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02 MAY 2011

Assessments

Examination Report – Doctor of Philosophy Thesis

(To be completed after reference to notes provided for the guidance of examiners)

Name of Examiner: Professor Robert Clift

Name of Candidate: Syahrul Ahmar Ahmed

Title of Thesis: Internal Auditors and Whistleblowing Intentions: a study of organizational individual and situational factors

1. I am willing to have my identity revealed to the supervisor/s.

YES ☒

NO ☐

2. I am willing to have my identity revealed to the candidate.

YES ☒

NO ☐

Please note that under Freedom of Information (FOI) legislation, the University may be limited in its capacity to protect your identity, if you answered No to either or both of these.

3. Summary Recommendation of Thesis Examination

After examination of the above thesis (and the supporting papers, if any) I recommend:

Check **ONE** only

(i) unqualified acceptance; or

☐

(ii) acceptance subject to minor amendments being made to the satisfaction of the supervisor;

☒

(iii) acceptance subject to amendments to passages in the thesis being made to the satisfaction of the Head of School or nominee;

☐

(iv) revision and re-examination;

☐

(v) rejection.

☐

NOTE:

Please attach a written statement outlining the grounds for your recommendation to this report.

4. The University awards annually a number of research medals and prizes to recognise outstanding academic achievement by graduate students studying in the Higher Degree programs of the University. These medals and prizes are awarded for research of outstanding quality.

Could you please assess the thesis against the criteria listed overleaf. The following is for internal use only.

Please assess the thesis against the following criteria

- Quality of research
- Innovation
- Significance and potential impact
- Presentation

Assess each criterion as:

- 5 – outstanding
- 4 – highly satisfactory
- 3 – satisfactory
- 2 – less than satisfactory
- 1 – very weak

Criteria	Overall assessment against each criterion
Quality of research indicators Literature review, synthesis and interpretation Development of conceptual underpinnings Choice and rigour of methodology Analysis of data Interpretation and discussion of results	Quality of research (/5) 4 5 4 3 5 5 4+ / 5
Innovation indicators Innovation and originality in the research	Innovation (/5) 3/5
Significance and potential impact indicators Significance of the contribution to new knowledge within the discipline Potential impact of the research within and beyond the discipline/profession, including broader social, cultural, economic and environmental impacts (including the potential to influence policy and practice)	Significance and potential impact (/5) 4 4 4/5
Presentation indicators Quality of layout and presentation Clarity and cohesion of writing and argumentation Quality of English expression and grammar Quality of referencing	Presentation (/5) 4 4 3 5 4/5
Overall assessment	Overall assessment (/20) 15/20

Comments

See written report attached

Marking experience

Please identify the number of theses marked previously at this level: 50 +

Ranking

Please rank this thesis (✓) relative to other theses at the same level (master, professional doctorate or PhD) as either:

- Among the best theses I have marked
- Considerably better than the average thesis I have marked
- Better than the average thesis I have marked
- Comparable to the average thesis I have marked
- Of a lower quality than the average thesis I have marked

☐
☐
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[Signature]
Signature of Examiner

Date: 28/4/11

PLEASE RETURN COMPLETED REPORT TO:

Mrs Patricia Brown - Assessments - ECU
270 Joondalup Drive, JOONDALUP WA 6027
Fax: (+61 8) 6304 2055 E-mail: p.brown@ecu.edu.au

28.4.11

Report on Ph Thesis by S A Ahmed entitled: Internal Auditors and Whistleblowing Intentions

I have read all of Mr Ahmed's thesis twice and several sections several times and believe it to be a commendable piece of work. However, I have several reservations about his English expression, his reliance on other people's research instruments and the overall presentation. After the re-reading of some sections I came to the conclusion that my reservations were not sufficiently serious to force the grading below (ii).

As the candidate has clearly developed mastery of the literature I must includes some positive comments to ameliorate the negative tone of the first paragraph. He has thoroughly justified his contention that internal auditors ought to be regarded as potential whistle-blowers and, in doing so, has justified his topic, he has worked hard and successfully on testing his questionnaire, analysing his data and devising informative and supportive tables.

Set out below are the matters which I believe ought to be considered carefully before finalisation and some specific corrections

My reservations

I was disappointed that there was not more of the candidate in the thesis. He has identified many of the unsettled areas in the field and generated new data relating to them. However, there were strong suggestions that he was prepared to accept other people's validations of the instruments which he borrowed. This feeling was reinforced by the material on reliability, validity, etc. He wrote at length on how the various problems could be identified and minimised but he did not say what he was about to do. He did, in fact, carry out a series of tests and minimising actions but by the time I read about them I was in questioning mode. Some additional material in Sections 4.5 and 4.7 to head-off questions like mine would strengthen the thesis.

In Section 5.3.3 he has treated Job Level and Size as demographic variables.

As often happens when dealing with complicated material, especially when the results are not as clear-cut as desired, I had to re-read his conclusions a couple of times. Perhaps a Table summarising them would give this section more impact.

While Figure 3.1 is very helpful, the way in which the research questions are restated implies that they were the result of the hypotheses development. Some additional material here or earlier in the manuscript would correct this impression.

Required corrections

General There are many "errors" relating to second language problems; incorrect use or omission of definite and indefinite articles, tenses and number, incorrect use or omission of commas and other punctuation marks. Quotations are not handled as per the Commonwealth Style Manual. We have probably lost the battle on word-building, omission of hyphens and split infinitives but "to internally whistleblow" must be the worst example of those breaches of grammar and syntax.

I would like to see some attention given to these problems

Specific errors

P (i) Use of Thesis 4th line acknowledged

P(iii) 1st para 4th line ?? The primary analysis, ?and multiple

2nd para 1st line The findings confirm

P (iv) Declaration knowledge and belief

Table of Contents There are some inconsistencies in capitalisation of words in 3rd order headings.
Also check the manuscript.

P (x1) Table 3.1 Questions

Table 5.16 Hypotheses

P 14 8th line delete first to

P21 last line ?? before they are made public

P 31 last lines the data ... analysts were... Treatment of data as singular has occurred several times in the thesis.

P35 3rd para 6th line ?? they were faced with

P70 5th line delete second is

P124 5,5,2 1st line variable on... something seems to be missing.

As these errors are the only ones that I noted in my working papers it would be advisable to check the thesis on screen for the red line (spelling) and the green line (grammar and syntax). I prefer the English/Australian responses but the important thing is consistency. I noticed that the candidate handled the s or z problem quite well – leaving quotations as originally written.

I also conducted a mini audit manuscript to reference list. That audit covered 5 pages and 79 references. The only error discovered was on p 28 relating to Wikipedia.

h. bluffs -
28/4/11

Examination Report – Doctor of Philosophy Thesis

(To be completed after reference to notes provided for the guidance of examiners)

Name of Examiner: Professor Michael Tayles

Name of Candidate: Syahrul Ahmar Ahmed

Title of Thesis: Internal Auditors and Whistleblowing Intentions: a study of organizational individual and situational factors

1. I am willing to have my identity revealed to the supervisor/s.

YES ☒

NO ☐

2. I am willing to have my identity revealed to the candidate.

YES ☒

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☐

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Criteria	Overall assessment against each criterion
Quality of research indicators Literature review, synthesis and interpretation Development of conceptual underpinnings Choice and rigour of methodology Analysis of data Interpretation and discussion of results	Quality of research (/5) 3/4
Innovation indicators Innovation and originality in the research	Innovation (/5) 3/4
Significance and potential impact indicators Significance of the contribution to new knowledge within the discipline Potential impact of the research within and beyond the discipline/profession, including broader social, cultural, economic and environmental impacts (including the potential to influence policy and practice)	Significance and potential impact (/5) 3
Presentation indicators Quality of layout and presentation Clarity and cohesion of writing and argumentation Quality of English expression and grammar Quality of referencing	Presentation (/5) 4
Overall assessment	Overall assessment (/20) 14/20

Comments

Marking experience

Please identify the number of theses marked previously at this level:

Ranking

Please rank this thesis (✓) relative to other theses at the same level (master, professional doctorate or PhD) as either:

- Among the best theses I have marked
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- Better than the average thesis I have marked
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- Of a lower quality than the average thesis I have marked

☐
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Signature of Examiner

Date:

6/5/2011

PLEASE RETURN COMPLETED REPORT TO:

Mrs Patricia Brown - Assessments - ECU
 270 Joondalup Drive, JOONDALUP WA 6027
 Fax: (+61 8) 6304 2055 E-mail: p.brown@ecu.edu.au

Internal Auditors Internal Whistleblowing Intentions: A Study of Organisational, Individual, Situational and Demographic Factors

Syahrul Ahmar Ahmad

Edith Cowan University

This work explores whistleblowing intentions of internal auditors. To obtain this information it has linked closely with the IIA Malaysia. Given the recent spate of corporate collapses, ethical issues are much to the fore and this work is therefore highly relevant. Contributions focused on Malaysia, where perhaps we have limited insight, are welcome.

The nature of this topic related as it is to behavior and psychology and requiring different research approaches, is always going to be a challenge. It requires quite particularly careful use of literature and a significant ability to interpret and synthesise this literature, drawing also on existing empirical work to ensure validity and reliability etc. This thesis manages to achieve these requirements, whilst not a long piece of work it is carefully written with a comprehensive bibliography. At all stages the care in wording and in analysis comes through, the author makes a positive impression with his use of language, awareness of findings, development of argument, use of quotes and examples.

As the author points out, research in this whole area is particularly difficult and he opts for whistleblowing 'intentions', this is appropriate and feasible. Furthermore how does one capture such intentions, logically through the use of vignettes. This is not entirely new but somewhat novel and interesting. It is not a research approach that this assessor has used but one which I am absolutely confident is totally respectable and relevant to the question at hand. Attention to confidentiality, response rate, careful printing of the questionnaire, piloting the instrument, the support of the professional body, the order of vignette etc all make a positive impact on the reader and demonstrate that this candidate has exercised care in the research process.

It is a little unfortunate that there are only a small number of significant results to the various hypotheses. This probably reflects the difficulty in detection of some of the variables in question and the sensitive nature of the issues. Whilst I am not an expert in this area a Likert

range of 1-7 might have spread the findings more and one has to bear in mind that respondents often have a tendency to avoid extreme values. The vignettes themselves were deliberately constructed to be somewhat unacceptable and hence likely to produce a non normal result (as was observed) with quite high mean scores as evidenced in the thesis. This is of course being wise after the event and in all honesty we have 'all been there' with our own research. I don't think this detracts seriously from the work as I believe that the material will be publishable in a 'modest' level journal, based on its relevance, topicality and the quality of argument to which I have referred above.

Whilst it was obviously convenient for the researcher to deal with this enquiry through a questionnaire survey and there were a number of good reasons for this, additional insight might have been obtained from interview, even telephone interview and without alignment with any particular respondent result. This mixed method approach might have revealed to us aspects of the enquiry or research in this area generally which need to receive attention. I note in the limitations and suggestions for further work that the author is sensitive to some of these issues.

It takes a particular skill to be comfortable undertaking this sort of research and not all academics possess this. However, the author manages to obtain insights from the work of others and apply this as a basis for his own enquiry. The presentation and explanation of the thesis is good, the content is very logical and the flow of material clear, it is well written.

Please contact me if you would like me to elaborate further on any of the above.

Michael Tayles

Emeritus Professor of Accounting and Finance

University of Hull

Examination Report – Doctor of Philosophy Thesis

(To be completed after reference to notes provided for the guidance of examiners)

Name of Examiner: Professor Janet P Near

Name of Candidate: Syahrul Ahmar Ahmed

Title of Thesis: Internal Auditors and Whistleblowing Intentions: a study of organizational individual and situational factors

1. I am willing to have my identity revealed to the supervisor/s. YES ☒ NO ☐

2. I am willing to have my identity revealed to the candidate. YES ☒ NO ☐

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3. Summary Recommendation of Thesis Examination

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Check **ONE** only

- (i) unqualified acceptance; or ☐
- (ii) acceptance subject to minor amendments being made to the satisfaction of the supervisor; ☐
- (iii) acceptance subject to amendments to passages in the thesis being made to the satisfaction of the Head of School or nominee; ☒
- (iv) revision and re-examination; ☐
- (v) rejection. ☐

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Criteria	Overall assessment against each criterion
Quality of research indicators Literature review, synthesis and interpretation Development of conceptual underpinnings Choice and rigour of methodology Analysis of data Interpretation and discussion of results	Quality of research (/5) 2
Innovation indicators Innovation and originality in the research	Innovation (/5) 3
Significance and potential impact indicators Significance of the contribution to new knowledge within the discipline Potential impact of the research within and beyond the discipline/profession, including broader social, cultural, economic and environmental impacts (including the potential to influence policy and practice)	Significance and potential impact (/5) 2
Presentation indicators Quality of layout and presentation Clarity and cohesion of writing and argumentation Quality of English expression and grammar Quality of referencing	Presentation (/5) 5
Overall assessment	Overall assessment (/20) 12

Comments

Please note: this is the first time that I have marked a thesis for a student at a university other than my own.

Marking experience

Please identify the number of theses marked previously at this level: 63

Ranking

Please rank this thesis (✓) relative to other theses at the same level (master, professional doctorate or PhD) as either:

- Among the best theses I have marked
- Considerably better than the average thesis I have marked
- Better than the average thesis I have marked
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- Of a lower quality than the average thesis I have marked

☐
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Janet P. Near
Signature of Examiner

Date: 1 May, 2011

PLEASE RETURN COMPLETED REPORT TO:

Mrs Patricia Brown - Assessments - ECU
270 Joondalup Drive, JOONDALUP WA 6027
Fax: (+61 8) 6304 2055 **E-mail:** p.brown@ecu.edu.au

This thesis is extremely well written. The sections are clear, organized and well phrased. The literature review is quite thorough and the hypotheses mostly well argued. Most of my concerns focus on the method used. First I will address my specific concerns in each section of the thesis; where I do not list concerns it reflects the fact that I think that section has been handled carefully and well. Second, I will rate each of the criteria stated above (originality, critical insight and capacity for independent research) as well as evaluate the overall contribution of this thesis to the field. I have not previously read a thesis long-distance, without having met the candidate, so I hope that my comments are of the scope you might expect. If you would like clarification of any point, please do not hesitate to ask me. I hope you will find my comments to be helpful.

Specific Questions:

- 1) In the hypothesis section, H1a assumes that whistle-blowing is always harmful to the whistle-blower. Although this is difficult to assess, it is important to note that the majority of whistle-blowers in most studies have indicated that they did not suffer retaliation. A large minority often do so, although only a small percentage reported retaliation in an earlier study of internal auditors in North America (Miceli & Near, 1994). So it might be more accurate to say that whistle-blowing is often harmful to the whistle-blower. All other hypotheses are reasonable and clearly argued.
- 2) You clearly explain how the population and sample were determined and why the response rate was low. Would there be any possibility of asking the IIA to tell you the percentages of their members in the Professional and Associates categories (i.e., your population) who fall into the demographic categories listed in Table 5-1? I understand that they might be reluctant to do this because of the extra work. But if you could show that your sample was similar to the population from which it was drawn, the low response rate would be less of a concern. Similar percentages should be a comfort to them as well as to reviewers of any journal articles that you write from these data. Otherwise your description of the methods for data collection and preliminary analyses of the data was extremely clear.
- 3) Your data analysis shows very different results by vignette. That is, the independent variables that are significantly related to the dependent variable differ for each vignette in important ways. As a result, aggregating the results in one regression (Table 5-11) seems to mix data that are not really comparable. Instead, I think your Table 5-16 provides a much better overview by allowing readers to see the similarities and differences in results across vignettes—especially since the topics of the vignettes change and it is not surprising that the results would differ. Even in data concerning actual whistle-blowing cases, the type of wrongdoing is very important in accounting for differences in the results (Near et al., 2004). Therefore, I would recommend deleting Table 5-11 and discussion of those results, as well as the "Overall" column from Table 5-16. I do not think the overall regression results are reliable or meaningful but I think contrasting the results from the different vignettes is interesting. The method used and the results obtained were very clearly described.
- 4) You seem to have collected social desirability data but I do not see where it is included in the regression analyses. I recommend including it as a control variable. If it explains much of the variance, this would greatly change the appropriate interpretation of your findings.
- 5) All of the recommendations above can be implemented easily, if your Head of Committee wishes you to do so. If these were the only problems I saw in the thesis, I would have rated it much more highly. There is one issue that I consider a very serious flaw that probably cannot be rectified now but can be discussed. A key finding from the excellent meta-analysis by Mesmer-Magnus & Viswesvaren (2005) is that conclusions from whistle-blowing studies differ significantly depending on which of two methods is used. Researchers have tended to use vignette or scenario research, as you have done, or they have used surveys designed to learn about the experiences that employees have had when they have blown the whistle on their organizations (as my co-author and I did in our study of North American internal auditors: Miceli & Near, 1994). The meta-analysis results indicated that findings from the two methods rarely agreed. This in itself does not show that the scenario results are unreliable and the survey results are reliable. However, the first data set from the MSPB does suggest this view. Specifically, respondents were asked the conditions under which they would blow the whistle if they saw wrongdoing and a high

percentage said they would do so under each of several conditions. Later in the questionnaire, these same respondents were asked whether they had observed wrongdoing and had blown the whistle. Only a small group had done so. This finding raises serious concerns about the utility of any scenario data. You cannot change your method now but you should discuss this issue in your Limitations section. First, you should cite the result from the meta-analysis and discuss its implications for your choice of the vignette method over the method of asking your respondents about their actual experiences with actual whistle-blowing in their own organizations. Second, you should note that there are many reasons why your results varied from those found in other studies of internal auditors (as you have already done) and you should add this as a potential reason for differences in your findings compared to earlier studies. When you submit this study for publication, reviewers will want to know more about why you chose one method over the other and what you consider to be the effects on your findings. I realize that vignettes are often used in accounting research but potential reviewers from the research community which studies whistle-blowing include many non-accountants who may have concerns more similar to mine. In some other research areas, I think the use of hypothetical vignettes may produce results that are very similar to those produced by studies of actual behaviour, but I do not think that is true in studies of whistle-blowers, for the reasons discussed above. I speculate that this is because it is socially desirable to say that one would report wrongdoing in hypothetical vignettes but that employees confronted with the actual situation are less likely to follow through; if you find that social desirability has no relationship to whistle-blowing intent, in the analysis recommended in point #4 above, then I would be a little less concerned about the use of vignette data. So this is another action that I would recommend.

Overall Evaluation:

The guidelines above suggested that I should rate the thesis on three specific characteristics and then discuss its overall contributions. I do so below.

- 1) *Originality*: This study is fascinating because it broadens research on whistle-blowing with data from Malaysia, which has not been much investigated in the past. In fact, most studies in this area have focused on western countries, with the result that the findings cannot be assumed to generalize elsewhere. Whistle-blowing is a phenomenon that is hugely influenced by the legal system of a country as well as its culture, so broadening the list of countries in which such research is conducted is extremely important.
- 2) *Critical insight*: These data have the potential to provide some critical insight into methodological influences on results of whistle-blowing studies. Some of the independent variables found to have significant effects in this study of whistle-blowing intent have also been found to have significant effects on actual whistle-blowing behaviour; others of the independent variables found significant in earlier studies were not significant here. If you could complete a second study for the IIA (not for the thesis research but separately) of actual whistle-blowing behaviour, with a second sample, you would have a unique opportunity to compare results with the two methods and to address this question in a much more systematic way than has been possible in the past. I realize that the IIA might not be willing to consider such a study.
- 3) *Capacity for independent research*: With the exception of the concerns I noted above, you have been exceptionally careful in this research. You have reviewed the existing literature comprehensively, crafted a model based on theory, conducted a survey under challenging restrictions from your data source, and conducted many tests of the quality of your data before beginning analysis. If the thesis provides a clear sample of your abilities, then I think you should perform future research very well.
- 4) *Overall contribution*: The final point on which I am asked to comment is the contribution of this thesis to knowledge and particularly to understanding of the subject of whistle-blowing. This is a study of whistle-blowing intent; given that dependent variable, I think you have performed very well and have contributed to our knowledge of whistle-blowing intent. My concern is that whistle-blowing intent may not predict actual whistle-blowing behaviour, based on preliminary evidence

from other sources; in fact, I think it is likely that intent is not a robust predictor of behaviour for this phenomenon. I personally believe that our understanding of the subject of whistle-blowing overall should focus on actual whistle-blowing behaviour, because I think it is more central to understanding the overall whistle-blowing process, for reasons noted above.