

UNIVERSITY OF GHANA

COLLEGE OF HUMANITIES

**DETERMINANTS OF DYSFUNCTIONAL AUDIT BEHAVIOUR: THE MODERATING
ROLE OF ETHICAL VALUES**



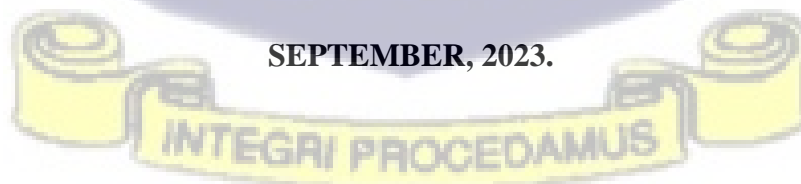
BY

NICHOLAS MENSAH

(10875883)

**THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA, LEGON, IN
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER
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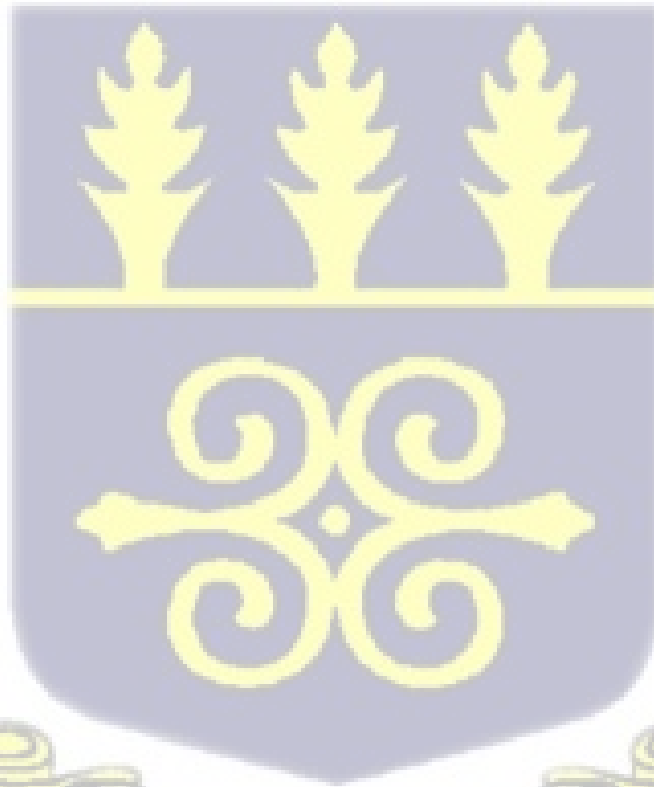
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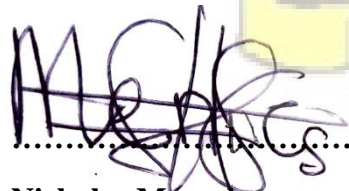


DECLARATION

I, Nicholas Mensah, hereby declare that this thesis is the result of the research I conducted and has not been offered by another person for academic award in this university or any other university.

The study appropriately acknowledges all the references used.




.....
Nicholas Mensah

(10875883)

2nd October, 2023.

.....
Date

CERTIFICATION

We certify that this thesis was supervised per the guidelines of the University of Ghana.



.....
PROF. GODFRED MATTHEW YAW OWUSU

.....
DR. RITA AMOAH BEKOE

(SUPERVISOR)

(SUPERVISOR)

2nd October, 2023

2nd October, 2023

.....

.....

DATE

DATE



DEDICATION

I dedicate this research to my lovely parents, Mr. Moses and Mrs. Esther Ohipeni, and my brothers Newman Asiedu, Edmund Teye and Richmond Mensah for their unwavering support during my academic journey. God richly bless you. Most importantly, I also dedicate this work to Prof. Godfred Matthew Yaw Owusu and Dr. Rita Amoah Bekoe. Their guidance and training made this journey much more worthwhile.



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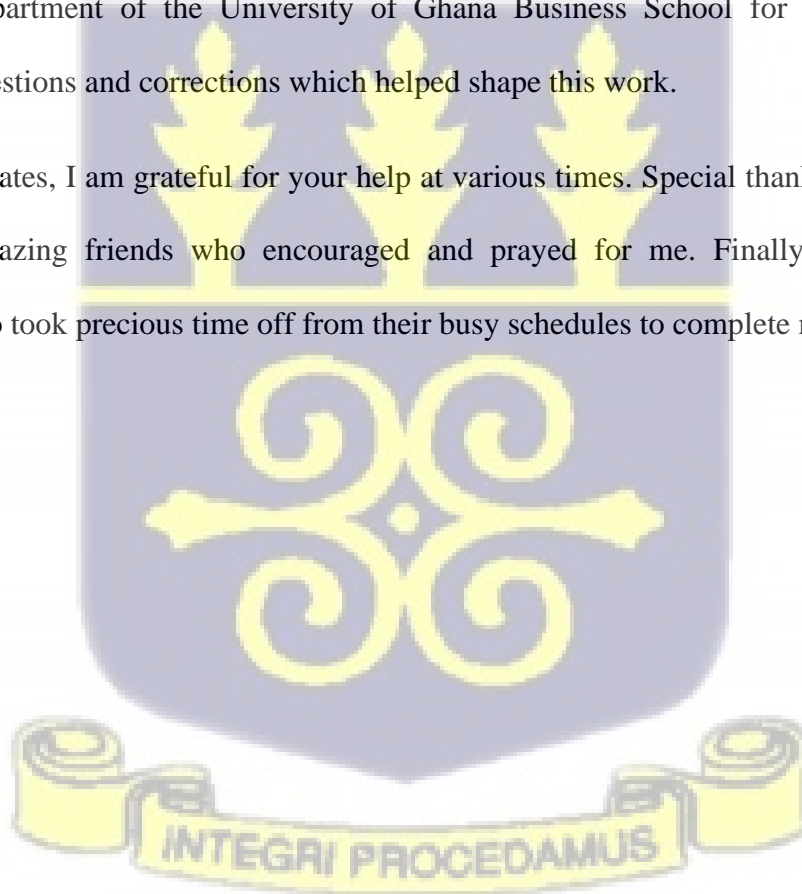


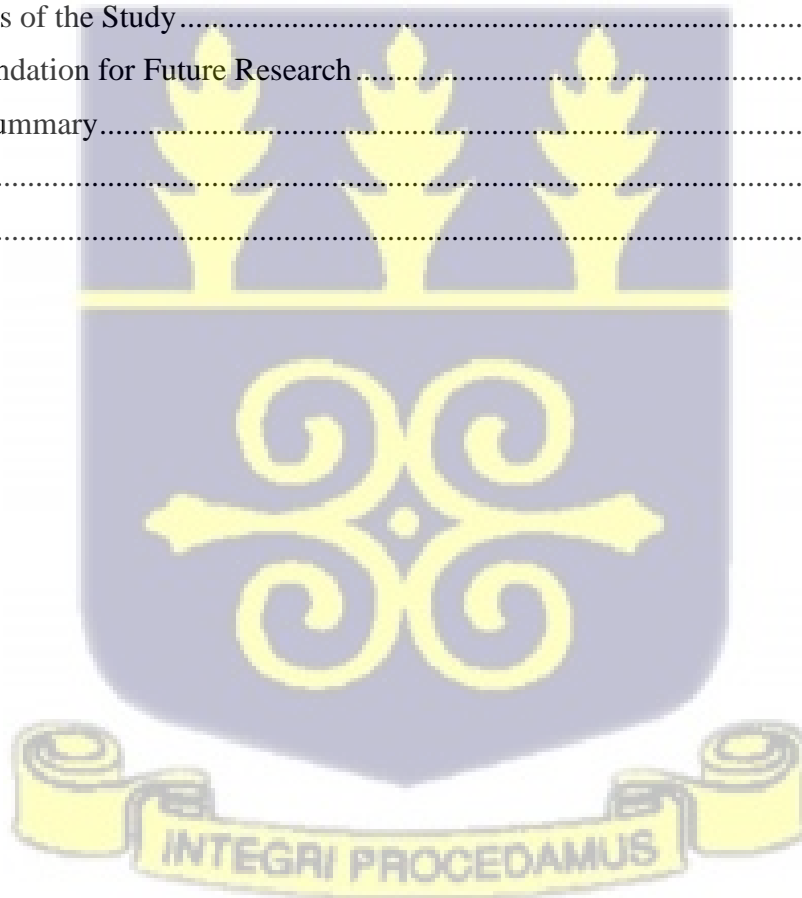
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LIST OF ABBREVIATIONS

AVE - Average Variance Extracted

CA - Cronbach Alpha

CB-SEM - Co-variance Based Structural Equation Modelling

CR - Composite Reliability

DAB – Dysfunctional Audit Behaviour

ECH - Ethics Committee for the Humanities

ESQ - Emotional Spiritual Quotient

FTT – Fraud Triangle Theory

HTMT - Heterotrait- Monotrait

ICAG – Institute of Chartered Accountants, Ghana

ISA – International Standards of Auditing

PLS-SEM - Partial Least Square Structural Equation Modelling

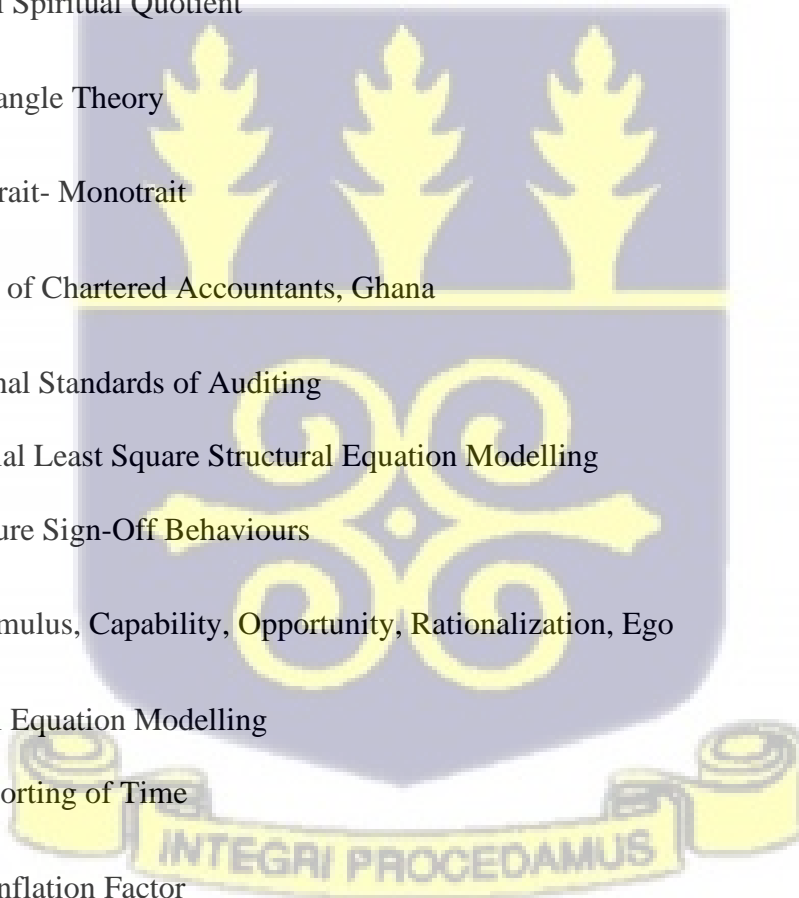
PSMO – Premature Sign-Off Behaviours

S.C.O.R.E. – Stimulus, Capability, Opportunity, Rationalization, Ego

SEM - Structural Equation Modelling

URT – Underreporting of Time

VIF - Variance Inflation Factor



ABSTRACT

This research examines the factors that influence auditors to engage in dysfunctional audit behaviour. It investigates this phenomenon from a different theoretical lens by adapting the Stimulus, Capability, Opportunity, Rationalization, Ego (S.C.O.R.E) Model to underpin the research. It is an attempt to examine this phenomenon from a developing country perspective as cases where auditors are found culpable in corporate scandals and failures in the last decade have been on the rise. It examines the constructs in the S.C.O.R.E Model as possible factors that influence auditors to engage in dysfunctional audit behaviour. Furthermore, the study introduces ethical values as moderating variable in the relationship between the factors identified and dysfunctional audit behaviour. The research is quantitative and employs the philosophical assumptions of the positivism paradigm to underpin the research. A total of 411 responses were received from the questionnaires administered to the individual auditors. The predicted relationships were examined using the Partial Least Square Structural Equation Modelling technique (PLS-SEM) and SmartPLS software was used to analyze the data. Time budget pressure, capability and rationalization are found to have a significant positive relationship with dysfunctional audit behaviour. The findings imply that auditors engage in dysfunctional audit behaviour when they are faced with intense pressure to complete audit procedures within a limited period. Moreover, auditors who possess special skills and are influential during audits are likely to engage in dysfunctional audit behaviour with the mindset that they can get away with such behaviours or that they will go unnoticed. The results indicate that ethical value is significantly and negatively related to dysfunctional audit behaviour. This suggests that auditors are unlikely to engage in dysfunctional audit behaviour when they possess strong ethical values. The result further

reveals that ethical values moderate favourably the relationships between time budget pressure and dysfunctional audit behaviour as well as ego and dysfunctional audit behaviour.



CHAPTER ONE

INTRODUCTION

1.0 Background

The audit profession has come under strong criticism in the last decade as a result of corporate failures. In the last decade, corporate failures have been on the rise and some of these high-profile failures were substantially linked to audit negligence and failures. On the global scene, the cases of Toshiba in 2015 in Japan; Odebrecht in 2016 in Brazil and Alberta Motor Association in 2016 in Canada provided a renewed focus on auditors and raised a number of questions about the integrity of auditors (Inagaki, 2017; Oboh, 2019; Enwereuzor et al., 2020). In Ghana, there have been multiple corporate failures in recent years which were linked to audit negligence. Most notable was the banking crisis in 2018 that resulted in the collapse of seven banks (ICAG report, 2018). This was part of a series of corporate failures that was partly attributed to the role of auditors (Agyemang et al., 2020). These incidents and several others have created a hideous image of the auditing profession in the mind of the public and continuous to bring the profession into disrepute (Adekoya et al., 2020).

Investigation into each of these cases in Ghana uncovered a series of financial improprieties. Although several reasons were adduced for the eventual collapse of the banks such as non-performing loans, poor corporate governance, undercapitalization etc., among them is the role played by the auditors (Dwamena & Yusoff, 2022). For instance, the auditors in each of such cases affirmed the financial statements produced by the firms truly reflected their state of affairs which in reality was not the case (ICAG report, 2018). As a result, stakeholders of the audit report were bewildered and questioned the importance of the professional opinion of independent auditors. This was because among the highlights of these corporate disasters were the roles played by the

auditors as they failed to adhere to the rules, ethical codes and standards that regulate them (Duho, 2019). The auditors' actions ultimately eroded the hard-earned reputation of the auditing profession (Mohapatra et al., 2015).

A report by the Institute of Chartered Accountants Ghana (ICAG) in 2018 on the recently collapsed banks in Ghana revealed among other things that the auditors of the banks which included PKF chartered accountants failed to follow the necessary procedures to obtain sufficient appropriate audit evidence. The audit opinions they gave were therefore deemed flawed as they were not based on facts obtained during the audit. The auditors of the defunct banks were collectively fined an amount of GH¢2.2 million due to their negligence (ICAG report, 2018).

The effect of the debacle in the banking industry is still felt in Ghanaian society as most individuals and organizations were adversely affected (Blankson et al., 2020). Trust in the work of auditors was lost as many were baffled that the auditors affirmed the going concern statuses of the collapsed banks which were later discovered to have serious going concern problems (Duho, 2019; Kamason, 2020). Therefore, the behaviour of the auditors, had far-reaching consequences on the various stakeholders who depended on the audited financial statements to make crucial decisions (ICAG report, 2018).

Although situations where auditors do not adhere to standards and procedures during audits have existed in the past, it is rather disturbing that there is a growing trend in such behaviours rather than a decrease (Beekes et al., 2014). This is especially disturbing after the notable cases of Enron and Worldcom among others that led to a revolution of the audit industry and enactment of various legislation such as the Sarban-Oxley Act among others which were meant to prevent the occurrence of similar incidents in the future.

These incidents impaired the quality of audits and derailed the hard-earned reputation and stakeholders' trust in the auditing profession (Yanti, 2018). As a result, the auditing profession is under much scrutiny and undergoing some sort of image crisis as the role of auditors is questioned by the public (Duho, 2019). In some cases of corporate fraud, external auditors were accused of either conniving with employees of the client or simply remaining silent when they detect unethical practices in the client's business (Johari et al., 2017). These actions by the auditors depart from proven standards and pose a major challenge to the auditing profession (Putra, 2020).

In response to these happenings, there had been several calls for the quality of audits to be improved to enhance public confidence in auditors' professional opinion. Stakeholders have therefore sought to identify ways to mitigate the actions of auditors that have the propensity to reduce the quality of audits. As such, regulatory bodies such as the Institute of Chartered Accountants, Ghana (ICAG) are on high alert to incidents where auditors do not follow laid down procedures during audits.

Moreover, due to the prevalence of audit failures, over the years, there has been a shift in the academic landscape with the focus now on behavioural antecedents that impair audit quality (Shabana et al., 2016). There has been a concerted effort in academia in the last decade to understand the phenomenon of dysfunctional audit behaviour because of its vast detrimental effect. This is particularly important because the life of every audit firm is reflected in the behaviour of its auditors (Nehme, 2013).

Auditors play an important role in determining the level of trust that users place in financial information and as such their behaviour can impact the quality of the audit (Yessie, 2021). With the recent negative climate around auditors, it is important to conduct research to ultimately

identify, curtail or even eliminate incidents of dysfunctional audit behaviours to enhance audit quality.

Dysfunctional audit behaviours which include premature signing off of audit procedures, alteration of audit processes, insufficient audit evidence gathered, superficial review of audit evidence and lack of evaluation of the client's internal controls system among others (Nadi, 2020) have dire consequences as various empirical studies indicate that it adversely impacts audit quality either directly or indirectly (Syam et al., 2020; Ghorbanpour et al., 2014; Baldaccino, et al 2016; Dunstan, 2017; Janie & Isgiyarta, 2019; Putu et al., 2020). Thus, the quality of audit opinion provided by auditors is reduced when they engage in dysfunctional audit behaviour.

1.1 Problem Statement

Audits are very important as they give credibility to the financial statements prepared by companies and provide key stakeholders with reasonable assurance that the financial statements are true and fair and do not contain material mistakes. It is therefore imperative that the quality of audits must not be compromised (Mohd-Sanusi et al., 2012).

However, in the last decade, the quality of audits has been low as evidenced by cases where auditors were found culpable in corporate scandals and failures and have therefore generated a strong interest in behavioural auditing within the last decade (Shabana et al., 2016; Yessie, 2021).

Two strands of research emerged as a result with initial studies focusing extensively on the role of auditing in reducing wrongdoing at the workplace. However, the focus has shifted in academia to exploring counterproductive behaviours exhibited by the auditors themselves during audits which

impede audit quality often referred to as dysfunctional audit behaviours. This research is an attempt to add to the literature on dysfunctional audit behaviour.

Although globally, studies on dysfunctional audit behaviour have increased exponentially in recent years, however, it is apparent that research in behavioural auditing in Ghana is scanty and the issue of dysfunctional audit behaviour has barely received research attention. This is particularly problematic because there has been an increase in reported cases where auditors engage in unethical behaviours which led to corporate failures in Ghana as evidenced by the banking crisis in 2018 (Duho, 2019). There is therefore the need for research work to be conducted to unravel the phenomenon of auditors' unethical behaviours. This study is therefore one of the few studies conducted to understand the phenomenon of dysfunctional audit behaviour from a developing country's perspective.

Although the subject of dysfunctional audit behaviour has received increased research attention and recognition in recent years, most of those studies focused extensively on the auditor's acceptance of dysfunctional audit behaviour by their colleagues rather than the auditor's actual dysfunctional action or behaviour (Paino et al., 2014; Komalasari et al., 2018; Abdillah, 2018; Jaya et al., 2018). Peytcheva and Gillett (2012) also observed that most studies on dysfunctional audit behaviour do not shed light on auditors' actual behaviour. Thus, prior studies fail to provide insight into the factors that may influence auditors to engage in dysfunctional audit behaviour and instead measure auditors' reaction to and disposition towards dysfunctional audit behaviour by their colleagues (Abdillah, 2018; Jaya et al., 2018). This imposes a limitation on the insight provided on auditors' involvement in such deviant acts. Actual dysfunctional audit behaviour may provide an important and detailed understanding of this phenomenon from the perspective of the

perpetrators. Therefore, this research is an attempt to fill this gap as it seeks to investigate the factors that can influence auditors to engage in dysfunctional audit behaviours.

Moreover, this study is an attempt to add to the existing literature on dysfunctional audit behaviour from a different theoretical lens. Theories are fundamental to understanding a phenomenon and as such the study seeks to explore the use of the Stimulus, Capability, Opportunity, Rationalization, Ego (S.C.O.R.E) model, a recent variant of the fraud pentagon theory to evaluate factors that influence auditors' dysfunctional behaviour. Although this theory is predominantly used in fraud literature, fraud is considered an extreme dysfunctional behaviour (Salin, 2015). Dysfunctional audit behaviour may include extreme behaviours such as auditors colluding with their clients, manipulation of audit evidence or fraud (Sampetoding, 2014; Syam et al., 2017; Yessie, 2021). Therefore, the study adapts this theory as it can help shed more light on Individuals' dysfunctional behaviours. Moreover, prior studies on workplace deviance have established that individuals engage in deviant behaviours due to factors such as pressure, opportunity, rationalization, capability and ego (Schnatterly et al., 2018; Vousinas, 2019). This study broadens the scope of study and discourse on dysfunctional audit behaviour by examining whether these factors can influence auditors to engage in these counterproductive behaviours.

The S.C.O.RE Model by Vousinas (2019) introduced ego as a key determinant of fraudulent behaviours to the already existing constructs of the fraud diamond theory. He argued that in most cases where individuals engage in wrong acts, their strong ego was often cited as a key reason. Individuals with a strong standing in society can be exposed to unethical behaviours due to their obsession to maintain their status at all costs (Awang et al., 2020). Auditors are individuals with strong egos due to their competencies and status in society. Therefore, the study seeks to determine whether the ego of auditors can influence them to engage in unethical behaviours. This study is

unique in that it adapts the S.C.O.R.E model which is predominantly used to study fraudulent behaviours among individuals at the workplace to investigate the recently surging phenomenon of dysfunctional audit behaviour.

Prior studies have established the role of ethical climate or culture in reducing dysfunctional audit behaviour (Morris, 2014; Komalasari et al., 2018; Alsudairi & Khalid 2020). The culture of a firm creates shared values among employees of the organization (Morris, 2014). Haron et al. (2011) posit that the existence of strong ethical values among employees can curtail dysfunctional behaviours in organizations. Therefore, this study uniquely examines whether ethical values that auditors possess can moderate favourably the relationship between time budget pressure, opportunity, rationalization, capability, ego and dysfunctional audit behaviour. This is because extant literature suggests that people who engage in wrongdoing do so because of a lack of ethical values and thus individuals who possess strong ethical values abhor acts of wrongdoing (Awang & Ismail, 2017; Said et al., 2017). Based on this, the study argues that the relationship between time budget pressure, rationalization, opportunity, capability, ego and dysfunctional audit behaviour could change when an auditor possesses strong ethical values.

1.2 Research Objectives

1. To examine the determinants of dysfunctional audit behaviour.
2. To investigate whether ethical values moderate the relationship between time budget pressure, opportunity, rationalization, capability, ego and dysfunctional audit behaviour.

1.3 Research Questions

1. What are the factors that influence auditors to engage in dysfunctional audit behaviour?
2. Do the ethical values of the auditor moderate the relationships between the identified factors and dysfunctional audit behaviour?

1.4 Significance of the Study

This study is timely and provides new insights and important contributions to the growing literature on dysfunctional audit behaviour. Thus, it provides important theoretical and practical contributions to the extant literature on dysfunctional audit behaviour in a number of ways.

The research adapts a different theoretical lens, the S.C.O.R.E Model which provides a different but useful perspective on the antecedents of dysfunctional behaviour among auditors. Thus, the study adapts the S.C.O.R.E Model, which is predominantly used in fraud literature to investigate fraudulent behaviours and explores the constructs of the S.C.O.R.E model (stimulus/pressure, capability, opportunity, rationalization, ego) as determinants of dysfunctional audit behaviour. The S.C.O.R.E model is appropriate for the current study because it is often used to understand individuals' fraudulent behaviour; which is considered an extreme form of dysfunctional behaviour.

The study extends the S.C.O.R.E model by incorporating the moderating role of ethical values in the framework. Thus, it highlights the key role of ethical values in reducing auditors' dysfunctional behaviours. The study argues that auditors who possess strong ethical values are unlikely to engage in wrongdoing at the workplace.

Moreover, the study adds to the scanty literature on dysfunctional audit behaviour in Ghana. Even though audit negligence is on the rise in Ghana, little research work has been conducted by way of investigating the behaviours of auditors that harms the quality of audits. This research attempts to address this gap in the literature from a developing country perspective.

Finally, the study has policy implications for audit firms and regulatory authorities such as the Institute of Chartered Accountants, Ghana (ICAG) and standard setters to formulate policies and measures to curb incidents of dysfunctional audit behaviour both internationally and domestically. This is important to ensure that the image of the auditing profession is not in disrepute.

1.5 Organization of the Study

This research is organized into five chapters as indicated below:

Chapter one presents an overall summary that encapsulates the subject matter of the research and the central problem the research aims to address. It entails the background of the study, the problem statement, the study's objectives, and the significance of the research.

Chapter two reviews the current literature on dysfunctional audit behaviour and discusses the factors that influence auditors to engage in dysfunctional behaviours by adopting the S.C.O.R.E model to understand the phenomenon. This chapter also discusses the conceptual framework of the research and how the research hypotheses are developed.

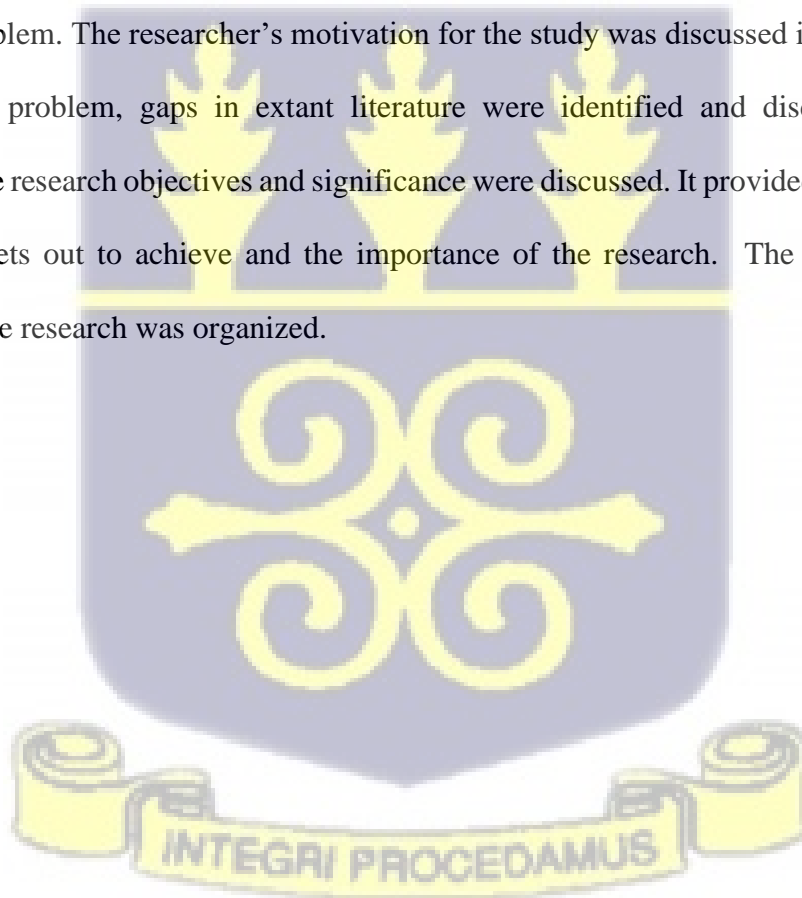
Chapter three provides detailed insight into the methodology and research tools adopted to achieve the objectives of the study. This chapter discussed the data collection method, the population and the sampling technique adopted, the research design and the data analysis technique among other things.

Chapter four identified and provided a detailed discussion of the key findings from the data gathered and analyzed.

Chapter five provides a conclusion to the entire study by highlighting the principal findings of the research. Moreover, this section of the research discussed key contributions and limitations of the study and provided appropriate recommendations for future studies.

1.6 Chapter Summary

This chapter of the research began with a thorough discussion of the background of the study and the research problem. The researcher's motivation for the study was discussed in the background. In the research problem, gaps in extant literature were identified and discussed in details. Subsequently the research objectives and significance were discussed. It provided insight into what the researcher sets out to achieve and the importance of the research. The chapter ended by outlining how the research was organized.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter of the research provides a comprehensive review of theoretical as well as empirical literature that are essential for the present research. The chapter begins with a review of the phenomena of dysfunctional behaviour and dysfunctional audit behaviour and the various forms of dysfunctional audit behaviours that exist. Subsequently, the study presents a detailed review of the antecedents of dysfunctional behaviour that exist among auditors. The study then presents a review of the theory (The S.C.O.R.E Model) that was used to underpin the research and finally the chapter concluded by providing a comprehensive discussion of the conceptual framework and the hypotheses that were formulated as a result.

2.1 Dysfunctional Behaviour

Dysfunctional behaviours can be considered as “actions in which a subordinate attempts to manipulate elements of an established control system for his/her purposes. A subordinate’s behaviour is dysfunctional if he/she knowingly violates established control systems, rules and procedures” (Jaworski & Young, 1992, p.18). Thus, dysfunctional behaviours at the workplace often have a detrimental effect on the various stakeholder groups of the organization such as employees, and customers among others and may adversely affect the overall performance of the business. This is a major issue in most organizations and therefore it is imperative to implement appropriate measures and procedures to deal with it (MacKenzie et al., 2015; van Fleet & van Fleet, 2012).

Several studies had been conducted to provide insight into the different forms of dysfunctional behaviours that employees engage in when discharging their responsibilities including extreme dysfunctional behaviours like fraud, destruction of an organization's assets or theft among others (Salin, 2015). It can however also take a mild form such as a violation of ethical codes at the workplace (Salin, 2015). According to Ramzy et al. (2018), dysfunctional behaviours at the workplace predominantly occur due to the absence of ethical codes and the failure of management to address reported cases of dysfunctional behaviour (Shabrawy & Afifi, 2014). Moreover, prior studies suggest that the factors which influence individuals to engage in dysfunctional behaviours include weak ethical culture in the organization and lack of supervision (MacKenzie et al., 2015; Salin, 2015).

2.2 Dysfunctional Audit Behaviour

Auditors' dysfunctional behaviours are behaviours that directly or indirectly reduce the quality of audit reports (Paino et al., 2014; Yessie, 2021). Dysfunctional audit behaviour is a serious problem because it does not only harm the individual auditor, but it threatens the validity of the audit opinion and affects the decisions taken by the various stakeholders which were based on the audit report (Amiruddin, 2019). Thus, dysfunctional audit behaviour refers to the action of the auditor that negatively impacts the client, the auditor, and brings the entire profession into disrepute, done intentionally or not and includes improper verification of sampling method or reduction in the number of samples that have been planned during the audit, and auditors' acceptance of questionable evidence from their clients among others (Amiruddin, 2019). Dysfunctional audit behaviours occur when auditors do not follow the audit program designed in the course of auditing clients (Al-Shbiel, 2016). This behavioural phenomenon is referred to differently by various

scholars such as dysfunctional audit behaviour (Paino et al., 2014; Iswari, 2020; Svanström, 2016; Komalasari et al., 2018), audit quality-threatening behaviour (Beekes et al., 2014; Sweeney et al., 2013) and reduced audit quality behaviour (Mohd et al., 2016; Meilinda & Harefa, 2017; Gaol, 2018; Amiruddin, 2019).

Dysfunctional audit behaviour can also be considered as misleading behaviour of an auditor during an audit that takes the form of fraud, manipulation or inappropriate application of the auditing standards (Sampetoding, 2014; Yessie, 2021). According to Herrbach (2001), dysfunctional audit behaviour is a negative consequence of audit procedure which minimizes the level of audit evidence obtained. As a result, the audit evidence gathered is unreliable, inappropriate or inadequate either qualitatively or quantitatively. Khan et al. (2013) also espoused that dysfunctional audit behaviours are unethical attitudes that are manifested by an auditor in the course of an audit and it involves actions such as prematurely signing off audit procedures and discretionarily changing the audit procedures among other things. Thus, these behaviours can be deliberate or not as it also involves unintended errors made by auditors as a result of a lack of an understanding of audit demands or incompetence. These behaviours are sometimes viewed by their perpetrators as necessary sacrifices for them to survive in the challenging audit environment (Donnelly et al., 2003).

Furthermore, in the course of an audit, the auditor may encounter challenging situations and make decisions that can eventually reduce the quality of the audit and result in providing a wrong audit opinion. Some of the actions of the auditor that can adversely affect the audit quality include the auditor's acceptance of weak clarifications by management without proper due diligence to obtain corroborative evidence, failure to make a necessary enquiry on technical matters, shallow evaluation of the documents of the client, alteration of the audit procedures, underreporting of time

and premature signing off of the audit among others (Paino et al., 2011; Smith & Hutton, 2016; Svanstrom, 2016; Lukman, 2017). Thus, dysfunctional audit behaviours are actions by auditors during the audit that have the potential of reducing the quality of the audit. Syam et al. (2017) asserted that auditors are sometimes influenced by their clients to reduce the procedures of the audit, delete the value of some accounts, or refuse to disclose cases of fraud in the audit report. Auditors' unethical behaviour can result in the collapse of not only the audited corporate business but can also result in the failure of the audit firms themselves (Akpotu & Israel, 2013). It therefore has dire consequences and as such, it is of utmost importance that studies must be conducted to investigate this phenomenon.

2.2.1 Under Reporting of Time (URT)

A known dysfunctional audit behaviour is Under Reporting of Time (URT). Auditors underreport time when they indicate that they have performed an audit assignment for fewer hours than were the case or their refusal to indicate the excess time used over the time given for such procedure (Agoglia et al., 2010). Underreporting of Time can also be regarded as a phenomenon where auditors fail to accurately document the total time taken to complete audits with the intention of not exceeding the time allocated for that particular audit (Kustinah, 2013; Khan et al. 2015). Zakaria et al. (2013) espouse that auditors' refusal to indicate the accurate time spent during a particular task was a result of their objective to prevent or curtail budget overruns.

URT has several consequences and paramount among them is the impractical time budgets for future audits. Underreporting of time can lead to auditors manipulating audit evidence which will eventually result in poor quality of audit and a compromised audit report (Khan et al., 2015). Zakaria et al. (2013) revealed that when the time budget for an audit assignment is unrealistic,

auditors tend to engage in dysfunctional behaviours. Moreover, Nehme (2017) espouses that, auditors tend to underreport the time spent during an audit assignment for a favourable job evaluation and ultimately to increase their chances of promotion. Underreporting of time is a behaviour that indirectly influences the audit quality as it adversely affects the time budgets and the allocated audit staff for subsequent audits.

2.2.2 Premature Sign-Off Behaviours (PMSO)

This is another form of dysfunctional behaviour that is prevalent in the audit profession. Premature sign-off behaviours refer to situations where auditors hastily sign off the audit without exhausting the laid down audit procedures required in conducting the audit (Khan et al., 2015). Premature sign-off behaviours also involve situations where auditors deliberately omit required procedures in the audit but indicate in the working papers that such procedures have been completed (Hyatt & Taylor, 2013). It must be emphasized that this behaviour is unethical and contravenes the standards of auditing (Mohd et al. 2016). According to Nehme (2013), Premature Sign-Off (PMSO) can be a reactionary behaviour to time constraints often experienced by auditors in the course of the audit and predominantly occurs at the initial phase of the audit. PMSO is a direct threat to audit quality because the audit procedures are not performed or are uncompleted (Malone & Roberts, 1996). Auditors who engage in such acts do not disclose the omissions of procedures. Notably, Hyatt and Taylor (2013) suggest that premature signing off that occurs accidentally and as a result of time budget pressure is unlikely to be reported. Premature signing off of audit procedures is destructive because it adversely affects audit quality. Thus, the independent opinion of the auditor is fundamentally flawed as such an opinion is premised on forged or non-existent audit evidence. Ideally, auditors should conduct audits by following all the required audit processes

and steps to give the client a reasonable assurance as to whether the financial statements prepared are devoid of material misstatements or not (Olatunji & Adekola, 2017). However, according to Nehme (2013), due to the immense pressure faced by auditors in the conduct of audit assignments, they tend to skip audit procedures that they regard to be irrelevant. Khan et al. (2015) reveal that incidences of deliberate false sign-offs are frequent, however, even more so they reveal that situations where auditors unintentionally prematurely sign off on audit procedures are much more.

2.2.3 Superficial Review of Audit Evidence

With this phenomenon, the auditor does not properly review audit evidence obtained from the client. According to Coram et al. (2008), superficial review of audit evidence refers to situations where auditors hurriedly review the supporting documents presented by the management or employees of the client without being critical and exercising the necessary professional scepticism. This behaviour can reduce significantly the audit quality and audit opinion issued as the auditor does not exercise professional scepticism. For instance, where an auditor in the course of conducting an audit instead of reviewing records for the sample of sales, rather shows tick marks on audit agendas without thoroughly considering the content of the supporting documents. According to Coram et al. (2008), auditors engage in these particular acts because it is difficult to detect. Auditors can miss important clues and fail to detect various malpractices in the client's organization due to dysfunctional audit behaviours.

Thus, dysfunctional audit behaviours can be exhibited when auditors accept questionable audit evidence at face value from the client. In situations where audit evidence is not collected and evaluated thoroughly, it can lead to mistakes being missed that otherwise would have been noticed through an extensive review of the evidence obtained (Khan et al., 2014). The auditor accepts the

explanation and evidence offered by management easily. This is concerning as it shows an absence of a questioning mind (professional scepticism) and due diligence. Thus, the auditor failed to obtain corroborative evidence about management's assertions. This contravenes the principle of professional scepticism which is required throughout the audit engagement.

2.2.4 Altering or Replacing Audit Procedures

This is a situation where the auditor changes or replaces the procedures that he or she deems complex and time-consuming during the audit without authorization (Coram et al., 2008). Furthermore, this situation occurs when the auditor deems the original procedures unnecessary and therefore applies his or her discretion to change such steps in the audit process. This can therefore adversely affect the quality of the audit. Altering the procedures during audits without prior approval can lead auditors to miss very important steps which enhance the quality of the audit.

2.3 Audit Quality

Knechel et al. (2013) espouse that audit quality is a complex phenomenon that can be viewed from various lenses as a result of the perceptions of the different stakeholders in the financial reporting supply chain. They argued that whereas audit quality to some stakeholders involves completely undertaking all the required audit procedures, to others it is the lack of material misstatements in the financial reports. There are broadly two perspectives of audit quality, namely the input approach otherwise known as the process approach and the output approach (PCAOB, 2013). According to Yuen et al. (2013), the quality of an audit is dependent on the behaviour that the auditor exhibits during the audit. Conducting quality audits is not only essential in ensuring the

efficient operation of businesses, but also imperative in enhancing the value of the auditing profession. The extent to which the various stakeholders rely on the audit report is primarily based on the quality of the audit (Christensen et al., 2016).

Furthermore, Christensen et al. (2016) discovered through their research that auditors and investors viewed the concept of audit quality differently. According to them, whereas auditors view audit quality from the lens of the auditing standards, investors use individual auditor's traits as a yardstick to measure audit quality. According to Dama and Monoarfa (2018), audit quality exists in situations where there is a high tendency that the auditor detects and report misstatements and errors in the financial statement of the client. It is important to note that audited financial statements give reasonable assurance to the stakeholders that they have been prepared with respect to all relevant accounting standards and that they are materially correct and devoid of significant mistakes (Defond et al., 2010). Prior studies on behavioural auditing suggest auditors' dysfunctional behaviour is negatively related to audit quality (Paino et al., 2014; Yessie, 2021).

2.4 Empirical Review

This aspect of the review of literature focuses on key findings of prior studies that were conducted in the area of dysfunctional audit behaviour. The following themes emerged from the review of extant literature.

2.4.1 Auditors' Acceptance of Dysfunctional Audit Behaviour

Over the past decade, there has been increased research attention on the phenomenon of dysfunctional audit behaviour. Most of these studies are focused extensively on auditors' reactions

to (acceptance of) dysfunctional audit behaviours by their colleagues. The study provides review of literature on the discourse of auditors' acceptance of dysfunctional audit behaviour over the last decade.

Peytcheva and Gillett (2012) investigated the influence of prior involvement and reputational threats as factors leading to the acceptance of dysfunctional audit behaviours among auditors in the USA. This research was quantitative as data were gathered via questionnaires administered to the auditors. The findings reveal that there is a high tendency that auditors with prior involvement will suppress audit evidence more than auditors without prior involvement. The limitation of this study was that it did not investigate actual auditors' behaviour. Rather, it measured auditors' beliefs and attitudes towards others' actions.

According to research conducted by Svanberg & Ohman (2013), ethical culture negatively influences auditors' acceptance of dysfunctional audit behaviours. However, the study found no relationship between the ethical culture of the audit firm and underreporting of time. Also, dysfunctional audit behaviour measured by underreporting of time and time budget pressure was found to be positively related. This implies that auditors who are faced with excessive pressure to complete audits are likely to have a positive disposition towards dysfunctional audit behaviour. This result is consistent with prior studies that considered the relationship between time budget pressure and acceptance of dysfunctional audit behaviour.

Contrary to earlier studies that found time budget pressure to influence auditors' acceptance of dysfunctional audit behaviours, the research by Zakaria et al. (2013) in Malaysia found time budget pressure not to influence the acceptance of dysfunctional audit behaviours. This research mainly considered auditors employed in big audit firms in Malaysia. The weakness of this research is that only auditors from two of the big audit firms were used. This makes it difficult to extrapolate the

results of this research. Future research should therefore consider auditors from all the big four auditing firms in Malaysia to enable firm conclusion to be made. Moreover, auditors from both non-big four and big four auditing firms could be considered in a similar study to identify whether time budget pressure influence their acceptance of dysfunctional audit behaviour or not.

Beekes et al. (2014) hypothesized that hierarchical level, organizational commitment, task difficulty, the level of fairness, reward and the level of interaction with supervisors could influence auditors' acceptance of dysfunctional audit behaviour in a big four UK audit firm. This research used a web-based questionnaire to gather data. The results show that the acceptance of dysfunctional audit behaviours among auditors reduce when the perception of fairness, organizational commitment and interactions with their superiors increase. However, the strength of the relationships differs across hierarchical levels. This study has inherent limitations because data were collected from only one of the big four audit firms in the UK. This makes it difficult to generalize the findings of the study. It is important therefore for future studies to replicate it to include all the big four audit firms or consider all audit firms in the UK.

Paino et. al (2014) considered the influence of external locus of control and turnover intention on auditors' acceptance of dysfunctional audit behaviour in Malaysia. Data were obtained through a questionnaire. A total of 621 questionnaires were distributed with only 225 usable questionnaires returned. The study found external locus of control and turnover intention to have a significant positive relationship with auditors' acceptance of dysfunctional audit behaviour. The number of usable questionnaires (less than 40% of the questionnaires administered) may indicate that the data collection technique employed in the study was not efficient. Future studies may consider employing different technique to collect the data needed.

Morris (2014) examined the impact of authentic leadership and ethical firm culture on dysfunctional audit behaviour in the USA. The study was quantitative. Authentic leadership theory was used to underpin this study. The results of the study suggest that when subordinates perceive their leadership as authentic and view themselves as part of an ethical firm culture, dysfunctional audit behaviour declines.

Nor et al. (2015) researched on the existence of dysfunctional behaviours among auditors in Malaysia. Data was gathered via questionnaires that were administered to 274 auditors. The findings show that dysfunctional audit behaviours did occur among auditors in Malaysia. The result further reveals that dysfunctional audit behaviours predominantly exist among auditors in non-big audit firms with less experience. The limitation of this study was that the respondents were only from non-big audit firms. This limits the generalizability of the findings to include all auditors.

Svanberg & Ohman (2016) conducted a study on the impact of time budget pressure and organizational commitment on the acceptance of dysfunctional audit behaviours among auditors. The findings revealed among other things that time budget pressure positively impacts underreporting time (URT) but not reduced audit quality behaviours. Moreover, audit firm ethical culture was found to reduce incidents of dysfunctional behaviours among auditors.

Dabor et al. (2016) examined factors that influence auditors in Nigeria to engage in dysfunctional audit behaviour. Data were obtained through questionnaires administered to the auditors. The result of this study revealed that the construct “perceived harm” had a negative relationship with dysfunctional audit behaviour. However, perceived pressure was found to be positively related to dysfunctional audit behaviour.

Gaol (2018) examined the relationship between time budget pressure and auditors' acceptance of dysfunctional audit behaviour. Data was gathered through questionnaires that were administered to 240 auditors. The researcher adopted judgmental sampling as the sampling technique. Data were analyzed through PLS-SEM. The findings revealed that time budget pressure was significantly and positively related to dysfunctional audit behaviours. This finding is consistent with the findings of prior studies.

Komalasari et al. (2018) examined the Influence of Personal Value, Moral Philosophy, and Organizational Ethical Culture on an auditor's actions and acceptance of Dysfunctional Audit Behaviour. The research was a quantitative study conducted in Indonesia. 52 questionnaires were distributed and the data was analyzed using PLS-SEM. The ethical culture of the organization and self-enhancement was found to have a significant negative effect on the auditors' acceptance of dysfunctional audit behaviour. Personal value was however found to not affect auditors' dysfunctional actions. Cognitive learning theory was used to underpin this research. The relatively small sample size however limits the generalizability of the result from the research.

Jaya et al. (2018) conducted a study to understand the mediating role of performance in auditors' acceptance of dysfunctional audit behaviour in Indonesia. The study was a quantitative study that used primary data. The questionnaire was administered to 83 respondents. The data was analyzed using the PLS-SEM technique. Role theory and attribution theory were the theories that underpinned this research. The study found auditor performance and organizational commitment to be negatively associated with auditors' acceptance of dysfunctional audit behaviour. However, role conflict was found to be positively associated with auditors' acceptance of dysfunctional audit behaviour. It is however difficult to generalize the result of the study due to its relatively small sample size.

Febriana Kartasari et al. (2018) considered the impact of professionalism, Emotional Spiritual Quotient (ESQ) and locus of control on auditors' acceptance of dysfunctional behaviour in Indonesia with the performance of the internal auditor as an intervening variable. The study was quantitative and data were obtained through questionnaires administered to 52 auditors. Data were analyzed using the PLS-SEM technique. The result shows professionalism to be negatively associated with auditors' acceptance of dysfunctional audit behaviour. However, the constructs ESQ and locus of control were positively related to the acceptance of dysfunctional audit behaviour. A drawback of this research is the small sample size and therefore it limits generalizing the results from this research. Future researchers should therefore consider expanding the sample size.

Abdillah (2018) conducted a study on the determinants of auditors' acceptance of dysfunctional audit behaviour in Indonesia. This was a quantitative study and data was collected through questionnaires administered to 129 respondents. The PLS-SEM technique was employed to analyze the data obtained. According to the findings, auditors who have high turnover intention are more accepting of dysfunctional audit behaviour. However, an organizational commitment was found to be negatively related to the acceptance of dysfunctional audit behaviour. This implies that auditors who are highly committed to their audit firms are unlikely to accept dysfunctional audit behaviours. The outcome of this research is limited by the relatively small sample size.

Majid & Asse (2018) examined the relationship between the intention of the auditor to leave his or her job (turnover intention) and the pressure they face to complete audits on time and acceptance of dysfunctional audit behaviour in Indonesia. The study was qualitative research and data was obtained through interviews and documentation study. The attribution theory was used to underpin this research. This research is important as the subjective opinions of the respondents were

considered. The study found time budget pressure and turnover intention to influence auditors' acceptance of dysfunctional audit behaviour. The result is therefore consistent with previous studies.

A divergent yet important study was conducted by Nehme et al. (2018) to investigate the differences in dysfunctional audit behaviour when auditors expect performance appraisal in Kuwait and UK. Stakeholder theory and Hofstede's cultural dimensions theory were used to underpin this study. The study found appraising the performance of auditors while working in a competitive environment in a developed country as a driver of dysfunctional audit behaviour. However, assessing auditors' performance in a developing economy is a stabilizer of dysfunctional audit behaviour. Furthermore, the result revealed that auditors who are experienced have a higher tendency to engage in dysfunctional behaviours than inexperienced auditors. The sample for the study is auditors from the big-four audit firms in Kuwait and UK and therefore it is difficult to generalize the result. Auditors from non-big auditing firms should also be considered in subsequent studies to enrich the findings.

Yessie (2021) examined the factors that influence auditors' dysfunctional behaviour in Indonesia. This study was quantitative research. A sample of 53 auditors was used for the study. The study found turnover intention, time budget pressure and professional commitment have a significant positive relationship with auditors' dysfunctional behaviour whereas organizational commitment and locus of control were found to be negatively related to dysfunctional behaviours among auditors. The relatively smaller sample size makes it difficult to generalize the result of the study.

Nehme et. al (2021) considered two different forms of pressure on auditors; thus, time budget pressure and time deadline pressure and their relationship with dysfunctional audit behaviour in the UK. The study adopted a mixed method as both interviews and questionnaires were used to

collect the data from the respondents. Stakeholder theory was used to underpin this research. Time budget and time deadline pressures were found to be important determinants of dysfunctional audit behaviour.

Recently, Johari et al. (2022) conducted a study on the factors that influence dysfunctional audit behaviour in Malaysia. The study was quantitative and data were collected by administering questionnaires to 130 auditors who were registered members of the Malaysian Institute of Accountants. According to the research findings, time budget pressure significantly influences auditors to engage in dysfunctional audit behaviour. The outcome of this research agrees with prior research works which expose that time budget pressure is a very important determinant of dysfunctional audit behaviour. However, the study found professional skills, work experience and independence of the auditor do not influence auditors' dysfunctional behaviour. This study is limited in that it focuses only on auditors who are registered members of the Malaysian Institute of Accountants. Thus, other practicing auditors who are not members of the Institute were not considered and therefore limits the findings of the research.

2.4.2 Dysfunctional Audit Behaviour and Audit Quality

Few studies provide empirical evidence on the relationship between dysfunctional audit behaviour and audit quality (Hamdani et al., 2020). The following studies establish the relationship that exists between dysfunctional audit behaviour and the quality of audit performed. Thus, these studies examine whether dysfunctional audit behaviour impedes audit quality or not.

Kustinah (2013) examined how auditors' dysfunctional behaviour and ethical culture influence audit quality. The study employed a survey research design by administering questionnaires. The

researcher adopted a purposive sampling method for the study. The results indicate that dysfunctional audit behaviour has a significant negative relationship with audit quality and ethical culture positively influences audit quality.

Furthermore, Mohd et al. (2016) investigated the impact of premature sign-off behaviours, a form of dysfunctional audit behaviour on reducing audit quality among small and medium size audit firms in Malaysia. The data was collected from 20 respondents using questionnaires. The study found that premature sign-off audit was practiced by about 50% of the respondents. This practice of signing off the audit without completing the necessary audit procedures reduces the credibility of the audit report. This study has some obvious weaknesses such as the smaller sample size of the study. Therefore, it is difficult to generalize the findings of the study. Also, only descriptive analysis of the data was provided. The results may lack some accuracy and robustness.

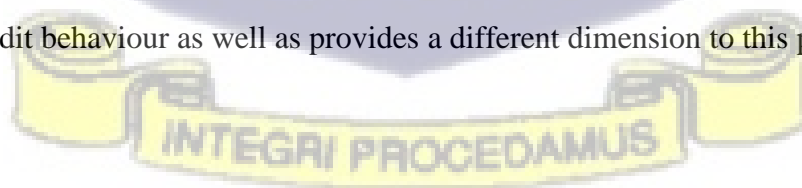
Kusumo et al. (2018) investigated the effect of dysfunctional audit behaviour on audit quality in Indonesia. The study concludes that dysfunctional audit behaviour has a significant negative impact on audit quality. This is consistent with the outcomes of earlier research works. The research was quantitative and the respondents were 92 sampled auditors. The result implies that when dysfunctional audit behaviour increases, the quality of audits conducted by the auditor is adversely affected.

Contrary to prior studies, from the outcome of research conducted by Hamdani et al. (2020), dysfunctional audit behaviour is found not to significantly influence audit quality. This implies that when auditors engage in dysfunctional audit behaviour, it does not impair the quality of audits. This is quantitative research conducted in Indonesia among 50 selected auditors. The sample size is too small and therefore it is difficult to generalize the findings. Future research should therefore expand the sample size to determine whether the outcome will be the same.

More recently, Asriningpuri and Gruben (2021) found dysfunctional audit behaviour to have a detrimental effect on the quality of audits. The qualitative research method was adopted in this research and data was collected by way of structured interviews administered to four participants employed at Chris Hermawan Public Accountant Firm. This research has weaknesses which include the study's use of only one accounting firm. It is important for future studies to include other auditing firms to enhance the generalizability of the research.

2.5 Theoretical Review

Prior studies on the phenomenon of dysfunctional audit behaviour were conducted from several theoretical lenses. Among the dominant theories used is the attribution theory which was heavily relied on to understand both the internal and external factors that lead to an auditor's acceptance of dysfunctional audit behaviour (Majid & Asse, 2018; Jaya et al., 2018; Riandanu & Jalil, 2018; Nadi, 2020; Putu et al., 2020). Another theory that has been predominantly applied by researchers to understand the phenomenon of dysfunctional audit behaviour is the theory of reasoned action (Khan et al., 2013; Kusumastuti, 2014; Janie & Isgiyarta, 2019). Yet again other researchers employed the stress theory (Umar et al., 2017; Amiruddin, 2019; Prabangkara & Fitriany, 2021). Although these theories provided crucial insights into the phenomenon of dysfunctional audit behaviour, the application of the S.C.O.R.E model in this study gives a great insight into dysfunctional audit behaviour as well as provides a different dimension to this phenomenon.



2.5.1 Fraud Triangle Theory (FTT)

Most researchers employed the fraud triangle theory to understand the determinants of individuals' fraudulent behaviours (Dorminey et al., 2012). The fraud triangle theory was developed and predominantly used to understand the antecedents of fraud and fraudulent behaviours. The theory consists of three (3) constructs namely, pressure or stimulus, rationalization and opportunity. Pressure depicts the need to engage in dysfunctional acts ("have to"). Opportunity relates to the capacity to engage in dysfunctional acts with the belief that the act will not be discovered or penalized. Moreover, rationalization is the ability to justify a deviant act as ethically correct ("it's okay") (Dorminey et al., 2012). The results of extant literature indicate that the tendency of fraudulent and other forms of dysfunctional behaviours will be higher when all three elements of the fraud triangle theory are present (Dorminey et al. 2010; Dorminey et al. 2012). FTT was later developed further by Wolfe and Hermanson in 2004 to include capability and referred to as the Fraud Diamond Theory.

2.5.2 Fraud S.C.O.R.E Model

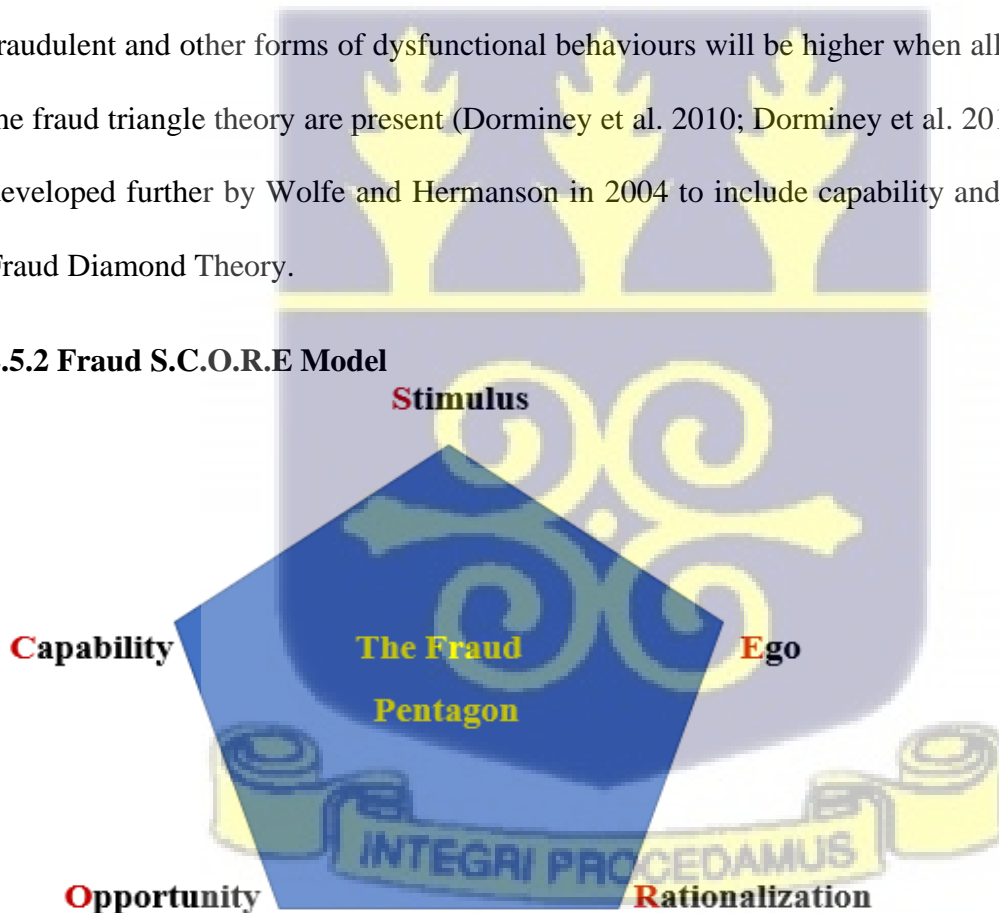


Figure 2.1: The Fraud S.C.O.R.E Model

The fraud S.C.O.R.E Model was propounded by Vousinas in 2019 as an extension of the fraud diamond theory by including an extra construct referred to as ego. This model is a variant of the fraud pentagon theory. He argued that egoistic individuals want to maintain their status in society at all costs and as such, they are likely to engage in deviant acts such as fraud. Thus, egoistic individuals are power conscious and always crave to be regarded as important.

2.5.2.1 Pressure

In the research by Cressey (1953), pressure was regarded as the incentive that propels individuals to engage in fraudulent behaviours. He argued that when individuals are under severe pressure, the tendency to engage in wrongdoing is high. According to Vousinas (2019), Stimulus refers to pressure, both financial and non-financial that individuals encounter that influences them to commit fraud. This pressure may be internal such as the pressure that emanates from the need to attain a particular set standard, frustrations that involve the environment within which the individual work etc. Sujeewa et al. (2018) suggest that at the workplace, management and employees alike can be under huge pressure or offered incentive to engage in various acts of wrongdoing. For instance, promotion and remuneration which are significantly based on an individual's performance may influence them to manipulate results or compel others to do so.

Moreover, the source of the pressure can be external such as the pressure from home as a result of the need to meet a particular financial obligation among others. Individuals who are under pressure explore shortcuts and quick options to resolve issues or perform their tasks and eventually engage in deviant acts as it becomes an attractive alternative (Omar & Mohamad Din, 2010). Furthermore, pressure can emanate from unrealistic expectations at the workplace or outsiders like investors.

2.5.2.2 Opportunity

Opportunity relates to weaknesses in the control system in organizations that can easily be explored by employees when they are in a position with a certain degree of power and ability to engage in fraudulent behaviours (Rasha & Andrew, 2012). Thus, opportunities arise when the systems that are put in place to detect and prevent fraud and wrongdoing are in themselves weak. According to Hooper and Fornelli (2010), when employees are faced with extreme pressures, they may not engage in wrongdoing unless an opportunity exists. Thus, ineffective or non-existent controls such as lack of segregation of duty and poor supervision among others can influence individuals to engage in wrongdoing.

Furthermore, Moyes et al. (2005) argued that among the opportunity risk factors is the issue of related party transactions. For instance, when an auditor has a close association with key management personnel in the client's business, it creates a breeding ground for fraud and other forms of deviant behaviours. Moreover, according to Zaki (2017), opportunity depicts the existence of a suitable environment to commit fraud. Sujeewa et al. (2018) argued that, although pressure creates the motive to commit fraud, employees who engage in fraud also perceive the opportunity to do so without detection.

2.5.2.3 Rationalization

According to Abdullahi and Mansor (2018), rationalization refers to the belief or the mindset that an individual possesses that the unethical behaviour he or she engaged in is something else rather than an act that is detrimental to the organization. Moreover, they suggested that individuals who engage in fraudulent behaviours cannot proceed without obtaining an appropriate justification for

their unethical behaviours. According to Cressey (1953), rationalization is not an afterthought when an individual engages in wrongdoing, however, it is a prerequisite and necessary before wrongdoing occurs. An Individual who engages in wrongdoing needs an appropriate justification to resolve the conflict between his or her action and society's norms (Trompeter et al., 2013 as cited in Vousinas, 2019). Rationalization is important as it enables the perpetrators to view their wayward behaviours as intelligent acts and still hold themselves as trustworthy (Sujeewa et al., 2018). Rationalization involves minimizing the cognitive dissonance experienced by individuals after engaging in an activity or behaviour that violates legal, ethical or societal norms (Desai, 2020). Thus, it involves downplaying the severity of the wrongful act.

2.5.2.4 Capability

Wolfe and Hermanson (2004) argued that in addition to the three factors proposed by Cressey (1953) that influence individuals to engage in fraudulent behaviours, such behaviours are unlikely to occur unless the potential perpetrators can engage in such acts. According to Vousinas (2019), capability can be defined as the personal traits and abilities that determine the tendency of fraudulent activity to occur in the presence of pressure, rationalization and opportunity. A lot of cases of fraud that led to most corporate failures would otherwise not have happened without the right individuals who possess the right capabilities that enable them to engage in such acts (Vousinas, 2019). According to Sukmadilaga et al. (2022), individuals with the capability can recognize the opportunity to engage in fraud and turn it into reality. Moreover, DeBlanc (2015) also suggests that individuals with capability are the most trusted in organizations as they often hold important positions and are usually among the last persons to be suspected during an investigation into wrongdoing in an organization.

2.5.2.5 Ego

According to Awang et al. (2020), ego is a kind of social pressure to maintain a good reputation in the sight of colleagues and the general public. Some cases of fraud provided evidence that proves that individuals with ego often reject the notion of failure by engaging in unethical behaviours (Awang et al., 2020). Vousinas (2019) argued that individuals who have strong egos have a high tendency of engaging in wrongdoing due to their quest to maintain their position and status at all costs. Therefore, the pursuit of self-interest is a primary threat to the objectivity of auditors (Shafer et al., 2013). Moreover, Vousinas argued that the ego of the perpetrators appeared to be a common factor in fraud cases in recent years. Moreover, Stotland (1977) posits that one of the primary reasons why individuals engage in wrongdoing includes deception, and collusion among others includes a sense of superiority and mastery over systems and situations. Furthermore, Pedneault et al. (2012) espoused that people who engage in wrongdoing often possess strong egos and confidence that make them believe that their acts of wrongdoing will go undetected.

2.6 Conceptual Framework

This framework presents a pictorial view of the entire research and assists the researcher to achieve the objectives of the research. This framework was developed based on the S.C.O.R.E Model (Vousinas, 2019) as had been used in some recent studies on employee wrongdoing. Thus, the conceptual framework indicated below in Figure 2 shows the relationships among the research constructs. The S.C.O.R.E. model is an essential model adapted in this study to describe the factors that influence auditors to engage in dysfunctional behaviours in the course of an audit engagement. Therefore, the study predicts that the pressure to meet the time budget during the audit, opportunity, rationalization, capability and ego of the auditor tend influencing the auditor's

dysfunctional behaviour. Unlike prior studies, however, this study argues that auditors engaging in dysfunctional behaviours also depends substantially on the auditor's ethical values. As such, the study conceptualizes ethical values not to influence auditors to engage in wrongdoing irrespective of the pressure they face to complete the audit on time, capability, ego, opportunity and the tendency to rationalize wrongdoing. Therefore, the framework also predicts the moderating role of ethical values in the relationship between time budget pressure, rationalization, opportunity, ego, capability and dysfunctional audit behaviour.

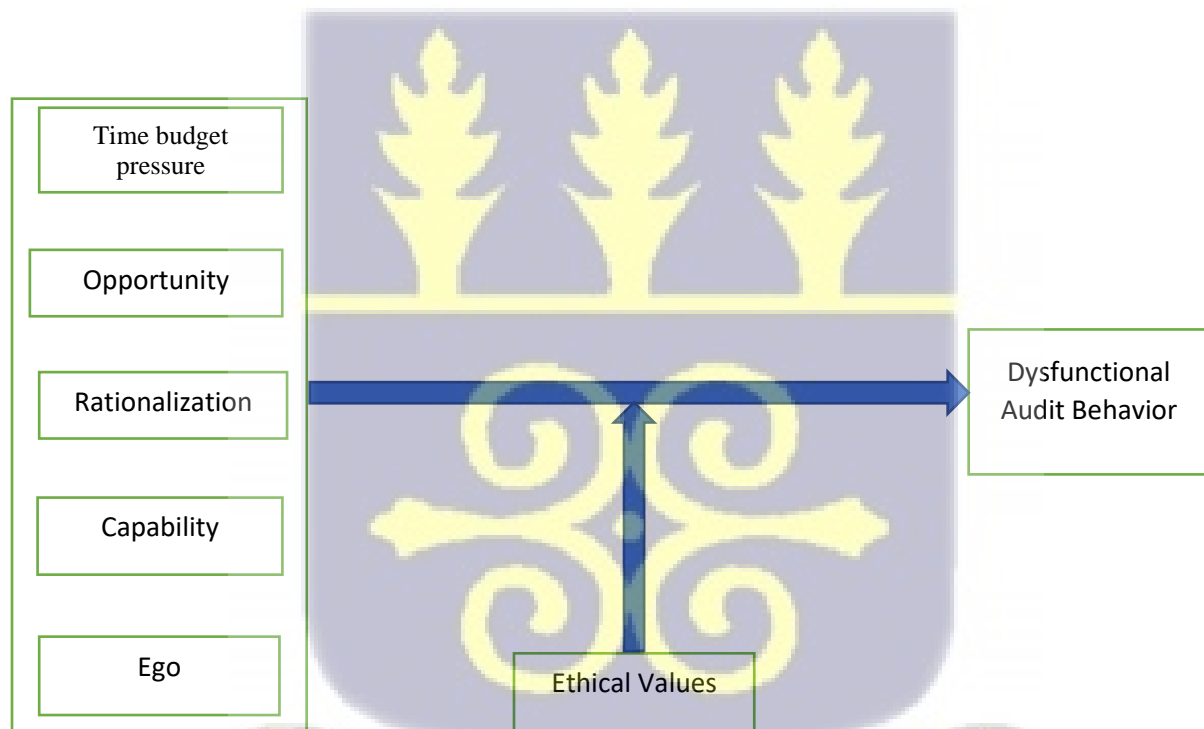


Figure 2.2: Conceptual Framework

Based on the above conceptual framework, the following hypothesis are developed:

H₁: Time Budget pressure has a significant and positive relationship with dysfunctional audit behaviour

H₂: Opportunity has a significant and positive relationship with dysfunctional audit behaviour

H₃: Rationalization has a positive and significant relationship with dysfunctional audit behaviour

H₄: Ego has a positive and significant relationship with dysfunctional audit behaviour

H₅: Capability has a positive and significant relationship with dysfunctional audit behaviour

H₆: Ethical values have a significant and negative relationship with dysfunctional audit behaviour

2.7 Hypothesis Development

2.7.1 Time Budget Pressures and Dysfunctional Audit Behaviour

Mangiwa et al. (2017) espouse that since the timely completion of audit assignments is a key metric in assessing the performance of auditors and those who fail to meet deadlines hardly get promoted, it can therefore result in auditors truncating the audit procedures to keep the audit within the time budget for the audit procedure. Thus, time budget pressure is one of the perceived pressures that auditors face which could have a detrimental effect on the conduct of audits. Thus, pressure in the context of this research explains the stressful condition that is imposed on auditors to complete an audit on time. It is an undeniable fact that the audit profession is a stressful one with a heavy workload and auditors are often expected to meet tight deadlines. Auditors often are required to complete the audit engagement within a given period. Time budget pressure is associated with limited time given compared to the voluminous work to be performed (Coram et al., 2003). The mismatch between the time assigned and the work to be performed results in auditors speeding up the audit procedures which often leads to poor work done and effectively impairs the quality of the audit (Ong et al., 2022).

Previous studies found that when there is high time budget pressure, the tendency that auditors will exhibit dysfunctional behaviour is high (Sari et al., 2016; Balasingam et al., 2019; Yessie, 2021). This is a result of the pressure to work within the stipulated time and not exceed time budgets during audits. This suggests that the quality of the audit may be at risk in situations where the time budget faced by the auditor is immense.

Time budget pressure can be regarded as a situation where an auditor is under intense pressure to complete the audit of the client within a particular period (Said & Munandar, 2018). According to Sayed Hussin et al. (2017), time budget pressure occurs when the budgeted hours given to complete an audit is less than the actual hours needed. Auditors can respond in one of two ways when they encounter time budget pressure; work more efficiently and effectively spending several hours working overtime to meet the time budget or work within the time budget by accelerating the audit procedures or not performing procedures they deem not necessary. The latter can reduce the quality of the audit. Asare et al. (2015) posit that time and fee budgets can result in auditors minimizing costs by undertaking a reduced level of audit testing quantitatively or quality wise which can eventually impede the audit quality. However, the findings of the study from Zakaria et al. (2013) revealed that time budget pressure does not influence dysfunctional behaviour among auditors in Malaysia's big audit firms.

Imposing strict time deadlines on auditors during audits may result in them engaging in dysfunctional audit behaviours which may eventually result in minimal audit quality (Paino et al., 2010). This is because auditors are generally appraised and their career development is often linked to their ability to efficiently audit clients within the time given (Syam et al., 2017). This can result in the acceptance of weak explanations by clients or curtailing audit procedures necessary to obtain

sufficient appropriate audit evidence during audits and can affect the opinion given by the auditor (Zakaria et al., 2013).

Zakaria et al. (2013) espouse that as auditors work under pressure to meet deadlines, it can stifle creativity or even prevent them from acting appropriately to follow the necessary procedures. Moreover, auditors in a bid to achieve time budgets, spend long hours on audit assignments which can lead to the high tendency of such auditors to change jobs and ultimately engage in dysfunctional audit behaviours (Anugerah et al., 2016). Time budget pressure curtails the auditor's predisposition to make ethical decisions (Koh et al., 2018). Time budget Pressure is a major factor that can lead to dysfunctional audit behaviours among auditors as it propels them to take shortcuts (Nehme, 2013; Svanberg and Öhman, 2013; Svanström, 2016). The audit industry is characterized by intense competition and as such tighter time budget is a consequence. Therefore, the study hypothesizes that:

H₁: Time Budget pressure has a significant and positive relationship with dysfunctional audit behaviour

2.7.2 Opportunity and Dysfunctional Audit Behaviour

As earlier indicated, the fraud S.C.O.R.E model is used to underpin the research. Consistent with the S.C.O.R.E model, this research espouses that when an opportunity exists at the workplace due to control systems weaknesses, it can facilitate dysfunctional audit behaviour. Auditors' ability to engage in dysfunctional acts is dependent on the available opportunity, which can be reflected in weak controls systems available such as a lack of review procedures, monitoring etc. Accordingly, an opportunity exists when there is a lack of controls, the ability to override existing controls and

a lack of appropriate policies to govern the conduct of employees at the workplace among others (Thanasak, 2013). Thus, this opportunity is created as a result of a weak system of controls in the firm and in a worse case, when such controls are non-existent.

Adeoti et al. (2020) argue that employees are likely to exploit loopholes in the regulations and policies of the organization as it presents them with an opportunity to engage in dysfunctional behaviours to achieve their personal goals at the expense of the organization. Dysfunctional audit behaviours may also arise as a result of the absence of audit firms having relevant policies to guide auditors in the discharge of their duties or lack of supervision during the audit engagement. For instance, Mohd et al. (2016) and Yuen et al. (2013) suggest in their respective studies that dysfunctional audit behaviour may also be the result of a lack of supervision of an engagement team member while undertaking an audit procedure during the audit.

According to the extant literature, opportunity is a crucial factor that influences individuals to engage in fraudulent behaviours and other forms of dysfunctional behaviours at the workplace which is primarily a consequence of the absence of control systems or weak controls (Albrecht et al., 2010; Kassem et al., 2012; Dellaportas, 2013). Moreover, in situations where control systems are strong, that is, when the required procedures and processes are devoid of ambiguity, the tendency to engage in dysfunctional behaviours is less (Liu, Wright, & Wu, 2015). Mohd et al. (2016) investigated the factors that influence an auditor's dysfunctional behaviour and the result shows that when there is poor supervision during an audit assignment, the tendency of the auditor prematurely signing off the audit is high.

Moreover, some scholars conducted studies to understand the influence of control systems on dysfunctional behaviours among auditors. For instance, Malone and Roberts (1996) conclude that strong control and review procedures during an audit reduce the occurrence of dysfunctional audit

behaviours. According to Paino et al. (2011), audit review effectiveness is negatively associated with the frequency with which auditors engage in dysfunctional audit behaviours. Thus, this study provides empirical support that a strong control system during the audit is related to a lower tendency of auditors to engage in dysfunctional behaviours. This is because, when auditors perceive that the control systems are strong, there is a lower likelihood that they will engage in dysfunctional audit behaviours for fear of detection. Therefore, the study hypothesizes that:

H₂: Opportunity has a significant and positive relationship with dysfunctional audit behaviour

2.7.3 Rationalization and Dysfunctional Audit Behaviour

Rationalization refers to a situation whereby an individual legitimizes an act or behaviour that is contrary to the norm (Slezak, 2013). For instance, auditors who alter audit procedures or prematurely sign off the audit may have the opinion or try to justify their decisions and actions as are in the best interest of the audit firm or the client. According to Said et al. (2017), rationalization occurs when an individual's ability makes him or her misinterpret his or her deviant acts or behaviours as ethically correct. Kula et al. (2011) reveal that rationalization is a major cause of deviant behaviours at the workplace. Rationalization enables persons who do not follow the required standards and rules while performing their duties to continue to uphold themselves as moral and competent (Troy et al., 2011).

Prior to wrongdoing, an individual convinces himself or herself that an action he or she is about to take will not be detrimental to his or her reputation or endanger the organization and therefore the deviant act is morally acceptable (Schnatterly et al., 2018). Moreover, Schnatterly et al. (2018) espouse that, individuals rationalize wrong acts by believing that "everyone is doing it". To

conclude, the study indicates that when auditors rationalize their wrong decisions as ethically correct, the tendency to engage in dysfunctional audit behaviours will increase. Therefore, the research hypothesizes that:

H₃: Rationalization has a significant and positive relationship with dysfunctional audit behaviour

2.7.4 Ego and Dysfunctional Audit Behaviour

Individuals care about others' opinions of them because of their ego. Individuals develop their reputation and status in life over time and they do everything possible within their means to maintain it. Vousinas (2019) argues that people do not want to lose their status in society especially one of power. They may or may not engage in some behaviours and activities just to maintain that status (Vousinas, 2019). On the positive side, individuals who want to maintain their status may avoid engaging in behaviours that can destroy their hard-earned reputation and integrity. Such people are less likely to engage in unethical practices. However, others may use unapproved means to maintain their status. This may include extreme behaviours such as fraud.

According to Vousinas (2019), egoistic individuals want to maintain their status in society and therefore might engage in wrongdoing. Ego as an important determinant of fraudulent behaviours was emphasized in the studies of Crowe (2011) and Yusof et al. (2016) and recently reinforced by Vousinas (2019). Primarily, Crowe (2011) and Yusof et al. (2016) categorized ego as a component of arrogance that influences individuals to engage in unethical behaviours. Vousinas (2019) suggests that in situations where individuals have power over others and processes, they may use all possible ways that include unlawful means to accomplish a particular task. He further posits that individuals who engage in various dysfunctional acts such as fraud predominantly do so to

maintain their ego and sense of pride. Individuals who undertake unethical behaviours without detection often hold the opinion that they are superior to others. They continually engage in such behaviours to boost their ego (Vousinas, 2019). Therefore, the research hypothesizes that:

H₄: Ego has a significant and positive relationship with dysfunctional audit behaviour

2.7.5 Capability and Dysfunctional Audit Behaviour

According to Wolfe and Hermanson (2004), a person's capabilities are the traits and abilities that an individual possesses that enable them to engage in various forms of deviant behaviours such as fraud. They argue that in addition to opportunity, pressure and rationalization of the fraud triangle, dysfunctional behaviours are unlikely to occur unless the potential perpetrators can engage in such acts without detection. Among these traits are the functions performed by individuals within an organization that may provide them with the ability to exploit available weaknesses in the operations of the organization. Moreover, such individuals have great confidence that the deviant acts that they commit will not be detected and even if peradventure it was detected, they can easily deal with the consequences (Wolfe and Hermanson, 2004). Furthermore, such individuals can coerce others to conceal or commit deviant acts (Baz et al., 2015). A study conducted by Popoola et al. (2016) reiterated the stance of Wolfe and Hermanson's (2004) fraud diamond theory by arguing further that, individuals who engage in wrongdoing often possess peculiar skills, mindsets and knowledge that make them able to commit such deviant acts.

Thus, cases of fraud and other forms of dysfunctional behaviours are usually perpetuated by individuals who have a high degree of influence in the workplace. The importance of capability as a construct of the fraud S.C.O.R.E model in explaining dysfunctional behaviours cannot be

overemphasized because even though the existence of opportunity opens the gateway to employees engaging in various fraudulent acts, the person must be capable of recognizing the door that is opened to take advantage of it. Therefore, just recognizing the existence of the opportunity is insufficient to engage in dysfunctional audit behaviours unless the person is well-positioned to benefit from such an opportunity. Therefore, the research hypothesizes that:

H₅: Capability has a significant and positive relationship with dysfunctional audit behaviour

2.7.6 Ethical Values and Dysfunctional Audit Behaviour

Over the years, several professional associations have developed ethical codes that govern their members and help shape their ethical stances and inform their actions and behaviours. Prior studies suggest that individuals who engage in acts of wrongdoing at the workplace do so because they lack ethical values or do not respect the codes of ethics that govern their profession (Said et al., 2017; Komalasari et al., 2018). It must be emphasized therefore that individuals who possess strong ethical beliefs do not usually engage in acts of wrongdoing (Awang & Ismail, 2017; Said et al., 2017).

The sensitive nature of the audit work demands that auditors possess strong ethical values and it is on this basis that the regulatory bodies issue code of ethics to govern their members (Alabede, 2012). Ambrose et al. (2008) refer to ethical values as the values held by individuals and firms concerning what they consider to be right and wrong. Moreover, Irianto et al. (2009) define ethical values to mean complying with organizational procedures and policies. According to Said et al. (2017), employees with strong ethical values may not engage in wrong acts given that they strongly hold onto those sound values. Haron et al. (2011) posit that the existence of strong ethical values

among employees can curtail dysfunctional behaviours in organizations. Andreoli and Lefkowitz (2009) reveal that ethical values can be enhanced by strengthening a set of ethical codes, strategic management support and training among others. According to prior studies, ethical values can minimize the tendency of employees to engage in unethical practices such as fraud (Dikolli, 2012; Said et al., 2017). Accordingly, the study hypothesizes that:

H₆: Ethical Value has a significant and negative relationship with Dysfunctional Audit Behaviour.

2.7.6.1 The Moderating Role of Ethical Values

According to Sujeewa et. al (2018), the tendency of an individual to engage in wrongdoing can be curtailed when such a person possesses strong ethical values given that such individuals believe strongly in what is right and wrong. Moreover, according to a study conducted by Said et al. (2017) in an attempt to integrate ethical values in the fraud triangle, it was revealed that individuals with high ethical values are unlikely to engage in wrongdoing. This implies that high ethical values can remedy wrongdoing by individuals.

According to Chen et al. (2013), employees who lack ethical values tend to accept bribes and engage in corrupt practices at the workplace. Furthermore, in a study conducted by Mathenge (2014) to investigate the role that ethical values played among workers in the enforcement industry due to their high level of exposure to corruption, it was revealed that the employees who possess strong ethical values did not accept bribes or engage in acts that are against their code of conduct while performing their responsibilities. Therefore, the study argues that even in the presence of the proposed factors such as time budget pressure, capability, opportunity, rationalization and ego,

when the auditor possesses strong ethical values, he or she is unlikely to engage in dysfunctional audit behaviour. The following Hypotheses are therefore formulated:

H_{6a}: Ethical values moderate favourably the relationship between time budget pressure and dysfunctional audit behaviour such that the positive relationship will change to negative

H_{6b}: Ethical values moderate favourably the relationship between opportunity and dysfunctional audit behaviour such that the positive relationship changes to negative

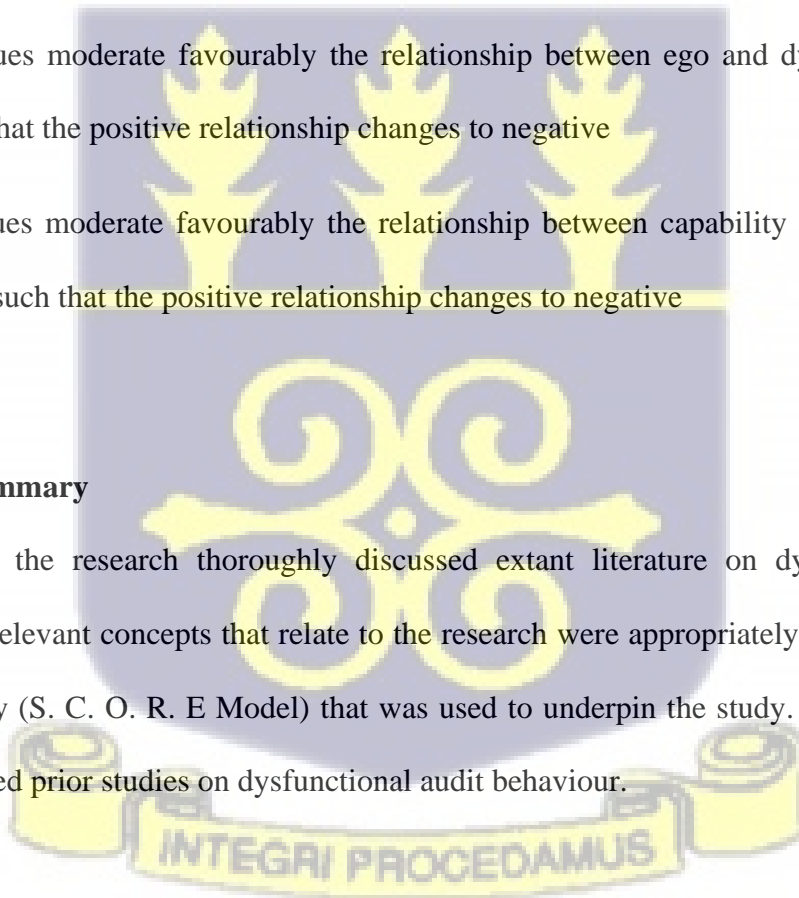
H_{6c}: Ethical values moderate favourably the relationship between rationalization and dysfunctional audit behaviour such that the positive relationship changes to negative

H_{6d}: Ethical values moderate favourably the relationship between ego and dysfunctional audit behaviour such that the positive relationship changes to negative

H_{6e}: Ethical values moderate favourably the relationship between capability and dysfunctional audit behaviour such that the positive relationship changes to negative

2.9 Chapter Summary

This chapter of the research thoroughly discussed extant literature on dysfunctional audit behaviour. The relevant concepts that relate to the research were appropriately discussed as well as the key theory (S. C. O. R. E Model) that was used to underpin the study. Finally, the study critically reviewed prior studies on dysfunctional audit behaviour.



CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter of the research provides detailed insight into the procedures, tools and methods that were employed by the researcher to ensure that the research objectives are achieved. This chapter discusses the research paradigm that the researcher adopted, the unit of analysis that the study considers, the population and the sample size as well as the procedure used for the sampling. Thereafter, the data source and type were discussed as well as a description of how the constructs used for the research were measured among other things. The technique used for the data analysis was also discussed.

3.1 Research Paradigm

According to Alharahsheh and Pius (2020), a paradigm is made up of different components such as ontology, epistemology, methodology and methods. The various paradigms such as positivism, interpretivism and critical realism among others consist of different and often opposing philosophical assumptions about knowledge (epistemology) and reality (ontology) that ultimately guides the selection of a specific research methodology in the conduct of the study (Maree, 2012; Mouton, 2012).

Jonker and Pennink (2010) defined a research paradigm as a set of beliefs and assumptions that indicates the perception of the researcher about the social world. Neuman (2011) espouses the need for studies to be premised on fundamental philosophical assumptions by paying close attention to the nature of the study, the existing evidence and the tools or techniques used in conducting the

research. This study adopts the positivism research paradigm as it is the most appropriate to provide an objective insight into the phenomenon of dysfunctional audit behaviour.

3.2 Research Design

According to Creswell and Plano Clark (2007), the research design consists of various procedures and processes the researcher adopts to gather the required data, analyze the data, and subsequently interpret and report on the research findings. Thus, the research design provides a framework that assists researchers to adopt the most appropriate methods and procedures to ensure efficient collection and analysis of research data for the study. It is geared towards achieving the stated research objectives. The research design provides the researcher with a well-planned structure that details the different aspects of the research such as data collection, measurement and analysis necessary to achieve the research objectives. Thus, it is the strategy of the researcher adopted to ensure the research objectives are met. According to Robson (2002), there are three kinds of research designs that researchers can adopt depending on what the research seeks to achieve namely, descriptive, explanatory and exploratory research designs. This research is quantitative research and therefore the study was designed to appropriately suit that approach.

3.3 Unit of Analysis

The unit of analysis relates to the research subject to which the study phenomenon relates. It usually takes three forms such as the individual level otherwise known as the micro level, the firm level (meso) or the country level (meta-level). This research was conducted at the individual level and the focus of the study was primarily on individual auditors employed in the various audit firms

across Ghana. Thus, the study provided insight into the determinants of dysfunctional audit behaviour by collecting the data from the perspective of individual auditors.

3.4 Population and Sample Size

The research population consists of entire groups of items or elements which are very essential to the study and about which the researcher wants to conclude and out of which the sample is drawn (Hair, 2011; Saunders, Lewis & Thornhill, 2012). Dysfunctional audit behaviours are detrimental behaviours that often occur in the course of an audit and can ultimately affect the quality of the audit conducted. Therefore, the best population from which to draw the sample size must be independent auditors who are currently practicing in the field of auditing. This comprises auditors at different hierarchical levels in audit firms such as junior auditors, associates, and senior auditors among others.

According to Adam (2020), the minimum sample size for a population above 100,000 at a 95% confidence level is at least 383 whereas Israel (1992) provided a threshold of 400 sample size for a population above 100,000. Concerning the sample size, a total of 411 usable responses were received from the questionnaires administered which were more than the thresholds provided by both Adam (2020) and Israel (1992). This research aims to enhance the generalizability of the findings and therefore considered auditors working in small, medium and large audit firms. A common limitation identified in most prior studies as shown in the previous chapter was the focus solely on auditors of the big four audit firms.

3.5 Sampling Technique

The research sample is representative of the entire population of the research subject and the technique used in choosing the appropriate sample is the sampling technique (Taherdoost, 2018). Sampling assists the researcher to make inferences concerning the population in situations where it is impracticable to investigate the whole population. Selecting an appropriate sampling technique is key to any research as it helps to select the sample that reflects the features of the entire population. There are various sampling techniques that researchers can adopt in research and they can generally be categorized into probability and non-probability sampling methods. Probability sampling techniques are usually preferable in quantitative research since it offers each population item an equal chance for selection as compared to non-probability techniques which do not. Probability sampling methods minimize biases in research although they can be costly (Taherdoost, 2018). Among the common probability sampling techniques often used in studies include simple random, cluster and stratified sampling techniques among others. Non-probability sampling techniques include purposive and convenience sampling among others.

The sampling for this research was done in two phases. At the initial phase, the researcher adopted the classification of licensed audit firms by the Institute of Chartered Accountants Ghana (ICAG) as a reference point to ensure that all auditors working in the 329 licensed audit firms across the country were considered. The researcher then drew a sample of firms from each category or strata by the ICAG that range from A1 to E using a simple random sampling technique and questionnaires were then administered to individual auditors in the selected audit firms.

3.6 Data and Sources of Data

This research employs primary data as the most suitable data source to achieve the objectives of the study. According to Nicholson and Bennett (2013), primary data helps the researcher to obtain firsthand data from the respondent on the research phenomenon to achieve the objectives enumerated in the research. The study gathered data through close-ended questionnaires that were administered to individual auditors to obtain their objective opinion and solicit appropriate responses to the research questions. The questionnaire as a data collection tool is particularly important as it enables the study to provide a standardized measurement of the data obtained from a relatively large sample.

3.7 Questionnaire Design

The survey instrument contains a series of questions that were well-designed and constructed to assist the researcher to obtain objective and candid responses from the research respondents to achieve the study's objectives. The questionnaire was categorized into two main parts. The first part of the questionnaire sought to obtain relevant data on the demographic characteristics of the research respondents that includes data on age, gender, years of work experience in the current audit firm, as well as the current job title. The second half solicited information from the respondents with regards to their opinion of or reaction to each of the variables that are under study in this research, i.e., dysfunctional audit behaviour, time budget pressure, opportunity, rationalization, ego, capability and ethical values. All the constructs were measured on a 7-point Likert scale that ranges from 1 (strongly disagree) to 7 (strongly agree).

An online version of the questionnaire was also developed using Google Forms. The respondents were provided with the link to the questionnaire mainly through their emails and in some cases

through WhatsApp messenger. This mechanism was adopted as an alternative to the self-administered questionnaires due to the concern raised by some of the respondents about the self-administered questionnaire due to the risk of the covid-19 pandemic. Thus, self-administered questionnaires as well as online version of the questionnaires were both used for the study. The questionnaire explains the study's objective and assures the respondents of the confidentiality and anonymity of the information that they provided.

3.8 Measurement of Study Constructs

According to Saunders et al. (2009), in designing a questionnaire, the researcher is faced with three main options. Thus, adopt questions from existing questionnaires in prior studies, adapt prior questionnaires used in previous studies, or develop a new set of questions. This study employed existing measurement scales that were used in prior studies to measure the various constructs. However, where appropriate, the scales were revised to situate them in the context of this particular research and assist in achieving the research objectives. The dependent construct (dysfunctional audit behaviour) was measured by adapting the scale used by Olilingo & Putra (2021). Furthermore, with respect to the constructs, opportunity, rationalization and ethical values, the study adapts the measurement scale used by Said et al. (2017). Time budget pressure is also measured by adapting the scale used by Johari et al. (2022). Also, the study employs the measurement scales of Koomson et al. (2020) and Crocker et al. (2003) to measure capability and ego respectively.

3.9 Ethical Considerations

Ethical considerations are very essential when conducting research and must be appropriately addressed. This section of the research deals with the basic ethical concerns that the study will address as a result of the sensitive nature of the research phenomenon under investigation. According to Creswell (2003), the researcher must ensure that the rights of the respondents are safeguarded. For instance, the participants have the right to know the reason for conducting the study to decide whether to participate or not as well as the person conducting the study. Therefore, the questionnaire was designed in a manner to preserve the anonymity of the respondents. Furthermore, ethical clearance was obtained from the university.

Furthermore, prior to administering the questionnaires, the researcher obtained approval for the questionnaire from the Ethics Committee for the Humanities (ECH) of the university. The researcher ensured that the duly process was followed and ethical clearance was obtained as the ECH was satisfied that the research would be conducted ethically.

3.10 Pilot Study

Hassan et al. (2006) suggest that a pilot study is an important phase of research as it aids the testing of the research instrument used to gather the data and the sample recruitment technique adopted among others. Moreover, it is done so that the researcher becomes familiar with the procedures for the research and ultimately assists in the choice of competing methods such as administering questionnaires or conducting interviews. Conducting a pilot study before the main study can be a cumbersome process and is considered unnecessary sometimes due to time constraints. However, it is very risky not to conduct a pilot study no matter how well-planned the study is due to unforeseen difficulties that could arise (Hassan et al., 2006).

3.11 Pilot Testing of Questionnaires

A major step in developing a questionnaire before administering it to the respondents is the pre-testing of the questionnaire which is performed to test its validity and reliability. The research questionnaire was piloted to ensure that it reflected accurately the study's objectives and help address the research questions. Moreover, the pre-testing of the questionnaire was done to ascertain whether the questions were well-defined, appropriate and can easily be comprehended by the respondents (Bryman & Bell, 2011). According to Ikart (2019), testing the questionnaires to be used in the research in advance is important because it enhances the structure, content and sequence of the questionnaire. Initially, the responses from twenty (20) prospective participants were used to pre-test the questionnaire. The respondents were auditors with varying degrees of professional experience.

The pilot was aimed at ascertaining the level of understanding of the respondents, eliminating ambiguous questions, determining the time that is needed to complete the questionnaire and the respondents' interest in the research. Based on the feedback received from the respondents, it was clear that the questions were straightforward and well-understood although some minor modifications were equally needed. The suggestions and feedback received from the pilot testing were then incorporated and the questionnaires were revised accordingly to enhance the quality of the data collected. For instance, some of the participants drew the attention of the researcher to the fact that whereas most of the response scales range from "strongly disagree" to "strongly agree" there was a question that had its scale reversed from "strongly agree" to "strongly disagree". This was a source of confusion and therefore the scale was subsequently adjusted for consistency. The questionnaire was mainly categorized into two sections; demographic information and dysfunctional audit behaviour.

3.12 Pilot Testing of the Study

Pilot testing of the research was done to determine the feasibility of the study. Thus, the cost that is likely to be incurred during the study and potential obstacles and huddles that are likely to be faced during the research is discovered in time to put appropriate measures in place. The pilot study helps to enhance the research design before the commencement of the full-scale research work.

A total of 100 questionnaires were administered and only 83 were eventually received for the pilot study. The result of the pilot study indicates that the study's model was both valid and reliable as all the validity and reliability thresholds were achieved. The results from the pilot study indicated that the factors proposed to influence dysfunctional audit behaviour accounted for 33% of the variability in dysfunctional audit behaviour. Furthermore, the pilot study did not identify any multicollinearity problems as VIF values were lower than the threshold suggested by scholars.

3.13 Administration of Questionnaire

Questionnaire administration to respondents is considered a key step in the entire research process. According to some scholars, the administration of questionnaires can harm the response rate if not done properly (Bryman & Bell, 2011; Cooper & Schindler, 2008; Collis & Hussey, 2009). This aspect of the study explains how the questionnaire was administered; the challenges encountered and the duration of data gathering. The researcher administered the questionnaires to the individual auditors working in various auditing firms. Consent was obtained from the relevant authorities of the audit firms. However, in some cases permissions were not given. A total of 411 usable questionnaires were received from the respondents.

Administering questionnaires can take several forms such as face-to-face, email, postal mail and other electronic means such as telephone calls among others (Shafer et al., 1999; De Vaus, 2002). It must however be noted that each of the various forms has its strengths and weaknesses and should be carefully considered before choosing the most suitable method. For instance, the self-administered questionnaire is cost-effective for survey research (Cooper & Schindler, 2008).

Prior studies on dysfunctional audit behaviour used the mailing lists obtained from their professional bodies while others approached the auditors at the firm's premises and encouraged them to participate in the study (Sweeney et al., 2010; Sweeney et al., 2013). One of the advantages of the latter involved the researcher's presence at the time of completion of the questionnaires to ensure that they are appropriately completed. This usually generates a fairly high response rate. Furthermore, most studies that were conducted with the respondents being auditors often used the audit firms where they are employed as a place to contact them due to the easy accessibility of the data (Shafer et al., 2013; Shapeero et al., 2003). This study does not administer the questionnaire through a mailing list because of the inaccessibility of that data and the mailing list available might not include new entrants who are yet to be registered with the professional body. Therefore, this study considers contacting the respondents through the audit firms where they are employed as the most appropriate and effective means of obtaining the research data.

However, in the course of administering the questionnaire, some challenges and concerns were raised by the respondents. Therefore, the study incorporated these important concerns to achieve the outcome of the study. One of the major issues raised by some of the auditors had to do with the physical administering of the questionnaires. They indicated that they prefer the online survey to the physical one due to the risk of the Covid-19 pandemic which was still lurking. The study adopted the online survey as an alternative to the physical surveys by designing google forms to

solicit for the data. Thus, both face-to-face and online means were used to administer the questionnaire.

3.14 Data Analysis Technique

Descriptive statistics of the data gathered were initially conducted and subsequently, inferential statistics were also performed. The descriptive statistics provide important insight into the features of the respondents and their responses to the various questions. Inferential statistics on the other hand assessed the research hypotheses and helped to predict the relationship among the research variables. The study employed the Statistical Package for the Social Sciences (SPSS) to perform the descriptive analysis that involved the numerical presentation of the participants' characteristics in a tabular form. The study then used the Partial Least Squares Structural Equation Modelling (PLS-SEM) approach to predict the relationships between the constructs. The SmartPLS software was used for this analysis.

3.15 Structural Equation Modelling

Structural Equation Modelling technique is a statistical tool that is employed in complex research models to evaluate the relationship between the observed variables and the unobserved variables known as latent variables (Stein et al., 2012). It is a framework that employs important techniques such as path and factor analysis, and regression among others to simultaneously solve linear equations. SEM combines two statistical techniques; path analysis and confirmatory principal component analysis. SEM as a technique enhances the efficiency in the determination of the measurement and structural models.

In recent years, the application of SEM has gained prominence because it's more comprehensive and provides a better analysis of complex models. Therefore, this research adopts SEM over the traditional data analysis tools because it's efficient in analysis complex models (Hoyle, 1995). SEM is a multivariate technique that is used to represent, estimate and test a network of relationships involving the observed and unobserved (latent) variables. According to Kline (1998), the two primary objectives of the SEM are to assist in understanding the relationship among constructs and provide an explanation of the variance among them. The two main SEM techniques are the Partial Least Square Structural Equation Modelling (PLS-SEM) and Covariance Based Structural Equation Modelling (PLS-SEM) techniques. The selection of the most appropriate SEM technique is dependent on the underlying statistical assumptions and nature of the data.

3.15.1 Covariance-Based Structural Equation Model (CB-SEM)

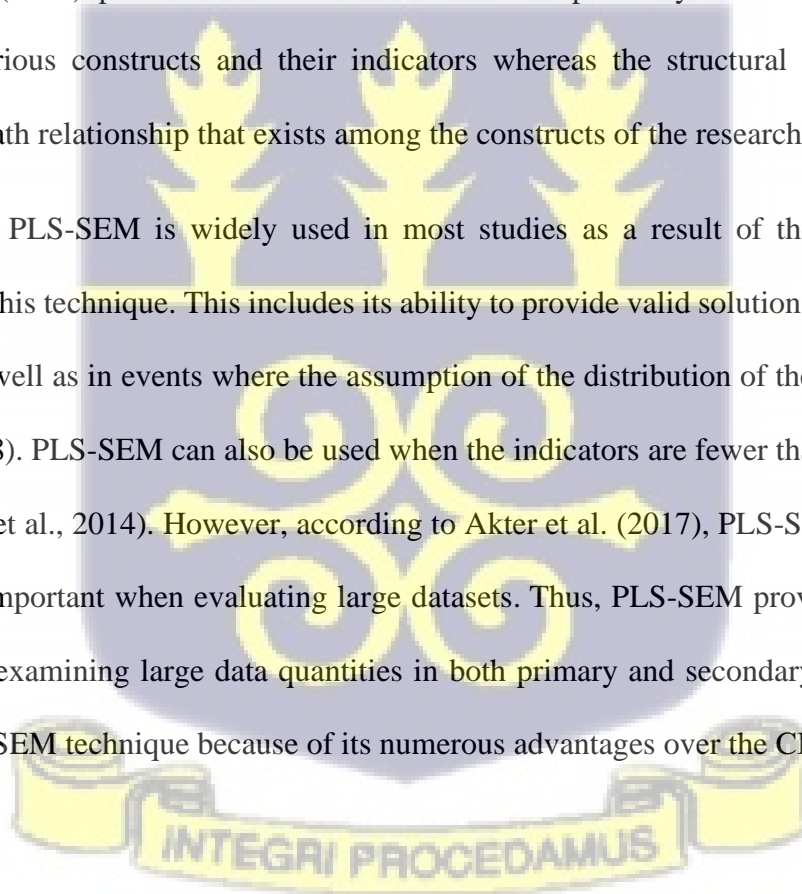
Hair et. Al (2010) espouse that the primary focus of the CB-SEM is to evaluate the model parameters that reduce the variance that exists between the estimated and theoretical covariances. Thus, the CB-SEM as an approach is predominantly employed in studies to affirm or reject theories (Hair et al., 2017). According to Hair et al. (2011), the CB-SEM technique uses a Maximum Likelihood Estimation (MLE) method and thus reduces the variance that exists between the observed and estimated covariance matrix by not concentrating on the explained difference. The CB-SEM as a technique entails initially specifying the theoretical model followed by data analysis (Binz et al., 2014). As such applying CB-SEM is most suitable to test and confirm models that have prior theories that are robust.

3.15.2 Partial Least Square Structural Equation Model (PLS-SEM)

According to Hair et al. (2018), PLS-SEM as a technique permits researchers to evaluate complex models that have several variables, indicators and structural paths. It does not impose assumptions on the data distribution. Moreover, PLS-SEM is a method of SEM that highlights prediction when estimating models in research that are designed to offer casual explanations (Hair et al., 2018). It provides predictive as well as explanatory analysis in path models. PLS-SEM is preferred to CB-SEM when prediction is the main aim of the research (Hair et., 2016).

The measurement and structural models are the two linear equations which define the path models. Henseler et al. (2016) posit that the measurement model primarily evaluates the association between the various constructs and their indicators whereas the structural model deals with specifying the path relationship that exists among the constructs of the research.

In recent years, PLS-SEM is widely used in most studies as a result of the several benefits associated with this technique. This includes its ability to provide valid solutions when the sample size is small as well as in events where the assumption of the distribution of the data is unknown (Hair et al., 2018). PLS-SEM can also be used when the indicators are fewer than three or greater than fifty (Binz et al., 2014). However, according to Akter et al. (2017), PLS-SEM is a technique that is equally important when evaluating large datasets. Thus, PLS-SEM provides considerable opportunity for examining large data quantities in both primary and secondary data. This study adopts the PLS-SEM technique because of its numerous advantages over the CB-SEM approach.



3.15.3 Guidelines for Selection of CB-SEM or PLS-SEM

Over the years, several researchers have proposed essential guidelines for selecting PLS-SEM and CB-SEM techniques to avoid inappropriate application of the techniques (Hair et al., 2012; Henseler & Chin, 2010). Among the factors considered for the appropriate application and selection of the particular technique include the objective of the study, the specification of the measurement model, thus either reflective or formative, the features of the data such as the data size, and the distribution of the data among others.

3.15.3.1 Objective of the Research

For the researcher to appropriately use either PLS-SEM or CB-SEM, he or she must clearly understand what the study seeks to achieve and how each technique can be used in research (Gefen et al., 2000). PLS-SEM is often used when the primary aim of the study is to predict or explain the constructs used in the research or to extend existing theories whereas CB-SEM is a SEM technique that is used in studies where the objective is to test theories or compare theories.

3.15.3.2 Reflective and Formative Constructs (Measurement Model Specification)

One of the criteria for selecting the appropriate structural equation modelling technique is the specification of the measurement model. It is either formative or reflective based on the directional relationship that exists between the variables and their indicators (Binz et al., 2014; Henseler & Chin, 2010). When the model is reflective, the construct is independent of the indicators that measure it. Thus, the variable is ultimately viewed as a product of the measurement items. The variance in the construct reflects the variance in the measurement items in reflective models. The

direction of the arrows of studies that indicate a reflective model often points towards the indicators from the variables of the study (Binz et al., 2014).

However, contrary to reflective constructs, with formative models, variances in the measurement items are what causes the variance in the construct. The construct is based on the individual indicators that are used to measure the construct. Thus, it assumes that the individual measurement items combine to form the construct. Therefore, with formative models, the arrows in the conceptual framework move from the measurement items to the construct (Coltmana et al., 2008). Therefore, an adequate insight into the nature of the construct is important for the researcher to choose the most suitable SEM technique for conducting the research. Some scholars argue that CB-SEM is only suitable for studies that employ reflective constructs whereas the PLS-SEM can work with reflective as well as formative constructs (Hair et al., 2012; Henseler & Chin, 2010).

Moreover, according to Hair et al. (2019), the preferred technique to be adopted when the structural model contains formative constructs is the PLS-SEM technique. Hair et al. (2017) espouse that the statistical significance of the measurement items, their convergent validity as well as the indicator collinearity are the main factors considered in assessing the formative models. Concerning constructs that are measured formatively, convergent validity is determined by estimating the construct's correlation with a different measure of the same concept (Hair et al., 2018). It is therefore very necessary to include in the questionnaire an alternative reflective measure of the construct that is formative in nature (Hair et al., 2018). According to Cheah et al. (2019), the alternative measure can either be a single indicator that explains adequately the construct notwithstanding the criterion validity limitations or multiple measurement items. According to Hair et al. (2017), when the construct is formative in nature, the correlation with its alternative single measurement item should be 0.70 or higher.

3.15.3.3 Data Characteristics and Algorithm

The researcher's understanding of the data is very important in selecting the most suitable SEM technique for the study. Most studies consider the sample size in the selection of the SEM approach (Hair et al., 2011). PLS-SEM is more suitable for studies with small sample sizes when the models are complex (Sarstedt et al., 2021). According to Sarstedt et al. (2021), a review of prior studies indicates that the number of indicators per variable is usually higher in PLS-SEM than in CB-SEM. CB-SEM is appropriate when the indicative items left after the internal consistency check are more than three but less than fifty. PLS-SEM is usually used when the distribution of the data does not satisfy the rigorous requirements of the parametric Structural Equation Model approach (Sarstedt et al., 2021). PLS-SEM is suitable for both parametric and non-parametric data because it does not make distributional assumptions. CB-SEM on the other hand assumes a normal distribution of the data. According to Reinartz et al. (2009), CB-SEM produces abnormal results when the data size is limited and not normally distributed. The complexity of the structural model is also a basis for determining the most suitable SEM approach to adopt. Sarstedt et al. (2021) argued that although much focus has been on the PLS-SEM suitability in using a relatively small sample size, it is equally important to emphasize that the technique is useful in evaluating large datasets.

3.15.3.4 Quality of the Structural Model

In selecting the most suitable SEM technique, the researcher must understand how both techniques analyze the quality of the structural model. Although generally, both approaches provide simultaneous analysis of the structural model, PLS-SEM and CB-SEM evaluate the quality of the

structural model differently. CB-SEM assesses the quality of the structural model by estimating the covariance matrix. According to Hair et al., (2011), CB-SEM is a SEM approach that reduces the variance between the theoretical and estimated covariance. Thus, the CB-SEM approach shows how the model fits the sample that was taken via the study's population.

On the contrary, PLS-SEM as a SEM approach is based on the explained differences that exist in the endogenous variables (Hair et al., 2014). The PLS-SEM method is most suitable when predicting relationships and in research where the focus is on building theories. This is because it gives parameter estimates that increase the variability explained in the dependent variable (Hair et al., 2011).

The PLS-SEM approach was used for this study to assess the structural relationships between the variables. This technique is suitable because the study aims to predict the relationship between the constructs. Moreover, the PLS-SEM approach was used as it helps deal with the issue of normality of the distribution of the data.

3.16 Assessing the Measurement Model

Studies suggest that prior to evaluating the structural model, the researcher must assess the measurement model of the research to determine whether the recommended thresholds are met (Hair et al., 2010). In PLS-SEM, validity and reliability are the two main criteria used to assess the measurement model. Cronbach and Meehl (1955) as well as Lewis et al. (2005) suggest that in assessing the measurement model, the indicator reliability, internal consistency, discriminant validity and convergent validity should be determined.

3.16.1 Internal Consistency Reliability

Reliability is primarily concerned with the consistency in the measurement outcome of a phenomenon over several periods of testing (Bryman & Bell, 2011). Evaluating the reliability of the measurement instrument is essential because it enhances the credibility of the findings of the study (Collis & Hussey, 2009). Thus, a measurement can be regarded as reliable if it produces the same outcome on repeated occasions. Reliability is the tendency for the research outcome will be replicated using similar techniques and under comparative conditions (Merriam, 1998 as cited in Zohrabi, 2013).

One of the primary ways to ensure the reliability of the measure is to evaluate the internal consistency reliability. According to Cooper and Schindler (2008), internal consistency deals with the tendency that multiple indicators are homogenous and reflect the same underlying construct. Although different techniques can be used to evaluate internal consistency, one of the most dominant techniques employed in most studies is the Cronbach alpha (Easterby-Smith et al., 2008; Saunders et al., 2009). It evaluates whether the questionnaire measures what it was intended to measure. An indicator loading of 0.70 or greater suggests that internal consistency is achieved (Hair et al., 2010).

3.16.2 Convergent Validity

According to Heale and Twycross (2015), convergent validity relates to the similarity of the measurement instrument to others that are employed to measure comparable constructs. Lewis et al. (2005) espouse that convergent validity refers to the tendency for a strong correlation among the indicators that are used to measure a particular variable. Hair et al. (2011) suggest that the indication of convergent validity is when the Average Variance Extracted (AVE) score of the

constructs is 0.5 or more. Thus, the convergent validity is determined via the Average Variance Extracted (AVE). Therefore, a higher AVE suggests that on average, the construct explains more than 50% of the variability of the various indicators that measure it and thus indicates convergent validity (Urbach & Ahlemann, 2010).

3.16.3 Discriminant Validity

This is the form of construct validity that ensures that the research instrument adequately measures the phenomenon that is being researched. It assesses the tendency that the indicators of the constructs are empirically different from other measures in the path model (Hair et al., 2010; Lewis et al., 2005). Essentially, discriminant validity tests whether there is a clear difference in the indicators that measure the construct. The accurate determination of discriminant validity is essential as it ensures that each of the research constructs is empirically different and measures a phenomenon that is not represented by the other variables in the study (Hair et al., 2018). It must therefore be emphasized that unlike convergent validity, which determines the tendency that the indicators accurately measure the variable, discriminant validity tests the likelihood that the indicators can be a better measure of a different variable. Therefore, the evaluation of discriminant validity is very important in studies that use Structural Equation Modelling.

Discriminant validity is usually assessed using the cross-loadings or Fornell–Larcker criterion or both (Henseler et al., 2014). Using the Fornell-larcker criterion, discriminant validity is established if considering two variables, the average variance extracted is more than the shared variance between the two variables. This suggests that the indicators share more variance with the variable than the individual variables share with another variable (Hair et al., 2016). Moreover, discriminant validity can be estimated using the Heterotrait-Monotrait Ratio of Correlations (HTMT).

According to Henseler et al. (2015), to establish discriminant validity using this technique, the HTMT value should not be greater than 0.90 or 0.85 based on whether the research variables are conceptually similar or not.

3.17 Assessing the Structural Model

The structural model of the research is assessed after the tests of validity and reliability of the measurement model. Assessing the structural model is essential as it serves as proof that the research hypotheses developed are supported by the data gathered (Urbach & Ahlemann, 2010). The structural relationships that exist among the research constructs are evaluated and predicted. However, before establishing the relationship among the constructs, the structural model is evaluated to determine whether it can predict the endogenous variables. Therefore, the study conducts important multivariate tests such as the test to determine multicollinearity, the coefficient of determination and the structural model's predictive relevance.

The Variance Inflation Factor is assessed to determine the presence of multicollinearity among the independent variables. Multicollinearity is an indication of the correlation that exists among the explanatory variables of the study. The threshold recommended for multicollinearity is below 10.

3.18 Chapter Summary

This chapter of the research dealt primarily with the methods and tools that were employed during data collection and analysis. The philosophical underpinning of the study was adequately discussed. This research adopted the positivist paradigm and as such it was discussed appropriately. The research design and the data analysis tool adopted were discussed thoroughly.

CHAPTER FOUR

ANALYSIS AND DISCUSSION OF RESULTS

4.0 Introduction

This aspect of the research provides a detailed discussion of the results from the data gathered. First, the chapter provides descriptive statistics on the demographic features of the respondents and a description of the study's variables. Next, the chapter presents an analysis of the results by employing relevant statistical tools as revealed in the research methodology. The outcomes of the validity and reliability tests are appropriately presented and discussed. Thereafter, the findings from the structural model are presented and discussed which include the coefficient of determination, Variance Inflation Factor (VIF), the results of the regression analysis as well as the predictive relevance (Q2) among others.

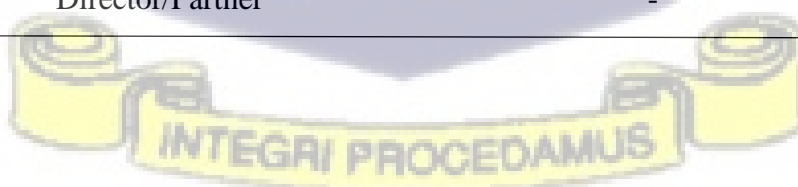
4.1 Descriptive Statistics of Respondents

Table 4.1 shows the descriptive statistics on the demographic characteristics of the study's respondents. As observed from Table 4.1, most of the respondents (approximately 78.2%) are below 36 years. Thus, the results show that the research sample was largely youthful. This gives a glimpse of the high demand for youth in the audit industry due to the fast-paced and time-consuming nature of the audit work. The outcome of the study shows that the sample was slightly male-dominated as they constitute approximately 58% of the respondents with the female respondents constituting 42%. With regards to the number of years worked in their current audit firm, most of the auditors reveal that they had worked with their current audit firm for less than 7 years (approximately 85%). This result shows that a vast majority of the respondents are relatively new to the audit environment. Most of the respondents are relatively new to the audit work as they

have worked with their respective firms for less than 3 years. This may be the reason why some of them highlighted that they are highly likely to accept explanations given by the client where obtaining sufficient appropriate evidence is difficult. However, further analyses were conducted to make such a conclusion. Moreover, the result shows that approximately 91% of the respondents occupied a lower to middle-level position in the audit firm.

Table 4.1: Descriptive Statistics on Respondents

Measure	Item	Frequency	Percentage (%)
Gender	Male	240	58.4%
	Female	171	41.6%
Age	Below 25	82	20.0%
	25-30	129	31.4%
	31-35	110	26.8%
	36-40	61	14.8%
	41 & above	29	7.0%
	Years in the Firm	Less than 3 years	159
3-6 years		189	46.0%
7-10 years		52	12.6%
More than 10 years		11	2.7%
Current Job Title	Junior/Staff level/Associate Auditor	219	53.3%
	Senior Auditor/ Assistant Manager	153	37.2%
	Audit Trainee Manager/Senior Manager	39	9.5%
	Director/Partner	-	0.0%



4.2 Descriptive of Constructs

Table 4.2 presents descriptive statistics on the dependent variable, independent variables and moderating variable. The mean scores of the indicators assess the level of importance assigned to that construct by the respondents.

The total mean score of the dependent variable of the study, dysfunctional audit behaviour was 3.78 on a 7-point Likert scale. This shows that dysfunctional audit behaviour exists among auditors in Ghana although at a relatively lower extent. Thus, the respondents acknowledge that they engage in some forms of dysfunctional audit behaviours. Most of the respondents for instance admitted that they are likely to speed up the completion of audit procedures if they are under pressure from their immediate supervisor and do not perform an audit procedure if in their opinion that procedure was not necessary as revealed by mean scores of 4.40 and 4.11 respectively. On average, however, the results shows that the respondents are unlikely to engage in some forms of dysfunctional audit behaviour such as accepting the client's explanation if they believe gathering corroborating evidence would be difficult and accepting the explanation given by the client if they believe the time available for the audit was limited as can be seen from Table 4.2 with a relatively low mean score of 3.17 and 3.27 respectively.

With regard to the determinants of dysfunctional audit behaviour, time budget pressure has a total mean score of 4.57 on a 7-point Likert scale. Thus, the respondents largely agreed that they are under pressure to complete audit procedures within a given period which is often difficult to achieve. This can be observed in their level of agreement with the statements such as "In general, the time budgets for jobs I worked on during the last year was difficult to attain", "I am not given enough time to do what is expected of me on my job" with mean scores of 4.37 and 4.70 respectively. This may influence auditors to act in ways that are counterproductive to the audit.

The result might suggest that the auditing profession is demanding. However, it is merely indicative and therefore subsequent analysis needs to be performed to provide much-needed insight into the relationship with dysfunctional audit behaviour. The audit profession is often regarded as a profession with a high turnover rate and the pressure that auditors constantly face could be a reason why auditors often change jobs. It is therefore not surprising that the respondents reveal that they face tighter time budgets.

Ethical values have a total mean score of 4.17 on a 7-point Likert scale. The result suggests that auditors possess strong ethical values as they largely agree with the indicators that measure ethical values. It appears that the personal ethical stands of the auditors are strong. This is reflected in their level of agreement with statements such as “I do not normally compromise with my ethical principles” and “when a choice has to be made between what is right and what benefits me, I would choose what is right” with average scores of 6.01 and 5.98 respectively. However, this is just a descriptive analysis and therefore further analysis was subsequently conducted to determine the relationship with dysfunctional audit behaviour.

Rationalization had a total mean score of 4.15 on the 7-point Likert scale. The respondents largely agree with the statements that suggest that they justify their actions or behaviours often. Rationalization was measured by 6 indicators with the indicator “I think that I am underpaid with the amount of responsibility given to me” having the highest average score of 5.17. This shows that the sampled auditors believe that their salary is not commensurate with the level of responsibilities and work they do. This could drive them to engage in wrongdoing; however, further analysis has to be performed before such a conclusion can be made.

The overall mean score of capability is 5.74 on the 7-point Likert scale. The respondents largely agree with the statements that measure the capability of auditors. The result shows that the auditors

possess traits that make them influential and powerful in their respective audit firms and during audits and therefore can influence situations and others. The auditor’s capability is measured using 5 indicators with the indicator “I can deal with stress very well” having the highest mean of 5.91.

Ego has a total mean score of 5.28 on a 7-point Likert scale. All the indicators that assess the ego of the auditors had mean scores above the average of 3.5. Thus, the respondents agree to a large degree with the statements that measure their egos. This suggests that the auditors care about their status in society and at the workplace and would want to protect it. The indicator “whenever I follow my moral principles, my sense of self-respect gets a boost” had the highest average score of 5.67. This indicates that auditors often hold in high regard their moral principles.

The construct opportunity had an overall average score of 5.73 on a 7-point Likert scale. The respondents agree that there are sufficient controls put in place during audits and therefore opportunities that arise as a result of control weaknesses do not exist. This can be seen by the respondent’s level of agreement with statements such as “proper supervision, monitoring and review of work are implemented” and “every audit conducted has sufficient documentation and approval” with mean scores of 5.67 and 6.02 respectively.

Table 4.2: Descriptive Statistics of Constructs

Constructs/Indicators		Mean	Std. Dev.
Dysfunctional Audit Behaviour		3.78	
DAB1	Speed up the completion of the audit procedures, if it gives me a chance for promotion	4.19	1.49
DAB2	Speed up the completion of the audit, if it improves my performance evaluation assessment	4.39	1.48

DAB3	Not complete the audit procedure if I believe nothing wrong would be found if that procedure is completed	3.49	1.59
DAB4	Accelerate the completion of the audit if other auditors also do it because I must compete with them	3.23	1.38
DAB5	Speed up the completion of the audit procedures if I am under pressure from my immediate supervisor	4.40	1.37
DAB6	Not perform the audit procedure if in my opinion it is not necessary	4.11	1.56
DAB7	Accept the client explanation if I believe gathering corroborating evidence would be difficult	3.17	1.45
DAB8	Accept the explanation given by the client if I believe the time available for the audit is limited	3.27	1.40
	Time Budget Pressure	4.57	
TBP1	In general, the time budgets for jobs I worked on during the last year was difficult to attain	4.37	1.37
TBP2	I am not given enough time to do what is expected of me on my job	4.70	1.31
TBP3	The time allocated for audit hinders the proper conduct of the audit	4.43	1.23
TBP4	I have too much work for one person to do in a limited amount of time	4.78	1.02
	Capability	5.74	
CAP1	I have the ability to convince other members of the engagement team to go along with my suggestions	5.73	0.82
CAP2	My ability to multitask makes me superior at the workplace	5.53	0.95
CAP3	I have influence over situations during the audit because I believe I am good at what I do	5.72	0.87
CAP4	I can deal with stress very well	5.91	0.95
CAP5	My ability to solve problems of clients makes me trusted by my superiors	5.83	0.82
	Opportunity	5.73	
OPP1	Proper supervision, monitoring and review of work are implemented	5.67	1.08

OPP2	Policies, procedures and guidelines are well documented	5.68	1.06
OPP3	Separation of roles and responsibilities are clear	5.54	1.15
OPP4	Every audit conducted has sufficient documentation and approval	6.02	0.97
Rationalization		4.15	
RAT1	I think that I am underpaid with the amount of responsibility given to me	5.17	1.53
RAT2	No one will suffer if I underreport the time taken for the audit	3.40	1.35
RAT3	No one will suffer if I prematurely sign off the audit procedure	3.20	1.38
RAT4	I believe that a gift from a client is a gesture of good service rendered	4.02	1.47
RAT5	I believe that I should be given some discretion in auditing the client	4.59	1.35
RAT6	Some discretion on policies and procedures sometimes should be tolerated to help the client	4.55	1.45
Ego		5.28	
EGO1	I care what other people think of me	5.57	0.88
EGO2	What others think of me has an effect on what I think about myself	4.93	1.09
EGO3	I care if other people have a negative opinion about me	5.27	0.93
EGO4	My self-esteem would suffer if I did something unethical	5.30	0.87
EGO5	My self-esteem depends on whether or not I follow my moral/ethical principles	5.22	0.92
EGO6	I can't respect myself if I don't live up to a moral code	5.09	0.91
EGO7	Whenever I follow my moral principles, my sense of self-respect gets a boost	5.67	0.99
EGO8	Doing something I know is wrong makes me lose my self-respect	5.19	0.81
Ethical Values		4.19	
EV1	I do not normally compromise with my ethical principles	6.01	1.10
EV2	When a choice has to be made between what is right and what benefits me, I would choose what is right	5.98	1.02
EV3	My ethical action depends on the situation I am in	5.03	1.46
EV4	The more I think about a situation, the more ethical my decision	5.64	1.15

	will be		
EV5	My definition of what is right or wrong depends entirely on my personal belief	2.58	0.95
EV6	I should be allowed to form my own ethical standards because ethical consideration varies from one individual to another	2.08	1.02
EV7	I will not tell the truth if I know that I will have to pay a price for it	2.04	0.93

4.3 Assessment of Measurement Model

In the PLS-SEM technique, the measurement model quality is estimated and subsequently the structural model is also estimated. Thus, the validity and reliability of the variables are the first to be assessed before proceeding to evaluate the relationships in the structural model. This section presents the results from the analysis of the measurement model.

In the first step of the PLS-SEM analysis, an algorithm was performed to ensure validity, reliability and the loading of the items. The results of the cross-loadings are satisfactory as they are above the 0.70 threshold. The results also show no overlapping among the loadings (see Table 4.6). The instrument items are tested for validity and reliability. The convergent validity provides favourable results for all the constructs as given by the direction of Hair et al. (2017). Similarly, the Cronbach alpha is favourable (0.70 or more) according to the proposition of Hair et al. (2017). The composite reliability also displays favourable results (0.70 or greater) as suggested by Hair et al. (2017).



4.3.1 Indicator Reliability

The reliability of the indicators used to measure the respective constructs is evaluated using their cross-loadings. The results on reliability are displayed in Table 4.5 which shows the loadings of

all the indicative items to be above the minimum threshold of 0.50 according to Hair et al. (2014). This shows that the items that are employed to measure the research constructs are reliable for the research.

4.3.2 Internal Consistency

A test was performed to assess the internal consistency of the constructs after obtaining favourable results for the reliability of the indicators. Internal consistency assesses the tendency that the indicators of a particular construct reflect that underlying construct. The common techniques researchers employ to determine internal consistencies are Cronbach Alpha and Composite reliability. However, According to Chin (1998), the preferred approach used in PLS-SEM is composite reliability.

4.3.3 Convergent Validity

The Average Variance Extracted (AVE) is employed to determine the validity of the measurement model. According to Fornell & Larcker (1981), the AVE must be 0.50 or greater for the measurement model to be valid. Thus, each variable should explain 50% or more of the variability in their respective indicators. Table 4.3 shows the AVE for each of the variables has exceeded the 0.5 threshold and as such, all the variables exhibit favourable convergent validity.

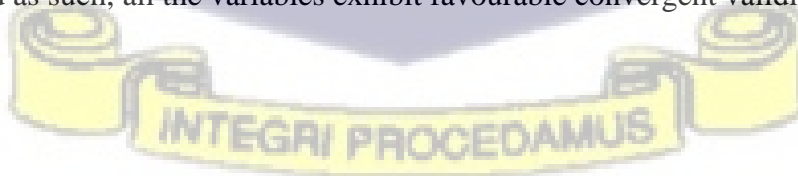


Table 4.3: Cronbach Alpha, Composite Reliability and AVE

Factor	CA	CR	AVE
Dysfunctional Audit Behaviour	0.803	0.858	0.505
Time Budget Pressure	0.719	0.842	0.640
Rationalization	0.824	0.871	0.534
Capability	0.832	0.868	0.573
Opportunity	0.901	0.927	0.760
Ego	0.769	0.842	0.517
EV	0.709	0.813	0.525

CA-Cronbach Alpha; CR-Composite Reliability; AVE-Average Variance Extracted

4.3.4 Discriminant Validity

The discriminant validity can be measured in one of three ways; the cross-loading technique, the Fornell and Larcker criterion and the Heterotrait- Monotrait (HTMT) technique. However, the most dominant technique used is the Fornell and Larcker (1981) criterion. This technique compares the AVE value of the variable with the correlation square of the variable with all the other variables in the structural model.

Determining discriminant validity is very useful for studies that contain latent variables and a lot of indicators (Hamid et al., 2017). Discriminant validity is determined to ensure that the various constructs are different from each other and in fact measure different things. Hamid et al. (2017) suggest that testing the study's hypotheses when discriminant validity is not achieved renders the

interpretation of the research model misleading. The results from Table 4.4 shows that discriminant validity is achieved in this research because the square roots of the AVE values displayed diagonally are greater than the correlations between the constructs displayed underneath them. This is consistent with the suggestion by Fornell and Larcker (1981).

Moreover, the HTMT technique was used as a second approach to determining the discriminant validity in this study. With this technique, different scholars provide different thresholds to evaluate discriminant validity. For instance, Clark and Watson (1995) recommend that the correlations between the constructs must be less than 0.85 for discriminant validity to be achieved. Others however suggest a threshold of 0.90 (Gold, Malhotra & Segars 2011). The results of the discriminant validity test using the HTMT are displayed in Table 4.5. Discriminant validity is achieved since both thresholds are met.

A less rigorous but effective technique is the cross-loading approach. Hair et al. (2012) suggest that to achieve discriminant validity using this technique, each of the indicative items should load better on their respective variables than on the other variables in the model. The results displayed in Table 4.6 indicates that the threshold for the discriminant validity is met because the loadings of the indicators on their variables are higher than their loadings on the other variables.

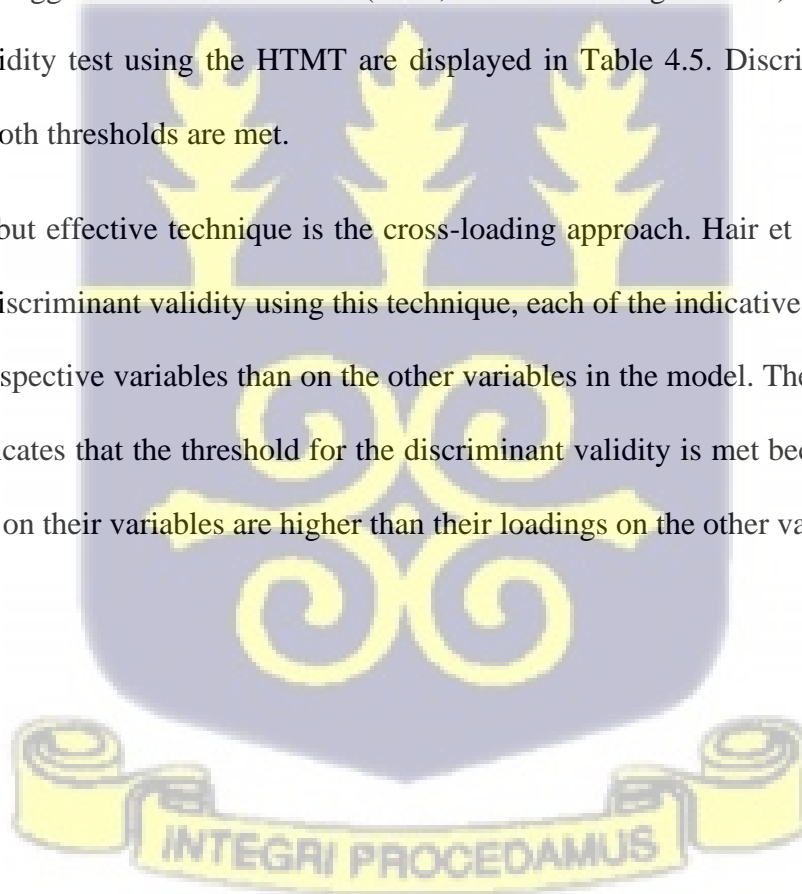


Table 4.4: Fornell and Larcker Criterion of Discriminant Validity

	CAP	DAB	EGO	EV	OPP	RAT	TBP
CAP	0.757						
DAB	0.194	0.711					
EGO	0.004	0.283	0.719				
EV	0.025	-0.251	-0.265	0.725			
OPP	0.107	-0.078	-0.338	0.304	0.872		
RAT	0.210	0.550	0.367	-0.246	-0.201	0.731	
TBP	0.093	0.500	0.368	-0.034	-0.131	0.513	0.800

DAB-Dysfunctional Audit Behaviour; C-Capability; E-Ego; EV- Ethical Values; TBP-Time Budget Pressure; OPP-Opportunity; RAT- Rationalization

Table 4.5: HTMT Criterion of Discriminant Validity

	CAP	DAB	EGO	EV	OPP	RAT	TBP
CAP	-						
DAB	0.200	-					
EGO	0.116	0.326	-				
EV	0.106	0.300	0.304	-			
OPP	0.131	0.078	0.397	0.370	-		
RAT	0.257	0.635	0.447	0.308	0.219	-	
TBP	0.136	0.624	0.492	0.148	0.199	0.669	-

DAB-Dysfunctional Audit Behaviour; C-Capability; E-Ego; EV- Ethical Values; TBP-Time Budget Pressure; OPP-Opportunity; RAT- Rationalization

Table 4.6: Cross Loadings

	CAP	DAB	EGO	EV	OPP	RAT	TBP
CAP1	0.526	0.002	0.025	0.031	-0.023	0.048	-0.032
CAP2	0.745	0.083	-0.028	0.055	0.157	0.063	-0.074
CAP3	0.823	0.164	0.005	-0.041	0.063	0.144	0.059
CAP4	0.807	0.184	0.048	0.067	0.037	0.247	0.159
CAP5	0.840	0.159	-0.033	0.012	0.133	0.167	0.075
DAB1	0.206	0.519	0.134	-0.121	-0.006	0.262	0.187
DAB3	0.205	0.768	0.204	-0.198	-0.074	0.444	0.356
DAB4	0.061	0.711	0.197	-0.183	-0.088	0.321	0.336
DAB6	0.141	0.767	0.323	-0.212	-0.070	0.515	0.497
DAB7	0.140	0.728	0.103	-0.184	-0.029	0.346	0.260
DAB8	0.090	0.741	0.175	-0.154	-0.042	0.380	0.396
EGO4	0.013	0.269	0.821	-0.265	-0.305	0.393	0.371
EGO5	-0.070	0.140	0.714	-0.148	-0.278	0.255	0.280
EGO6	-0.064	0.175	0.747	-0.107	-0.201	0.210	0.295
EGO7	0.115	0.226	0.661	-0.237	-0.238	0.204	0.112
EGO8	-0.035	0.158	0.639	-0.136	-0.170	0.210	0.268
EV1	0.006	-0.129	-0.157	0.696	0.229	-0.051	0.097
EV2	-0.033	-0.254	-0.329	0.860	0.325	-0.311	-0.117
EV4	0.080	-0.098	-0.143	0.631	0.241	-0.142	0.019
EV7	0.066	-0.186	-0.075	0.691	0.087	-0.124	-0.009
OPP1	0.097	-0.070	-0.337	0.264	0.900	-0.179	-0.159
OPP2	0.119	-0.013	-0.294	0.242	0.853	-0.148	-0.116
OPP3	0.092	-0.074	-0.320	0.259	0.887	-0.230	-0.165
OPP4	0.087	-0.070	-0.231	0.283	0.847	-0.124	-0.016
RAT1	0.141	0.267	0.264	-0.138	-0.166	0.550	0.396
RAT2	0.102	0.473	0.281	-0.209	-0.168	0.803	0.431
RAT3	0.060	0.510	0.326	-0.307	-0.248	0.831	0.467
RAT4	0.149	0.369	0.192	-0.205	-0.120	0.733	0.290

RAT5	0.226	0.296	0.297	-0.075	-0.096	0.688	0.340
RAT6	0.302	0.424	0.259	-0.089	-0.064	0.746	0.324
TBP1	0.113	0.386	0.365	-0.009	-0.110	0.466	0.827
TBP2	0.048	0.378	0.199	0.037	0.029	0.399	0.793
TBP3	0.063	0.430	0.313	-0.100	-0.217	0.369	0.778

DAB-Dysfunctional Audit Behaviour; C-Capability; E-Ego; EV- Ethical Values; TBP-Time

Budget Pressure; OPP-Opportunity; RAT- Rationalization

4.4 Assessing Structural Model

After the reliability and validity thresholds were met, subsequently, the structural model was evaluated. The study conducted a multicollinearity test, coefficient of determination, and common method bias test and the predictive relevance of the path coefficients was determined.

The research hypotheses are tested via a structural model. The study assessed the significance of the relationships on a confidence interval of 5%. The study performed a 500 resampling bootstrapping technique as can be seen in Figure 3. In this model, time budget pressure, capability, rationalization, opportunity and ego are the independent variables. Ethical value was used as the moderator with dysfunctional audit behaviour as the dependent variable.

The study found that rationalization has a significant positive relationship with dysfunctional audit behaviour as displayed in Table 4.5. The result therefore supports the hypothesis that rationalization has a significant positive relationship with dysfunctional audit behaviour. This implies that auditors who believe that their wrongful acts are necessary or pose no danger to others and therefore hastily justify their behaviours are likely to engage in dysfunctional audit behaviour.

Time budget pressure has a significant positive relationship with dysfunctional audit behaviour as seen in Table 4.5. The result therefore supports the earlier hypothesis. This suggests that when auditors are faced with immense pressure to complete the audit procedures on time, they are likely to engage in dysfunctional audit behaviour. The result agrees with the suggestion that the presence of pressure for auditors to complete audits on time may explain why they sometimes engage in dysfunctional audit behaviour. The explanation is that auditors who have several audit procedures to perform with strict timelines in the course of an audit usually get frustrated. This frustration if not controlled could influence them to engage in dysfunctional behaviours during the audit as the only viable way of dealing with the issue at hand. This result is consistent with the earlier findings (Sari et al., 2016; Svanberg & Ohman, 2016; Majid & Asse, 2018; Yessie, 2021; and Johari et al., 2022).

The construct ethical value was found to be significantly and negatively related to dysfunctional audit behaviour. Thus, auditors who possess strong ethical values are unlikely to engage in dysfunctional audit behaviour. This is because when individuals possess strong ethical values, it serves as a check on their actions and behaviours. This result is consistent with the findings from Awang and Ismail (2017) and Said et al. (2017). Hypothesis 6 was therefore accepted since the p-value was less than 5%.

The research found opportunity to have a positive relationship with dysfunctional audit behaviour. However, the relationship is not significant. Therefore hypothesis 2 was rejected as the p-value is greater than 5%. This implies that loopholes in internal controls such as supervisory weaknesses among others are found not to significantly influence auditors in engaging in dysfunctional audit behaviour. This finding is contrary to the research by Mohd et al. (2016) on dysfunctional audit

behaviour that found poor supervision to significantly influence auditors in engaging in dysfunctional audit behaviour. This may be due to ethical climate at the workplace.

The results show that ego is positively related to dysfunctional audit behaviour but this relationship was insignificant. Thus, the egos of auditors were found not to significantly influence auditors in engaging in dysfunctional audit behaviour. Hypothesis 4 was accordingly rejected.

4.4.1 Multicollinearity

The Variance Inflation Factor (VIF) for all the variables is assessed before testing the research hypotheses to determine the presence of multicollinearity. Various thresholds on the VIF values are provided by different scholars. According to Hair et al. (2017), a VIF value of less than 10 indicates that there is no problem of multicollinearity in the data. However, Hair et al. (2011) suggest that there is no multicollinearity when the VIF values are less than 5. The result of the VIF as displayed in Table 4.7 shows that no problem of multicollinearity was detected as the values are well below the recommended threshold of 5 or 10.

4.4.2 Common Method Bias

Common method bias exists when the variances in the responses are the result of the instrument and not the respondents' actual biases. Thus, the research instrument introduces a bias in the results. Herman's One-Factor Model is used to evaluate the common method bias. Therefore, when the result from Herman's One-Factor Model test shows a variation for the first factor greater than 50%, common method bias is said to exist. The outcome of the Herman One-factor model test performed which is displayed in Table 4.7, reveals the percentage variability for the first factor to

be approximately 17% which is below the limit suggested. Therefore, this study does not exhibit common method bias.

4.4.3 Coefficient of Determination

The result depicts strong support for the structural model. The coefficient of determination which is measured by the R-square was assessed. Prior studies provide different benchmarks to describe the value of R-square. According to Hair et al. (2012) as a rough rule of thumb, values of 0.75, 0.5 and 0.25 for latent variables may be regarded as substantial, moderate and weak respectively. Cohen (1988) posits that R-square values of the variables should be described as substantial, moderate or weak when the values are 0.26, 0.13 or 0.02 weak respectively. Chin (1998) suggests the path model in PLS-SEM as substantial (0.67), moderate (0.33) or weak (0.19). Therefore, based on the threshold provided by Chin (1998), the R^2 of this research is classified as moderate. The study's result showed a coefficient of determination (R^2) of 0.404 which implies that 40.4% of the variability in dysfunctional audit behaviour is explained by time budget pressure, capability, rationalization, ego, opportunity and ethical values.

4.4.4 Test of Predictive Relevance

Another important criterion for measuring structural models is the predictive relevance (Q^2) of the model. It is assessed to determine the strength and magnitude of the path model. The predictive relevance is performed via the blindfolding technique in PLS-SEM. There are various thresholds suggested by different scholars. Fornell & Cha (1994) and Chin (1998) posit that Q^2 has to be greater than zero to possess predictive relevance. Hair et al. (2014) suggest that the thresholds for

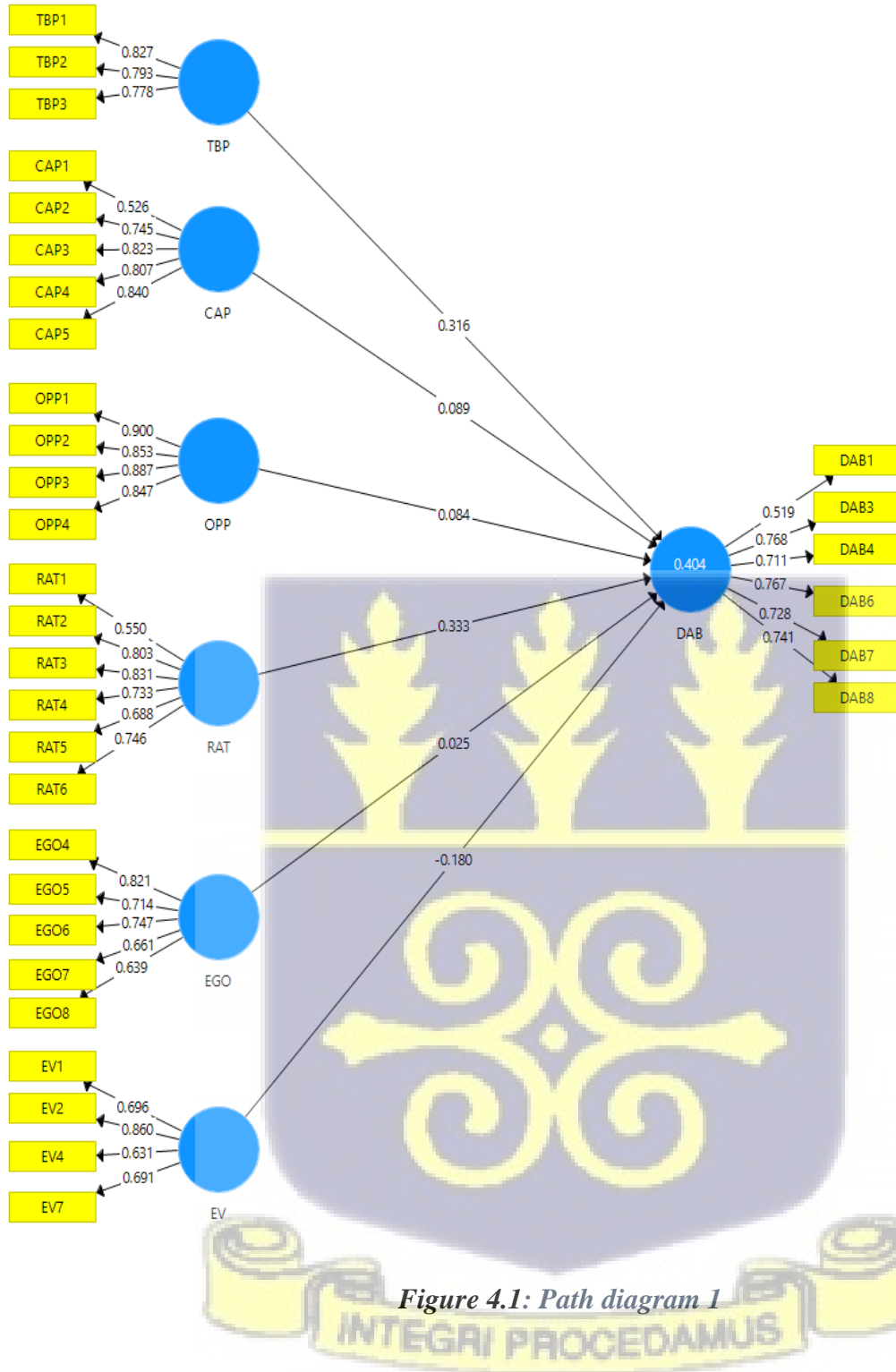
large, medium and small predictive relevance are 0.35, 0.20 and 0.15 respectively. The study has predictive relevance as the result of the Q^2 displayed in table 4.7 is 0.189. This study therefore has predictive relevance since the Q^2 of 0.189 is greater than zero.

Table 4.7: VIF, R^2 and Q^2

Factor	VIF
Capability	1.075
Ego	1.364
Ethical Values	1.197
Opportunity	1.219
Rationalization	1.580
Time Budget Pressure	1.468
R^2 (0.404)	
Q^2 (0.189)	
Herman One-factor model test (17%)	

4.5 Path Diagram

The path diagram as shown in Figure 4.1 reveals the relationship among the constructs. The conceptual framework of the research serves as the basis for the path diagram. The hypothesized relationship between time budget pressure, opportunity, ego, capability, rationalization, capability, ethical values and dysfunctional audit behaviour can be observed through the path diagram.



4.6 Hypothesis Testing

This section of the research discusses the outcome of the proposed research hypotheses. First, the outcome of the direct relationships between the dependent variable and the independent variables are displayed in Figure 4.1 and Table 4.8. Subsequently, the relationship between the dependent variable and independent variables in the presence of the moderating variable is also shown.

Table 4.8: Coefficients, P-values for Hypotheses

Hypothesis	Hypothesis Path	Coefficient	P-value	Result
H1	TPB → DAB	0.316	0.000	Accepted
H2	OPP → DAB	0.084	0.116	Rejected
H3	RAT → DAB	0.333	0.000	Accepted
H4	Ego → DAB	0.025	0.620	Rejected
H5	CAP → DAB	0.089	0.027	Accepted
H6	EV → DAB	-0.180	0.000	Accepted

Note: Significance level = 5%

4.7 Discussion of the Results

The result from the structural model presented in Table 4.8 and Figure 4.1 provides a summary of the path coefficient, p-values and the results of the hypotheses. The results show that except for ethical values that had a negative relationship with dysfunctional audit behaviour as predicted, the other independent constructs are positively related to the dependent variable as expected. However, the constructs, opportunity and ego have an insignificant relationship with dysfunctional audit behaviour at a 5% significance level.

4.7.1 Time Budget Pressure and Dysfunctional Audit Behaviour

The study's results show that time budget pressure has a significant positive relationship with dysfunctional audit behaviour. Thus, the result supports H₁ as proposed in the earlier section of the study. The outcome of this research is consistent with prior studies that found time budget pressure to significantly influence auditors to engage in dysfunctional audit behaviour (Majid & Asse, 2018; Yanti, 2018; Gaol, 2018; Amiruddin, 2019; Yessie, 2021). This suggests that when faced with intense pressure to complete the audit procedures within a limited time, auditors are likely to engage in dysfunctional audit behaviour. The finding supports the argument that individuals have a high tendency to engage in wrongdoing when exposed to a high level of pressure. This is because individuals grow frustrated when faced with very strict timelines and as such resort to unapproved or illegitimate means of getting the work done.

Considering the perspective of some of the dominant theories underlining wrongdoing (S.C.O.R.E Model, Fraud diamond and Fraud Triangle Theory), the proponents suggest that when individuals are faced with financial as well as non-financial pressures, they seek interim and often unacceptable options to solve the problems they face. The outcome of this research is consistent with the argument espoused by Vousinas (2019) in the S.C.O.R.E Model which was adapted for this research. H₁ is therefore accepted as the p-value (0.000) is less than α (0.05).

4.7.2 Opportunity and Dysfunctional Audit Behaviour

The study hypothesizes that weaknesses in controls put in place during audits provide an opportunity for auditors to engage in dysfunctional audit behaviour. The construct opportunity was found to have a positive relationship with dysfunctional audit behaviour; however, the relationship was insignificant. Thus, weaknesses in the control systems put in place during the audit were found

to influence auditors' dysfunctional behaviours but the relationship is not statistically significant. The result is quite contrary to studies that found opportunity to significantly influence individuals to engage in wrongdoing (Yuen et al., 2013; Mohd et al., 2016; Adeoti et al., 2020; Owusu et al., 2022). The result implies that although auditors are likely to explore loopholes in controls during audits, it does not significantly influence them to engage in dysfunctional audit behaviour. H_2 is therefore rejected at a since the p-value (11.6%) is greater than 5%.

4.7.3 Rationalization and Dysfunctional Audit Behaviour

The outcome of the research shows that rationalization has a significant positive relationship with dysfunctional audit behaviour. The finding suggests that auditors who often justify wrongdoing and hold the opinion that their wrong actions are necessary under the circumstances are likely to engage in dysfunctional audit behaviour. This is because such auditors not only have a mindset that fails to identify their wrong acts but also go a step further to defend such counterproductive actions.

The study's outcome is supported by most theories of fraud and wrongdoing among employees. According to the S.C.O.R.E Model, fraud diamond and triangle theories, individuals who are quick to justify their actions have a high tendency of engaging in wrongdoing. Auditors who often rationalize their actions and behaviours provide a basis for engaging in dysfunctional audit behaviours. Thus, they provide reasons why such behaviours are necessary and should not be considered wrong. For instance, they can hold the opinion that the particular action will eventually benefit the firm or the client. This is consistent with similar studies that found rationalization to be positively related to an individual's wrongdoing (Wolfe & Hermanson, 2004, Vousinas, 2019; Koomson et al., 2020). Therefore, auditors who find it difficult to justify their wrong actions are

unlikely to engage in unethical practices and behaviours. H_3 is therefore accepted since the p-value (0.000) is less than α (0.05).

4.7.4 Ego and Dysfunctional Audit Behaviour

The result reveals a positive relationship between ego and dysfunctional audit behaviour; however, the relationship is not significant at a 5% significance level. Therefore, the result of the research does not support the hypothesis formulated in the earlier section of the research which predicts a significant relationship between ego and dysfunctional audit behaviour. Although the study found ego and dysfunctional audit behaviour to be positively related, the auditor's strong quest to maintain their status at all costs are not found to significantly influence them to engage in dysfunctional audit behaviour. This result implies that the sensation and crave for power is not a very strong motivating factor for auditors to engage in dysfunctional audit behaviour which is contrary to the argument espoused by Duffield and Grabosky (2001). H_4 is therefore rejected as the p-value (0.620) is greater than α (0.05).

4.7.5 Capability and Dysfunctional Audit Behaviour

The findings of the research show that the construct capability is significantly and positively related to dysfunctional audit behaviour. It implies that dysfunctional audit behaviour is often engaged by auditors in positions of influence because such individuals can easily get away with wrongdoing without it being detected. It is relatively easier for auditors who are influential and superior at the workplace to engage in dysfunctional audit behaviour. Thus, by virtue of their good standing in the audit firm, they have access to sensitive information and perform important tasks

for clients. Such auditors are the most trusted in the audit firm and are often given supervisory roles in audits. Such auditors can be tempted to believe that their unethical actions will go unnoticed. Thus, their position and influence in the audit firms embolden them to engage in wrongdoing as they believe they can easily get away with such unethical behaviours. The outcome of this research agrees with the proposition that people who hold important and sensitive positions in a firm have a high tendency to engage in wrongdoing.

As espoused by Wolfe & Hermanson (2004) in the Fraud Diamond Theory (FDT), capability together with pressure, rationalization and opportunity are important factors that influence individuals to engage in wrongdoing. The positive relationship that is established between dysfunctional audit behaviour and capability is consistent with prior studies on wrongdoing (Koomson et al., 2020). H_5 is therefore accepted at a 5% significance level.

4.7.6 Ethical Values and Dysfunctional Audit Behaviour

The study found ethical values to have a significant negative relationship with dysfunctional audit behaviour as hypothesized in the earlier session of the study. This finding implies that auditors with strong ethical values are unlikely to engage in dysfunctional audit behaviour. The ethical values that auditors possess shape their behaviours and actions during audit assignments. Auditors with strong ethical values will not compromise their ethical stands by engaging in undesirable behaviours. This is because such individuals have a strong regard for regulations and laid down procedures. Their actions and behaviours are often guided by the ethical codes that govern their profession. The result of this research is consistent with prior studies that found that individuals who possess strong ethical values abhor wrongdoing (Awang & Ismail, 2017; Said et al., 2017).

Auditors who are ethically sound are unlikely to engage in dysfunctional audit behaviour and as such audit firms and regulatory authorities should prioritize instilling good ethical values in auditors so that the incidence of dysfunctional behaviours among auditors can reduce. H_6 is therefore accepted as the p-value (0.000) is less than α (0.05).

4.8 Moderation Analysis

After the determinants of dysfunctional audit behaviours were examined, further analyses were performed to ascertain if the relationships predicted between dysfunctional audit behaviour and the determinants will change in the presence of ethical values. The study conducted moderating analysis after the relationships between the independent and the dependent constructs were established. This session of the study evaluates whether the established relationships between the independent variables and dysfunctional audit behaviour will change when the auditor possesses strong ethical values. Thus, the study investigates whether the ethical values of auditors is enough for them not to engage in dysfunctional audit behaviours even when faced with intense pressure to complete the audit, or in a position of influence to engage in dysfunctional audit behaviour without it being detected among others. By employing the construct “ethical values” as a moderator, the moderation analysis was performed and the outcome is displayed in Table 4.9 and Figure 4.2.



4.8.1 Path Diagram for Moderation Analysis

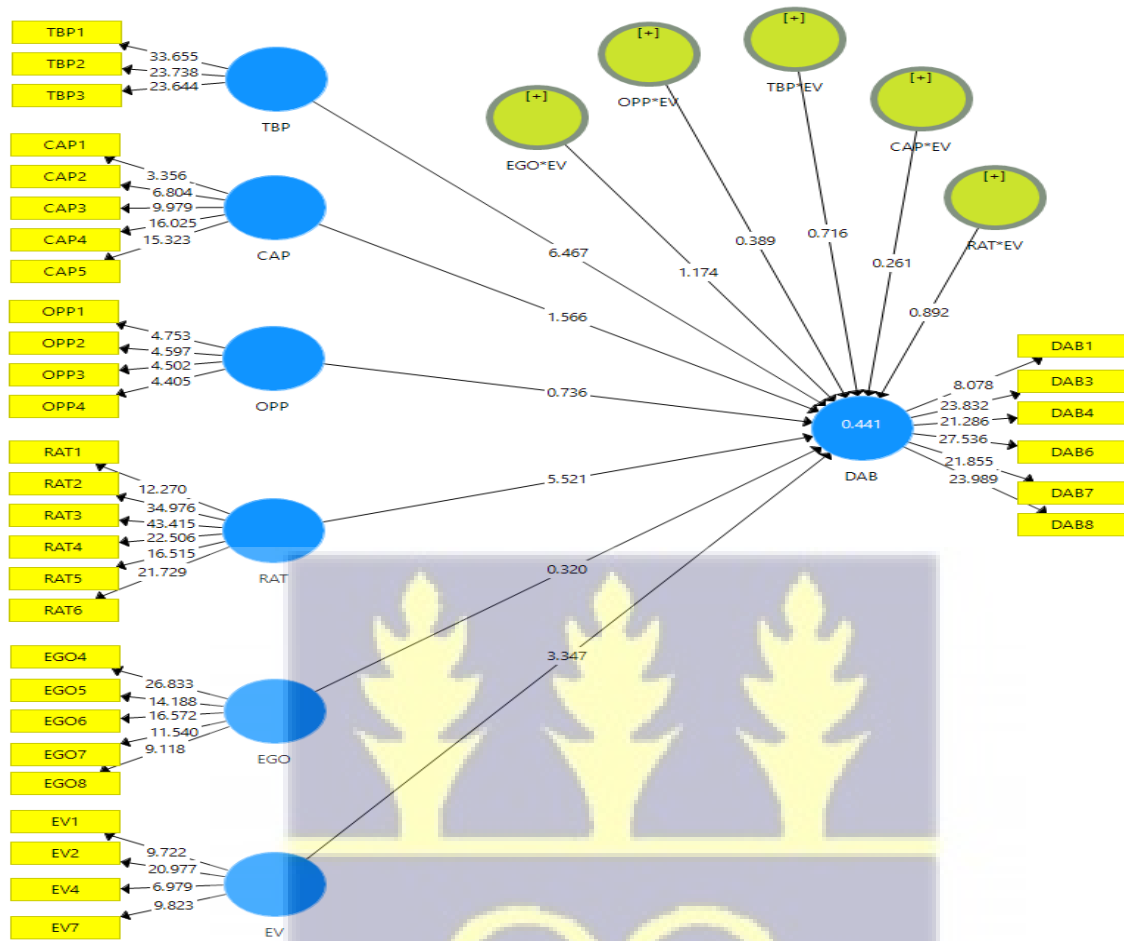


Figure 4.2: Path diagram 2

Table 4.9: Coefficients, P-values for Hypotheses

Hypotheses	Path	Coefficient	P-Values
H _{6a}	EV *TBP -> DAB	-0.092	0.047
H _{6b}	EV *OPP -> DAB	-0.028	0.218
H _{6c}	EV *RAT -> DAB	-0.051	0.148
H _{6d}	EV *EGO -> DAB	-0.122	0.011
H _{6e}	EV *CAP -> DAB	-0.013	0.307

DAB-Dysfunctional Audit Behaviour; C-Capability; E-Ego; EV- Ethical Values; TBP-Time Budget Pressure; OPP-Opportunity; RAT- Rationalization

4.8.2 Time Budget Pressure, Ethical Values and Dysfunctional Audit Behaviour

As displayed in Table 4.9, ethical values moderate favourably the relationship between time budget pressure and dysfunctional audit behaviour such that the positive relationship changes to negative as hypothesized. Thus, the moderation caused the positive relationship that was established between time budget pressure and dysfunctional audit behaviour change to negative. Thus, the path coefficient changed from positive to negative as displayed in Table 4.9. The result implies that although auditors are influenced to engage in dysfunctional audit behaviour due to the pressure to complete the audit procedures within a limited time, in the presence of strong ethical values they are unlikely to engage in such undesirable behaviours. Thus, auditors who possess strong ethical values are unlikely to engage in dysfunctional audit behaviour no matter the level of pressure they face to complete their audit procedures within a limited period. Overall, the findings indicate that hypothesis (H_{6a}) is supported at 5% significance level.

4.8.3 Opportunity, Ethical Values and Dysfunctional Audit Behaviour

From the results displayed in Table 4.9, it can be seen that although the positive relationship between opportunity and dysfunctional audit behaviour changes to a negative relationship in the presence of ethical values, the relationship is insignificant. Therefore, it can be concluded that ethical values do not moderate the relationship between opportunity and dysfunctional audit behaviour. Thus, the result does not support the argument that when auditors possess strong ethical

values, they are unlikely to engage in dysfunctional audit behaviour even when the opportunity presents itself for them to engage in such wrongdoing. Therefore, the Hypothesis (H_{6b}) is rejected as the relationship is insignificant at a 5% significance level.

4.8.4 Rationalization, Ethical Values and Dysfunctional Audit Behaviour

The result displayed in Table 4.9 shows that the relationship between rationalization and dysfunctional audit behaviour is not moderated by ethical values although the positive relationship changes to a negative relationship. The result implies that auditors who are quick to justify their wrong actions are likely to engage in dysfunctional audit behaviour, even when they possess strong ethical values. Thus, auditors' ethical stance does not influence them in changing their intention and desire to justify wrongdoing. H_{6c} is therefore rejected as the relationship is insignificant at a 5% significant level.

4.8.5 Ego, Ethical Values and Dysfunctional Audit Behaviour

The result displayed in Table 4.9 shows that ethical values moderate favourably the relationship between ego and dysfunctional audit behaviour such that the positive relationship changes to a negative relationship as hypothesized. The change in the direction of the relationship from positive to negative implies that, in the presence of ethical values, auditors who would have otherwise engaged in dysfunctional audit behaviour to maintain their status in society are unlikely to do so due to their strong ethical stance. Thus, although auditors who are egoistic are often concerned about their status in society and public image, they are unlikely to engage in dysfunctional audit behaviour because their ethical values serve as a check on the decisions they make. They are

unlikely to engage in dysfunctional audit behaviours as such behaviours can also damage the same image they are protecting before their colleagues and lower their status in society. H_{6d} is therefore accepted as the relationship is significant at a 5% significance level.

4.8.6 Capability, Ethical Values and Dysfunctional Audit Behaviour

The hypothesis (H_{11}) states that ethical values moderate favorably the relationship between capability and dysfunctional audit behaviour. The result displayed in Table 4.9 shows that although the positive relationship between dysfunctional audit behaviour and capability changed to negative when moderated by ethical values, the relationship is not significant. The result implies that auditors who are in a position of influence are likely to engage in dysfunctional audit behaviour even when they possess strong ethical values. Thus, auditors who are in influential positions will likely engage in dysfunctional audit behaviours even when they possess strong ethical values because they believe their wrong actions will go unnoticed and cannot easily be detected. H_{6e} is therefore rejected at a 5% significance level.

4.9 Chapter Summary

This chapter discussed the results of the research. The validity and reliability test results of the measurement instrument were first examined. The measurement instrument was found to be valid and reliable. The study then discussed the findings of the structural model by first examining the direct relationship between the identified factors such as time budget pressure, opportunity, capability etc. and dysfunctional audit behaviour. Subsequently the outcome of the moderation analysis was discussed.

CHAPTER FIVE

SUMMARY, RECOMMENDATION AND CONCLUSION

5.0 Introduction

This chapter of the study presents a summary of the key issues discussed in this thesis. The chapter begins by providing a highlight of the key results of the research and the implications of these findings. Thereafter, the contributions of the study, the limitations of the study and the recommendations of possible areas for future studies are appropriately discussed.

5.1 Summary and Conclusion of the Study

The heightened cases of corporate failures largely linked to audit failures and negligence over the last decade have increased research attention on the phenomenon of dysfunctional behaviours among auditors. While previous studies recognized the existence of dysfunctional audit behaviours, most of these studies focused extensively on auditors' acceptance of dysfunctional audit behaviour. To date, studies on actual auditors' dysfunctional actions have been limited. The present research attempts to provide some needed insight into the discourse on dysfunctional audit behaviour by evaluating the factors that influence auditors to engage in such behaviours to the detriment of audit firms, clients and the auditing profession.

Motivated by the recent corporate failures both locally and internationally which were substantially linked to auditors' behaviour, the study investigates dysfunctional audit behaviour among auditors in Ghana. The study provides empirical evidence that points to the fact that the ethical values of auditors can influence auditors not to engage in dysfunctional audit behaviours in the presence of some of the factors identified.

The study extends emerging literature on dysfunctional audit behaviour by investigating the factors which influence auditors to engage in dysfunctional audit behaviours. Specifically, it examines the relationship between time budget pressure, capability, rationalization, opportunity, ego and dysfunctional audit behaviour with the moderating role of ethical values. Thus, the study relied on the S.C.O.R.E model propounded by Vousinas (2019) and hypothesized that time budget pressure, opportunity, rationalization, capability and ego may explain why auditors engage in dysfunctional audit behaviours and therefore have positive relationships with dysfunctional audit behaviour. The study further hypothesized that ethical values moderate favourably the relationship between the predicted factors and dysfunctional audit behaviour.

To test the hypothesized model, data were obtained from 411 auditors in Ghana and analyzed using the PLS-SEM technique. The results show that time budget, capability and rationalization have positive and significant influence on auditors' dysfunctional behaviour. Furthermore, ego and opportunity are found to be positively associated with dysfunctional audit behaviour; however the relationships established are not significant at a 5% significance level. The direct relationship between ethical values and dysfunctional audit behaviour is found to be negative and significant. Moreover, the study's findings reveal that ethical values moderate favourably the relationship between time budget pressure and dysfunctional audit behaviour as well as ego and dysfunctional audit behaviour such that the predicted positive relationships change to negative.

The study's findings show that time budget pressure significantly predicts dysfunctional audit behaviour. Therefore, this research provides empirical evidence to support the observation that auditors engage in dysfunctional audit behaviour when they are exposed to excessive pressure to complete the audit procedures on time. This finding is consistent with prior studies on

dysfunctional audit behaviour (Sari et al., 2016; Svanberg & Ohman, 2016; Majid & Asse,2018; Yessie, 2021; Nehme et. al, 2021; Johari et al., 2022).

The construct opportunity was found to be positively related to dysfunctional audit behaviour but the relationship was insignificant and as such the hypothesis was rejected. Thus, opportunities that exist as a result of internal control weaknesses that exist during the audit were not found to significantly influence auditors to engage in dysfunctional audit behaviours. This is contrary to prior studies that found lack of supervision and control system weaknesses to significantly contribute to dysfunctional audit behaviour (Liu, Wright, & Wu, 2015; Mohd et al., 2016).

The study found rationalization to significantly influence auditors' dysfunctional actions. Thus, rationalization was found to have a significant positive relationship with dysfunctional audit behaviour. The findings indicate that auditors have a high propensity to engage in dysfunctional audit behaviour when they can easily justify their actions not to be wrong and consider such unethical actions as done in the interest of the client or the audit firm. Individuals who often look for justification for their unacceptable behaviours are likely to continue engaging in such unethical behaviours.

However, considering the moderating role of ethical values, the results also show that ethical values do not significantly moderate the relationships between capability, opportunity, rationalization and dysfunctional audit behaviour although the relationships change from positive to negative as predicted. It can therefore be concluded from the findings that when an auditor possesses good ethical stands, it may not necessarily deter them from justifying wrongdoing, or exploiting loopholes in control systems put in place during audit. Furthermore, this suggests that when auditors are in positions of influence, they may engage in dysfunctional audit behaviour irrespective of their strong ethical values.

5.2 Implications of Findings

This study's findings have important implications for policymakers and audit firms. The result of the research suggests some level of dysfunctional audit behaviour among auditors in Ghana. The result of the study found some key factors to significantly influence auditors' dysfunctional behaviours. These factors are time budget pressure, capability and rationalization. Thus, auditors are found to engage in dysfunctional audit behaviour because of the pressure they often face to complete the audit procedures on time. This is because the timely completion of audit procedures is a measure of audit efficiency and therefore can lead to their promotion or not. Audit firms should therefore only accept audit engagement where sufficient time is available to audit the client and also ensure that auditors are not overburdened with tasks during audits.

Auditors who are quick to justify their actions and behaviours are likely to engage in dysfunctional audit behaviour because they often find reasons even for their wrongdoing. For instance, one of the reasons they give for engaging in dysfunctional audit behaviour is being underpaid for the volume of work they do among other reasons. It must also be emphasized that from the results, other factors such as ego and opportunity influence auditors' dysfunctional behaviours; however, not significant. Therefore, understanding these key predictors of dysfunctional audit behaviour is important to audit firms and policymakers such as the Institute of Chartered Accountants, Ghana (ICAG), Securities and Exchange Commission (SEC) and Bank of Ghana (BoG) in implementing strategies and policy recommendations such as training and supervisory requirements for audits that will help curtail these undesirable behaviours. For instance, the Institute of Chartered Accountants, Ghana could organize periodic and compulsory Continuous Professional Development (CPD) program to educate its members on the issue of dysfunctional audit behaviour.

The direct relationship between ethical values and dysfunctional audit behaviour is significant and negative. This implies that when an auditor possesses strong ethical values, he or she is unlikely to engage in dysfunctional audit behaviour. This is because they are ethically sound. Furthermore, ethical values moderate favourably the predicted relationships between some of the factors identified (time budget pressure, ego) and dysfunctional audit behaviour such that the relationships change from positive to negative. The results show that auditors who possess strong ethical values are unlikely to engage in dysfunctional audit behaviour irrespective of the pressure they face and their strong desire to maintain their status in society. This implies creating a strong ethical environment in auditing firms and the Institute of Chartered Accountants, Ghana (ICAG) conducting routine training for auditors to be ethically sound is necessary to reduce the occurrence of dysfunctional audit behaviour.

5.3 Contributions

The current study provides insight into the factors that influence auditors to engage in dysfunctional audit behaviour and thereby help to solve the issue of reducing audit quality in Ghana. It is imperative to identify such factors to curb these behaviours at an early stage. The study further provides evidence of the moderating role of ethical values in the relationship between the factors identified and dysfunctional audit behaviour. It was clear from the outcome of the study that auditors who possess strong ethical values are unlikely to engage in dysfunctional audit behaviour.

Prior studies have extensively explored the phenomenon of dysfunctional audit behaviour but from the perspective of auditors' acceptance of such behaviours. Little focus was given to actual auditors' dysfunctional actions. Thus, prior studies fail to provide insight into the factors that may

influence auditors to engage in dysfunctional audit behaviour and instead measure auditors' reaction to and disposition towards dysfunctional audit behaviour by their colleagues (Abdillah, 2018; Jaya et al., 2018). This research therefore helps to explain underlying factors that may influence auditors to engage in dysfunctional audit behaviour rather than the reaction of auditors towards dysfunctional audit behaviours by their colleagues. The research helps to address this gap in the literature.

The study extends the literature on dysfunctional audit behaviour and contributes new evidence empirically by adapting the S.C.O.R.E Model by Vousinas (2019). Thus, this research addresses a theoretical gap in literature by adapting the S.C.O.R.E model which is predominantly used in fraud literature to understand the reasons for auditors' dysfunctional behaviours. Moreover, this research has practical implications by providing regulators, policymakers and practitioners with relevant information on the issue of dysfunctional audit behaviour. Thus, it serves as a guide to these key stakeholders which include audit firms, government, Bank of Ghana, the Institute of Chartered Accountants, Ghana among others on the issue of dysfunctional audit behaviour in Ghana.

5.4 Limitations of the Study

Despite the novel and important contributions of this research, the outcome was subject to some limitations. Although the questionnaire which is used to gather the data is adapted from prior scales established in the literature, the questionnaire did not provide the respondents with the opportunity to provide their personal thoughts on other factors that could influence them to engage in dysfunctional audit behaviour.

Moreover, other factors contribute to auditors' dysfunctional audit behaviour which might not be captured in this model. Thus, the predictors identified are not exhaustive and therefore future studies can look at other factors such as organizational commitment among others.

As a result of the above limitations identified and the fact that research on ethics is not devoid of shortcomings, the research findings should be interpreted with care. Despite these limitations, the study provides insightful and novel exposition into the phenomenon of dysfunctional audit behaviour from the perspective of a developing country.

5.5 Recommendation for Future Research

First, the study recommends that the discourse on dysfunctional audit behaviour should be broadened by future studies by examining other determinants of auditors' actual dysfunctional behaviours. This is important as it can help to identify the factors that influences auditors to engage in this unethical practice and mitigate it. For instance, organizational factors and personal factors such as personality traits, and organizational culture can be considered. Future studies can also adapt important behavioural theories such as the theory of planned behaviour to investigate auditors' dysfunctional behaviours.

Moreover, researchers in the future should focus on investigating ways to mitigate dysfunctional audit behaviour in both developed and developing countries. A review of extant literature shows that this aspect of literature has not been fully explored with few studies directed towards investigating how the problem of dysfunctional audit behaviour can be reduced or eliminated.

The study also recommends that future researchers should consider adopting different research methods such as the qualitative research method to obtain a subjective and detailed opinions of

stakeholders such as auditors and regulatory authorities etc. on the issue of dysfunctional audit behaviour.

5.6 Chapter Summary

This chapter dealt primarily with conclusions, implications and contributions of the study. Moreover, limitations of the research as well as recommendations both to practice and research were appropriately discussed. Among the several recommendations include the suggestion that future studies should be focused on ways to mitigate dysfunctional audit behaviour.



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APPENDIX

QUESTIONNAIRE ON THE DETERMINANTS OF DYSFUNCTIONAL AUDIT

BEHAVIOUR

This questionnaire is designed to solicit information on incidents of dysfunctional audit behaviour. We seek your maximum cooperation and assure you that any information provided is only for academic purposes and will remain confidential. Please respond by ticking the appropriate option in the spaces provided.

SECTION A:

Demographics

1. Gender: Male Female
2. Age: Below 25 25-30 31-35 36-40 41 & above
3. How long have you worked with your current audit firm?
Less than 3 years 3-6 years 7-10 years more than 10 years
4. Current Job Title
Please tick only one
Audit Trainee Manager/Senior Manager
Junior/Staff level/Associate Auditor
Senior Auditor/ Assistant Manager
Director/Partner

SECTION B:

A. Dysfunctional Audit Behaviour

Dysfunctional audit behaviours are conducts that can have a negative effect on audit quality. The statements below highlight possible reasons why people portray such behaviour. Kindly indicate your likelihood to engage in any of this by a tick [✓] on a 7-point Likert scale with 1= least likely, and 7= most likely.

		1	2	3	4	5	6	7
1	Speed up the completion of audit procedures, if it gives me a chance for promotion							

2	Speed up the completion of audit procedures, if it improves my performance evaluation assessment								
3	Not complete the audit procedure if I believe nothing wrong would be found if that procedure is completed.								
4	Accelerate the completion of the audit if other auditors also do it because I must compete with them.								
5	Speed up the completion of the audit if I am under pressure from my immediate supervisor.								
6	Not perform the audit procedure if in my opinion it is not necessary.								
7	Accept the client explanation if I believe gathering corroborating evidence would be difficult.								
8	Accept the explanation given by the client if I believe the time available for the audit is limited.								

B. Time Budget Pressure

Auditors are often pressurized due to the need to complete their audit assignment within a specified time period. Kindly indicate your level of agreement to each statement by a tick [✓] on a 7-point Likert scale with 1= strongly disagree, and 7=strongly agree.

		1	2	3	4	5	6	7
1	In general, the time budgets for jobs I worked on during the last year was difficult to attain							
2	I am not given enough time to do what is expected of me on my job							
3	The time allocated for audit hinders the proper conduct of the audit.							
4	I have too much work for one person to do in a limited amount of time							

C. Capability

The difference in traits among individuals at the workplace set them apart and may yield some advantages. Kindly indicate your level of agreement to each statement by a tick [✓] on a 7- point Likert scale with 1= strongly disagree, and 7=strongly agree.

		1	2	3	4	5	6	7
1	I have the ability to convince other members of the engagement team to go along with my suggestions							
2	My ability to multitask makes me superior at the workplace							

3	I have influence over situations during the audit because I believe I am good at what I do							
4	I can deal with stress very well							
5	My ability to solve problems of clients makes me trusted by my superiors							

D. Opportunity

The statements below are controls usually found within organizations. Kindly indicate your level of agreement to each of these statements by a tick [✓] on a 7-point Likert scale with 1= strongly disagree, and 7=strongly agree.

		1	2	3	4	5	6	7
1	Proper supervision, monitoring and review of work are implemented.							
2	Policies, procedures and guidelines are well documented.							
3	Separation of roles and responsibilities are clear.							
4	Every audit conducted has sufficient documentation and approval.							

E. Rationalization

Below are frequently cited justifiable reasons for auditors’ actions at their workplaces. Kindly indicate your level of agreement to each of these justifications by a [✓] on a 7-point Likert scale with 1= strongly disagree, and 7=strongly agree.

		1	2	3	4	5	6	7
1	I think that I am underpaid with the amount of responsibility given to me.							
2	No one will suffer if I underreport the time taken for the audit.							
3	No one will suffer if I prematurely sign off the audit procedure.							
4	I believe that a gift from a client is a gesture of good service rendered.							
5	I believe that I should be given some discretion in auditing the client.							
6	Some discretion on policies and procedures sometimes should be tolerated to help the client.							

F. Ego

Generic perceptions have a way of affecting one’s actions. Individuals have different regard for standards and what others think of them. Kindly indicate your level of agreement to each statement by a [✓] on a 7-point Likert scale with 1= strongly disagree, and 7=strongly agree.

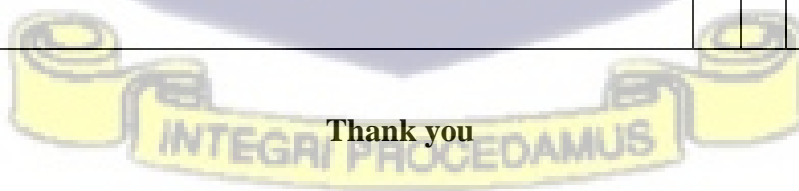
		1	2	3	4	5	6	7
1	I care what other people think of me.							

2	What others think of me has an effect on what I think about myself.								
3	I care if other people have a negative opinion about me.								
4	My self-esteem would suffer if I did something unethical.								
5	My self-esteem depends on whether or not I follow my moral/ethical principles.								
6	I can't respect myself if I don't live up to a moral code.								
7	Whenever I follow my moral principles, my sense of self-respect gets a boost.								
8	Doing something I know is wrong makes me lose my self-respect.								

G. Ethical Values

Ethical Values are the application of ethical principles to concrete actions of a profession. Ethical stance pertains to individuals differently and could be measured severally. Kindly indicate your stance on the following by a [✓] on a 7-point Likert scale with 1= strongly disagree, and 7=strongly agree.

		1	2	3	4	5	6	7
1	I do not normally compromise with my ethical principles.							
2	When a choice has to be made between what is right and what benefits me, I would choose what is right.							
3	My ethical action depends on the situation I am in.							
4	The more I think about a situation, the more ethical my decision will be.							
5	My definition about what is right or wrong depends entirely on my personal belief.							
6	I should be allowed to form my own ethical standards because ethical consideration varies from one individual to another.							
7	I will not tell the truth if I know that I will have to pay a price for it.							



Thank you