UNIVERSITI TEKNOLOGI MARA

PREDICTORS OF INTERNAL AUDITOR’S INTENTION TO WHISTLEBLOW IN MALAYSIAN PUBLIC LISTED COMPANIES: A PLANNED BEHAVIOUR APPROACH

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Dissertation submitted in partial fulfillment of the requirements for the degree of Master of Corporate Administration

Faculty of Administrative Science and Policy Studies

December 2019
This study focuses on the internal auditor’s intention to whistleblow in Malaysian Public Listed Companies. The purpose of this study is to examine the predictors of internal auditor’s intention to whistleblow in Malaysian Public Listed Companies and had adopted the theory of planned behaviour. Whistleblowing is the act of reporting any wrongdoing to the responsible parties. Whistleblowing plays an important role for the internal control system in the company to encourage good corporate governance. There are four variables involved in this study which are the internal auditor’s intention to whistleblow (Dependent Variable), attitude (Independent Variables 1), subjective norms (Independent Variable 2), and perceived behavioural control (Independent Variables 3). In order to collect data from respondents, systematic random sampling technique had been used as the sampling technique. In this study, the researcher used quantitative method and had distributed 395 set of questionnaires by hand and also had emailed the targeted respondents who were the internal auditors. Of this 395 questionnaire, only 274 were returned within the time frame of data collection. SPSS software was used to analyse data retrieved from the questionnaires. The finding of this research study shows that the internal auditors had the intention (DV) and were willing to whistleblow any wrongdoing in the companies with the mean value of 4.0253. Then, the variables of attitude and subjective norms have positive impacts toward the intention of internal auditor to whistleblow in the company. Meanwhile, this study discovered the perceived behavioural control has no effect towards the intention of internal auditor to whistleblow in the company. This study also found that the main factor that influenced the intention of internal auditor to whistleblow is the attitude. The overall findings of this study will provide some ideas for future researchers to further investigate the whistleblowing practices that will lead towards good corporate governance in the company.
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CHAPTER ONE
INTRODUCTION

1.1 Introduction

The aim for the first chapter is to provide an overview of the study. Then, follows with the problem statement regarding the whistleblowing issues. Next, it outlines the research questions, research objectives, scope of proposed study and also significance of the proposed study. This chapter also provides the definition of terms and conclusions for this chapter.

1.2 Background of Study

Corporate malpractice is increasing nowadays and this will lead towards declining of organisational performance. One of the methods to combat the corporate malpractice is through the whistleblowing process (Ahmad, 2011). Over the past several decades, the issue of whistleblowing had gained attention globally (Sharif & Zakiyah, 2015). Whistleblowing is one of the elements of internal control system in business organization. Whistleblowing can be defined as the disclosure of immoral and illegal practices to responsible authorities by the whistleblower. The term of ‘whistleblowing’ had been used from 1963 in United States (Ridzuan et al., 2017).

Then, there are several famous cases such as Enron and WorldCom’s case that relate with accounting scandal. (Ahmad, 2011). These cases had made the financial investor loss confidence to invest in market because of the big financial losses incurred. This scandal became a highlight because of the former employees had blown the whistle regarding the malpractice action done in company to the responsible parties (Ahmad, 2011). While, in United Kingdom the famous case relate with accounting scandal is Tesco and financial scandal is West London Mental Health NHS Trust (Sharif & Zakiyah, 2015). Both of the cases get attention from media because it relates with whistleblowing and still under investigation.

In Malaysia, there are several cases that relates with the corporate governance failure. For instances, the cases of corporate misconduct at Technology Resources Industries Berhad (Norwani et al., 2011). The issues had started in 1993 when TRI