

The Developing of Auditors' Whistleblowing Using Grounded Theory¹

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Research Paper

INTRODUCTION

Whistleblowing is a crucial topic for business and the economy owing to its importance in protecting not only employees and organizations but also society at large. (Mastiniwati et al., 2020). Whistleblowing is an effective mechanism for the detection of corporate scandals and the accounting profession can play an important role in the whistleblowing process. (Lee and Xiao, 2018). Considering that few research of kinds on the design of auditors' whistleblowing model (such as Alleyne et al., 2013; Mamahit & Urumsah, 2018; Anvari et al., 2019) have been done abroad, but so far there has been researching on the development of whistleblowing models in Iran. A review of previous research shows that most auditor research studies have relied on linear trend analyses such as regression, relying on its default causes. In addition, since auditors' whistleblowing has multiple dimensions (psychological, cultural, occupational, and technological) and is dynamic and time-dependent in nature, it is not sufficient to evaluate it solely based on quantitative research.

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Therefore, the purpose of this study is to develop a Whistleblowing model for auditors in Iran, which is introduced. From a theoretical point of view, this research tries to identify the causal, contextual and intervening factors in aggravating and analyzing the problem by analyzing theoretical and theoretical issues and then identifying the different dimensions of the research subject, strategies, and consequences. Accordingly, this study seeks to find scientific answers to the following questions:

From the point of view of experts, what is the appropriate whistleblowing model for auditors in Iran ?

What are the consequences of implementing and enforcing the auditor whistleblowing model in Iran?

Methodology

This research seeks to expand its theoretical development through data analysis, foundation, and, on this basis, the nature of the method of exploratory and interpretive research. To rely on the method of grounded theory, an attempt has been made to identify and categorize the issues related to the Whistleblowing of auditors through interviews with university professors, specialists, and auditing experts. For this purpose, the theoretical sampling method (snowball) was used and the sampling and the interviewing process continued until the concepts and categories were saturated. Thus, interviews were conducted with 18 experts (according to table 1) and after conducting these interviews, the concepts and categories became saturated. It should be noted that most of the interviewees in their field of work had at least 15 years of professional experience and included Ph.D. or doctoral students. The average time for each interview with each of the audit experts was about 70 minutes.

Table 1. Characteristics of the participants

main criterion	gender	field	degree		experience		Position	
			Student PhD	PhD	15 years	Over 15	faculty	Manager
NO	18	18	5	13	5	13	10	18

The data encoding process is based on three levels open coding, axial coding, and selective coding. Finally, the categories are presented in terms of causal conditions, intervening conditions, contextual conditions, strategies, and consequences.

Findings

Using the Grounded theory and snowball sampling by conducting in-depth interviews with faculties and auditing experts in 2020, a coherent model focusing on auditors' whistleblowing (as shown in figure 1) was presented.

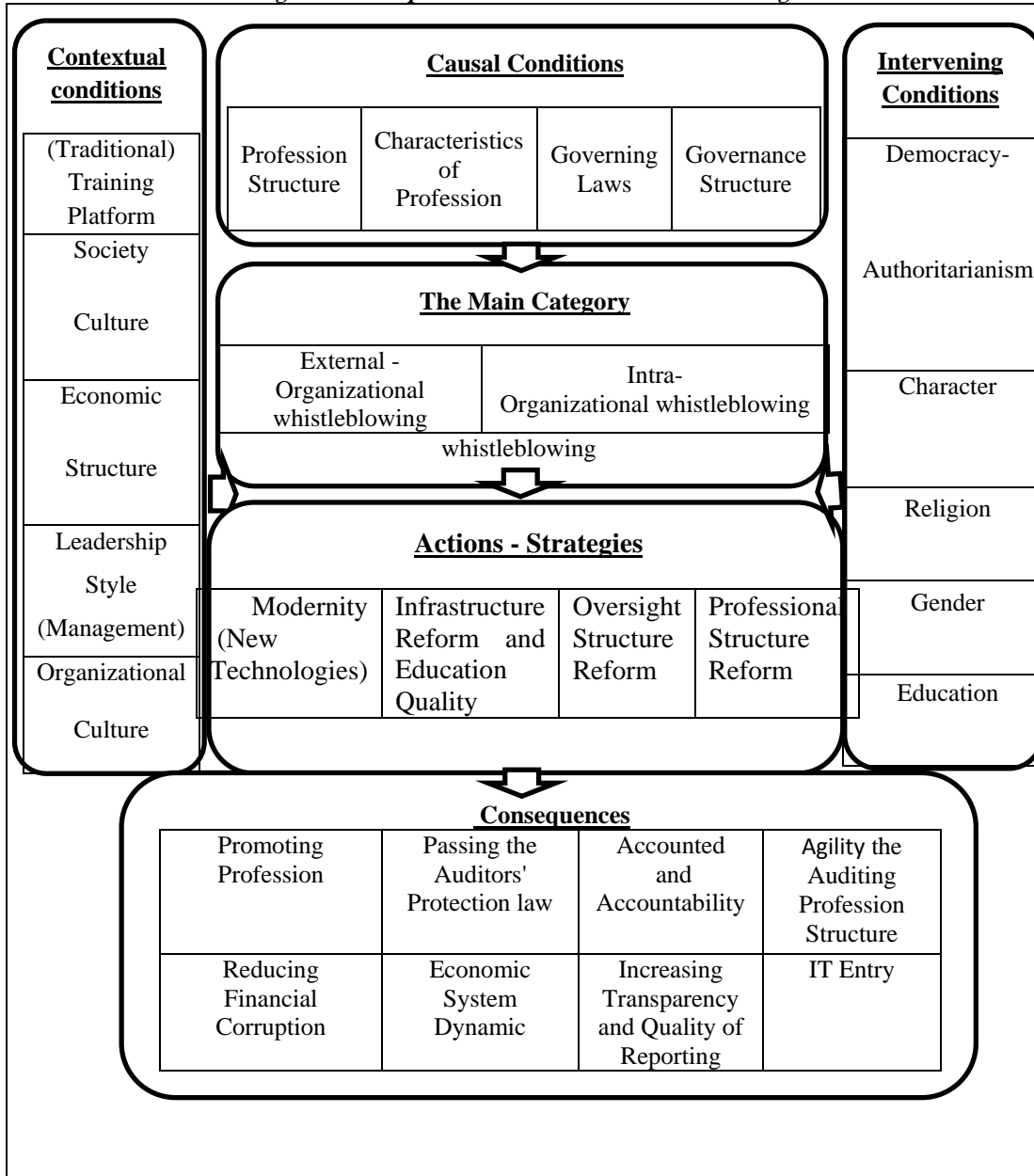
Conclusion

The results showed that the most important causal conditions that can be effective in auditors' whistleblowing are governance structure, governing laws, professional structure, and characteristics of the auditing profession. Also, the research findings showed that to achieve auditors' whistleblowing, strategies such as professional structure reform, oversight structure reform, infrastructure reform, and education quality and modernity (use of new technologies) should be adopted. Finally, the research model showed that auditors' whistleblowing can have consequences such as promoting the profession, reducing financial corruption, increasing transparency and quality of reporting, economic system dynamic, the agility of the auditing profession structure, passing the auditors' protection law, IT entry and accounted and accountability.

Keyword: Qualitative research, Grounded theory, Auditors' whistleblowing

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Figure 2. Conceptual model of auditors' whistleblowing



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