

An Internal Auditor's Commitment to Independence: The Effect of Professional Scepticism, Self-Efficacy and Job Satisfaction

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Abstract

Internal auditors have found it difficult to exercise independence when management interferes with their work. This is because they are part of and work for the organisation. This study investigated the relationships between professional scepticism, self-efficacy, job satisfaction, and commitment to independence. Data were collected using questionnaires. 77 out of 325 questionnaires were returned from heads of in-house internal auditors of Malaysian listed companies. Multiple regression analysis was utilised to determine the link between the independent and dependent variables. After testing the three hypotheses, the findings indicate that professional scepticism and self-efficacy significantly impact commitment to independence, whereas job satisfaction has no significant impact on them. These associations suggested that the internal auditor is more committed to independence when professional scepticism and self-efficacy are higher. By demonstrating the link between professional scepticism, self-efficacy, job satisfaction, and Malaysian internal auditors' commitment to independence, this study considerably adds to the body of knowledge on internal auditing and management.

Keywords: professional scepticism, self-efficacy, job satisfaction, internal auditor's independence, in-house internal audit

1. Introduction

1.1 Problem Statement

Internal auditing has developed into a more complicated role, beyond an accounting oriented. The examination and evaluation of controls, performance, risks, and governance for both public and private companies are now included in the internal auditor's larger range of responsibilities. According to the Guideline on Internal Audit Function (GIAF) (2017), the role of internal auditing is to provide an independent, objective assurance, and consulting activity to add values and improve the operations of the organisations. It will assist them to accomplish the objectives and enhance the process of risk management, control, and governance.

International standards have highlighted two terms, which are objectivity (referring to the state of mind) and independence (referring to the state of affairs) (IIA, 2017). Objectivity means that the internal auditors will perform their audit work with an objective attitude and make objective professional judgements, while independence means a freedom from conditions that threaten objectivity (Aidi et al, 2022). Independence is the state where the auditors are not easily influenced by others. (Mardijuwono and Subianto, 2018). Thus, it is useful to emphasise that independence and objectivity are essential for internal auditors.

Independence is the cornerstone of the effectiveness of internal audit, while objectivity is crucial for the internal auditors to perform their responsibilities (Al-Akra, Abdel-Qader & Billah, 2016). It is expected that the internal auditors must have independence so that they will produce a good and reliable audit quality (Salterio et al., 2021). The issue of internal audit failure that involved the lack of internal auditors' independence is on the rise. It is crucial to investigate further and address the issue of internal audit independence. Moreover, the worth of the internal auditor's independence is recognised in the IIA standards and Guidelines on Internal Audit Function (GIAF).

Therefore, failing to exercise independence could have a number of negative consequences and impacts, not only on internal auditors, but also more significantly, on the business and the profession.

In addition to independence, internal auditors required to perform their audit based on professional scepticism. According to Nelson (2009), professional scepticism is an attitude that includes the mind that constantly questions which should be shown by the internal auditors throughout any engagement. However, exercising appropriate professional scepticism is difficult for internal auditors. The truth is that management frequently interferes with their judgment. Despite this, maintaining a sceptical mindset is essential for the audit procedures to be effective since it can guard against bias.

In exercising objectivity and independence, internal auditors need to be confident in solving problems and in accomplishing all tasks. According to Bandura (1997), self-efficacy is the ability of the individual to solve problems and accomplish the tasks. Internal auditors' aptitude for resolving issues relating to financial statements, risk management, and controls will help the organisation achieve its goals. The achievement of its goals will subsequently improve the organisation's reputation. Additionally, it is critical for internal auditors to satisfy stakeholder expectations when delivering consulting services by offering guidance and chances (Dineva, 2018). Syahril, Lyshandra, Wulandjani, and Sulistiawarni (2018) emphasized that individuals who have low self-efficacy tend to avoid tasks that are beyond their capabilities. Therefore, it is argued that internal auditors who have low self-esteem will find it challenging to exercise independence. Internal auditors' self-efficacy is crucial since it will enable them to carry out their work independently.

The level of happiness that employees experience at work is known as job satisfaction. Numerous research in the management literature looked into the factors that influence job satisfaction. Salaries, training and promotion, job relation and characteristics are the factors affecting job satisfaction (Le, 2015). However, employees, especially internal auditors may experience job dissatisfaction as a result of complexity, deadlines, and time constraint. This is due to the possibility that internal auditors would not be able to handle the issues and achieve the deadlines. Previous study indicated that auditors will not devote to their audit work if they are not happy with their jobs. As a result, they refrain from acting independently and the performance of their professional conduct is low (Yuen, Law, Lu & Qi Guan 2013).

Examining personal attributes in relation to commitment to independence is important because certain traits and characteristics can affect an individual's ability or willingness to pursue and maintain independence. Although professional scepticism, self-efficacy, and job satisfaction were extensively studied by prior studies in Malaysia, none of them looked at the connection between internal auditors' commitment to independence and professional scepticism, self-efficacy, and job satisfaction. Thus, this study would fill the gap in the literature by examining the influence of professional scepticism, self-efficacy, and job satisfaction on the Malaysian internal auditors' commitment to independence.

1.2 Literature Review and Hypotheses Development

1.2.1 Auditor's Independence and Auditor's Commitment to Independence

Generally, independence refers to the state or quality of being autonomous, self-reliant and free from external control of influence (Reindal, 1999). Independence is highly specialized concept for an auditor. According to Bartlett (1993), auditor's independence refers to the auditor's ability to make decision with an objective mindset throughout the audit and financial reporting. In addition, Maury (2000) defined auditor's independence as trait of being free from influence, persuasion or bias in the pursuit of upholding the highest ethical standard for the accounting profession. Auditor's independence is crucial to maintain the integrity and credibility of the audit process, ensuring that auditors can provide reliable and unbiased assurance to the stakeholders. In the absence of independence, the value of audit services is perceived to be impaired (Lokman & Bakri, 2020).

While, the idea of auditor's commitment to independence was first presented by Ahmad and Taylor (2009). They described commitment to independence as the internal auditor's acceptance of, subscription to, and support of the idea of independence, as well as the internal auditors strive for personal effort and responsibility. Their study looked into how internal auditors' commitment to independence was affected by role conflict and role ambiguity. In addition, Barainkua and Pike (2018) describes auditor's commitment to independence as the dedication and adherence of auditors and audit firm to maintaining independence in their professional conduct and decision making. They looked at the influence of auditor's commitment to independence on auditor's professional values and behaviour. However, there have not been many research that have looked into what influences an internal auditor's commitment to independence. Due to the importance of internal auditors' commitment to independence in preserving their

professional standing and the reputation of the profession as a whole as well as the company, this study set out to address these challenges.

1.2.2 Underlying Theories

In this paper, the theory of cognitive dissonance, social cognitive and Herzberg's two-factor motivation has been taken into account to create its theoretical basis.

The first theory is cognitive dissonance theory. According to Festinger (1957), people need to make sure that their beliefs and behaviours are consistent. This assurance is equivalent to the nature of human beings who are concerned with their stability and consistency. The theory of cognitive dissonance explains that a person's uncomfortable feeling will lead to their opposite attitude, thoughts, and behaviours. Thus, the soul will motivate the person to act rationally to reduce the discomfort. In other words, when the dissonance is strong, more pressure is required to alleviate uneasy feelings. Dissonance arises when there is an inconsistency during the interaction of the elements of cognition. Changing the cognition and interest will reduce the dissonance. Cognitive dissonance theory can be used to explain an auditor's attitude of professional scepticism. When faced with a situation that conflicts between attitude and behaviour in making decision, the auditors believe that, when performing an audit, they ought to make decisions based on the standards. They should adhere to the principles of independence and objectivity (Husnianto, Pituringsih & Animah, 2017). Professional scepticism is difficult in the presence of internal politics or biases which can impair the internal auditor's objectivity and independence. Therefore, the value of the company will be reduced and the effectiveness of the internal audit team will be affected as well. The internal auditor would reduce the dissonance by obtaining evidence to satisfy the cognition. Nelson (2009) stated that the more willing is the internal auditor to gather evidence, the more sceptical they are in conducting audit work. This theory is also used to indicate that professional scepticism must be maintained by an auditor in accordance with the standard. Thus, this study investigated the possibility of professional scepticism influencing internal auditor's commitment to independence.

Secondly, social cognitive theory was introduced by Bandura (1986). This theory highlights the basis of judgement of what people choose to do, how much effort to exert in performing the activities, and how long to sustain the behaviour in facing the challenges. This theory also mentions people's belief in their capabilities to perform tasks, which can reflect their accumulated knowledge. According to the social cognitive theory, self-efficacy is a motivation that could influence people to be more persistent and confident in facing difficulties and challenges. On top of that, the person will make more effort and produce successful outcomes if he or she is highly efficacious (Bandura, 1986). Moreover, during a peak time period or challenging times, it is crucial for employees to have the ability to face the problem and have a high self-efficacy (Karademas & Kalantzi, 2004). Since internal auditors are the employees of the organisation, self-efficacy or confidence is enhanced through the support from the management by providing them the freedom to conduct their work. They must have adequate knowledge and not be ambiguous in performing the audit work. Besides, internal auditors also should ensure that the organisation meets its strategic, financial, and operational goals. These expectations are undeniable and would require them to exert much effort to face the challenges in creating a value of the organisation. This effort would lead the internal auditors to commit to independence. Therefore, this study used the social cognitive theory to investigate the relationship between self-efficacy and commitment to independence.

Thirdly, Herzberg (1974) stated that job satisfaction of a subordinate is related to the motivation of the employee in performing the work. Previous researchers had used the Herzberg (1974) Two-Factor Motivation Theory. Frempong, Agbenyo, and Darko (2018) investigated the relationship between job satisfaction and employee's loyalty and commitment. Khan, Khan, Kundi, Khan, Nawaz, Khan, and Yar (2014) studied the impact of job satisfaction on organisational commitment, while Tan and Waheed (2011) researched job satisfaction in the Malaysian retail sector while considering the effect of love of money as the mediating factor. These studies indicated that once employees' job satisfaction is increased, the organisational commitment among them would also increase. The employees who are satisfied with their job will perform their duties well and be committed to their job, and, subsequently, to their organisation. For internal auditors, commitment to the job can be perceived through their compliance with the independence value. Internal auditors play a crucial role to ensure the effectiveness of the organisation. They assist the management to evaluate the risk assessment and internal control practices. They are also responsible to provide advice or consultation for new products or services. They might help the organisation to formulate new procedures and revise existing ones. Hence, internal auditors would be satisfied in performing their job if there is no interference from management and they do not have to subordinate their judgements to others. Non-interference is a must for an internal auditor to give an independent and objective assurance and consultancy in creating value to the organisation. Thus, this study investigated the possibility of job satisfaction influencing internal auditor's commitment to

independence.

1.2.3 Professional Scepticism and Commitment to Independence

Chiang (2016) indicates that auditor independence, the cornerstone of the audit profession enhances the auditor's ability to act with integrity, be objective and maintain an attitude of professional scepticism. It is a professional obligation for auditors to maintain a sceptical mindset. When making audit decisions, they must be independent and have a questioning mindset. It is anticipated that professional scepticism will contribute to enhance the efficiency of the audit process. Besides, the application can prevent choosing an ineffective audit technique and incorrectly interpreting audit results. To avoid conflicts of interest, favouritism, and management influence, scepticism is used. Hence, Nelson's (2009) notion of professional scepticism served as the foundation for this investigation.

Among the more recent studies, Griffith, Hammersley, Kadous, and Young (2015) investigated the relationship between professional scepticism and belief adjustment. The findings indicated that professional scepticism influences how internal auditors process information. They need to exercise sceptical mind and have critical assessment of the audit evidence. Earlier, Nelson (2009) stated that the association between professional scepticism and belief adjustment has been highlighted, but not fully tested by researchers. Cushing (2000) mentioned that internal auditors who are sceptical tend to have different kind of beliefs. Therefore, it argued that the cognitive belief could encourage an internal auditor to be more objective and independent in performing an audit work. Similarly, Janssen, Hardies, Vanstraelen and Zehms (2021) found that internal auditors who are more sceptical tend to have stronger beliefs about the importance of maintaining independence, objectivity and professional skepticism in their work. They also tend to be more likely to challenge assumptions made by management and seek out alternative explanations to account for what they are seeing. Thus, it could be hypothesised that:

H1: There is a significant relationship between professional scepticism and internal auditor's commitment to independence

1.2.4 Self-efficacy and Commitment to Independence

Bandura (1982) defined self-efficacy as the capability of the individual in performing a specific task. People who have high self-efficacy would set higher goals and exert more effort, which would lead to the achievement of their goals. According to King (2004), people's self-efficacy would also control their behaviours in order to achieve the desired missions and goals. Stuccliffe and Vogus (2003) mentioned that self-efficacy enables them to gain control and complete the task successfully. Thus, people with high self-efficacy would have high self-confidence.

Lu, Siu, and Cooper (2005) suggested that self-efficacy influences the motivation, behaviour, and performance of the employees. Scholz, Benicio, Sud, and Schwarzer (2002) stated that self-efficacy would also affect work choices and performance. Therefore, self-efficacy can be deduced to be one of the key factors of the levels of work involvement of internal auditors.

Orgambídez, Borrego, and Vázquez-Aguado (2019) also argued that when self-efficacy is high, work engagement is also high, and it would lead to an affective bond with the organisation. This study argued that when internal auditors have high self-efficacy, they will exert more effort in assisting the organisation to accomplish its objectives and goals since they are the consultants of the company who need to provide assurance independently and objectively. They evaluate and improve the effectiveness of risk management, control, and governance. Thus, high self-efficacy would lead the internal auditors to commit to independence.

Self efficacy is also associated with job performance. Bandura (1986) stated that the effects of self-efficacy on work-related performance are well presented based on the social cognitive theory. Self-efficacy can influence the behaviour of the individuals in determining the amount of effort and the level of persistence to achieve successful outcomes. McCarthy and Newcomb (1992) argued that when internal auditors have high self-efficacy, they are very persistent and do not give up in striving to meet the challenges, including striving to be committed to independence. Tims, Bakker, and Derks (2014) showed that when employees feel most self-efficacious, they prefer to be involved in job crafting, which could improve their job performance. This finding is supported by De Clercq, Haq, and Azeem (2018), who stated that self-efficacy positively influences job performance taking into consideration job-anxiety as the mediating role. In other words, employees would experience less anxiety when they are doing the task because they feel confident that they could complete the task successfully. Cetin and Askun (2019) also stated that occupational self-efficacy positively influences work performance through intrinsic work motivation.

Additionally, Mohd Sanusi, Iskandar Monroe and Saleh (2018) investigated a sample of auditors in small and medium audit firms in Malaysia and reported that self-efficacy mediates the effect of goal orientation on audit judgment performance. Earlier, Mohd Iskandar, Nelly Sari, Mohd Sanusi, and Anugerah (2012) found that

self-efficacy has a positive relationship with audit judgement performance. They argued that commitment to independence is a concept that inspires internal auditors in making their judgement. They should be able to make an unbiased judgement based on the audit activities. According to the above discussions, it is argued that self-efficacy can also have a positive effect on commitment to independence. Since no studies have addressed this issue fully, this study suggested that a positive relationship exists between self-efficacy and commitment to independence. Thus, the following hypothesis was developed:

H2: There is a significant relationship between self-efficacy and internal auditor's commitment to independence

1.2.5 Job Satisfaction and Commitment to Independence

According to Locke (1976, pg. 1297), job satisfaction is "a pleasurable or positive emotional state resulting from the appraisal of one's job and job experience". Job satisfaction is the important factor to determine employees' job performance in an organisation (Frempong et al., 2018). This belief is undeniable because when the employees are satisfied with their job, it will lead to loyalty, punctuality, a lower labour turnover in the long run, and an increase in employees' commitment.

Salehi, Ghaderi, and Rostami (2012) found that internal auditors have a low level of job satisfaction compared to external auditors. This finding is due to internal auditing being one of the stressful jobs because of heavy workloads, many deadlines, and time pressures. Brown and Mendenhall (1995) mentioned that internal auditors are under pressure to produce quality work, and they need to accomplish the task in less time. Thus, even though there is stress in their job, they still need to perform their work independently and objectively as stipulated in the standards.

Herzberg (1974) stated that when job satisfaction increases, the motivation of employees in performing the work also increases. Seijaaka and Kaawaase (2014) suggested that job satisfaction is positively related to organisational commitment. They argued that job performance indicates the level of satisfaction of the internal auditors in performing audit work. The internal auditors identify the risks that could hinder the organisation from achieving its goals. They should be able to recommend improvements to reduce the risks from occurring in the organisation objectively and independently. If internal auditors are able to do that, they would be satisfied, which then, could lead them to be more objective and more committed to exerting effort to maintain independence.

Smith (2015) stated that individuals are more concerned about the relationship between the employees, managers, and others compared to benefits or salary. It argued that a good relationship between management and internal audit shows the ability of the internal auditors to perform their audit job. It consistent with Pancasila, Haryono and Sulisty (2020) which found that there are positive and significant effects of leadership on job performance and satisfaction. The support from the management by not interfering the internal auditor's job would improve the effectiveness of the internal audit. It means that internal auditors will be motivated to provide independent and objective assurance to the organisation.

Prior research suggests that there is a lack of studies that linked job satisfaction to commitment to independence. Therefore, this study wanted to show that there is a relationship between job satisfaction and commitment to independence. Thus, the following hypothesis was developed:

H3: There is a significant relationship between job satisfaction and internal auditor’s commitment to independence

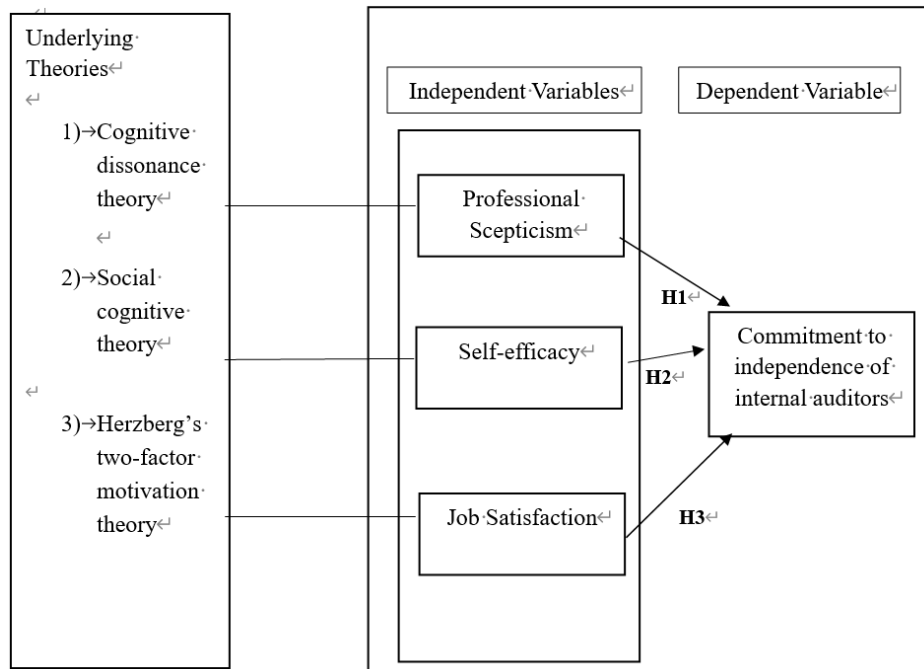


Figure 1. Conceptual Framework of the Relationship between Professional Scepticism, Self-Efficacy, and Job Satisfaction and Internal Auditor’s Commitment to Independence

Figure 1 depicts the conceptual framework of this study, which attempts to examine the relationship between professional scepticism, self-efficacy, and job satisfaction with commitment to independence. The underlying theories used to explain the relationship between the independent and dependent variables are shown in Figure 1. The independent variables are professional scepticism, self-efficacy, and job satisfaction and the dependent variable is commitment to independence.

2. Method

2.1 Population and Sample Selection

This study was conducted to determine the effect of professional scepticism, self-efficacy, and job satisfaction on commitment to independence of internal auditors. For this study, all heads of in-house internal auditors of the public listed companies were selected from the database of the Institute of Internal Auditors Malaysia (IIAM). A copy of the questionnaire of 7-page booklet was sent vial mail to 325 (41 % of the total number of public listed companies in 2018) in-house internal auditors heading the internal audit department of Malaysian public listed companies under the main market of Bursa Malaysia. The auditors were given four weeks to complete the questionnaires starting from 15th September 2019 to 14th October 2019.

2.2 Survey Questionnaire

The questionnaires consisted of seven pages and were printed in a booklet form. The survey questions were divided into five sections. Section A consisted questions in terms of the demographic information. It required the respondents to answer a few basic questions on their background, such as gender, age, education qualification, and experience. Section B contained twenty-five items on professional scepticism. Next, Section C consisted of eight items relating to self-efficacy. Subsequently, in Section D, there were ten items on job satisfaction. Lastly, in Section E, the respondents were required to answer ten items on commitment to independence. The respondents were requested to indicate their answers on a seven-point Likert scale that ranged from ‘1’ strongly disagree to ‘7’ strongly agree.

2.3 Scales

Table 1.

Scales	Measurement
Descriptive Statistics	included gender, age, education qualification, years of experience as an auditor, and organisation's location in Malaysia
Professional scepticism scale	Using Hurtt's scale which developed the professional scepticism framework. It comprises six dimensions namely questioning mind, suspension of judgement, search for knowledge, interpersonal understanding, autonomy, and self-esteem. Only 25 of 30 items suggested by Hurtt (2010) were adopted by this study because suspension of judgement trait of professional scepticism is irrelevant in Malaysian context. The auditors in Malaysia do not delay audit judgements until sufficient evidence is received (Hussin & Iskandar, 2015).
Self-efficacy scale	Adopted eight items instrument by Chen, Gully & Eden (2001)
Job satisfaction scale	Adopted generic job satisfaction scale developed by Macdonald & MacIntyre (1997)
Commitment to independence scale	Adopted from Ahmad and Taylor (2009) that consisted of ten statements

2.4 Data Collection

Out of 325 questionnaires distributed, only 77 (23.69%) questionnaires were returned after the four-week period. There was no uncompleted questionnaire received as the respondents answered all the sections in the questionnaire by ticking the scale most suitable to their opinions.

2.5 Data Analysis Methods

The data collected from the questionnaires was analysed through the Statistical Package for the Social Science (SPSS) software version 25. To test the hypotheses, Pearson correlation coefficient and multiple linear regression analysis was used for this study.

3. Results

The results revealed that two predictors affected the commitment to independence significantly. There is a significance association between professional scepticism and the commitment to independence ($\beta = 0.432$, $p = 0.058 < 0.10$). Next, there is also a significant relationship between self-efficacy and commitment to independence ($\beta = 0.346$, $p = 0.038 < 0.05$). Nevertheless, job satisfaction is insignificantly related to the commitment to independence ($\beta = 0.047$, $p = 0.676 > 0.05$). The Table below presents the coefficient results of the multiple regression analysis of the variables.

Table 2. The Coefficient of Regression Results for Professional Scepticism, Self-Efficacy, Job Satisfaction, and Commitment to Independence

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.252	1.086		1.153	.253
	Professional scepticism	.432	.225	.224	1.926	.058*
	Self-efficacy	.346	.164	.281	2.112	.038**
	Job satisfaction	.047	.112	.051	.420	.676

Note:

Dependent variable: Commitment to independence

** . Correlation is significant at the .05 level (2-tailed)

* . Correlation is significant at the .10 level (2-tailed)

The R^2 value of the regression model indicates the percentage of the dependent variable that can be explained by the independent variables. R^2 of 0.205 of this study indicates that 20.5% of the variation in the commitment to independence can be determined by the three predictors, which are professional scepticism, self-efficacy and job satisfaction.

Table 3. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.452 ^a	.205	.172	.65713

Note:

a. Predictors: (Constant), Professional Scepticism, Self-efficacy, Job Satisfaction

b. Dependent Variable: Commitment to Independence

Table 3 presents the summary of the hypotheses results based on the regression analysis. As shown in the Table, professional scepticism and self-efficacy have a significant positive relationship with commitment to independence; therefore, H1 and H2 were accepted. However, job satisfaction does not have a significant positive relationship with commitment to independence; hence, H3 was rejected. The summary of hypotheses results is presented in Table 4.

Table 4. Summary of Hypotheses Results

No	Independent variables	Hypotheses statements	Results
H1	Professional scepticism	There is a significant relationship between professional scepticism and internal auditor's commitment to independence	Accepted: There is a significant positive relationship between professional scepticism and commitment to independence
H2	Self-efficacy	There is a significant relationship between self-efficacy and internal auditor's commitment to independence	Accepted: There is a significant positive relationship between self-efficacy and commitment to independence
H3	Job satisfaction	There is a significant relationship between job satisfaction and internal auditor's commitment to independence	Rejected: There is no significant relationship between job satisfaction and commitment to independence

4. Discussion

4.1 Professional Scepticism and Commitment to Independence

The results support the hypothesis statement H1 as there is a significant positive relationship between professional scepticism and commitment to independence. This finding is supported by Griffith, Hammersley, Kadous, and Young (2015), who found that professional scepticism influences internal auditors to evaluate the information. They need to exercise a sceptical mind and have a critical assessment of the audit evidence. This influence is understandable as the role of internal auditors is to evaluate the effectiveness of the organisation in managing risks. In order to evaluate the effectiveness, they need sufficient, reliable, and useful information to identify the risk. They can conduct interviews or a survey to retrieve the information from the organisation. Internal auditors exercise professional scepticism to analyse the information. Thus, they can give objective and independent assurance on risk management to the organisation, which can create value to the organisation.

Besides that, the results revealed that Malaysian internal auditors' commitment to independence is affected by professional scepticism. This result is consistent with Cushing (2000), who mentioned that auditors who are sceptical tend to have different kinds of beliefs. This tendency is undeniable as the nature of human behaviour and feelings are constantly changing. Internal auditors face conflicts of situation between attitudes and behaviour when making decisions on audit evidence. Due to that, internal auditors should gather more information to critically evaluate the

evidence. Therefore, this condition is related to the cognitive dissonance theory. The theory suggests that when faced with contrasting situations between attitude and behaviour in making decisions, the auditors believe that they ought to make decisions independently and objectively in accordance to the standards when performing their audit. This belief can lead the internal auditors to commit to independence.

4.2 Self-efficacy and Commitment to Independence

The results confirmed the hypothesis that there is a significant relationship between self-efficacy and internal auditor's commitment to independence. This finding is consistent with the finding documented by McCarthy and Newcomb (1992). The results indicated that for internal auditors to commit to independence, they should be very persistent and never give up when facing challenges. Internal auditors are able to assess risks, investigate fraud, monitor compliance with rules and regulations, and suggest improvements to the organisation. They can do these activities because they have adequate knowledge to perform the audit work independently and objectively. Similarly, Orgambidez, Borrego, and Vázquez-Aguado (2019) reported that when internal auditors have high self-efficacy, they can exert more effort in assisting the organisation to accomplish its objectives and goals as consultants of the company. Since the organisation depends on the internal auditors to give it assurance, they should have the confidence to provide the assurance independently and objectively. This outcome is also consistent with Mohd Iskandar, Nelly Sari, Mohd Sanusi, and Anugerah (2012), who found that commitment to independence is a concept that inspires internal auditors in making their judgements. To comply with the standards, internal auditors must understand the concept of independence and objectivity. The ability to make unbiased judgements based on the audit activities can lead to commitment to independence.

Even though there is an internal or external interference from the management, the internal auditors should be able to provide assurance and consultancy to the management. Thus, this finding is consistent with the social cognitive theory, where the internal auditors in Malaysia are able to perform their tasks confidently, are very persistent, and never give up when facing challenges. Internal auditors would also make more effort and produce successful outcomes if they are highly efficacious. During challenging times, the internal auditors would be able to resolve problems. Therefore, this study believed that commitment to independence is a concept that inspires internal auditors in their job performance.

4.3 Job Satisfaction and Commitment to Independence

The relationship between job satisfaction and commitment to independence is not supported in this research. This result is not consistent with the study by Seijaaka and Kaawaase (2014), where job performance indicates the level of satisfaction of internal auditors in performing audit work and Smith (2015), who indicated that a good relationship between management and internal audit shows the ability of the internal auditors to perform their audit job. The result of this study indicated that the Malaysian internal auditors are satisfied as long as they have performed their work as required by the standards. Independence is portrayed in their job satisfaction. In other words, their commitment to independence is embedded in their job satisfaction. The BMLR 2018 Para 15.27 sets out the requirement for internal auditors to be independent in performing its role. They also need to provide an independent and objective assurance and consulting activity to create values and improve the operations of the organisations (IIA, 1999).

With the assistance of the internal auditors, the organisation would be able to accomplish its objectives and enhance the process of risk management, control, and governance. Herzberg's two-factor motivation theory highlights the factors that could affect employees' satisfaction and dissatisfaction in performing their work. According to the results of this study, job satisfaction is not associated with commitment to independence, probably because internal auditors in Malaysia are under pressure to produce quality work in a short time. They would probably feel more demotivated due to heavy workloads, many deadlines, and time pressure. It is well known that internal auditing is one of the more stressful jobs in Malaysia. Nevertheless, in spite of the stress in their job, internal auditors are required to perform their work independently and objectively as stipulated in the standards.

5. Conclusion and Recommendation

This study examined the effect of professional scepticism, self-efficacy, and job satisfaction on commitment to independence of internal auditors. There are many studies on professional scepticism, self-efficacy, and job performance. However, lack of studies investigated on the relationship between professional scepticism, self-efficacy, and job performance and commitment to independence of internal auditors. This study revealed that there is a statistically significant association between professional scepticism and self-efficacy with commitment to independence, but there is no significant association between job satisfaction and commitment to independence.

Since there are no studies in Malaysia that considered internal auditors as a target group for the effect of professional scepticism, self-efficacy, and job satisfaction on commitment to independence, this research contributes to the internal auditing and management literature on the effect of professional scepticism, self-efficacy, and job satisfaction among Malaysian internal auditors.

Moreover, this study also investigated the effect of the auditee's behaviour and attitude on the internal auditor's acceptance, subscription to the notion of independence, support, and attempts at evolving personal effort and responsibility. This study also contributes to the future development of the auditing profession, particularly in a developing country such as Malaysia. These relationships indicated that internal auditor's commitment to independence is increased when professional scepticism and self-efficacy are increased. Thus, the legal authority in Malaysia such as IIA Malaysia can supervise the independence of internal auditors while performing the audit work. They could also be influenced to provide a comprehensive training to heighten the internal auditor's professional scepticism and self-efficacy.

With regard to limitation is, there are no studies that looked into the relationship between professional scepticism, self-efficacy, job satisfaction and commitment to independence among internal auditors in the Malaysian context. Therefore, there is no local frame of reference for this study. Secondly, the low number of respondents might make the results not representative of internal auditors of the Malaysian public listed companies hence more respondents would be. Moreover, this study wants to acknowledge the time gap between the data collection and publication. However, this study is still relevant due to lack of literature discuss regarding this context. Since this study is done before pandemic, therefore, this study suggests future studies to consider professional scepticism, self-efficacy, and job satisfaction of internal auditors after pandemic. The results might be different due to the workplace environment and the nature of work. Furthermore, future research could also test the relationship by adding more variables, such as moderating or mediating variables, so that the framework would be more representative of the job scope of internal auditors.

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