




# The Effect of Similarity Bias on Auditor Professional Judgment with Emphasis on the Moderating Role of Self-Esteem

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## ABSTRACT

**Objective:** The present study aimed to investigate the effect of similarity bias on auditors' professional judgment and to examine the moderating role of self-esteem in this relationship.

**Methods and Materials:** This study was applied research in terms of purpose and descriptive-survey research in terms of data collection method. The statistical population consisted of auditors employed by the Audit Organization and audit firms affiliated with the Iranian Association of Certified Public Accountants. Based on the Krejcie and Morgan sampling table, 139 auditors were selected as the study sample. Data were collected using standardized questionnaires related to similarity bias, auditor professional judgment, and self-esteem. Similarity bias was examined through two questionnaires distributed with a one-month interval, differing only in the similarity-bias scenario. Auditor professional judgment was measured using the Jenkins and Haynes questionnaire utilized in the study by Puspa (2008), while self-esteem was measured using the Rosenberg Self-Esteem Scale. Data analysis was performed using descriptive and inferential statistics, including Cronbach's alpha reliability analysis, AVE and HTMT validity tests, Kolmogorov-Smirnov normality testing, and structural equation modeling for hypothesis testing.

**Findings:** The findings demonstrated that similarity bias had a significant negative effect on auditors' professional judgment ( $\beta = -0.361$ ,  $t = 4.574$ ,  $p < 0.001$ ), indicating that increased similarity bias reduces the quality and objectivity of professional judgment. In contrast, self-esteem had a significant positive effect on auditor professional judgment ( $\beta = 0.271$ ,  $t = 3.435$ ,  $p = 0.001$ ), suggesting that auditors with higher self-esteem demonstrate more accurate and confident professional judgments. However, the moderating effect of self-esteem on the relationship between similarity bias and auditor professional judgment was not statistically significant ( $\beta = -0.038$ ,  $t = 0.822$ ,  $p = 0.411$ ). Therefore, the moderating hypothesis was rejected.

**Conclusion:** The results indicate that cognitive biases, particularly similarity bias, can significantly impair auditors' professional judgment and potentially threaten audit quality and objectivity. At the same time, self-esteem contributes positively to auditors' decision-making quality and professional confidence.

**Keywords:** Similarity bias, self-esteem, auditor professional judgment, cognitive bias, audit quality, behavioral auditing

## 1 Introduction

Professional judgment is one of the most fundamental and influential components of the auditing profession because the quality, reliability, and credibility of audit reports depend heavily on auditors' cognitive evaluations and decision-making processes. In contemporary auditing environments characterized by uncertainty, complexity, technological transformation, and increasing stakeholder expectations, auditors are frequently required to make judgments under conditions of incomplete information and time pressure. Consequently, the role of cognitive and psychological factors in shaping professional judgment has attracted increasing scholarly attention in accounting and auditing research (Silva et al., 2025; Williams, 2024). The growing integration of artificial intelligence and automated analytical tools into auditing practices has further highlighted the importance of human judgment, ethical accountability, and cognitive objectivity in audit processes (Silva et al., 2025). Although auditing standards emphasize independence, skepticism, and objectivity, auditors remain susceptible to cognitive biases and psychological influences that may impair professional judgment and reduce audit quality (Brown et al., 2019; Kamal, 2023).

Auditor professional judgment refers to the application of professional knowledge, technical expertise, ethical standards, and experiential reasoning in evaluating accounting evidence and making decisions regarding financial reporting and audit conclusions. Effective professional judgment is essential for detecting material misstatements, assessing internal controls, evaluating audit risks, and maintaining public confidence in financial statements (Heidari & Mashayekh, 2025; Munoz-Izquierdo et al., 2024). However, behavioral accounting studies have demonstrated that auditors' judgments are often affected by heuristics, emotional tendencies, and subconscious cognitive patterns that distort objective reasoning (Tanone & Harindahyani, 2018; Williams, 2024). In this regard, behavioral auditing research has increasingly focused on the mechanisms through which biases influence auditors' interpretations of evidence and professional decisions (Maradona, 2020).

Cognitive biases are systematic deviations from rational judgment that emerge when individuals process information under uncertainty or complexity. These biases may unconsciously influence how auditors gather, interpret, and evaluate evidence, ultimately affecting audit outcomes (Williams, 2024). Among the various cognitive biases

identified in the auditing literature, similarity bias has recently received growing attention because of its subtle yet influential impact on interpersonal evaluations and decision-making processes (Becker et al., 2019; Ghadimi et al., 2024). Similarity bias refers to the tendency of individuals to favor, trust, or positively evaluate others who possess characteristics, beliefs, experiences, or behavioral patterns similar to their own. In professional environments, this bias can unconsciously affect perceptions of credibility, reliability, and competence (Jannati et al., 2023).

In the auditing context, similarity bias may emerge when auditors develop favorable attitudes toward clients, managers, or colleagues who share similar demographic characteristics, educational backgrounds, personality traits, communication styles, or professional experiences. Such unconscious preferences may reduce professional skepticism and impair objective assessment of audit evidence (Ghadimi et al., 2024). Previous studies have shown that similarity bias can influence financial analysts' evaluations, executive assessments, and professional judgments in accounting contexts (Becker et al., 2019). Similarly, evidence suggests that in-group bias and social identification processes may distort objectivity in financial decision-making and professional evaluations (Jannati et al., 2023). These findings are particularly important in auditing because auditor independence and neutrality are essential prerequisites for audit quality and public trust.

Behavioral auditing studies have consistently shown that auditors are vulnerable to multiple forms of cognitive distortions, including confirmation bias, anchoring bias, representativeness bias, framing effects, and halo effects (Dong et al., 2019; Hasibuan et al., 2022; Henrizi et al., 2021). Confirmation bias may lead auditors to seek evidence that supports initial assumptions while ignoring contradictory information (Dong et al., 2019). Anchoring effects may cause auditors to rely excessively on initial information when making audit evaluations (Henrizi et al., 2021). Similarly, framing effects and halo effects can alter auditors' perceptions and judgments depending on how information is presented or how clients are perceived (Hasibuan et al., 2022; Tabesh et al., 2020). Research has also shown that representativeness bias and cognitive dissonance can significantly contribute to auditors' professional errors and judgment deficiencies (Kohandel & Doaei, 2023). Therefore, understanding the role of cognitive biases in auditing has become increasingly important for improving audit quality and strengthening professional standards.

Similarity bias is particularly significant because it directly affects interpersonal interactions between auditors and clients. Auditors frequently communicate with management teams, financial officers, and organizational stakeholders throughout audit engagements. In such interactions, unconscious tendencies toward individuals perceived as similar may compromise professional skepticism and objectivity. This issue becomes even more critical in environments characterized by long-term auditor-client relationships and high relational dependency (Gwala & Nomlala, 2021; Kamal, 2023). Studies on auditor independence have emphasized that psychological closeness and familiarity may threaten neutrality and reduce the effectiveness of audit evaluations (Razali, 2020). Accordingly, identifying factors that intensify or mitigate the effects of similarity bias is essential for enhancing professional judgment quality.

One of the important psychological variables that may influence auditors' responses to cognitive biases is self-esteem. Self-esteem refers to individuals' overall evaluation of their own worth, competence, and capabilities. Individuals with high self-esteem typically demonstrate greater confidence, emotional stability, resilience, and independence in decision-making processes (Hotbin, 2022). In organizational and professional settings, self-esteem may strengthen individuals' ability to resist external pressures and maintain objective evaluations. Therefore, self-esteem has been increasingly examined as a factor influencing professional performance and ethical decision-making in accounting and auditing contexts (Aghaei Chadgani et al., 2024; Dewi & Dwiyanti, 2018).

Research has shown that self-esteem and self-efficacy significantly affect auditors' professional behavior, audit quality, and judgment accuracy. Auditors with stronger self-confidence and perceived competence are generally more capable of handling complex audit tasks, resisting pressure, and maintaining independence in professional judgments (Lee et al., 2016; Su et al., 2016). Studies have demonstrated positive relationships between self-efficacy and audit performance, professional commitment, and ethical decision-making (Djaddang et al., 2018; Merawati, 2019). Similarly, self-efficacy has been identified as an important mediator between task complexity and judgment performance in auditing contexts (Yasa et al., 2019). Research also indicates that auditors with stronger psychological resources and higher professional confidence tend to produce more reliable and higher-quality audit judgments (Arefmanesh & Safari, 2025).

The role of self-esteem becomes particularly relevant in situations involving cognitive biases and interpersonal pressures. Auditors with high self-esteem may possess greater psychological independence and confidence in their professional evaluations, enabling them to resist unconscious biases and maintain objective reasoning. Conversely, auditors with low self-esteem may become more susceptible to social influences, interpersonal similarity, and external pressures. Prior studies have suggested that self-esteem and self-efficacy can moderate the impact of situational pressures and task complexity on audit judgments (H et al., 2018; Sabilillah et al., 2024). Furthermore, auditors' personal characteristics, including confidence, locus of control, and moral reasoning, have been shown to influence audit judgment quality and professional behavior (Rustan, 2021; Sambara et al., 2021).

The growing complexity of audit environments has intensified the importance of understanding behavioral and psychological determinants of professional judgment. The emergence of hybrid work environments, digital auditing systems, and increased technological reliance has altered auditors' professional experiences and cognitive demands (Larasati & Fatima, 2024; Zolkafilil et al., 2023). These changes may increase cognitive overload and decision fatigue, making auditors more vulnerable to heuristic thinking and cognitive biases. Simultaneously, the pressure to maintain audit quality and accountability in increasingly uncertain environments requires stronger professional judgment capabilities (Silva et al., 2025). Consequently, behavioral accounting researchers have emphasized the need to investigate how individual psychological factors interact with cognitive biases in shaping audit judgments (Williams, 2024).

Another important issue concerns the consequences of impaired professional judgment for audit quality and stakeholder trust. Weak professional judgment may result in inaccurate risk assessments, insufficient audit evidence evaluation, failure to detect material misstatements, and compromised audit independence (Brown et al., 2019). Such deficiencies may widen the expectation gap between auditors and users of financial statements, thereby reducing confidence in auditing services (Behzadian & Izadi Nia, 2017). In recent years, researchers have increasingly emphasized the importance of understanding behavioral influences on auditors' decisions in order to strengthen audit quality and improve professional standards (Heidari & Mashayekh, 2025; Munoz-Izquierdo et al., 2024).

Although prior studies have extensively examined the effects of cognitive biases, heuristics, self-efficacy, and professional skepticism on audit judgment, limited attention has been devoted specifically to the role of similarity bias in auditors' professional judgment. Existing studies have primarily focused on confirmation bias, anchoring effects, framing effects, and halo effects (Hasibuan et al., 2022; Henrizi et al., 2021; Tabesh et al., 2020). Moreover, while self-esteem and self-efficacy have been studied as determinants of audit performance and ethical behavior, fewer studies have investigated their potential moderating role in the relationship between cognitive biases and professional judgment (Hotbin, 2022; Sabilillah et al., 2024). This gap is particularly important because auditors' psychological characteristics may influence their vulnerability to cognitive distortions and interpersonal influences.

Furthermore, previous research has shown that interpersonal conflict, ego depletion, and emotional pressures can significantly influence auditors' decision-making quality (Fanani et al., 2024). Behavioral and psychological dimensions of auditing are therefore increasingly recognized as critical areas requiring further empirical investigation. Studies on auditors' competence, skepticism, and psychological capital have similarly highlighted the importance of personal characteristics in determining audit effectiveness and professional reasoning quality (Arefmanesh & Safari, 2025; Hotbin, 2022). In addition, evidence suggests that task complexity and environmental uncertainty may amplify the effects of cognitive biases on audit judgments (Sabilillah et al., 2024; Tanone & Harindahyani, 2018).

Given the significant role of professional judgment in ensuring audit quality and the increasing recognition of behavioral influences in auditing, investigating the effect of similarity bias on auditors' professional judgment appears essential. Understanding whether self-esteem can mitigate or strengthen this relationship may contribute to behavioral auditing literature and provide practical implications for auditor training, recruitment, and professional development programs. Such findings may also assist audit firms and regulatory institutions in designing interventions aimed at improving auditors' objectivity, independence, and resistance to cognitive distortions.

Therefore, the present study aims to investigate the effect of similarity bias on auditors' professional judgment with emphasis on the moderating role of self-esteem.

## 2 Methods and Materials

The present study is applied research in terms of purpose and a descriptive-survey study in terms of data collection method. Furthermore, since the study aims to investigate the effects of variables on one another, it is considered a regression-based study. The required data were collected using a questionnaire instrument. Based on the method of data collection, this study is categorized as survey research.

The statistical population of the study consisted of auditors employed by the Audit Organization and audit firms affiliated with the Iranian Association of Certified Public Accountants. The sample size was determined using the Krejcie and Morgan sample size table. Considering the probability of non-returned questionnaires and based on the available research facilities and requirements, an additional percentage was added according to the recommendation of the Krejcie and Morgan formula.

In this study, similarity bias was considered the independent variable, auditor professional judgment was considered the dependent variable, and self-esteem was regarded as the moderating variable. The first section of the questionnaire consisted of eight questions related to demographic information collected from respondents. The second section included specialized questions and consisted of five parts related to similarity bias, self-esteem, and professional judgment, which are explained below.

Similarity bias refers to the tendency of individuals to select solutions similar to those previously used for comparable events in order to simplify and accelerate decision-making related to similar issues (Mohammadzadeh Moghadam et al., 2022). Two questionnaires were distributed to individuals possessing the required characteristics with a one-month interval between administrations. The only difference between the first and second questionnaires was the similarity bias scenario, while all other information in both questionnaires was completely identical.

Professional judgment in the field of accounting refers to the application of knowledge and experience within the framework of accounting standards and professional codes of conduct in order to make decisions regarding the selection of one option among several alternatives (Canadian Institute of Chartered Accountants, 1995). To measure this variable, the developed indicators questionnaire by Jenkins and Haynes (2003), used in the study by Puspa (2008), was employed. The questionnaire items were designed based on a five-point Likert scale. In Questions 1 and 2, the option

“Very High” was assigned a score of 5 and the option “Very Low” was assigned a score of 1. In Question 3, the option “Very Low” received a score of 5, while the option “Very High” received a score of 1.

According to Reber, self-esteem refers to the degree of value individuals attribute to themselves. This feeling may arise either in comparison with others or independently from such comparisons. Organizational self-esteem refers to the extent to which organizational members believe and perceive that they can satisfy their needs through participation in organizational roles (Sadeghian et al., 2009). In the present study, the Rosenberg (1995) Self-Esteem Questionnaire was used to measure self-esteem. The

questionnaire items were based on a two-point Likert scale. In Questions 1 to 5, each “Agree” response was assigned a value of +1 and each “Disagree” response was assigned a value of -1. In Questions 6 to 10, each “Agree” response was assigned a value of -1 and each “Disagree” response was assigned a value of +1.

The data were analyzed using SEM method.

### 3 Findings and Results

Table 1 presents the demographic characteristics of the participants. As shown in the table, the total number of participants in this study was 139 auditors.

**Table 1**

*Demographic Information of Participants*

Row	Variable	Category	Frequency	Percentage
1	Gender	Male	120	86.33
		Female	19	13.67
2	Educational Degree	Bachelor's Degree	29	21.90
		Master's Degree	99	71.20
		Doctoral Degree	10	7.20
		No Response	1	0.70
3	Experience	Less than 5 years	24	17.27
		Between 5 and 10 years	28	20.14
		Between 10 and 15 years	19	13.67
		Between 15 and 20 years	20	14.39
		Between 21 and 25 years	17	12.23
	More than 25 years	31	22.30	

The descriptive statistics of the research variables are presented below.

**Table 2**

*Descriptive Statistics*

Variable	N	Mean	Maximum	Minimum	Standard Deviation
Self-Esteem	139	-0.14	10	-10	7.116
Professional Judgment	139	9.90	15	3	3.72
Similarity Bias	139	153.70	395	0	138.91

In order to achieve a better understanding of the study population and to gain greater familiarity with the research variables, it is necessary to describe the data prior to statistical analysis. The principal measure of central tendency is the mean. The mean represents the average of all data associated with each variable among the observable samples. In this study, the mean self-esteem score for respondents was -0.14, indicating the center of gravity of the data distribution, which is referred to as the measure of central tendency. The maximum and minimum values

represent the highest and lowest values among all data related to each variable in the studied sample. According to the above table, the maximum value for self-esteem was 10 and the minimum value was -10. The difference between the maximum and minimum values indicates the range of data variation. The standard deviation reflects the dispersion of data around the mean for each variable. In the present study, the standard deviations for auditor professional judgment and similarity bias were 3.72 and 138.91, respectively,

indicating the average distance of the data from the mean point.

The first and second hypotheses of the study aimed to examine differences in the responses of a single group across different time periods. Therefore, depending on whether parametric assumptions were satisfied, either the paired-

samples t-test or the Wilcoxon test had to be used. Accordingly, the Kolmogorov–Smirnov test was first employed to examine the distribution status of the data.

The results of the Cronbach's alpha test for the research variables are presented in the following table.

**Table 3**

*Results of Cronbach's Alpha Test*

Row	Variable	Test Statistic
1	Auditor Professional Judgment	0.963
2	Self-Esteem	0.901

As shown in the table above, the test statistics for all variables were greater than 0.70; therefore, the variables demonstrated an acceptable level of reliability.

As previously stated, in addition to completing the aforementioned questionnaires, respondents were also required to provide responses for the quantification of single-item variables. In fact, the contextual variables and dependent variables (judgment) in the study were single-item variables. One of the primary advantages of single-item variables is the reduction of respondent fatigue during the response process, which consequently improves their comprehension and response quality. Since reliability assessment requires at least three items for each variable, reliability measurement was not possible for the single-item variables.

To examine the validity of the research variables, two tests, namely AVE and HTMT, were used to assess convergent validity and discriminant validity, respectively. The results of these tests are presented below.

The AVE criterion represents the average shared variance between each construct and its indicators. In simpler terms, AVE indicates the degree of correlation between a construct and its indicators; the greater the correlation, the better the model fit. According to this test, AVE values greater than 0.50 indicate an acceptable level of convergent validity. As shown in the following table, the AVE values for the research variables exceeded 0.50, indicating an acceptable level of validity. It should be noted that the remaining research variables were single-item variables; therefore, validity and reliability tests could not be conducted for them.

**Table 4**

*Results of the AVE Convergent Validity Test*

Variable	Number of Items	AVE
Auditor Professional Judgment	3	0.931
Self-Esteem	10	0.530

As previously mentioned, respondents were also required to answer questions for the quantification of single-item variables in addition to completing the questionnaires. In fact, the contextual variables and dependent variables

(judgment) in this study were single-item variables. Since single-item variables do not meet the necessary conditions for validity testing, the AVE test was not performed for these variables.

**Table 5**

*Results of the HTMT Discriminant Validity Test*

Variable	Auditor Professional Judgment	Self-Esteem
Auditor Professional Judgment	–	–
Self-Esteem	0.621	–

Henseler et al. (2015) introduced a new index called the Heterotrait–Monotrait Ratio (HTMT) for evaluating discriminant validity. According to this test, estimated values greater than 0.90 indicate a lack of discriminant

validity between two variables. However, as shown in Table 5 below, none of the estimated values for the variables exceeded 0.90.

**Table 6**

*Path Coefficients, t-Statistics, Standard Errors, and Hypothesis Testing Results*

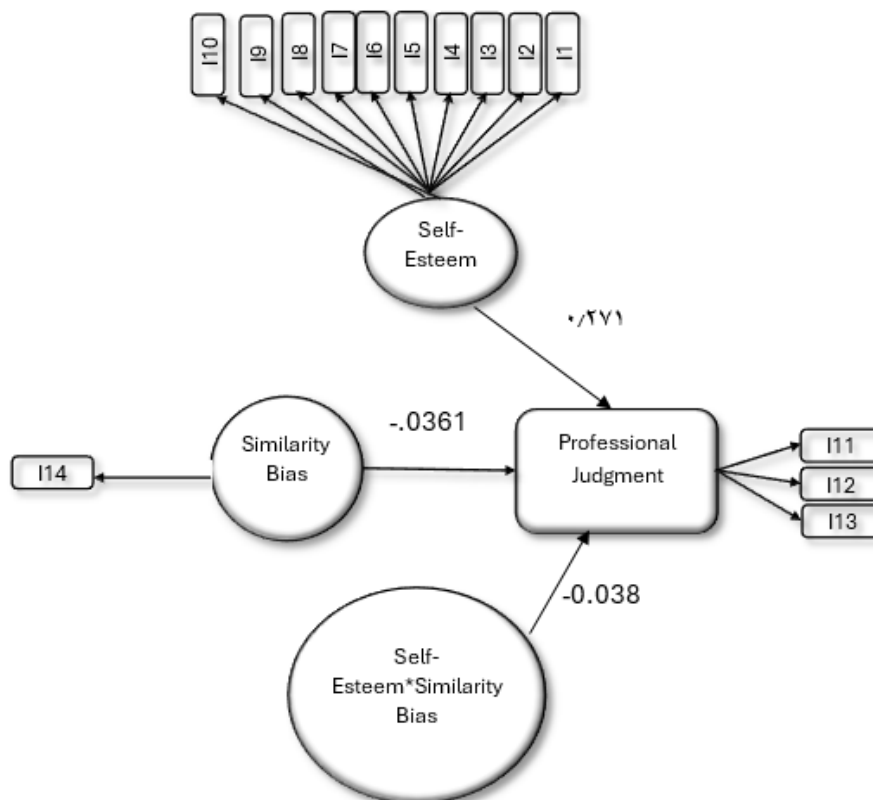
Path	Path Coefficient	t-Statistic	Significance Level	Result
Similarity Bias → Professional Judgment	-0.361	4.574	0.000	Confirmed
Self-Esteem → Auditor Professional Judgment	0.271	3.435	0.001	Confirmed
Similarity Bias → Self-Esteem → Professional Judgment	-0.038	0.822	0.411	Rejected

Table 6 presents the path coefficients, t-statistics, significance levels, and hypothesis testing results for the structural relationships among the research variables. The findings indicated that similarity bias had a significant negative effect on auditor professional judgment ( $\beta = -0.361$ ,  $t = 4.574$ ,  $p < 0.001$ ), demonstrating that higher levels of similarity bias reduce the quality and accuracy of auditors’ professional judgments. In contrast, self-esteem had a significant positive effect on auditor professional judgment

( $\beta = 0.271$ ,  $t = 3.435$ ,  $p = 0.001$ ), suggesting that auditors with higher self-esteem tend to exhibit stronger and more accurate professional judgment. However, the moderating effect of self-esteem on the relationship between similarity bias and professional judgment was not statistically significant ( $\beta = -0.038$ ,  $t = 0.822$ ,  $p = 0.411$ ). Therefore, the moderating hypothesis was rejected, indicating that self-esteem does not significantly alter the impact of similarity bias on auditors’ professional judgment.

**Figure 1**

*Final Research Model*



## 4 Discussion

The present study aimed to investigate the effect of similarity bias on auditors' professional judgment with emphasis on the moderating role of self-esteem. The findings demonstrated that similarity bias had a significant negative effect on auditors' professional judgment, indicating that higher levels of similarity bias reduce the quality, objectivity, and accuracy of auditors' professional evaluations. The results also revealed that self-esteem had a significant positive effect on auditor professional judgment, suggesting that auditors with higher levels of self-esteem tend to demonstrate stronger judgment capabilities and greater confidence in professional decision-making. However, the findings showed that self-esteem did not significantly moderate the relationship between similarity bias and auditors' professional judgment. These findings contribute to the growing body of behavioral auditing literature emphasizing the importance of cognitive and psychological factors in professional decision-making processes.

The finding regarding the negative effect of similarity bias on auditors' professional judgment is consistent with the theoretical foundations of behavioral accounting and cognitive psychology. Similarity bias reflects an unconscious tendency to evaluate individuals and situations more favorably when they resemble one's own characteristics, values, or experiences. In the auditing context, such tendencies may reduce professional skepticism and compromise objectivity in evaluating audit evidence. The present findings support the argument that auditors are not completely immune to interpersonal and cognitive influences, despite the existence of professional standards and ethical requirements. These findings are aligned with the work of (Williams, 2024), who emphasized that cognitive biases substantially influence auditors' judgment processes and may distort rational evaluation of audit evidence. Similarly, (Maradona, 2020) highlighted the important role of heuristics and unconscious cognitive shortcuts in shaping audit judgments under uncertainty and complexity.

The findings also correspond with studies focusing on representativeness and interpersonal biases in financial decision-making. (Ghadimi et al., 2024) demonstrated that stereotype bias and similarity bias significantly influence analysts' evaluations and financial forecasts. Likewise, (Becker et al., 2019) reported that similarity-based stereotypes can alter professional assessments and

expectations in financial environments. These studies suggest that individuals are more likely to make favorable judgments toward people who share perceived similarities with themselves, even when objective evidence does not justify such evaluations. In auditing environments, where impartiality and independence are essential, such biases may unconsciously influence the interpretation of evidence and reduce audit quality.

The results are also compatible with the findings of (Jannati et al., 2023), who found that in-group bias affects behavior and decision-making in financial markets. In-group bias and similarity bias share common psychological mechanisms because both arise from social identification and interpersonal familiarity. Auditors who perceive similarity with clients or managers may unconsciously lower their skepticism and become more accepting of client explanations and representations. This issue becomes particularly problematic in long-term auditor-client relationships where familiarity and relational closeness increase over time. The findings also support the perspectives of (Razali, 2020) and (Kamal, 2023), who emphasized that threats to auditor objectivity and independence may emerge not only from financial incentives but also from interpersonal and psychological influences.

Another explanation for the negative effect of similarity bias may be related to auditors' reliance on heuristic processing under conditions of cognitive overload and environmental complexity. Auditing tasks frequently involve high uncertainty, time pressure, and extensive information processing demands. Under such circumstances, auditors may unconsciously rely on mental shortcuts to simplify decision-making processes. Similarity bias may therefore function as a heuristic mechanism that facilitates rapid judgments but reduces analytical reasoning and professional skepticism. This interpretation is supported by (Tanone & Harindahyani, 2018), who argued that heuristics and biases significantly influence the application of professional judgment by auditors during audit procedures. Similarly, (Henrizi et al., 2021) demonstrated that anchoring and adjustment biases distort audit evaluations, while (Hasibuan et al., 2022) reported that framing effects and halo effects influence audit judgments and professional reasoning.

The present findings also align with studies examining emotional and cognitive biases in auditors' mistakes and professional errors. (Kohandel & Doaei, 2023) found that cognitive biases such as status quo bias, loss aversion,

representativeness bias, and cognitive dissonance contribute significantly to auditors' professional errors. Similarity bias may operate through comparable cognitive mechanisms because auditors may selectively interpret evidence in ways that preserve positive interpersonal perceptions. Furthermore, (Dong et al., 2019) explained that confirmation bias and motivated reasoning reduce auditor objectivity and independence, particularly when auditors develop prior expectations or favorable attitudes toward clients. Therefore, the present study reinforces the broader behavioral auditing perspective suggesting that professional judgment is influenced by both rational analysis and psychological tendencies.

The findings of the present study further demonstrated that self-esteem positively and significantly affected auditors' professional judgment. This result indicates that auditors with higher self-esteem tend to possess stronger confidence in their professional abilities, greater independence in evaluations, and improved resistance to external pressures. High self-esteem may increase auditors' willingness to rely on their expertise and maintain objective reasoning even under challenging conditions. These findings are consistent with the results of (Hotbin, 2022), who found that self-esteem positively affects audit quality and professional performance. Likewise, (Aghaei Chadgani et al., 2024) reported that auditors' self-efficacy significantly improves judgment and decision-making quality.

The positive relationship between self-esteem and professional judgment can also be interpreted through theories of psychological capital and professional competence. Auditors with stronger self-esteem are likely to exhibit higher confidence, emotional stability, resilience, and professional independence. Such characteristics improve their ability to evaluate evidence objectively and make accurate professional decisions. This interpretation is supported by (Arefmanesh & Safari, 2025), who demonstrated that psychological capital and auditors' experience positively influence judgment quality and professional decision-making. Similarly, (Su et al., 2016) and (Lee et al., 2016) found significant relationships between self-efficacy and auditors' professional performance, suggesting that psychological confidence strengthens auditors' effectiveness and competence.

The findings are additionally compatible with studies emphasizing the role of self-efficacy and moral reasoning in audit performance. (Dewi & Dwiyantri, 2018) found that self-efficacy positively influences ethical decision-making among auditors, while (Djaddang et al., 2018) reported that

self-efficacy improves audit quality through enhanced professional confidence. Similarly, (Yasa et al., 2019) showed that self-efficacy mediates the relationship between goal orientation, task complexity, and audit judgment performance. These studies collectively indicate that psychological confidence strengthens auditors' ability to manage uncertainty, evaluate evidence critically, and maintain professional standards during decision-making processes.

Another explanation for the positive effect of self-esteem may be associated with auditors' capacity to resist situational and interpersonal pressures. Auditors with high self-esteem are generally less dependent on external approval and more capable of maintaining independent judgments. Consequently, they may be better equipped to handle conflicts, ambiguity, and professional responsibilities without compromising judgment quality. This interpretation aligns with the findings of (Rustan, 2021), who demonstrated that moral reasoning and personal characteristics significantly affect audit judgment. Likewise, (Sambara et al., 2021) reported that auditors' personal characteristics influence dysfunctional audit behavior acceptance and audit quality outcomes.

Despite the significant direct effect of self-esteem on professional judgment, the present study found that self-esteem did not significantly moderate the relationship between similarity bias and auditors' professional judgment. This finding suggests that although self-esteem improves general judgment quality, it may not be sufficiently powerful to reduce the unconscious influence of similarity bias. One possible explanation is that similarity bias operates largely at a subconscious level and therefore remains relatively resistant to conscious psychological characteristics such as self-esteem. Even highly confident auditors may unconsciously favor individuals who resemble them in terms of personality, values, or experiences. Thus, self-esteem may strengthen professional confidence without necessarily eliminating implicit interpersonal biases.

This finding partially contrasts with studies suggesting that self-efficacy and psychological confidence reduce the negative effects of situational pressures and task complexity on audit judgment. For example, (H et al., 2018) found that self-efficacy moderates the relationship between obedience pressure and audit judgment. Similarly, (Sabilillah et al., 2024) reported that self-efficacy contributes positively to audit judgment quality under complex task conditions. However, the inconsistency between these studies and the present findings may stem from differences in the nature of

the examined variables. Obedience pressure and task complexity are often conscious and explicit stressors, whereas similarity bias operates implicitly and subconsciously. Therefore, self-esteem may be more effective in managing conscious pressures than in controlling automatic cognitive tendencies.

Another possible explanation concerns the strength and persistence of cognitive biases in professional environments. Behavioral research suggests that cognitive biases are deeply rooted in human information processing mechanisms and may persist even among highly trained professionals. Auditors may therefore remain vulnerable to implicit biases despite possessing high levels of confidence, competence, or professional experience. This interpretation is supported by (Williams, 2024), who argued that cognitive biases continue to affect auditors' decisions despite formal standards and professional expertise. Similarly, (Fanani et al., 2024) demonstrated that interpersonal conflicts and ego depletion significantly affect judgment quality, indicating that psychological and social influences remain influential even among experienced auditors.

The findings of the present study have important theoretical and practical implications for auditing research and professional practice. Theoretically, the study contributes to behavioral auditing literature by highlighting the role of similarity bias as a significant determinant of auditors' professional judgment. The findings also extend prior research on psychological determinants of audit quality by examining the role of self-esteem in auditing contexts. Practically, the findings suggest that audit firms and regulatory institutions should pay greater attention to behavioral and psychological influences during auditor training and professional development programs. Traditional technical training alone may not be sufficient for improving audit quality if cognitive biases continue to influence professional judgment.

## 5 Conclusion

The study highlights the importance of developing interventions aimed at strengthening auditors' awareness of unconscious biases and improving professional skepticism. Audit firms may benefit from implementing behavioral training programs designed to help auditors recognize and manage cognitive biases during decision-making processes. Furthermore, organizational mechanisms such as peer review systems, independent consultation procedures, and structured decision-making frameworks may help reduce the

influence of interpersonal biases on professional judgment. The increasing complexity of auditing environments and the growing integration of technological systems further reinforce the importance of understanding human behavioral factors in audit quality and accountability (Munoz-Izquierdo et al., 2024; Silva et al., 2025).

One of the limitations of the present study was the reliance on self-report questionnaires for measuring psychological and behavioral variables, which may increase the possibility of response bias and socially desirable answering patterns. In addition, the study was conducted among auditors employed in specific professional institutions, which may limit the generalizability of the findings to other professional or cultural contexts. Another limitation concerns the cross-sectional design of the study, which restricts the ability to establish causal relationships among the variables. Furthermore, similarity bias was examined in a controlled research context rather than real audit engagement situations, which may not fully reflect the complexity of actual professional environments.

Future studies are recommended to investigate the effect of similarity bias on auditors' professional judgment using experimental and longitudinal research designs in order to provide stronger causal evidence. Researchers may also examine other psychological and behavioral variables such as emotional intelligence, professional skepticism, resilience, ethical orientation, and cognitive flexibility as potential moderating or mediating factors in behavioral auditing relationships. Comparative studies across different cultural and organizational environments may further clarify the extent to which contextual factors influence similarity bias and professional judgment. Additionally, future research could investigate the interaction between artificial intelligence systems and human cognitive biases in modern auditing environments.

From a practical perspective, audit firms and professional regulatory bodies should design educational and training programs focused on increasing auditors' awareness of cognitive biases and unconscious interpersonal influences. Strengthening professional skepticism and structured decision-making approaches may reduce the negative consequences of similarity bias in audit engagements. Psychological development programs aimed at improving auditors' confidence, self-esteem, and emotional resilience may also contribute to higher-quality professional judgment. Furthermore, organizations should encourage independent review mechanisms and team-based audit evaluations in

order to minimize the impact of individual cognitive biases on professional decisions and improve overall audit quality.

### Authors' Contributions

All authors have contributed significantly to the research process and the development of the manuscript.

### Declaration

In order to correct and improve the academic writing of our paper, we have used the language model ChatGPT.

### Transparency Statement

Data are available for research purposes upon reasonable request to the corresponding author.

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### Declaration of Interest

The authors report no conflict of interest.

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### Ethical Considerations

In this research, ethical standards including obtaining informed consent, ensuring privacy and confidentiality were observed.

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