

Religiosity and External Whistleblowing Intention

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ABSTRACT

Manuscript type: Research paper

Research aims: This study explores the role of religiosity in external whistleblowing intention by extending the attitude-behavioural-context (ABC) theory to the whistleblowing context in Malaysia. A Muslim has the responsibility to report any wrongdoing in their organisation to protect public interest, as part of *amr bil ma'ruf wa nahy 'anil munkar*, or enjoining good and forbidding evil.

Design/Methodology/Approach: This study utilises a structured questionnaire involving 185 Muslim auditors in Malaysia. A purposive non-probability sampling technique was used, and the data was analysed using SmartPLS 3.3.3.

Research findings: The results reveal that religiosity positively influences the perceived control, self-efficacy, and external whistleblowing intention of Muslim auditors, but found no evidence to support the hypotheses related to their attitudes. Further, perceived control and self-efficacy are shown to positively influence attitude.

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Theoretical contribution/Originality: From the perspective of the ABC theory, the findings suggest that self-efficacy and perceived control are the contextual factors that strongly influence external whistleblowing, and that religiosity can be added to extend the ABC theory in the whistleblowing context.

Practitioner/Policy implications: The findings are valuable to audit firms in understanding the effect of religiosity to Muslim auditors to reveal wrongdoings in their firms.

Research limitation/Implications: This study is among the first to use ABC theory to examine religiosity in the context of whistleblowing. Hence, it fills the gap in the existing literature by illustrating how ABC theory can be applied in the study relating to the ethical behaviour of accounting professionals.

Keywords: WBIs, Attitude Behavioural Context theory, Muslim auditors, religiosity

JEL Classification: M40

1. Introduction

Fraud is a global problem affecting all organisations, because it is frequently undetected and often never reported (ACFE, 2020). The 2020 *Report to the Nations*, conducted by the Association of Certified Fraud Examiners (ACFE), estimates that organisations lose 5% of revenue to fraud every year, most commonly through corruption and asset misappropriation. Financial statement fraud, referring to the intentional material misstatement or omission in the organisations' financial statements, is the costliest category of occupational fraud, with a velocity of US\$39,800 per month, followed by corruption, with a velocity of US\$11,100 per month. In the Malaysian context, fraud remains at worrying levels, with PwC's (2020) *Global Economic Crime and Fraud Survey – Malaysia Report* stating that the top four most disruptive incidents of fraud were asset misappropriation (16%), bribery and corruption (18%), customer fraud (20%) and cybercrime (16%). All these schemes have put the public at risk, and hence the mechanisms to combat fraud and corruption have always been in the limelight.

In reducing the incidence of fraud and corruption, whistleblowing seems to be the most effective early detection tool, as it can prevent wrongdoings from becoming worse, and hence, minimise financial or reputational losses. Stubben and Welch (2020) prove that the higher the volume of whistleblowing reports, the fewer the government fines and material lawsuits faced by firms. Nevertheless, whistleblowing is a complex ethical dilemma, and

is often theoretically feasible but practically challenging. Further, whistleblowers can be from different backgrounds, and clarifying their whistleblowing intention (WBI) would require an understanding of their roles and responsibilities, as well as the institutional context surrounding them. In this study, the focus is on whistleblowing from the perspective of external auditors in Malaysia.

The role of the external auditors in whistleblowing deserves special attention because the profession sustains on ethics and professionalism. Auditors are expected to reveal any wrongdoing without fear, so as to protect public interest. However, the spate of corporate collapses involving financial fraud have called into question the role of external auditors in doing so (Tuan Mansor et al., 2020). Unethical conduct involving audit firms is seen in the case of Arthur Andersen, where no one in the firm reported the partner-in-charge who instructed the shredding of documents to impede justice (Toffler & Reingold, 2004). In the end, the firm suffered huge litigation costs, which is interpreted by the market as a signal of decreased audit quality (Franz et al., 1998). It is vital for audit firms to be concerned about the audit quality and their reputation in order to preserve their clients and market share.

WBI among auditors can be explained by a range of factors, such as attitude, personal responsibility, and the cost of reporting (Alleyne et al., 2018; Latan et al., 2018; Maroun & Solomon, 2014). Studies from the Malaysian context provide interesting findings on whistleblowing from different types of auditors. Looking into the internal auditors listed with the Institute of Internal Auditors of Malaysia, Ahmad et al. (2013) suggest that the seriousness of wrongdoing is a better predictor of WBIs than other variables, such as gender, age, job level, and status of wrongdoer. Among internal auditors in the public sector, Abdullah Sani et al., (2020) identified the limitations of whistleblowing: power distance, failure in the implementation of the Whistleblower Protection Act 2010, lack of manpower, and ineffective internal control. In an analysis involving external auditors of Malaysian government-linked companies, Ismail et al. (2018) reveal that whistleblowing practices are associated with the moral reasoning of an individual and the organisational structure of an audit firm. Supporting the context of the auditor as a professional career, professional commitment and independence commitment can explain the intent behind the whistleblowing of external auditors (Tuan Mansor et al., 2020). Tuan Mansor et al., (2021a) conclude that perceived behavioural control and perceived organisational support are factors that influence external auditors to become whistleblowers,

and only among those with high moral norms. In extending these prior studies, this study considers the contextual factors that influence WBI in the professional career of external auditors in Malaysia.

While auditors receive sufficient educational and ethical awareness (Mostafa et al, 2020), as developed throughout their years of study and career development, their ethical conduct may be influenced by the forces surrounding them. Focusing on whistleblowing in Malaysia must take into account the underlying context of the country having Islam as its official religion, and a population that is 61% Muslim. For Malaysian Muslims, Islam is not merely a religion, but also a way of life. In this sense, the Quran and Hadith provide clear guidance to Muslims on the duties, morals and behaviours related to every aspect of their life (Ngah et al., 2021), including ethical behaviour. Individuals with a stronger and a more prominent religious identity tend to behave in ways that are consistent with their religious attitudes, even in contexts that are non-religiously relevant (Weaver & Agle 2002). Religiosity serves as self-identity and a motivational orientation that can influence behaviour, as shown by the positive effect of religiosity on ethical perception and reasoning (Keller et al., 2007; Conroy & Emerson, 2004) and ethical behaviour (Kashif et al., 2017; Singhapakdi et al., 2013).

Whistleblowing is not alien to the corpus of Islamic belief as it can be considered an act of worship that is part and parcel of good governance to ensure justice with fairness and mercy within the parameters of *maqasid shari'ah* (Malek, 2017). Moreover, the practice of whistleblowing in Islam maintains *maslahah 'ammah* (public interest), which aims to fulfil the five objectives of *maqasid shari'ah* (Zainudin & Wan Zahari, 2018). Thus, the investigation of Muslim auditors' attitude towards WBI is important in Muslim-majority societies such as Malaysia, where it is generally assumed that Muslim auditors possess basic Islamic values such as *amr bil ma'ruf wa nahy 'anil munkar* (enjoining the proper and forbidding the improper), *'adl* (justice) and *ihsan* (sincerity). Hence, our approach of getting the perspectives of Muslim auditors in relation to whistleblowing adds another layer of understanding about WBI, especially in the context of Muslim-majority countries such as Malaysia.

This study contributes to the literature on whistleblowing by focusing on external auditors from an emerging country, i.e. Malaysia. This approach provides additional understanding of the institutional context that surrounds actors in whistleblowing practices. Further, this study extends the attitude-behavioural-context (ABC) theory by proposing the inclusion of religiosity to address the

effect of attitude-behavioural relationship. Applying ABC theory to the whistleblowing context is useful in examining the attitude-behaviour gap that is always the key to research problems (Schäufele & Hamm, 2018). Religiosity is the most interesting socio-cultural value system that has been proposed as being relevant to ethical behaviour in the workplace (Singhapakdi et al., 2013). It is expected that auditors who strictly follow religious principles are more likely to exhibit a positive attitude that fosters ethical intent, including WBI. Thus, this study believes that religiosity is worth exploring further, to figure out whether religiosity can lead Muslim auditors to blow the whistle on wrongdoing in audit firms.

Furthermore, this study is crucial to audit firms in understanding the effect of religiosity in the attitude-behavioural relationship. This study contributes to a better understanding of the factors that can lead Muslim auditors to reveal wrongdoing in audit firms, and thus help to prevent firm collapse and minimise the costs of litigation. One implication of this study would be the need for workshops or training that can nurture aspects of religiosity among auditors, in addition to conventional professional development programmes.

This paper is structured as follows. Section 2 reviews the literature and develops the hypotheses. Section 3 discusses the research method. Section 4 and 5 presents the results and discussions of results, respectively. Section 6 concludes the paper.

2. Literature Review and Hypotheses Development

Whistleblowing is defined as “the disclosure by organisation members (former or current) of illegal, immoral or illegitimate practices under the control of their employers, to persons or organisations that may be able to effect action” (Near & Miceli, 1985). Whistleblowing is deemed the most effective detection tool that helps in minimising losses caused by fraud (Transparency International, 2018), and is globally promoted by the World Bank, the World Trade Organisation and the Organisation of Economic Co-operation and Development as a primary mechanism to prevent corruption. However, the effectiveness of whistleblowing policy and mechanisms often came under scrutiny, especially on how well the law is working on protecting whistleblowers and in upholding justice against reported misconduct.

The act of whistleblowing itself is a complex ethical dilemma because there are conflicting perceptions towards the whistleblower. A whistleblower can be perceived as a ‘hero’ who is willing to make

sacrifices in exposing wrongdoing, but can also be perceived as a 'traitor' with malicious intent. Jubb (1999) explains two types of dilemmas that whistleblowers face: a conflict between personal and organisational values, and a conflict between obligations owed to an organisation and to parties beyond it. Ceva and Bocchiolahe (2020) put forward the "extrema ratio" view of whistleblowing being an individual act of dissent and indictment to prevent serious harm or to avoid someone's complicity in organisational wrongdoing, and the "deontic" view, where whistleblowing is deemed an ordinary practice necessary to the self-correction of an organisation. The benefits and costs of whistleblowing often collide, and hence, exploring WBI would allow further understanding of its contributing factors.

This study focuses on accounting professionals as potential whistleblowers who have been identified by legislative provisions in the institutional context of Malaysia (May-Amy et al., 2020). The perspective of professionals on whistleblowing is essential because they deal with real-life ethical dilemmas that differ from other professions (Latan et al., 2018). Wrongdoing in an auditing context could include fraud, financial statement fraud resulting from non-application or misapplication of accounting standards, as well as money laundering and tax evasion (Brennon & Kelly, 2007). Upon doing their audit work, auditors may face situations where they have observed various wrongdoings within the audit firm, such as when the audit senior has worked together with the clients to deceive the public, or the colleagues who have covered up irregularities.

For external auditors, there is a high expectation for them to blow the whistle for the following reasons. First, they are professionals with the knowledge, skills, and experience to detect signals of misconduct. In the nature of their work, they examine records and documents, and make observations and analyses to verify transactions. Hence, they are often quick to identify discrepancies and red flags. Second, external auditors are bound by their professional code of conduct, which would embolden them to deal with unethical behaviour, including blowing the whistle when required. Although there are aspects of audit disclosure that do not qualify as whistleblowing (Jubb, 2000), the characteristics of external auditors define them as having the greatest responsibility to disclose wrongdoing. Accordingly, this study focuses on external whistleblowing by external auditors on misconduct within their firms as the type of disclosure that can be categorised as 'whistleblowing', since the disclosures are made externally and are beyond the scope of their official function in the organisation (Jubb, 2000).

Nevertheless, while auditors are expected to be independent and to inform relevant parties about the non-compliance and misconduct that come to their attention, they do not always report on colleagues or clients who commit wrongdoing (Alleyne et al., 2013; Kaplan & Whitecotton, 2001). The 2020 ACFE report revealed that only 4% of fraud was initially detected by external audits. This can be the evidence that auditors are unwilling to report the wrongdoings they observed, which may be due to various factors that warrant further investigation. This raises the question of the determinants that contribute to the willingness (or unwillingness) of auditors to engage in whistleblowing.

2.1 Models and Determinants of Whistleblowing

Efforts to understand WBI have been undertaken through various lenses. In a review by Culiberg and Mihelič (2017), the determinants of whistleblowing in prior studies are classified into three groups: individual, which reflect the personal characteristics of the whistleblower; situational, which reflect the context and nature of the specific act of the observed wrongdoing; and environmental, which reflect the country or culture characteristics of the institutional setting. Culiberg and Mihelič also identify the shortcomings in existing theoretical models. These models are particularly complex due to the involvement of various actors, and fail to capture all of the features of whistleblowing due to originating from a general theory, i.e., the theory of planned behaviour. There have also been attempts to explore determinants of whistleblowing using theories from various fields. For example, Anvari et al. (2019) borrow from social identity theories to propose a psychological model of when and how social identities and different forms of power motivate group members to engage in whistleblowing.

More relevant to the present study are the perspectives involving WBIs by professional accountants. Aside from the commonly-used theory of planned behaviour (Ajzen, 1991), there are various theories incorporated in whistleblowing models involving professional accountants and auditors that are mostly found to be concentrated either on individual or organisational factors (Tuan Mansor et al., 2021b). Among these are justice theory (Rawls, 1971), institutional theory (DiMaggio and Powell, 1983), principled organisational dissent (Graham, 1986), independence commitment (Gendron et al., 2006), and organisational support theory (Eisenberger et al., 1986). Latan et al., (2019) extend the fraud triangle model that consists of pressure or financial incentives, opportunity, and rationalisation

in the whistleblowing context in Indonesia. In Tuan Mansor et al. (2021b), the stimulus-organism-response theory of Mehrabian and Russell (1974) is introduced to understand how the environment in an audit firm affects the reaction of whistleblowers, which will then result in a whistleblowing decision. In the institutional setting of Kenya, Hellman et al., (2021) apply the construct of ethnic identity (Phinney, 1992) and construal of self (Markus and Kitayama, 1991) in extrapolating WBIs among auditors.

In summary, the research continues to evolve in identifying various determinants that explain the whistleblowing behaviour of professional accountants, including external auditors. This would relate to the fact that the gains in transparency and conceptions of a whistleblowing duty being in the public interest are important sources of pragmatic and moral legitimacy for the profession (Maroun & Solomon, 2019). Further, the landscape of the auditing profession has evolved, where moral courage is deemed as one of the defining characteristics fostering ethical and professional behaviour.

In response to the theoretical shortcomings in whistleblowing identified by Culiberg and Mihelič (2017), and in line with the whistleblowing models being developed in the context of auditors, this study proposes the application of the ABC theory in whistleblowing by external auditors to enrich the literature. Further, this study expands the ABC theory by incorporating religiosity to explain the intent of Muslim auditors when they reveal wrongdoing. The ultimate aim is to contribute towards a comprehensive theoretical framework to account for whistleblowing behaviour, since without it, researchers can only offer limited advice on the design of such systems (Park & Blekinsopp, 2009). The concepts on ABC and religiosity in the context of whistleblowing are discussed in the following subsections.

2.1.1 Attitude-Behaviour-Context (ABC Model of Behaviour) in Whistleblowing

The ABC theory focuses on a specific set of perceived contextual factors that are most likely to interact with attitudes to influence individuals' behaviour (Guagnano et al., 1995), hence the relationships between attitudes, behaviour and contextual factors are examined. In general, the ABC theory predicts that attitudes reflect the types of predispositions underlying the desire to act and that they can therefore influence the occurrence of an individual's behaviour. This argument is in contrast with other models, such as the theory of planned behaviour and the theory of reasoned action, in which attitudes would first influence intentions, then in turn influence

behaviour (Ajzen, 1991).

According to Guagnano et al. (1995), behaviours that are difficult, expensive or inconvenient have a weaker effect on attitudinal factors, unless such behaviours are strongly favoured by the perceived contextual context. Whistleblowing can be considered difficult, expensive and inconvenient, because whistleblowers would probably experience personal and organisational retaliation as a result. In this sense, the application of the ABC theory is deemed appropriate as it can incorporate the attitude-behaviour relationship, with a perceived contextual factor that is expected to influence the attitude to whistleblowing.

Attitude is defined as the degree to which an individual has a favourable or unfavourable evaluation or appraisal of a particular behaviour, i.e., favourableness or unfavourableness towards a certain action (Ajzen, 1991). While attitude can predict and explain behaviour (Ajzen, 1991), it is not always the case, since behaviours can be dependent on contextual factors (Feldmann & Hamm, 2015) that either facilitate or constrain them. In the context of whistleblowing, prior studies (Tuan Mansor et al., 2020; Rustiarini & Sunarsih, 2017) find that attitude is not significant in explaining the WBI of professional accountants. Such findings justify the need to explore the contextual factors that would matter in explaining WBI. Thus, the ABC theory can be used to investigate whether the identified contextual factors influence attitude-behaviour relationships.

Contextual factors refer to situation or domain-specific factors which make a scenario unique. According to Belk (1975), contextual factors that can enhance the ability to explain and understand an individual's behaviour include interpersonal influences, personal capabilities, personal values and feelings. Yadav et al., (2019) suggest that incorporating personal factors is a more fruitful approach to indicate contextual factors in understanding consumer behaviours. In their study, they include social and structural variables, personal values and personal capabilities as contextual factors. In the present study, self-efficacy and perceived control are incorporated as the contextual factors in applying the ABC theory to WBI.

Self-efficacy is the assessment of an individual towards his or her competency or capabilities to accomplish a specific duty. According to Forbes (2005), a person will perform better when they observe that their self-efficacy is high, whereas a person will avoid those tasks in which they sense low self-efficacy. Therefore, Muslim auditors with high self-efficacy would blow the whistle without fear because they strongly believe in their ability to do so. Whereas perceived control is

the assessment of an individual towards his or her voluntary control, that determines whether they have the opportunity, capacity and efficacy to produce or prevent a given outcome. In the context of this study, Muslim auditors with high perceived control would blow the whistle without fear because they have strong belief in the sense of control that they have.

Additionally, in line with the view that an examination of contextual factors can enhance the ability to explain and understand an individual's behavioural acts (Belk, 1975), this study expands the ABC theory with religiosity in explaining Muslim auditors' intentions to reveal wrongdoing.

2.2 *Religiosity and Whistleblowing*

The reason for studying religiosity is to determine the different levels of commitment of an individual in abiding by the rules and regulations of a religion. Religion creates a platform for building beliefs of what is right and wrong in making a decision. McDaniel and Burnett (1990) define religiosity as a belief in God, accompanied by an obligation to follow the principles believed to be set by God. From the Islamic perspective, people are accountable to God and their behaviour and deeds in this life will affect their treatment in the afterlife. Muslims believe that the Quran and the Sunnah, the recorded sayings and deeds of the Prophet Muhammad, provide all answers relating to the ethical questions (Rice, 2006).

Religiosity is not a unidimensional concept, however. It pertains to various elements of religion, such as belief, practice, knowledge, experience, and the effects of those elements on daily activities (Abou Youssef et al., 2015). The religious activities of a Muslim are not restricted to only doing ritual activities – prayer, fasting during the month of Ramadan or performing the Hajj – but also in all activities in their daily life, including observing high morality and good ethics. Prior literature finds that an individual's attitude and behaviour are shaped by their religious belief (e.g., Weaver & Agle, 2002). Kamil et al. (2012) propose that the components, elements, and dimensions of religiosity will determine the affective and cognitive functioning that eventually affects a person's judgment. In the context of ethics, prior studies also suggested that religiosity influences certain behaviours, such as reducing the cheating rate (Bloodgood et al., 2008), inhibiting criminal behaviour (Baier & Wright, 2001), and encouraging ethical behaviour (Kashif et al., 2017; Singhapakdi et al., 2013).

Religiosity is believed to have an influence on an individual's ethical beliefs; hence religiosity is an important factor in

whistleblowing behaviour. Muslims believe the Hadith saying, "Say the truth even though it is bitter (i.e., difficult to admit)." They would not be afraid of being criticised by anyone in the matter of being obedient to Allah and in performing their obligations as Muslims. Religious individuals are law-abiding and will blow the whistle whenever they are confronted with unethical behaviour in the workplace (Puni et al., 2016).

Thus, this study believes that Muslims auditors with high religious values would be more willing to reveal wrongdoing done by their colleagues without fear as compared to auditors with low religious values. If highly religious auditors follow all the guidelines in the Quran and Hadith, they will not fear disclosing wrongdoings in an audit firm, as the act would be beneficial to all parties, even their firms. Their act of whistleblowing fits well within the framework of *amr bil ma'ruf wa nahy 'anil munkar* as the action would be able to bring about a safe and ethical society (Abd Samad et al., 2015). They will blow the whistle for the sake of the world and the hereafter, as it is consistent with the concept of *maslahah*, which is defined by al-Ghazali as an expression for the acquisition of benefit or the repulsion of injury or harm, that leads to the preservation of the objectives of Shari'ah (Abd. Samad et al., 2015).

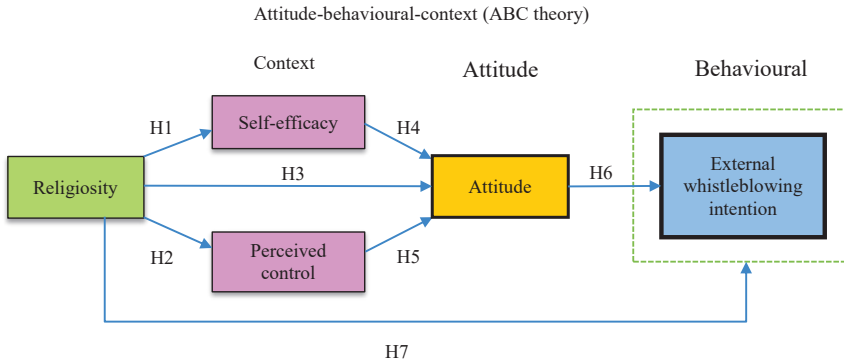
2.3 Theoretical Framework and Hypothesis Development

Building on the ABC theory, this study posits that the religiosity of Muslim auditors can shape a self-identity that ultimately increases self-efficacy and perceived control to develop a positive attitude, which would then influence them to reveal wrongdoing without fear. Figure 1 depicts the theoretical framework of this study.

In this study, the behaviour being examined is external whistleblowing, that is defined as the reporting of wrongdoings to outside agencies that are believed to have the necessary power to correct them (Park & Blekinsopp, 2009). Public disclosure of organisational wrongdoings decreases public trust and poses a great threat to the legitimacy of any organisation (Lee & Fargher, 2013). However, whistleblowers who report externally tend to provide more convincing evidence to support the allegations, and thus external whistleblowing is considered a more effective approach to stop wrongdoing and bring necessary changes to the organisation (Dworkin & Baucus, 1998). De George (2010) suggests that external whistleblowing should be done when there is a possibility of harm to society, a serious threat to the public, and when internal reporting mechanisms have been exhausted. Yet, whistleblowers who report

externally tend to experience more extensive organisational retaliation than internal whistleblowers (Dworkin & Baucus, 1998). In the context of the auditors, Alleyne et al. (2018) highlight that auditors can choose to reveal the wrongdoing external to the profession, regulator, or media.

Figure 1: Theoretical framework



Attitude is related to the feelings and thoughts about the emotional consequences of whistleblowing behaviour. This study stipulates that Muslim auditors’ behaviours may depend on self-efficacy and perceived control, that form a basis of contextual factors. Self-efficacy is an individual’s belief in his or her capabilities to organise and execute the courses of action required to produce given attainments, while perceived control is a belief in the opportunity, capacity, and efficacy of a given outcome. Therefore, the combination of attitude and contextual factors may assist Muslim auditors’ decision to blow the whistle on wrongdoing. As an examination of contextual factors can help explain and understand an individual’s attitude and behaviour, this study extends the ABC theory by incorporating religiosity in the model.

This study posits that the religious beliefs of Muslim auditors would influence their ethical beliefs, which will (i) shape the contextual factors of self-efficacy and perceived control that will lead to a positive attitude, and eventually, external whistleblowing, and (ii) determine their intention to blow the whistle. This is because individuals with strong religiosity may develop a self-identity that will motivate them behave more ethically, as compared to those with lower religiosity. Hence, auditors who strictly follow religious principles are more likely to exhibit ethical intent, which includes WBI.

In the undertaking of this model, the direct relationships of the variables are tested as follows: between religiosity and self-efficacy, perceived control, and attitude; between self-efficacy and attitude and perceived control and attitude; between attitude and external WBI; and between religiosity and external WBI. Each relationship is detailed in the hypotheses set in 2.3.1 to 2.3.7 below.

2.3.1 Religiosity and Self-efficacy

Self-efficacy concerns people's beliefs in their ability to influence events that affect their lives, according to Bandura (2010). He notes that people who have a strong sense of efficacy approach difficult tasks as challenges, set challenging goals, and sustain a strong commitment to their goals. Previous studies have reported a positive relationship between religiosity and self-efficacy. Byrne (2012) finds a significant, albeit small, positive relationship between intrinsic religiosity and self-efficacy in four countries: Ireland, Mexico, Spain and the United States. Abdel-Khalek et al., (2017) shows that participants who see themselves as religious are more likely to see themselves as self-efficacious and to have greater levels of mental health and happiness. Thus, the following hypothesis is formulated:

H₁: Religiosity positively influences the self-efficacy of Muslim auditors

2.3.2 Religiosity and Perceived Control

Religiosity is also linked to the levels of perceived behavioural control exhibited by people in both social and organisational settings (Vitell, 2009). Perceived control is defined as the extent to which the behaviour is perceived to be under a person's voluntary control (Trafimow et al., 2002). In the context of this study, perceived control means the sense of control that individuals feel over whistleblowing behaviour.

Individuals who score high on religiosity tend to exhibit a higher level of perceived behavioural control (Walker et al., 2012). According to Kashif et al. (2017), religiosity shapes people's self-identity, which in turn increases perceived control. They claim that perceived control influences an individual's orientation towards religious beliefs, which accordingly affects their ethical behavioural intentions. Hence, the following hypothesis is formulated:

H₂: Religiosity positively influences the perceived control of Muslim auditors

2.3.3 *Religiosity and Attitude*

Various studies have found that religion and religiosity have an impact on attitudes. In the study on willingness to pay for halal transportation, Ngah et al. (2021) reveal that higher religiosity levels have a higher impact on the attitudes of Muslims. As stated by Vitell and Paolillo (2003), an individual's religious value influences their ethical beliefs in a positive way, and hence has strong ties with attitude.

According to Dyreng et al. (2012), managers that exhibit higher levels of religiosity are not only less likely to be involved in unethical activities, but also more likely to report the financial irregularities of their peers. Furthermore, religion shapes an individual's attitudes, as a guide to know and to act on what is right and wrong in their lives. Based on this argument, the proposed hypothesis is:

H₃: Religiosity positively influences the attitude of Muslim auditors

2.3.4 *Self-efficacy and Attitude*

Self-efficacy refers to the assessment of an individual towards his or her competency or capabilities to produce designated levels of performance that exercise influence over events that affect their lives. Self-efficacy beliefs determine how people feel, think, motivate themselves and behave. A strong sense of efficacy enhances human accomplishment and personal well-being in many ways. People with high assurance in their capabilities would approach difficult tasks as challenges to be mastered rather than as threats to be avoided (Bandura, 2010).

The attitude of an individual will reflect his or her evaluation about conducting a certain behaviour, whether positively or negatively. In general, an individual who has a high perception of self-efficacy will exhibit a positive attitude about their own competency or capabilities. In contrast, an individual who has low perception of self-efficacy will tend to underestimate their own competency or capabilities, and will therefore exhibit a negative attitude in his or her evaluation about performing the behaviour in similar situations. Based on this argument, the proposed hypothesis is:

H₄: Self-efficacy positively influences the attitude of Muslim auditors

2.3.5 *Perceived Control and Attitude*

Perceived control refers to the belief about oneself that determines the extent to which individuals feel that they have the opportunity, capacity, and efficacy to produce or prevent a given outcome. Attitude is one of the major internal influences that affect individual decision-making processes. A higher perception of control of an individual will generate a more positive attitude about their opportunity and capacity, while a lower perception of control will result in a negative attitude, thus preventing them from performing such behaviour. In general, when a sense of control is instilled, the attitude starts working as a positive stimulus. Based on this argument, the proposed hypothesis is:

H₅: Perceived control positively influences the attitude of Muslim auditors

2.3.6 *Attitude and External WBI*

In general, individuals develop attitudes based on their beliefs about the behaviour under consideration by associating that behaviour with certain consequences. Hence, attitude is associated with their intention whether to perform or not to perform such behaviour. Attitude has been found to have a positive influence on behaviour intention in various domains, including in WBI. Alleyne et al. (2018) find that attitude is positively associated with WBI. Brown et al. (2016) find that professional accountants who were more willing to report accounting misconduct were those who have favourable attitudes towards whistleblowing. Thus, the proposed hypothesis is:

H₆: Attitude positively influences external WBI of Muslim auditors

2.3.7 *Religiosity and External WBI*

Religiosity impacts an individual's recognition of ethical issues, ethical judgments, and ethical intentions and behaviours (Vitell, 2009). Religiosity is expected to influence an individual's belief, and the judgments of individuals depend on the strength of their religious beliefs. In other words, people with higher levels of religiosity are expected to be more ethical in terms of their belief including on whether to blow the whistle on wrongdoings. Fernando and Jackson (2006) propose that individuals who have religious belief in accordance with inherent values will not compromise on any unprincipled behaviours, hence will choose to blow the whistle when confronted with unethical situations. Keenan (2000) finds that the

religious belief of managers positively influences their whistleblowing activities and that they will blow the whistle in less serious fraud. In a similar vein, Dyreng et al. (2012) state that managers with high levels of religiosity were not likely to get involved in unethical activities, but are more likely to report financial irregularities involving their peers. Thus, the hypothesis is:

H₇: Religiosity positively influences the external WBI of Muslim auditors

3. Research Methodology

3.1 Sample and Procedures

This study targets Muslim auditors in audit firms in Malaysia, therefore, purposive sampling is the best method. Questionnaires were collected using a mail survey to the audit firms around the country through industrial internship students linked to the researcher's university. This approach is taken to minimise the risk of the poor rate of return using a postal mail survey, which is in line with the protocol used by Mohd Ghazali and Ismail (2013). The mail contained general instructions to the students, survey questionnaires to the targeted respondents, and an envelope for returning the questionnaires back to the university. A cover letter was attached to each questionnaire to explain the nature and the purpose of the research. To ensure voluntary participation and honest responses, the respondents were assured of their anonymity and confidentiality, and that their responses were to be used solely for the research. Completed questionnaires were mailed back in the returned envelopes provided. From the 280 questionnaires distributed, 191 were returned. Six questionnaires were then discarded due to incomplete information. The final sample is 185 usable responses.

This study used structural equation modelling with SmartPLS 3.3.3 to test the developed hypotheses. The minimum sample size, as suggested by Hair et al. (2017), was based on the power of analysis according to the complexity of the research model. In reference to Green's (1991) table, the minimum sample size of this study is 76 (three predictors with medium effect size), as suggested by Gefen et al. (2011). Therefore, the 185 respondents for this study fulfil the requirement of the minimum sample size in testing the research model.

3.2 Development of the research instrument

Prior to data collection, the questionnaire was pre-tested to seek the opinions and suggestions of an expert panel of respondents (Rossiter, 2008) and to minimise potential bias (Podsakoff et al., 2012). The pre-test was done with three external auditors from different audit firms and one senior lecturer from a local university who has experience as an external auditor and accountant. Based on the one-to-one sessions with them, some of the questions were reframed for the final questionnaire.

Further, to minimise the social desirability bias issue in a study of WBI, clear instructions were written in the cover page of the questionnaire with an assurance that the names of the respondents and their firms would not be disclosed to the public. Their responses would be kept confidential and their anonymity would be protected. The respondents were also informed that completion of the questionnaire was wholly voluntary and that there were no right or wrong answers, so as to encourage them to answer all questions honestly (Podsakoff et al., 2012).

The questionnaire consisted of three sections. The respondents were asked to reflect on activities within their firms when answering the questionnaire. The first section collected demographic information of the respondents, such as age, gender, organisational position, education level, and work experience.

The second section sought to measure the factors that influence external WBI among Muslim auditors. Four constructs were relevant in predicting the Muslim auditors' intentions to blow the whistle: religiosity, self-efficacy, perceived control and attitude. Each of these constructs were measured on a five-point Likert scale ranging from 1, 'strongly disagree', to 5, 'strongly agree'. All items were adapted and adopted from previously validated measures as detailed in Table 1.

Table 1: Measurement properties

Construct	No of items	Sources
Religiosity	9	Adopted from Deb (2018)
Self-efficacy	3	Adapted from Shi et al. (2017)
Perceived control	3	Adapted from Shi et al. (2017)
Attitude	3	Adapted from Parkinson et al. (2018)

Religiosity was obtained to understand the perception on how religious standards may guide or dictate the respondent's perception in WBI. It was operationalised by using nine items adopted from Deb

(2018). An example of the religiosity item is “My religious beliefs influence many of my decisions and dealings in life.” Self-efficacy was measured to understand the respondent’s beliefs about their capabilities to reveal wrongdoings, operationalised by using three items adapted from Shi et al. (2017). An example of the self-efficacy item is “I believe I have the ability to report fraudulent accounting activities.” Perceived control was measured to understand the respondent’s beliefs on whether their whistleblowing behaviour is under their voluntary control. It was operationalised by using three items adapted from Shi et al. (2017). An example of the perceived control item is “It is entirely up to me whether I want to report fraudulent accounting activity or not.” Attitude was measured to understand the respondent’s feelings and thoughts about the emotional consequences of whistleblowing behaviour, operationalised by using three items adapted from Parkinson et al. (2018). An example of the attitude item is “Reporting of fraudulent accounting activity is beneficial.”

The third section measured the perceptions on external WBI by using a case scenario adapted from Alleyne et al. (2018). The use of scenarios or vignettes is considered as appropriate and effective for obtaining data in whistleblowing studies (Gundlach et al., 2008) as it can provide a more realistic context for respondents (Reidenbach and Robin, 1990). For this study, the case scenario is about a questionable act of a senior auditor, named Abdul Fatah, who shredded working papers and has taken no further action to disclose misconducts. His action represents the violation of the principle of integrity in the International Federation of Accountants Code of Ethics. The study used a first-person approach, as the respondents need to act as if they are the junior auditor who discovers the wrongdoing of Abdul Fatah as described in the case study. The respondents need to rate the likelihood of whether to report Abdul Fatah’s act to the appropriate authorities outside the audit firm (external whistleblowing) based on a seven-point Likert scale, ranging from 1, ‘not at all’ to 7, ‘very much’, which is adopted from Park and Blenkinsopp (2009). This approach is consistent with the method adopted by prior studies in examining the respondents’ likelihood of whistleblowing behaviour (Patel, 2003; Zhang et al., 2009).

3.3 Common Method Variance

Prior to partial least squares (PLS) assessment, a priori and post hoc procedures were taken to address common method variance (CMV). CMV is a phenomenon caused by the measurement method

used in a structural equation modeling (SEM) study, that should be remedied when data are obtained from a single source (Fuller et al., 2016). In dealing with this issue, a procedural approach and statistical approach were carried out. In the procedural approach, CMV was addressed by using different anchor scales to measure the independent and dependent variables of this study and piloting the survey instrument for its content and presentation to facilitate the respondents. For the statistical approach, this study applied full collinearity analysis to check for the existence of both vertical and lateral collinearity (Kock, 2015). According to Kock (2015), a variance inflated factor (VIF) value higher than 3.3 indicates that a study suffers from CMV issues. The results for the full collinearity test show that all VIF values were lower than 3.3 (religiosity: 1.222; perceived control: 2.441; self-efficacy: 2.589; and external WBI: 1.106), indicating that CMV was not a severe issue in this study.

4. Data Analysis and Results

This study employed the two-step approach proposed by Anderson and Gerbing (1988) to test the hypotheses. The first step is to evaluate the measurement model, which are the relations between the items and the constructs to validate the instruments. The second step is to test the hypothesised relationships using the structural model testing.

4.1 Descriptive Statistics

The respondents in this study are Muslim auditors working in audit firms located throughout Malaysia. Table 2 shows the demographic profile of the 185 respondents. The sample consists of 49 (26.5%) male and 136 (73.5%) female Muslim auditors. The majority of the respondents are aged between 20 to 29 years old (72.4%) and have one to four years working experience (65.9%). In terms of their position, 59.5% are junior auditors and 35.7% are senior auditors. The majority of the respondents possessed a Bachelor's degree (91.9%).

Table 2: Demographic profile of respondents

Characteristics	Items	Frequency	Percentage
Gender	Male	49	26.5
	Female	136	73.5
Age	20-29	134	72.4
	30-39	44	23.8
	40-49	5	2.7
	Over 50	2	1.1
Work experience	1-4 years	122	65.9
	5-10 years	43	23.2
	11-15 years	13	7.0
	16-20 years	5	2.7
	More than 20 years	2	1.1
Organisational positions	Junior auditor	110	59.5
	Senior auditor	66	35.7
	Audit manager	6	3.2
	Senior manager	1	0.5
	Audit partner	2	1.1
Academic	Diploma	4	2.2
	qualification	170	91.9
	Master's degree	4	2.2
	Others	7	3.8

4.2 *Measurement Model Evaluations*

The first step is to evaluate the measurement model, thus the criteria for convergent validity and discriminant validity must be fulfilled. Convergent validity is the degree to which items are related to the construct as theoretically conceptualised. Hair et al. (2017) suggest that the loading and average variance extracted (AVE) must exceed 0.5, and the composite reliability (CR) must reach 0.7 to ensure that convergent validity is established in the model. Based on Table 3, all items in the measurement model are shown to have adequate loadings, ranging from 0.677 to 0.968, AVE ranging from 0.617 to 0.901, and CR ranging from 0.892 to 0.968. Thus, the measurement model shows evidence of convergent validity.

Table 3: Convergent validity

Construct	Items	Loading	CR	AVE
Religiosity	R1: I consider myself active in my faith (I spend some time in mosque)	0.701	0.935	0.617
	R2: Religion is especially important to me because it answers many questions about the meaning of life	0.776		
	R3: My religious faith is extremely important to me	0.757		
	R4: It is important for me to spend periods of time in private religious thought and prayer.	0.767		
	R5: My religious beliefs influence many of my decisions and dealings in life	0.803		
	R6: I look to my faith as a source of comfort	0.832		
	R7: I keep well-informed about my local religious group and have some influence in its decisions	0.820		
	R8: I make financial contributions to my religious organisation	0.810		
	R9: I enjoy participating in the activities of my religious organisation	0.799		
Self-efficacy	SE1: I believe I have the ability to report fraudulent accounting activity	0.921	0.892	0.739
	SE2: I am confident that I could report fraudulent accounting activity	0.953		
	SE3: For me, to report fraudulent accounting activity is easy to do	0.677		
Perceived control	PC1: I have relevant resources to report fraudulent accounting activity	0.950	0.913	0.780
	PC2: I have relevant opportunities to report fraudulent accounting activity	0.948		
	PC3: It is entirely up to me whether I want to report fraudulent accounting activity or not	0.734		
Attitude	A1: Reporting of fraudulent accounting activity is good	0.920	0.965	0.901
	A2: Reporting of fraudulent accounting activity is beneficial	0.968		
	A3: Reporting of fraudulent accounting activity is valuable	0.959		
External WBI	EW1: I will report Abdul Fatah's act to the appropriate authorities outside the audit firm	0.948	0.968	0.884
	EW2: I will use the reporting channels to report the wrongdoing outside the audit firm	0.957		
	EW3: I will provide information about the wrongdoing to outside agencies	0.968		
	EW4: I will inform the public of Abdul Fatah's act	0.885		

Discriminant validity is the degree to measure whether all constructs differ from other constructs within the model (Hair et al., 2017). This study tested discriminant validity using the heterotrait-monotrait (HTMT) ratio as proposed by Franke and Sarstedt (2019). They state that HTMT values should be lower than 0.90 to confirm the discriminant validity. Based on Table 4, all HTMT values are lower than 0.90, indicating that the discriminant validity is established. Both assessments for the measurement model show that the measurement items are valid and reliable, thus allowing for hypothesis testing.

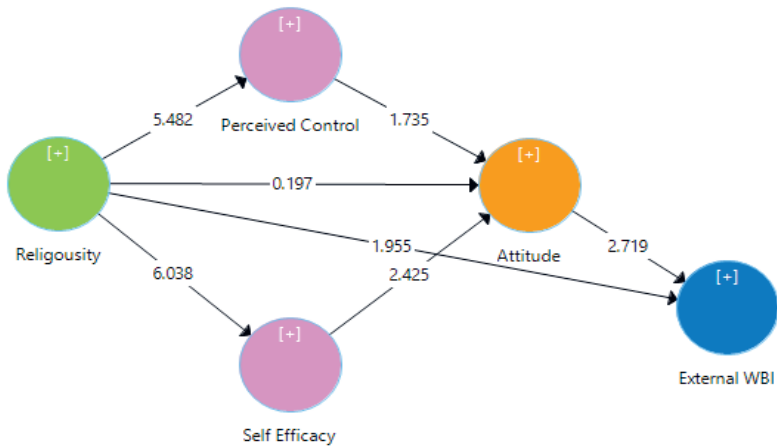
Table 4: Discriminant validity (HTMT)

	Attitude	External WBI	Perceived control	Religiosity	Self-efficacy
Attitude	█				
External WBI	0.245	█			
Perceived control	0.402	0.261	█		
Religiosity	0.181	0.194	0.372	█	
Self-efficacy	0.456	0.304	0.899	0.433	█

4.3 Structural model evaluation

The second step is to evaluate the structural model to assess the hypothesised relationship between the variables. Hair et al. (2019) suggest that hypotheses may be supported if beta values are in accordance with the hypotheses direction, t-values via a bootstrapping procedure with resampling of 5,000, p-value generated at the 5% significance level and confidence intervals must not straddle a zero in between the lower level (LL) and upper level (UL). Figure 2 illustrates the structural model that displays the relationship between the variables of this study.

Figure 2: Structural model



Prior to testing the structural model, Diamantopoulos and Siguaw (2006) propose that the model be tested for multi-collinearity, requiring the VIF values to be lower than 3.3 to reflect no issue of multi-collinearity. Based on Table 5, VIF values vary from 1 to a maximum of 2.509, which is below the cut-off value of 3.3, denoting that multi-collinearity is not a serious issue for this study.

Further, Table 5 provides the results of the hypothesis testing. H1 hypothesises that religiosity would have a positive influence on self-efficacy. The results show that there is a positive relationship between religiosity and self-efficacy ($\beta = 0.410, t = 6.038$: LL = 0.275, UL = 0.505, $p < 0.01$). Hence, H1 is supported. In H2, it is hypothesised that religiosity would positively influence perceived control. The results show that there is a positive relationship between religiosity and perceived control ($\beta = 0.356, t = 5.482$: LL = 0.233, UL = 0.451, $p < 0.01$). Thus, H2 is also supported. As for H3, religiosity is expected to have a positive influence on attitude. The results show an insignificant coefficient ($\beta = 0.015, t = 0.197$: LL = -0.112, UL = 0.149, $p > 0.05$) indicating that H3 is not supported. For H4, the hypothesis predicts that self-efficacy would positively influence attitude. In line with the hypothesis, the results show that self-efficacy has a positive influence on attitude ($\beta = 0.254, t = 2.425$: LL = 0.074, UL = 0.414, $p < 0.05$). Hence, there is evidence to support H4.

As for H5, perceived control is expected to have a positive influence on attitude. The results show perceived control has a positive influence on attitude ($\beta = 0.178, t = 1.735$: LL = 0.005, UL = 0.349, $p > 0.05$) indicating that H5 is supported. In H6, it is

hypothesised that attitude would positively influence external WBI. The results show that there is a positive relationship between the variables ($\beta = 0.204, t = 2.719$; LL = 0.071, UL = 0.318, $p < 0.01$). Thus, H6 is also supported. Finally, in H7, it is hypothesised that religiosity would have a positive influence on external WBI. The results show that there is a positive relationship between religiosity and external WBI ($\beta = 0.158, t = 1.955$; LL = 0.010, UL = 0.277, $p < 0.01$). Hence, H7 is shown to be supported.

This study proceeds with the assessment of the coefficient of determination (R^2), effect size (f^2) of exogenous variables on endogenous variables and predictive relevance (Q^2). The R^2 value represents the amount of variance in the endogenous construct that can be explained by all the exogenous constructs in the research model. According to Cohen (1988), R^2 is assessed as 0.26 (substantial), 0.13 (moderate) and 0.02 (weak). Referring to Table 5, the R^2 values for attitude (0.170) and self-efficacy (0.168) are considered moderate, while those for perceived control (0.126) and external WBI (0.079) are considered weak. As for the effect size (f^2), Cohen (1988) suggests that the impact of the effect size is small if the value of f^2 is 0.02, medium if it is 0.15 and large if it is 0.35. Based on Table 5, it can be observed that religiosity has a medium effect size on self-efficacy ($f^2 = 0.202$), while all other relationships indicate a small effect size.

Table 5: Hypothesis testing

	Hypothesis	β	SE	t - values	p - values	LL	UL	VIF	f^2	Decision
H1	Religiosity -> self-efficacy	0.410	0.068	6.038	0.001	0.275	0.505	1.000	0.202	Supported
H2	Religiosity -> perceived control	0.356	0.065	5.482	0.001	0.233	0.451	1.000	0.145	Supported
H3	Religiosity -> attitude	0.015	0.078	0.197	0.422	-0.112	0.149	1.209	-	Unsupported
H4	Self-Efficacy -> attitude	0.254	0.105	2.425	0.008	0.074	0.414	2.509	0.031	Supported
H5	Perceived control -> attitude	0.178	0.103	1.735	0.041	0.005	0.349	2.389	0.016	Supported
H6	Attitude -> external WBI	0.204	0.075	2.719	0.003	0.071	0.318	1.035	0.044	Supported
H7	Religiosity -> external WBI	0.158	0.081	1.955	0.025	0.010	0.277	1.035	0.026	Supported

Notes: N = 185; bootstrap sample size = 5,000; SE = standard error; LL = lower level 5% bias-correlated confidence interval; UL = upper level 95% bias-correlated confidence interval

Finally, the model's out-of-sample predictive power was evaluated by conducting the PLS predict with tenfold procedures. Shmueli et al. (2019) propose that the model has a high predictive power if all indicators in the analysis have lower RMSE values compared to the naive LM benchmark, a medium predictive power if most indicators in the PLS-SEM analysis yields smaller prediction errors compared to the LM, and low predictive power if a minority of indicators produces lower PLS-SEM prediction errors compared to the naive LM benchmark. However, if the PLS-SEM analysis (compared to the LM) yields lower prediction errors in terms of the RMSE for none of the indicators, this indicates that the model lacks predictive power. As shown in Table 6, most of the item differences for attitude, self-efficacy, perceived control, and external WBI have lower RMSE values compared to the naive LM benchmark. The results indicate that the model has a medium predictive power.

Table 6: Prediction summary

Items	PLS RMSE	LM RMSE	PLS - LM	Q ² _predict
AA2	1.079	1.087	-0.008	0.019
AA1	1.103	1.131	-0.028	0.016
AA3	1.089	1.069	0.02	0.011
EW2	1.545	1.556	-0.011	0.019
EW3	1.63	1.614	0.016	0.027
EW4	1.75	1.714	0.036	-0.003
EW1	1.536	1.537	-0.001	0.027
PC2	0.91	0.925	-0.015	0.081
PC1	0.881	0.91	-0.029	0.122
PC3	1.032	1.073	-0.041	0.041
SE3	1.1	1.106	-0.006	-0.009
SE1	0.791	0.815	-0.024	0.167
SE2	0.818	0.843	-0.025	0.159

5. Discussion

This study aims to provide further evidence on WBI by extending the ABC theory in exploring factors affecting Muslim auditors' intention to perform external whistleblowing. This study reveals the applicability of the ABC theory in explaining whistleblowing by providing evidence that perceived control and self-efficacy serve as factors that strongly influence the attitude of Muslim auditors to

blow the whistle externally. This study adds to the ethics literature by highlighting the role of religiosity in the whistleblowing context.

The results also reveal the significant impacts of religiosity in influencing Muslim auditors' attitudes towards the contextual factors of self-efficacy and perceived control. Specifically, in support of H1, religiosity is found to be positively related to self-efficacy. It can be concluded that the higher the religious belief individuals have, the higher they perceive themselves as self-efficacious in WBI. This finding confirms the views of Byrne (2012) and Abdel-Khalek et al. (2017). In support of H2, religiosity is also found to be positively related to perceived control. This finding corroborates the evidence presented by Kashif et al., (2017) by highlighting that religiosity shapes people's self-identity, and accordingly increases their perceived control.

Surprisingly, religiosity is found to have an insignificant relationship with attitude. The finding contradicts Vitell and Paolillo (2003), who assert religiosity as a factor influencing attitudes. Hence, H3 is not supported, indicating that the religious belief that one has does not influence his/her attitude in whistleblowing. An explanation as to why religiosity may not influence the attitude of the Muslim auditors is that they undertake their career in a professional manner. Hence, the professional values that they possess and the responsibilities that they hold as independent auditors to their clients require them to adhere to legal standards as well as stringent guidelines and regulations that might determine their attitude. The likelihood for one to have a positive attitude on whistleblowing is much dependent on these professional factors, and not the level of their religious beliefs.

In support of H7, religiosity is found to be positively related to external WBI. This means that Muslim auditors who strictly follow religious principles, proxied by the high scores on religiosity, are more likely to externally reveal the wrongdoings occurring in the audit firm. This finding confirms the views of Keenan (2000) and Dyreng et al. (2012).

From the perspective of ABC theory, the results of this study suggest that self-efficacy and perceived control are the contextual factors that strongly influence external whistleblowing. In support of H4, self-efficacy is found to be positively related to attitude. This study concludes that Muslim auditors who have a high perception on self-efficacy will exhibit a positive attitude about their ability to perform external whistleblowing. In support of H5, perceived control is found to be positively related to attitude. This finding suggests

that Muslim auditors who have a higher perception of control will generate a more positive attitude about their opportunity and capacity to perform external whistleblowing. Finally, the results provide evidence that attitude (H6) positively influences external WBIs. This finding corroborates the evidence presented by Alleyne et al. (2018) and Brown et al. (2016). This study concludes that Muslim auditors who have favourable attitudes are more willing to reveal wrongdoings that occur in their audit firms.

6. Conclusion

This study reveals the implications of religiosity in the WBI of Muslim auditors in Malaysia with the application of ABC theory as the theoretical basis. From the analysis, it is concluded that religiosity positively influences self-efficacy, perceived control, and external WBI. However, the hypotheses associated with the effect of attitude are unsupported. The study also aims to advance knowledge about the role of self-efficacy and perceived control as contextual factors within these attitude-behavioural relationships. From the analysis, self-efficacy and perceived control positively influences the attitude of Muslim auditors. Thus, it can be concluded that self-efficacy and perceived control can be perceived as contextual factors which can interact with attitude to influence whistleblowing behaviour.

This research makes several important contributions to theory and practice. From the theoretical standpoint, this study enriches whistleblowing literature by addressing the concern related to the theoretical shortcomings in whistleblowing (Culiberg & Mihelič, 2017) and by adding to the lines of whistleblowing models being developed in the context of auditors. The findings of this study provide support for the capability of ABC theory in examining WBI by extending religiosity to the model. According to this theory, behaviour results from a combination of attitudinal variables and perceived contextual factors. The combination of these attitudinal and contextual factors of self-efficacy and perceived control may assist Muslim auditors to become whistleblowers. Thus, ABC theory is useful in investigating external WBIs of Muslim auditors in Malaysia.

Second, this paper reveals the importance of religiosity in whistleblowing studies. The study confirms that the religious beliefs of Muslim auditors influence them to reveal wrongdoings in the audit firm through the contextual factors of self-efficacy and perceived control that exhibit their positive attitude, and will eventually report wrongdoings externally. It appears that the religious beliefs of an individual determines their ethical judgment about what is right and

wrong in their everyday life, including in their working environment. Highly religious individuals view the world through the lens of their faith, and beliefs about the divine such as “all things are possible with God” and “God is in control” (Newton & McIntosh, 2010). According to Beekun and Badawi (2005), religiosity strongly influences all types of decisions and practices, and is expressed in praying at work, being honest, respecting confidences and working towards each other’s welfare. As religiosity is found to have an impact on the ethical beliefs of an individual, Muslim auditors who have a high level of religiosity would be expected to act more ethically than those who are less religious. Adherence to ethical behaviour is part of *imaan* (faith), and as such, social responsibility and justice is considered an offshoot of Muslim auditors to disclose wrongdoings in their firms without fear of any retaliation.

The findings of this study have important practical implications for audit firms, particularly in terms of the effect of religiosity on attitude-behavioural relationships. Managers of audit firms should cultivate a whistleblowing spirit through moral and ethical values within the audit firm. Religiosity is key to ethical values and good behaviour, and hence has a significant influence on individuals, both as human beings and as professionals. Thus, improvements on accounting education, professional training and career development would require the consideration of the aspects of religiosity that can enhance auditors’ professional ethical conduct. Accounting professional bodies should focus on increasing awareness among their members and firms towards the importance of whistleblowing and knowledge about the consequences of wrongdoings not being reported, both to auditors and the profession at large. It is of utmost importance for the audit firms to maintain the highest ethical conduct. As highlighted by Keller et al. (2007), ethical standards are a hallmark of the accounting profession, and “failure to bring appropriate ethical standards to the workplace will most assuredly hamper the profession’s time-honoured commitment to serve the public interest.”

This study has limitations that may create interesting opportunities for future research. First, the majority of the respondents of this study are Muslim auditors who are young, with minimal working experience and who hold lower positions. Hence, the findings may not be generalisable to the population of accounting professionals in Malaysia. Future research can expand the sample to include all auditors in other organisational positions. Secondly, this study relies on cross-sectional data analysis to investigate

behavioural intentions. To test the causality or long-term effects of the attitudinal-behavioural relationship, future research should consider a longitudinal study which provides a deeper understanding of the mechanisms that influence whistleblowing behaviour. Finally, this study only focuses on Muslim auditors in Malaysia, a country where Muslims make up approximately 61 percent of the population. Future research may be conducted across multiple countries and cultures to enable a comparison of religious beliefs among professionals. The extension of the ABC theory with religiosity in whistleblowing studies and can be extended onto other ethical behaviour studies involving accounting professionals.

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