment – including task realism, familiarity, and meaningfulness – can increase individuals'

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