

THE EFFECT OF INTERNALIZATION OF LOCAL CULTURE ON AUDITOR'S SKEPTICISM

Monika Handojono¹, Theofilus J F K Matrutty²

^{1,2}Politeknik Negeri Ambon, Indonesia

Email : monikahandojono@gmail.com

Abstract: For several hundred years tribes in the Maluku of Eastern Indonesia have followed the cultural practice of pela-gandong. Pela-Gandong is a form of brotherhood between two or more villages, with its foundation being in blood relationships. Socially, pela-gandong is acknowledged as beneficial in spreading peace and harmony among differing ethnic groups. However, the practice raises questions of its influence on specific professional roles such as auditing. Using Self-Determination Theory, this study examines the impact of pela-gandong on an auditor's personal values, particularly the need for impartial auditor skepticism. By collecting data from 69 auditors across three local government municipalities and one city in Maluku, the findings suggest that the personal value (openness to change) and internalization of Pela-Gandong decreases auditor skepticism. The study recommends the need to further develop an approach that will increase auditors' awareness of cultural issues.

Keywords: Pela-Gandong, auditor's, skepticism, self-determination theory

1. Introduction

Internal audit is the organizational unit charged with the important roles of assessing financial resource efficacy (Roussy, 2015; Aikins, 2011), reducing audit fees (McCoy, Burnett, Friedman, & Morris, 2011; Gramling, 1999) and early detection of fraud (Agarwal & Medury, 2014; Nicolăescu, 2013). In relation to fraud, survey results reported by the Association of Certified Fraud Examiners (ACFE) indicate that only 11% of fraud was able to be detected by external auditors; whereas 24% of fraud cases were uncovered by internal auditors (ACFE, 2006). These results indicate the importance of internal auditors in uncovering fraud within their own organization.

In order to improve their role in fraud detection, internal auditors are required to have a healthy balance of professional skepticism (McCoy et al., 2011). Professional skepticism is defined as the inclination of an auditor to withhold his/her judgement until sufficient evidence is obtained to support the judgement (Hurt, 2010). Professional skepticism can be achieved through three steps in the evaluation process: i.) discover the "root cause" (using skeptical judgement), ii.) take required action to answer unresolved questions and iii.) validate the answers (using skepticism-initiated actions).

In the Nelson Model of auditor skepticism (Nelson, 2009), which was further developed by Hurt, Brown-Liburd, Earley, & Krishnamoorthy (2013), the external environmental factor is identified as one of the antecedents of an auditor's needed skepticism. External environmental factors are the regulations, standards and circumstances in the assigned location which influence the skeptical requirement of a professional auditor. Findings from several articles suggest that culture is one of the external factors which contribute to the auditor's judgement (Lin & Fraser, 2008; Patel, Harrison, & McKinnon, 2002).

This research examines the effect of the internalization of local culture on the professional skepticism of an auditor. In this research, the local culture being examined is the Eastern Indonesia practice of *pela-gandong* from the Maluku province. The rationale used as the basis for this research includes: i) research on internal auditors from government institution is still rare, and; ii) research on an auditor's professionalism (in relation to culture) generally refers to an internal audit.

Various internal audit researchers such as Alzeban (2015), Abdolmohammadi (2012), Jeffrey, Dilla, & Weatherholt (2004) and Chan, Lin, & Mo (2003) have primarily equated the cultural relativism view of Hofstede (1984) as being the substantive culture. Very few researchers test the efficacy of a specific culture within one specific country (Patel et al., 2002, Au & Wong, 2000). This research identifies and examines the effect of one cultural practice (*pela-gandong*) within the Indonesian Maluku province.

Pela-Gandong is derived from long standing cultural practices which continue to thrive in Maluku society. *Pela* is a form of brotherhood between two or more villages, whether those villages originate from Christian or Muslim backgrounds – Christianity and Islam being the majority religions in this province. This brotherhood is therefore not essentially religious, but rather bound by oaths, held by, and passed down through succeeding generations. *Gandong* is built upon ancestral blood connections between two villages. *Pela-Gandong* values mandate that current society and future generations unconditionally adhere to the value of true brotherhood in which each party will help the other through all circumstances in life (Attamimy, 2014; Wenno, 2011).

In the social context, *pela-gandong* is believed to be essential in maintaining harmonious living despite sometimes significant differences. This practice however can have deleterious consequences for some modern-day occupations such as that of the government internal auditor. In particular, the practice of *pela-gandong* can quite conceivably have a significant negative impact on an auditor's ability to professionally perform his/her responsibilities.

The essential requirement of professional skepticism by internal auditors can therefore be seen to be at odds when confronted with certain cultural practices. Studies have revealed that when internal auditors are performing their job, they are often challenged with problems and conflicts. These conflicts are often caused by the positioning of the internal auditor role within the organization (Roussy, 2015; Everett & Tremblay, 2014), by political factors (Ouellet, 2010) and by pressure from external surroundings. Roussy (2015) investigated conflict experienced by internal auditors working in the public sector in Quebec, Canada. Roussy found that the main conflict encountered by internal auditors in carrying out their responsibilities was the inability to adequately manage the relationship that they had with the manager/staff who they were auditing. This was particularly pertinent when these managers/staff deliberately hindered audit investigations.

Further, empirical findings have shown that the value placed on culture (Hughes, Sander, Higgs, & Cullinan, 2009; Lee & Welker, 2007), including a society's belief systems, will influence the professional auditor's behavior. Au and Wong (2000) discovered that the Chinese practice of *Guanxi*, based on Confucianism, had a negative impact on the professional auditor's behavior. *Guanxi* is a manifestation of group orientation, where existing personal relationships can supersede the formal structures of an organization. Au and Wong found that the application of *Guanxi* lessened the professionalism of the auditor. Moreover, professionalism was seen to diminish still further when the moral reasoning of the auditor was deemed to be low.

The internalization process of cultural values may be affected by the personal values of an auditor. Schwartz and Boehnke (2004) grouped the personal values of individuals into four contradictory groups of self-transcendence versus self-enhancement, and openness to change versus conservatism. In this research paper, the personal values tested are openness to change versus personal conservative values. This study aims to address a major question: “Do personal values and the internalization of cultural values influence the skepticism of the government internal auditor?”

Sixty-nine auditors assigned at the district, municipality, and province levels were used as respondents. The study found that openness to change negatively affects the skepticism of professional auditors. The results also found that internalization of cultural values can be a threat to an auditor's professionalism. The study brings significant contributions through studies of the effect of specific culture on the auditing role. The results also provide feedback for policy makers to enhance the quality and professionalism of local government auditors. This provides an opportunity to arrange more robust regulations, as well as providing a refined approach to the auditing role that is likely to strengthen the professionalism of auditors. This is especially pertinent in various cultural contexts.

The paper is structured as follows. Section 1 describes the background of the study. Section 2 reviews the theoretical framework and develops hypotheses. This is followed by the research method in Section 3. Hypothesis testing and the result are provided in Section 4, followed by a conclusion and research implications in the final section.

2. Theory and Hypothesis Development

2.1. Internal Auditor Skepticism

The Statement of Auditing Standard (SAS) No.1 requires auditors to use professional skepticism in the implementation of audit assignments. Professional skepticism is defined as the tendency of an auditor to withhold judgment until enough evidence is obtained to support the conclusion (Hurt, 2010). Nelson (2009) uses skeptical judgments and skeptical action to further explain skepticism. Skeptical judgement is seen when an auditor realizes a potential problem wherein the said problem requires greater effort to solve. Whereas skeptical action is manifested when an auditor changes his/her behavior based on his/her previous skeptical judgment and skeptical action. These two aspects are crucial and complementary in an audit assignment. There are two different situations in auditing which represent serious problems for an auditor's judgement. Firstly, when the auditor has the experience and knowledge related to his/her assignment. The auditor knows that there is fraud. The SAS requires the auditor to give an opinion, however the pela-gandong derived pressure from superiors or peers prevents the auditor from expressing his/her true judgement. Secondly, when an auditor is assigned an auditing task, but cannot detect fraud due to his/her lack of knowledge or experience. In both these examples, the auditor fails to exercise sufficient professional skepticism (Hurt et al., 2013).

Hurt (2013) developed a 30 question instrument to measure the level of professional skepticism amongst professional auditors. Charron & Lowe (2008) then grouped auditor skepticism into three categories: (1) testing the evidence, (2) understanding the evidence source, and (3) action based on evidence. Testing the evidence is shown in a series of measures. These are a questioning mind, suspension of judgement and the search for knowledge. Auditors with a questioning mind would not accept information without adequate evidence. Such auditors will delay their judgment, further investigate and collect appropriate evidence. Suspension of

judgment can also mean postponing judgement and not jumping to conclusions. Appropriately skeptical auditors are marked by their curiosity and their endeavors in the pursuit of knowledge.

Understanding the evidence source is a part of the auditor's skeptical approach since the auditor is concerned with understanding both the background motivation and the integrity of the evidence provider. This is necessary since all players will have differing perspectives of a situation. An appropriate understanding of an information source will allow auditors to view each situation objectively.

The last category of skepticism is the need to act on evidence. This approach is characterized by an auditor's appropriate level of self-assurance and self-determination. High self-assurance will more likely drive auditors to take initiative and act on questionable evidence. Likewise, high self-determination can motivate the auditor to keep searching for enough information before an appropriate judgment can be made (Charron & Lowe, 2008).

2.2. Personal Values

The behavior of each individual cannot be separated from the personal values that he/she holds. This includes the professional behavior of an auditor. Personal values shape the behavior and actions of an individual. Feather (1998) stated that personal values do not simply reside at the core of the personality or character of a person, they influence behavior, attitude, evaluation, judgment, decisions, commitment and satisfaction of the individual. It can therefore be concluded that inherent personal values will shape the decisions and/or judgements of a person. Nevertheless, the relative importance of particular values will differ from one individual to the next (Schwartz, 1992).

Schwartz (1992) developed Schwartz Value Survey Questioning (SVSQ) by identifying fifty-six personal values of an individual, which are then further grouped into ten value orientations (Schwartz & Boehnke, 2004). These ten individual values are then categorized into two sets of contradictory values: (1) self-transcendence vs self-enhancement and (2) openness to change vs conservatism.

Self-transcendence consists of values which emphasize serving the interest of others; showing care and attention to those who exhibit positive traits (benevolence) or to those who understand others, are tolerant and who care for both people and nature (universalism).

Self-enhancement relates to values which emphasize the pursuit of self-interest by seeking social status and by gaining control over resources and people (power); or by obtaining personal success by showing competencies in accordance with social standards (achievement) (Schwartz, 2006).

Openness to change focuses on autonomy in thoughts and actions (self-direction); and interest and enthusiasm for new things and a challenge in life (stimulation). Conservatism emphasizes commitment based on belief and cultural values (tradition), adherence to norms and social expectations (conformity) and a prioritization of personal stability and safety with close relatives (security) (Schwartz, 2006).

Personal values tested in this research are openness to change in the form of action (self-direction) and conservatism by the commitment to tradition (tradition). Schwartz (2006) suggests that each individual will experience conflict between pursuing openness to change values, and conservative values. Individuals who value openness to change will perceive change in a positive way and believe that such change will bring about improvement. Such people will tend to be independent, both in thinking and acting. They believe in themselves, create, and like to explore things freely. They may become more independent and tend to build their own way of thinking

in conducting their job. In auditing work, such auditors may go through two possibilities; firstly, they may go beyond the professional standard, or secondly, they may discount the standard and then work their own way. Professional skepticism is needed positively and passionately by auditors who follow conservative values. Individuals with conservative traits will tend to respect the rule and standard and accept it as something that must be maintained and applied (Schwartz et al., 2012). Therefore, conservative auditors will more likely hold professional standards tightly. It is more likely to be their guidance in performing an assignment. Thus, the hypothesis formulation is as follows:

H₁: Openness to change is negatively associated with professional skepticism of auditors.

H₂: Conservatism is positively associated with professional skepticism of auditors.

2.3. Self-Determination Theory and Internalization of Pela-Gandong Values

The Theory of Self-Determination (SDT) (Ryan and Deci, 1985) explains the process of internalization as a result of extrinsic motivation. This theory is used to define the internalization process of cultural values into individual behavior. SDT assumes that humans are proactive creatures who form a set of internal structures and processes. Since humans are proactive, they have a natural tendency to internalize values and rules of behavior into their social world. This then becomes their personal values (Ryan & Deci, 2000). The internalization process takes the form of transforming external group rules into internal individual rules. These external rules can be expressed in the form of customs, norms, regulations and/or belief systems.

SDT describes four types of extrinsic motivation in the internalization process using a continuum that starts from internalization that is relatively controlled, to one that is relatively self-determining. The four motivations consist of external regulation, introjected regulation, identified regulation, and integrated regulation. External regulation is shown through individual behavior caused by external pressures. This motivation is the lowest level of internalization. Introjected regulation is a person's choice to perform an action/behavior or values to meet their personal needs; for example, self-esteem. Both types of regulation show motivation that is controlled, since this shows the implementation of an activity to obtain something positive (for example, appreciation) and avoids something negative (for example, punishment). Identified regulation is shown by someone who consciously performs an action/behavior/value that another may find important and/or has a personal impact. Integrated regulation shows the behavior chosen because individuals identify those values as a form of self-expression. These last two behaviors are known as autonomous motivations.

In the context of this research, internalization is in the form of internalizing pela-gandong values. The pela-gandong culture in the life of the Maluku is believed to have existed long before the colonial period. Lokollo (1997) describes pela-gandong as: "A union between one village on the islands of Ambon-Lease and one or several other villages on the island of Seram, this union is based on genuine sibling relations, with the content and code of conduct of the union governed by both oral and written agreements, where the parties pledge to submit to the agreement referred to as a legal basis for its implementation from time to time."

The pela-gandong ritual is passed on from generation to generation. To perpetuate its continuance, a ceremony known as "Panas Pela-Gandong" is held to commemorate treaties that have been bound by past ancestors. This ceremony aims to remind the next generation to keep alive the pela-gandong values in their daily lives. Violations of these cultural values will be subject to sanctions imposed by indigenous elders.

Every Maluku, who is bound in a pela-gandong relationship is obliged to apply the established values, namely: (1) Mutual love for one another, (2) Mutual respect for one another, (3) Cooperation with one another, (4) Helping one another, (5) No public reproach or blame; (6) Must not help others beyond his own Pela, (7) Not to hold a grudge between villages that have Pela relations, (8) May not marry men/women from regions that have Pela relations, (9) Joint ownership of various plantation products (Attamimy, 2014).

For the internal auditor in Maluku, this paper suggests that the cultural practice of PG will influence the auditor's behavior. The PG values that are passed down through generations have binding implications in daily life. This is especially pertinent in shaping professional auditing roles. When the personal value of an auditor is combined with their level of cultural internalization, two possibilities emerge.

Firstly, auditors may tend to be opened (self-directed). In such cases they are less likely to prioritize cultural values over professional values. Therefore, they are more likely to apply professional skepticism to a given situation (Ryan & Deci, 2000). Their internalization is more likely to be at the level of controlled, meaning the implementation of PG values will less likely be influenced by how other people perceive them.

Secondly, auditors could be conservative, thus considering cultural values as their principal guidance which must be adhered to in their daily activities. These auditors will tend to highly respect existing culture and will display an autonomous level of internalization. Acceptance and deep respect for cultural values will not be incongruous for such auditors who are simply expressing the outworking of their internal values. Even when confronted with professional demands, conservative auditors will likely prioritize their inherent values.

Therefore, research hypotheses are formulated as follow:

H₃: Openness to change is negatively associated with cultural PG internalization.

H₄: Conservatism is positively associated with cultural PG internalization.

For the professional skepticism of auditors, we assume that the level of autonomy that auditors possess will affect choices that they make during audit assignments. Conservative auditors will place traditional values higher than professional auditors. They will view the demand for professionalism as a threat to the traditional values that they hold. As a result, they will tend to be less skeptical. From the same standpoint, openness auditors with controlled motivation, will tend to consider less of their cultural values in their daily activity. However, since they are controlled by external motivation, such auditors will tend to sustain their social engagement by placing the value of culture over their professionalism. Therefore, auditors with culturally controlled motivation are likely to significantly be governed in their professional life by their cultural values. Therefore, when they conduct an audit assignment to staff whose have a pela-gandong bond, they are more likely to have their professional skepticism diminished.

The hypothesis is formulated as follows:

H₅: The internalization of cultural values is negatively associated with professional skepticism

3. Research Method

3.1. Respondent

Research respondents consisted of auditors working at the Ambon Municipality Inspectorate, the Central Maluku Regency Inspectorate, the East Seram Regency Inspectorate, and the Provincial Inspectorate offices. All respondents were from areas with a pela-gandong bond. This was to ensure that all respondents understood the undergirding values operating within a pela-gandong culture. From 120 questionnaires, 80 were returned and 69 were usable.

The following table presents the demographic information of the respondents (Table 1).

Table 1. Respondent Profile

Item	Category	Total
Gender	Male	43
	Female	26
Education level	# Year Diploma (D3)	5
	Undergraduate Degree (S1)	51
	Graduate Degree(S2)	13
Knowledge Background	Accounting	12
	Non-accounting	57
Age (years)	< 30	7
	30 – 40	33
	41 – 50	16
	> 50	13

Males in the 30-40 year age range constituted the majority of respondents. More than 50% of respondents held at least an undergraduate education (S1). However, most of the respondents did not have an accounting background.

3.2. Personal Values

Variables in this research consisted of personal values and internalized pela-gandong values as the independent variable, and auditor skepticism as the dependent variable. Personal values refer to the inherent values of an individual. In this research, the personal values measured were openness to change and conservatism. These values were measured using items developed by Schwartz (1992) on a scale of 1 (least important) to 5 (most important). Sample items measuring tradition included: i) It is important for me to maintain the values the Pela-gandong tradition; ii) Following the family tradition of Plea-gandong is important to me; iii) I appreciate the practice of Pela-Gandong ini my culture as a Mollucan.

3.3. Internalizing Pela Gandong Values

The internalization of pela-gandong values was measured using the *Self-regulatory Questionnaire of Cultural Practices* developed by Ryan & Connell (1989). Participants were asked to provide reasons for believing in and practicing pela-gandong values by giving their score on four proposed reasons: i) I practice this tradition because somebody forced me to do it. I expect reward, or seek to prevent any punishment by practicing this tradition; ii) I will practice this tradition because people around me agree to it. I will practice this tradition because I think I have to. If I do not do it, I will feel guilty, ashamed and anxious; iii) I will practice this tradition because personally I believe that it is important and practicing it beneficial; iv) I will practice this tradition because I have fully considered it and all the alternatives. This tradition makes sense to me. I feel free to choose and practice it and feel fully responsible for the result.

Scoring was undertaken using a 5 point scale, with “1” meaning that this is entirely *not* the reason and “5” meaning that this is entirely *because of* this reason. To calculate the internalization value, we followed the calculation used by Chirkov et al., (2003) as follows:

$$\Sigma = [(external\ regulation) * (-2) + (introjected\ regulation) * (-1) + (identified\ regulation) * (1) + (integrated\ regulation) * (2)]$$

3.4. Professional Skepticism

Professional skepticism shows the level whereby auditors are willing to postpone their judgment until they obtain sufficient information and evidence to make their decision (Hurt, 2010). This variable was measured using five items developed by Hurt (2003) and with a 5-point scale ranging from (1) extremely disagree to (5) extremely agree. Question items consisted of: i) I buy time when making decisions; ii) I don't like to make decisions until I have seen all information available; iii) I don't like to make decisions quickly; iv) I like to make sure I have considered information available before making a decision; v) I wait to decide on important issues until I get more information.

4. Findings and Discussion

4.1. Measurement Model Analysis

Before testing the hypotheses, we firstly analyzed the validity and reliability of the constructs. Validity measurement uses both convergent validity and discriminant validity. Table 2 indicates a loading value > 0.60, indicating that the model can measure variances of more than 60%. Reliability composite values were > 0.70, indicating reliability of the instrument (Nunnally, 1967).

Convergent validity is measured using the average variance extracted value (AVE). The test results show the value of AVE > 0.50. This value indicates that convergent validity has been fulfilled (Hulland, 1999). To measure discriminant validity, we compare the square root of AVE with the correlation that occurs between constructs. This result shows that the EVA square root is higher than the correlation between constructs. It shows the fulfillment of discriminant validity.

Table 2. Convergent Validity and Reliability test

Latent Variable	AVE	Composite Reliability	Loading
<u>Openness to change</u>			
Openness to change 1			0.745
Openness to change 2		0.850	0.837
Openness to change 3	0.588		0.751
Openness to change 4			0.730
<u>Conservatism</u>			
Conservatism 1		0.851	0.846
Conservatism 2	0.657		0.869
Conservatism 3			0.706

Skepticism

Suspend Judgement 1			0.816
Suspend Judgement 2	0.645	0.901	0.782
Suspend Judgement 3			0.769
Suspend Judgement 4			0.842
Suspend Judgement 5			0.803

Table 3. Discriminant Validity test

	Conservatism	Openness to change	Skepticism
Conservatism	0.810		
Openness to change	0.452	0.767*	
Skepticism	0.182	0.152	0.803**

**Significant at $p < 0.01$; *significant at $p < 0.05$

4.2. Hypothesis Testing

To test the research hypotheses, path analysis was used with internal auditor skepticism as the dependent variable. The independent variables consisted of the internalization values of pelagandong, openness to change personal values, and conservative personal values. The path analysis test is indicated in the Table 4:

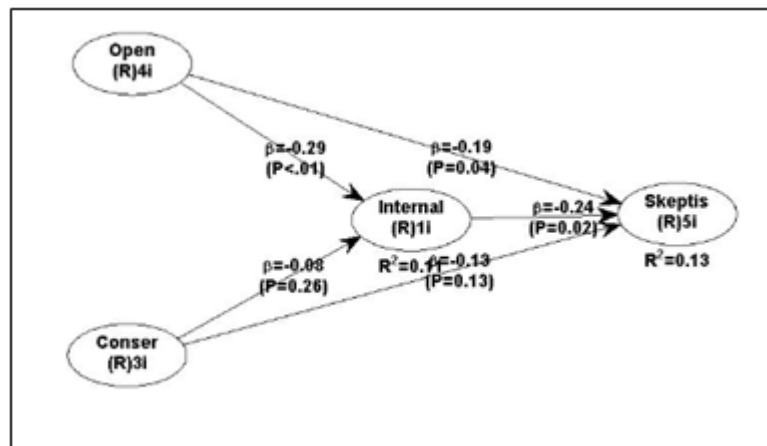
Table 4. Hypothesis Testing

	Hypothesis Parameters	Standardized Estimates	p-values	R ²
1.	Openness to change -> Internalization	-0.293	0.005	0.016
2.	Openness to change -> Skepticism	-0.195	0.045	0.032
3.	Conservatism -> Internalization	-0.076	0.261	0.096
4.	Conservatism -> Skepticism	-0.133	0.127	0.048
5.	Internalization -> Skepticism	-0.239	0.018	0.055

Hypothesis 1 examines the relationship between the openness to change and skepticism. The result shows the negative relationship between openness to change and skepticism with path coefficient by -0.195 and significant at p-values <0.05. The result indicates the support of Hypothesis 1. Furthermore, the result suggests that adhering to the values of openness to change adopted by the auditor will likely reduce prior held skepticism. The value of conservatism however has no significant relationship with skepticism. The result indicates that hypothesis 2 is not supported.

Hypothesis 3 and 4 examine the influence of personal value on the internalization of PG values. The test result confirms that openness to change is negatively associated with PG internalization (path coefficient = -0.293; $p < 0.01$). Hence, the hypothesis 1 is supported.

However, the path result shows that there is no relationship between conservatism and PG internalization. Thus, the hypothesis 4 is unsupported.



Hypothesis 5 states that the internalization of pela-gandong cultural values have a negative correlation on auditor skepticism. The testing of hypothesis 5 found a significant relationship between PG internalization and auditor skepticism (coefficient = -0.24; $p < 0.05$). These results indicate that the practice of PG has influenced auditor skepticism. Auditors who have an increasingly controlled level of internalization will show a tendency to lower professional skepticism, as well as auditors who have values of openness to change. These results confirm our prediction that internalization of PG values influences auditor professionalism.

5. Conclusion and Implications

The purpose of this research is to test the influence of personal values and internalization of pela-gandong values on the professional skepticism of internal auditors. The assumption from the authors that the internalization of pela-gandong values would lessen auditor skepticism. This is because values embodied in pela-gandong are not congruent with the professional standards demanded of auditors. The brotherhood values of pela-gandong are likely to negatively impact the auditor's ability to exercise the needed professional skepticism. The research results confirm the assumption. Auditors who have a controlled and autonomous level of internalization were, on average, seen to be less skeptical. This indicates the possibility that auditor skepticism will decrease if the auditor has a PG relationship with the auditee. These results are consistent with previous findings on the impact of culture on auditor professionalism (Hughes et al., 2009; Lee & Welker, 2007; Au & Wong, 2000).

The confirmation of PG's cultural practices as a threat to local government auditor skepticism raises important issues. It is known that the practice of PG is almost universal in the daily life of Malukuans. This however raises serious concerns with auditor professionalism. This research proposes a more culturally-considered approach to audit, including training that implicitly addresses the often-unspoken cultural practices.

The results of this study however fail to confirm the relationship between the personal values of conservatism and uncontrolled internalization. This is significant since the findings indicate that individual motivations to respect and to have commitment to tradition are diverse. This finding is in line with the initial argument for using Self-Determination Theory. SDT proposes that the lowest motivation encouraging cultural internalization is the pursuit of rewards

and the prevention of punishment. The results indicate that the internal auditors in Maluku tend to be open to change. Therefore, their motivation for the internalization of PG culture is most influenced by pressure from the external environment.

People have a multitude of reasons for adherence to values and inherited culture. Some are motivated by a sense of commitment, or an interest in a particular activity. Others are motivated by internal or external pressures such as guilt or anxiety (Jiang & Gore, 2016). This research confirms that the auditor's commitment to PG culture is determined by their surroundings when carrying out their professional responsibilities. The result has significant implications for the Malukan work environment where both awareness and situational people factors are strong.

As mentioned earlier, the cultural pressures to raise the involvement of young people in following PG, brings a significant dilemma for modern-day auditing. Malukans want to adhere to their hereditary culture as this is a tried and true way of promoting peace and harmony. Local government adds further pressure by contributing financial support to return to traditional ways. All such activities contribute to the pressure of the local Malukan in carrying out his/her modern professional auditing duties. Younger generations are more likely to be open to change. Therefore, the dilemma arises as to how young people in particular should view their traditional culture. How do they reconcile their culture with their needed professional auditing responsibilities? The more intense they involve themselves in their culture, the less they are likely to be able to perform the needed skepticism of their modern auditing profession.

This research has only considered respondents who operate within the context of pela-gandong bonds. A comparative study of the impact of internalization could potentially identify that pela-gandong is simply part of a much greater internalization process. This possibility requires further empirical research.

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