Whistleblowing Intentions Among Jordanian Auditors: The Role Of Financial Incentives And Authentic Leadership

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Abstract: The act of whistleblowing to detect and rectify misconducts in organizations is currently a subject of growing interest, and is also increasingly supported. Worldwide, the subject of whistleblowing has been expansively researched but in Jordan, it still unexplored. Aside from the use of financial incentives, this study attempts to determine how else the authentic leaders affect the act of internal whistleblowing amongst external auditors. This study obtained sample from both big 4 and non-big 4 audit firms in Jordan. Data were analysed using SMART-PLS. The outcomes show the authentic leadership as the most significant predictor of whistleblowing intent amongst auditors. Also, financial incentives have a positive linkage to internal whistleblowing. Both audit firms and scholars of organizational governance can have better awareness of the determinants of whistleblowing proclivity among auditors through this study's findings, and it is clear that there should be more support mechanisms provided by audit firms in Jordan if they desire the employees to come forward and report misconduct that their peers committed. Moreover, future studies can be done to identify more factors which lead to report misconduct among auditors.

Index Terms: Auditors, authentic leadership, Jordan, financial incentives, whistleblowing.

1. INTRODUCTION

The sizable economic and social costs associated with frauds relating to financial statement have turned the markets upside down, while also shattering investment portfolios, and decreasing the confidence towards financial reporting. As reported in [1], these frauds were mostly exposed by employees instead of external auditors or analysts. These employees’ disclosures were due to their knowledge regarding accounting information. The effectiveness of whistleblowing in both dissuading and discovering financial misconducts is already acknowledged all over the world, and as reported in [2] legislation has been set up by the regulators as an effort of encouraging employee to report corporate fraud. In a survey performed by [3], whistleblowing has been found to be the one most common method for detecting fraud. Whistle-blowers play an integral role in discovering errors as well as fraud. As reported in [4],[5], it is common for managers/supervisors to learn from mistakes in their company only when the mistake is exposed by a whistleblower. Relevantly, [6] mentioned the current trend of whistle-blower hotline reliance in public accounting domain whereby the whistle-blower would be directly communicating with those with the possible capacity to take action or employing a confidential reporting mechanism. In fact, whistleblowing is now a component of firm risk management policies. Such inclusion demonstrates the encouragement of firms of their employees towards whistleblowing. At the same time, it shows that these firms rely on employees in detecting errors. Somehow, error observers must have the willingness to report or these mechanisms will not be effective as controls. Hence, firms and all relevant parties need to recognize factors impacting the willingness of auditors in utilizing the mechanisms of reporting to report witnessed breaches of ethics. Here, the burning question is on how to sanction a process whereby public accounting firms’ employees can take internal political action for protecting the firm as well as the security of their own stake. In this regard, among the valuable research domains include those on how to achieve sounder comprehension of the factors linked to whistleblowing (e.g., [7] in addition to how to encourage the misconduct disclosure (e.g., [1]). Scholars who explored the domains of accounting, auditing, business ethics, and others, have started to reveal crucial characteristics the intents and behaviour relating to whistleblowing. In recent studies, many procedures, protections, and incentives which both organizations and regulatory authorities can configure in impacting the intent and act of whistleblowing have been examined in recent studies. In this regard, a number of procedural elements that positively affecting the intent of whistleblowing have been reported by a number of studies (e.g., [8],[9]; [10]. These include formal reporting structures, policies and mechanisms which integrate higher degrees of procedural, distributive and interactional justice, anti-retaliation protections, as well as past indication of solid organizational reactions to whistleblowing. Meanwhile, [11] reported that anonymous reporting increases reporting frequency. On the other hand, [9] mentioned that anonymous reporting channels are just like identity reporting protections. Conversely, [12] found that anonymous reporting generally has no impact on the intent to report. Relevantly, [13] indicated that when there is no past retaliation experience, respondents would demonstrate similar reporting intention using anonymous and non-anonymous reporting channels. On the other hand, having retaliation experience, the authors reported that whistleblowing intents via non-anonymous reporting channels would decrease, but anonymous reporting intentions would not increase. Nonetheless, whistle-blowers may also be regarded as traitors [14]. This owes to the view that misconducts should only be rectified by the organizations and that disclosure by way of whistleblowing is regarded as encroaching confidentiality [15]. For this reason, whistle-blowers are at risk of being dubbed as traitors by their peers as well as other employers. According to [16], the establishment of proper policy of whistleblowing promotes trust. However, the author warned that the effect would be limited if there is no enforcement of ethical behaviour by leaders. In this regard, [15] noted that positive leadership may be pivotal in the promotion of whistleblowing as it does with the voice of conscience. In this regard, [17] found both ethical and transformational leadership to be the possible predictor of
whistleblowing attitude and behaviour. In their work, [18] established theory of authentic leadership. For the purpose, the authors incorporated theories of transformational leadership and ethical leadership. Using theory of theory of authentic leadership, the authors demonstrate how a leader could tackle crisis of ethics that occurs in the unstable and shifting environment, for instance, the case of Enron. As opposed to other styles of leadership, it has been reported in some studies (e.g., [19],[20]) that authentic leaders act to capture positive self-development in accordance with the internalized moral values. For this reason, leaders embracing this type of leadership are more likely to win strong trust of subordinates. As reported in Berry (2004), employees that trust leaders are more inclined to report the wrongdoing to their leaders or organizations, as opposed to employees that do not trust their leaders. Authentic leadership has also been found to stimulate ethical prosocial behaviour [21]. Hence, this study is of the view that authentic leadership would positively boost internal whistleblowing amongst employees. Some past studies have examined the antecedents of internal whistleblowing. However, these studies were primarily concentrating on the whistle-blowers’ values, attitude, as well as subjective norm. Also, the effect of financial incentives has been examined in some studies. Accordingly, a positive linkage between incentives and reporting was reported in [22] and [12]. In addition, several studies (e.g., [23]) proposed the adoption of this practice by more employers in order that internal whistleblowing could be increased. Hence, as can be deduced from the extant literature on financial incentives, the incentives are very promising but they appear to be complicated with respect to the manner in which they impact the intent and acts of whistleblowing both directly and indirectly. The effectiveness of financial rewards on the intention of people to engage in whistleblowing is worthy of further exploration [24]. However, in private sector, such research is significantly lacking [12]. Hence, this study will attempt to explore these effects. For the purpose, auditors that are presently working in Jordanian audit firms are used as sample. This study is of value to the extant literature as it adds to the knowledge regarding the effectiveness of financial incentives and authentic leadership in encouraging misconduct reporting by auditors in developing nations. In the rest of this paper, several sections are presented. The following section highlights the past prior Research and Hypotheses Development and it comprises the experimental literature which looks into the factors that impact the tendency of an auditor to report misconduct. Then, the hypotheses are developed. The section of Research Method highlights the methodologies employed in this study. The ensuing section discusses the Results. This study closes with the section that summarizes the study, the contribution made by the study to the literature, as well as its potential limitations.

2 LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1 Financial incentives and whistleblowing intention
Audits is a profession that is exclusively unique when compared to other professions. Auditor is allowed access to client information and relationships with management or directors. Such privilege can indeed lead to some conflicts of interest such as loyalties to the client and public, in addition to legal, ethical, and professional constraints from the exposure of misconduct ([8],[25]). Auditors are obliged to preserve confidentiality and loyalty to the client. At the same time, they may need to report sensitive information which could cause harm to the client, and for making such report, auditors may also be regarded as acting disloyally towards the client. Arguably, moral judgment by public accountants is moderated by the contradictory norms and rules of their professional organisation (e.g., code of conduct) and/or their employer (the audit firm) [26]. As have been reported by the limited past studies, audit staff appeared to be unenthusiastic about whistleblowing on their peers [27],[28],[29]. Furthermore, it was reported in [30] that the empirical evidence on the specific factors that promote whistle-blowing is highly insufficient particularly with respect to auditing. For practitioners of audit, whistleblowing can include the reporting of unethical acts performed by others to any channels of reporting (internal), anonymous or non-anonymous. For this reason, whistleblowing is arguably impacted by financial incentives and authentic style of leadership. In [24],[31], the act of whistleblowing refers to the disclosure made by members of the organization, whether the present of the previous ones, regarding the illegal, immoral, or illegitimate practices which may impact action. Firms have strong incentives for generating effective systems of internal whistleblowing. Still, the formal systems of internal whistleblowing are still far from perfect. As reported in [32], employees are usually bound by powerful social norms which proscribe tattling and these employees may have the tendency to protect the violator rather than assisting management by revealing the misconduct. Further, [33] stated that employees would still be reluctant to come forward even if they want to if they feel that the firm does not welcome misconduct reports. In this regard, [34] indicated that financial incentives are a reflection of the firm’s determination in uncovering misconduct. In general, past studies are showing the positive effect of financial incentives on the intents of whistleblowing [35],[36]. In the context of auditors, [22] indicated their probability of their reporting of misconduct is increased following the provision of incentives by their respective organization. The same finding has also been reported in [12] among MBA students. The effect of financial incentives is also dictated by the strength of misconduct proofs that the whistle-blower could provide [37]. In addition, the [38] reported that the offering a financial reward for whistleblowing has become a practice of control in all continents, across industries, and in approximately 12% American firms. Hence, the literature is showing the likelihood of financial incentives to positively impact the intent of whistle-blower to report misconducts. Hence, this study proposes the following hypothesis:

H1: Financial incentives will be positively related to internal whistleblowing by auditors.

2.2 Authentic leadership and whistleblowing intention
In studies of positive leadership, authentic leadership, which was first introduced in the late 70's, is regarded as a key component, and as mentioned in [39], it is a core construct in leadership theory. In fact, authenticity is regarded as core to some positive leadership styles. According to [39],[40], authenticity elucidates the styles in which managerial behaviours are highly in agreement with inner values and the worldviews embraced. Substantiated by [41] social learning theory, both theory and empirical evidence are implying that highly authentic leaders form a bond with their employees and
this bond generates positive outcomes of work such as commitment, organizational citizenship behaviour, performance, psychological empowerment, satisfaction, trust, and work engagement [18],[42],[43]. The actions of authentic leaders are dictated by their inner values. At the same time, these leaders are often an exemplary role model to their subordinates, which will consequently stimulate a personal identification process. Through this process, the subordinates internalize and integrate both the values and behaviours of their leaders into their fundamental self-concept. The notion of self-concept, as explained in [44], is linked to a cognitive structure of knowledge which gathers the identities of an individual, particularly those cognitive schemas and behavioural scripts which generalize across contexts. For instance, in conflict situations, authentic leaders would be inclined to abide by their moral compass, which, according to [45], demonstrates moral courage and prosocial behaviours, as can be exemplified by behavioural integrity. According to [21], these moral courage and prosocial behaviours are independent of the personal or professional cost which may incur from such behaviours. Hence, higher exposure to leaders’ pro-social behaviours will increase the possibility of followers in internalizing and emulating such positive reactions in their workplace behaviour. This rationation is supported by past findings which denote that in normal daily circumstances, authentic leadership is associated with active positive responses (e.g., whistleblowing) [46], as well as passive positive responses (e.g., employees’ loyalty) [47]. Hence, it can be deduced that the role played by leadership is pivotal. Accordingly, leaders that value internal whistleblowing and perceive it as an appropriate method of rectifying misconduct in organization will likely have employees that recognise the potential for support and protection from leaders, or rewards for whistleblowing; these increase the employees’ inclination to engage in whistleblowing act [48],[49]. Transformational and authentic leadership have been reported as predictor of the intentions and behaviours of whistleblowing [50],[46]. Still, such finding is needs more support. Hence, this study will explore the connexion between authentic leadership and internal whistleblowing. Hence, this study proposes the following hypothesis:

H2: Authentic leadership will be positively related to internal whistleblowing by auditors.

3 METHODOLOGY

3.1 Data collection

This study distributed questionnaires to 63 randomly selected audit firms in Jordan to gather the needed data. Based on the size of firm, each firm was provided with 4-7 sets of questionnaire. A cover letter was also supplemented with the questionnaire and it comprises a short explanation of the study. Through the letter, the respondents were also informed on their confidentiality assurance. The questionnaires were then manually obtained from the respondents. There were initially 300 auditors altogether (from the 63 selected firms) and from this amount, the researcher managed to collect 207 completed questionnaires. Hence, the rate of response obtained by this study is 69%. The data were gathered in 2018, within the duration from April to August. Out the 207 gathered responses, 178 (85.9%) of the respondents were male and 29 were female (14.1%). More than half (54%) were between in the age group of 25-34 years, while 39 % were 35 old or older. Nearly half (46.3%) of the respondents had been serving the audit firm for up to 8 years. The average years of service for the respondents were 3.65 years.

3.2 Measurement of variables

Financial incentives: Financial incentives and rewards to employee, as described in [51] encompass the money spent on employees to influence them to have constructive attention towards goals accomplishment. Several studies (e.g., [52], [53]) found that in comparison to other non-financial methods, financial incentives have dominant effect on whistleblowing. Notably, money is the critical incentive, and indeed, there are no other incentives or motivational technique that could match its instrumental value [54]. In emerging countries especially where pay is low while the expectations in several life aspects (family, societal, political, etc.) are high, some studies have reported the boosting effects of money in motivating employees. The construct of financial incentives is measured using two items by [53]. The statement “I’m ready to gain financially by reporting wrongdoing” is among the items for this construct. For measurement, a seven-point Likert (1=not likely; 7=very likely) is used. For this scale, the attained Cronbach’s alpha was .73. Authentic Leadership: This construct is represented by 16 items adapted from [20],[21], and these items are called the Authentic Leadership Questionnaire (ALQ), which covers the operational definition of authentic leadership containing four dimensions including internalized moral perspective, relational transparency, self-awareness, and balanced processing. Among the items are as follows: “Demonstrates beliefs that are consistent with actions” (internalized moral perspective), “Says exactly what he or she means” (relational transparency), “Seeks feedback to improve interactions with others” (self-awareness), and “Solicits views that challenge his or her deeply held positions” (balanced processing). For measurement, a seven-point Likert scale (“1” never to “7” always). ALQ was used in a number of past works and as reported by [55], ALQ has acceptable reliability. Furthermore, confirmatory factor analysis demonstrates support to its four dimensions. In this study, ALQ achieved Cronbach’s alpha of .94. Whistleblowing intention: The construct of internal whistleblowing is represented by four items from [56]. The question to be answered for this construct is: “If you found wrongdoing in your workplace, what would you do about it?” The statement “I would report it by using internal procedures” is among the items representing this construct. For measurement, a seven-point Likert (1=strongly disagree; 7=strongly agree) is used. This construct achieved Cronbach’s alpha of .78.

4 DATA ANALYSIS

The technique of PLS-SEM (Partial Least Square-Structural Equation Modelling) was used in this study for analysis. PLS-SEM was chosen due to its highly minimal requirement on the assumptions of data normality and greater predictive accuracy. PLS-SEM can also be used when the researcher wants to maximize the variance of dependent variables which is unexplainable by the independent variables [57],[58],[59]. Also, PLS-SEM is more suitable for smaller size of sample as opposed to CB-SEM, and for this reason, PLS-SEM is appropriate for this study. The use of SEM has been popular in many studies in the domains of accounting and auditing (e.g., [60],[61],[62],[63]). In PLS model analysis, the validity and reliability of the measurement model is analysed first. Then,
the structural model is analysed. [64] indicated that following these steps, researcher could assure the validity and reliability of the constructs prior to making conclusions on the linkages between them. Each of these steps is as detailed below:

4.1 First stage: Evaluation of measurement model
There are 4 steps in evaluating the measurement model for reflective constructs, as follows: individual item reliability, construct reliability, convergent validity, and discriminant validity[65],[66]. In this study, the constructs are all modelled as reflective. In the first step in this study, the reliability of the individual item of the measurement model is assessed. The reliability of individual item is regarded as sufficient when the factor loading of an item on its corresponding construct is higher than 0.7. According to [67], a higher level of outer loading factors denotes a higher degree of indicator reliability. In this study, the standardized loadings (λ) all are greater than this threshold, as can be viewed in Table 1, in addition to 4 items from the authentic leadership construct (AL1, AL13, AL14 and AL15), together with the removed item (1 item) from the construct of whistleblowing intention (WL4) [67]. In addition, in this study, the use of Cronbach’s alpha and Composite Reliability namely Dijkstra-Henseler’s rho (rhoA) enables more accurate approximation of data consistency [68]. Here, the obtained values demonstrate the reliability of the items loaded on each construct. Furthermore, in this study, the values of CR are greater than the proposed value of threshold of 0.70 [60],[66],[61],[69],[63]. Apart from that, the values of average variance extracted (AVE) all are higher than the proposed threshold of 0.50. Furthermore, according to [62], the values are in support of the convergent validity of the construct measures. Table 1 presents the outcomes of the internal consistency reliability and convergent validity of the construct measures.

4.2 Second stage: Evaluation of structural model
As indicated in [71], the technique of PLS-SEM does not include the application of the conventional goodness of-fit measures. In making estimation of the structural model, this study follows the method of [59]. Evaluation is made to the collinearity among the constructs within the structural model. Here, the one outcome for the collinearity issues assessment is the value of variance inflation factor (VIF). In this study, evaluation is made to the two groups of (predictors) constructs for collinearity. Computation to VIF is made with the SPSS program (version 24.0). This allows the examination of multicollinearity. As can be construed from the outcomes, the collinearity in the structural model is minimal. This owes to the fact that the values of VIF are all much lower than the common cut-off threshold of 3.3 [72]. Further, calculation is made to the structural model predictability using variance explained R² values for the dependent latent constructs. The appropriateness of R² values is dictated by the domain of research. In [57], the proposed R² values are as follows: 0.67 for substantial, 0.33 for moderate, and 0.19 for weak. The achieved R² (Whistleblowing intention) = 0.593, denoting an acceptable and moderate value. The path coefficients signifying the resultant hypotheses were scrutinised in terms of size and significance. Using the suggestion of [59], this study employed the procedure of bootstrapping to obtain the significance levels of the path coefficients (5000 bootstrap samples with 207 cases of bootstrap cases, and no sign changes). Path coefficients, t-statistics, significance level, p-values in addition to the additional bootstrap confidence intervals at 95 percent are presented in Table 3. From the analysis of path coefficients and significance levels are demonstrating the significance of each direct effect. One-tailed and corresponding p-values based on [73] was employed in this study for statistical inferences. In this regard, [74] proposed the application of a one-tailed test if the coefficient is presumed to carry a sign, whether positive or negative, and this should be echoed within the hypothesis which relates to the matching connexion. The author further proposed the use of a two-tailed test if there are no assumptions made regarding

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TABLE 1

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Loadings</th>
<th>CR</th>
<th>C. Alpha</th>
<th>rhoA</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authentic Leadership</td>
<td>AL-2</td>
<td>0.877</td>
<td>0.796</td>
<td>0.796</td>
<td>0.591</td>
<td></td>
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<tr>
<td></td>
<td>AL-3</td>
<td>0.658</td>
<td>0.749</td>
<td>0.749</td>
<td>0.591</td>
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<tr>
<td></td>
<td>AL-4</td>
<td>0.708</td>
<td>0.708</td>
<td>0.708</td>
<td>0.591</td>
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<tr>
<td></td>
<td>AL-5</td>
<td>0.691</td>
<td>0.691</td>
<td>0.691</td>
<td>0.591</td>
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<tr>
<td></td>
<td>AL-7</td>
<td>0.725</td>
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<td>0.696</td>
<td>0.591</td>
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<tr>
<td></td>
<td>AL-9</td>
<td>0.715</td>
<td>0.696</td>
<td>0.696</td>
<td>0.591</td>
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<tr>
<td></td>
<td>AL-10</td>
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<td>0.671</td>
<td>0.671</td>
<td>0.591</td>
<td></td>
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<tr>
<td></td>
<td>AL-11</td>
<td>0.707</td>
<td>0.696</td>
<td>0.696</td>
<td>0.591</td>
<td></td>
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<tr>
<td></td>
<td>AL-12</td>
<td>0.672</td>
<td>0.672</td>
<td>0.672</td>
<td>0.591</td>
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<tr>
<td></td>
<td>AL-13</td>
<td>0.711</td>
<td>0.696</td>
<td>0.696</td>
<td>0.591</td>
<td></td>
</tr>
</tbody>
</table>

| Financial Incentives | FI-1 | 0.786 | 0.679 | 0.679 | 0.679 |
| | FI-2 | 0.786 | 0.679 | 0.679 | 0.679 |
| | FI-3 | 0.709 | 0.679 | 0.679 | 0.679 |
| | FI-4 | 0.709 | 0.679 | 0.679 | 0.679 |

| Whistleblowing Intention | WL-1 | 0.709 | 0.679 | 0.679 | 0.679 |
| | WL-2 | 0.709 | 0.679 | 0.679 | 0.679 |
| | WL-3 | 0.709 | 0.679 | 0.679 | 0.679 |

In evaluating the discriminant validity, this study used Fornell-Larcker criterion and Heterotrait Monotrait (HTMT) ratio, which are common in usage. As highlighted in Table 2, the matrix of correlation is showing that for each construct pair, its AVE square root is greater in comparison to the absolute value of their correlation [70]. Meanwhile, Table 2 displays the HTMT ratio results. As can be observed from the table, the values of the HTMT all are lower than the threshold of 0.85 as proposed by[65].

TABLE 2

<table>
<thead>
<tr>
<th>Construct</th>
<th>Authentic Leadership</th>
<th>Financial Incentives</th>
<th>Whistleblowing Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>rhoA</td>
<td>0.770</td>
<td>0.367</td>
<td>0.467</td>
</tr>
<tr>
<td>AVE</td>
<td>0.701</td>
<td>0.701</td>
<td>0.701</td>
</tr>
</tbody>
</table>
the coefficient.

The summarised results displayed in Table 3 show the significant positive impact of financial incentives and authentic leadership on internal whistleblowing intention (β=0.204 and 0.675, t=3.304 and 14.975 respectively). This finding lends support to both H1 and H2. The fit indices show acceptability, implying the good fit of the overall structural model with the data.

5 CONCLUSION AND DISCUSSION

The subject of whistleblowing is significantly popular in the ethics research. Then, the shocking collapse involving Arthur Andersen in the Enron calamity, whistle-blowing in the context of audit firms has become more critical than ever. However, considering that audit profession is obliged to assure confidentiality, independence and preservation of public interest (e.g. [75]), a model specifically for the audit profession needs to be established (e.g. [76]). The model also should address the intent of whistleblowing among auditors. Accordingly, a feasible model on whistle-blowing intentions among external auditors in Jordan is proposed in this study. Here, authentic leadership and financial incentives are found to directly impact these auditors’ intents to whistle blow. Furthermore, the connexions that have been documented in past studies are lending support to while also expanding this study, particularly in terms of the linkages existing between authentic leadership, financial incentives and whistleblowing intentions. There are a number of crucial practical and theoretical insights offered by this study. First and foremost, the attained outcomes show that providing employees with financial incentives for internal whistleblowing can increase the misconduct reporting rate. This finding is significant owing to the fact that employers generally release guidelines of business conduct which assure protection to whistle-blowers from retribution as well as other costs of reporting. Aside from that, employers would attempt to increase the motivation of employees to engage in whistleblowing by categorising the act as a moral decision. Somehow, employers usually do not promote personal benefits of engaging in whistleblowing. For this reason, this study proposes the inclusion of financial benefit to motivate auditors to engage in this act. At the same time, employers can more effectively evaluate if the adoption of whistleblowing can be of assistance to their organization. Additionally, the leading role of authentic leadership as a primary motivation to engage in whistleblowing among Jordanian external auditors is affirmed. This finding supports the impact of authentic leadership on internal whistleblowing as reported in the literature. In the context of China for instance, [46] found that authentic leadership greatly contributes to the shaping of whistleblowing amongst employees. From the results obtained, it is clear that there should be more support mechanisms provided by audit firms in Jordan if they desire the employees to come forward and report misconduct that their peers committed. Further, by integrating existing theories this study can also provide recommendations to audit firm leaders regarding the importance of authentic leadership, especially in emerging environments. For instance, firms can employ company policies on ethics and offer solid organisational support for prospective whistle-blowers. For the purpose, the firms can employ reliable as well as confidential mechanisms of reporting. Moreover, future studies can be done to identify more factors which lead to report misconduct among auditors. Nonetheless, a number of limitations need to be highlighted in this study. The first to highlight is the self-administered quantitative survey instrument that this study employed. It did not let respondents completely express their views and feelings regarding the topic. For this reason, future studies should consider the use of qualitative approaches (e.g., interviews and focus groups). Furthermore, this study had sample size (207), and thus, there was no revalidation of constructs. Future research should therefore address this issue. Also, it should be noted that whistleblowing intentions not real behaviour were measured in this study. Furthermore, considering that actual behaviour cannot be possibly examined, the measurement of intentions for this sensitive behaviour becomes the standard dependent variable employed in all studies within this domain. The next limitation is the fact that a scenario based approach was not used in this study. In other words, the respondents were not asked on how they would react in a given circumstances. Another limitation is the different sizes of audit firms employed in this study, where some were of Big 4 while others were not. For this reason, significant differences in association perceptions between audit firm members may exist. The last limitation to point out is that this study did not measure social desirability bias. The provision for sensitivity analysis was also not executed. Hence, it is suggested that the next research would take into account the incorporation of sensitivity analysis and control for social desirability bias.

REFERENCES


