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Explaining Dysfunctional Auditor Behavior: The Moderating Role of Moral Courage in the Effects of Client Pressure, Audit Firm Culture, And Job Stress

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ABSTRACT: This study examines whether client pressure, audit firm culture, and job stress are associated with dysfunctional auditor behavior and whether moral courage moderates these relationships. The study uses primary data collected through a questionnaire distributed to auditors working in public accounting firms across Sumatra, Indonesia. The final dataset comprises 169 respondents from nine reported regional groupings. The proposed relationships are evaluated using partial least squares structural equation modeling (PLS-SEM) with SmartPLS. The measurement model indicates that the retained indicators load above 0.70, construct reliability is satisfactory, and the heterotrait–monotrait ratios are below 0.85. The structural model explains 60.0% of the variance in dysfunctional auditor behavior (adjusted $R^2 = 0.582$). Client pressure is positively associated with dysfunctional behavior ($\beta = 0.221$; $t = 4.516$; $p < 0.001$), while audit firm culture is negatively associated with it ($\beta = -0.262$; $t = 4.314$; $p < 0.001$). Job stress also has a positive association ($\beta = 0.258$; $t = 4.321$; $p < 0.001$). The interaction between moral courage and client pressure is positive and significant ($\beta = 0.121$; $t = 2.413$; $p = 0.016$), indicating that moral courage strengthens rather than weakens the positive association between client pressure and dysfunctional behavior in this sample. The interactions involving audit firm culture and job stress are not statistically significant. These findings highlight the importance of both client-related pressures and the ethical environment of audit firms, while suggesting that moral courage may not operate as a uniformly protective moderator across different conditions.

KEYWORDS: Dysfunctional Auditor Behavior, Client Pressure, Audit Firm Culture, Job Stress, Moral Courage

INTRODUCTION

Auditing contributes to accountability and transparency by providing an independent assessment of financial statements for users who rely on them. Its value depends not only on technical competence but also on auditors' ability to exercise sound judgment, remain independent, and complete the procedures required by professional standards. When those procedures are not properly performed, the evidence supporting an audit opinion may be weakened and confidence in the profession may suffer (Etim et al., 2020; Amalia, 2023).

Dysfunctional auditor behavior describes departures from required audit practices, including premature sign-off, reducing audit procedures, altering documentation, under-reporting time, or disregarding relevant evidence (Johari et al., 2022; Nehme et al., 2024; Odediran et al., 2024). Because such actions may not be apparent to external users, it is important to examine the circumstances that can influence auditors' decisions during an engagement.

Auditors work in an environment where different demands can influence their professional conduct. Clients may exert pressure to accelerate audit completion or influence the conduct of audit procedures, while audit firms establish expectations through their organizational culture and management practices. At the same time, auditors may experience work-related pressure arising from demanding assignments, tight deadlines, and competing job responsibilities. These conditions represent different sources of pressure that may shape auditors' responses to their professional obligations and influence the likelihood of dysfunctional behavior (Rustiarini, 2021; Achyarsyah & Sabilah, 2024; Hafshah et al., 2025).

Client pressure presents a particular challenge because auditors must maintain professional independence while managing an ongoing relationship with the audited entity. Such pressure may involve requests for faster completion, attempts to influence audit work, or concerns about the commercial importance of retaining a client. Although prior studies have examined client pressure in relation to independence and audit outcomes, findings vary across settings (Muslim et al., 2020; Arini & Yandra, 2022; Das et al., 2025). This variation warrants further examination of its relationship with dysfunctional behavior.

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The firm's internal environment may also shape auditor conduct. Shared values and everyday practices signal which behaviors leaders support, reward, or tolerate. Professional compliance, accessible supervision, open communication, and collaboration may discourage shortcuts, whereas an excessive emphasis on commercial targets or speed may weaken the importance attached to professional requirements (Alberti et al., 2022; Andiola et al., 2020). Existing findings on organizational culture and dysfunctional behavior are mixed (Zahra et al., 2020; Hapsari, 2026).

Job stress represents another condition that may influence auditors' professional conduct. Audit assignments often involve demanding workloads, tight deadlines, and competing responsibilities that require auditors to manage their tasks within limited time and resources. When these demands become difficult to manage, auditors may experience work-related stress that affects their ability to maintain professional standards throughout the engagement. Under such circumstances, some auditors may resort to shortcuts or fail to complete required procedures as a way of coping with work demands. While Rustiarini (2021) and Achyarsyah and Sabilah (2024) identify job stress as relevant to dysfunctional audit behavior, other studies report non-significant relationships. These differences suggest that the relationship between job stress and dysfunctional auditor behavior may vary depending on the working conditions and organizational environment.

Auditors may respond differently to similar workplace pressures, partly because of their willingness to uphold professional and ethical principles. Moral courage refers to the willingness to maintain ethical commitments despite opposition, personal risk, or potentially adverse consequences (Khelil et al., 2018; Ejaz, 2025). In audit practice, moral courage may be reflected in an auditor's willingness to reject inappropriate client requests, raise concerns about irregularities, and maintain required audit procedures despite external or organizational pressure. These characteristics suggest that moral courage may influence how auditors respond to client pressure, organizational culture, and job stress. Accordingly, its potential role in moderating the relationships between these conditions and dysfunctional auditor behavior warrants empirical examination.

Despite the growing literature on dysfunctional auditor behavior, several aspects remain insufficiently explored. Previous studies have frequently examined external pressure, organizational conditions, and individual work-related factors separately, providing limited understanding of how these distinct sources of influence are associated with dysfunctional auditor behavior within an integrated research framework. Moreover, although moral courage has received attention as an important ethical attribute, its potential moderating role in the relationships between client pressure, audit firm culture, job stress, and dysfunctional auditor behavior remains underexplored. In particular, it remains unclear whether moral courage operates consistently across different sources of workplace influence or whether its role depends on the nature of the conditions encountered by auditors.

This study addresses these gaps by simultaneously examining client pressure, audit firm culture, and job stress as distinct conditions associated with dysfunctional auditor behavior, while positioning moral courage as a moderator of each relationship. Rather than assuming that moral courage uniformly protects auditors from dysfunctional conduct, this study investigates whether its moderating effect differs across the three relationships. Furthermore, the study extends the empirical discussion to public accounting firms across Sumatra, Indonesia, a regional setting that remains less represented in the literature on auditor behavior. By examining these relationships within a single empirical framework, this study provides a more differentiated understanding of how workplace conditions and individual ethical attributes interact in shaping auditors' professional conduct.

This study draws on the Theory of Planned Behavior (TPB) and Cognitive Moral Development Theory (CMDT) to explain the relationships examined. TPB proposes that attitudes, subjective norms, and perceived behavioral control shape behavioral intentions (Ajzen, 1991). In the auditing context, client pressure, organizational expectations, and work-related demands may influence the conditions under which auditors make behavioral decisions. Meanwhile, CMDT explains how individuals develop moral reasoning and evaluate ethical choices based on their level of moral development (Kohlberg & Hersh, 1977). These theoretical perspectives provide complementary explanations for understanding how workplace conditions relate to dysfunctional auditor behavior and why moral courage may shape auditors' responses to such conditions.

Using questionnaire data from auditors in public accounting firms across Sumatra, Indonesia, this study examines client pressure, audit firm culture, and job stress in one model, with moral courage moderating each relationship. The regional setting includes firms that may differ in size, client portfolios, supervision, and working practices. By testing the three interaction terms separately, the study assesses whether moral courage has a consistent moderating role across distinct work conditions.

The results show that client pressure and job stress are positively associated with dysfunctional auditor behavior, whereas audit firm culture is negatively associated with it. Moral courage strengthens the positive association between client pressure and dysfunctional behavior, but its interactions with culture and job stress are not statistically significant. This pattern challenges the assumption that moral courage necessarily buffers every form of work-related pressure and calls for attention to the conditions that allow ethical intentions to be put into practice.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Theory of Planned Behavior

The Theory of Planned Behavior explains behavioral intentions through three main components: attitudes toward a behavior, subjective norms, and perceived behavioral control (Ajzen, 1991). In the context of this study, the theory provides a basis for understanding how client pressure, firm culture, and job stress may influence dysfunctional auditor behavior.

Client pressure is related to subjective norms because auditors may perceive client demands as external expectations that influence how they perform audit procedures. Firm culture is also associated with subjective norms, as organizational values and practices establish behavioral expectations that auditors encounter in their workplace. Meanwhile, job stress relates to perceived behavioral control because excessive workload and time constraints may reduce auditors' perceived ability to complete audit procedures in accordance with professional standards. These conditions may influence auditors' decisions to engage in dysfunctional behaviors during the audit process.

Cognitive Moral Development Theory and Moral Courage

Cognitive Moral Development Theory (CMDT) explains how individuals develop moral reasoning, progressing from decisions based on external consequences toward judgments guided by broader ethical principles (Kohlberg & Hersh, 1977). In the context of this study, the theory provides a foundation for understanding how auditors evaluate ethical considerations when facing client pressure, organizational expectations, and work-related stress.

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Moral courage complements this perspective by explaining an individual's willingness to act consistently with ethical judgments despite potential personal or professional consequences. In this study, moral courage is positioned as a moderating variable that may influence how client pressure, firm culture, and job stress relate to dysfunctional auditor behavior. Auditors with stronger moral courage may be more willing to resist external demands, uphold professional values, and maintain appropriate audit procedures despite workplace pressures and constraints.

Dysfunctional Auditor Behavior

Dysfunctional auditor behavior includes actions that reduce the completeness or integrity of audit work. Examples include under-reporting time, signing off before procedures are complete, reducing planned procedures, changing documentation inappropriately, or disregarding evidence (Johari et al., 2022; Nehme et al., 2024). Such actions can weaken the evidential basis for professional conclusions.

These behaviors may arise from various pressures and conditions encountered by auditors during audit engagements. Client pressure may influence auditors' professional judgments, firm culture may shape behavioral expectations within the workplace, and job stress may affect auditors' ability to maintain appropriate audit practices. Accordingly, this study examines dysfunctional auditor behavior in relation to client pressure, firm culture, and job stress.

Client Pressure, Moral Courage and Dysfunctional Auditor Behavior

Client pressure refers to demands or influence from an audited entity that may affect an auditor's independence or professional judgment. It can involve requests to complete audit work within an unrealistic timeframe, pressure to maintain business relationships, interference with audit procedures, attempts to influence audit findings, or economic dependence on a particular client. Such circumstances can create tension between commercial relationship management and the auditor's responsibility to comply with professional standards.

Within the Theory of Planned Behavior (TPB), client pressure may influence auditors' behavioral intentions by shaping perceived social expectations and attitudes toward professional conduct. When clients repeatedly emphasize engagement deadlines, commercial interests, or desired audit outcomes, auditors may perceive that accommodating such demands is necessary to maintain the client relationship. This situation can encourage shortcuts, premature sign-off, reduced audit procedures, or other dysfunctional behaviors. Previous studies have examined client pressure in relation to auditor independence, audit quality, and professional judgment (Muslim et al., 2020; Arini & Yandra, 2022; Das et al., 2025), while research on dysfunctional auditor behavior has also recognized external pressure as a relevant contributing factor (Johari et al., 2022; Hadi & Tarmizi, 2025). Accordingly, client pressure is expected to influence the occurrence of dysfunctional auditor behavior.

Nevertheless, auditors may respond differently to client pressure depending on their individual moral courage. Moral courage reflects an auditor's willingness to uphold ethical principles and professional responsibilities when facing demands that may conflict with appropriate audit practices. In the auditing environment, client demands may create competing considerations between maintaining business relationships and fulfilling professional obligations. Moral courage may influence how auditors navigate these competing demands and make decisions when confronted with situations that challenge their professional integrity. Consequently, the relationship between client pressure and dysfunctional auditor behavior may vary according to the auditor's level of moral courage. This suggests that moral courage represents a relevant individual characteristic in explaining differences in auditors' behavioral responses to client pressure.

Based on these arguments, the following hypotheses are proposed:

H_{1a}: Client pressure has a positive effect on dysfunctional auditor behavior.

H_{1b}: Moral courage moderates the relationship between client pressure and dysfunctional auditor behavior.

Audit Firm Culture, Moral Courage and Dysfunctional Auditor Behavior

Audit firm culture comprises shared values and practices that shape how audit work is performed and how professional expectations are communicated within an audit firm. The construct in this study encompasses professional compliance, supervisory support, open communication, audit-quality orientation, and collaboration. These organizational features provide a working environment in which auditors can address professional challenges through consultation, supervision, and review rather than resorting to procedural shortcuts.

Culture can influence auditor conduct by establishing behavioral expectations through everyday organizational practices. When firm leaders consistently reinforce professional standards, supervisors provide adequate guidance, and employees can communicate concerns without fear, compliance becomes an integral part of the working environment. Conversely, inconsistent leadership or excessive emphasis on commercial performance may create conditions in which professional requirements receive less attention. Previous research has highlighted the relevance of audit-firm climate, organizational practices, and leadership in shaping auditor behavior (Alberti et al., 2022; Andiola et al., 2020), although empirical findings remain mixed (Zahra et al., 2020; Hapsari, 2026). Given that this study conceptualizes audit firm culture as a supportive and professionally oriented organizational environment, a stronger audit firm culture is expected to be associated with lower levels of dysfunctional auditor behavior.

Nevertheless, the influence of organizational culture on auditor behavior may also depend on individual characteristics, particularly moral courage. Although a supportive organizational environment provides professional guidance and reinforces compliance expectations, auditors may differ in how they respond to organizational values and expectations when facing ethical challenges. Moral courage reflects the willingness to uphold professional and ethical principles despite potential personal, professional, or economic consequences. In this regard, moral courage may shape how auditors interpret and respond to the cultural environment of their firms, particularly when organizational demands, professional responsibilities, and practical pressures compete. Therefore, the relationship between audit firm culture and dysfunctional auditor behavior may vary according to auditors' levels of moral courage. Based on these arguments, the following hypotheses are proposed:

H_{2a}: Audit firm culture has a negative effect on dysfunctional auditor behavior.

H_{2b}: Moral courage moderates the relationship between audit firm culture and dysfunctional auditor behavior

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Job Stress, Moral Courage and Dysfunctional Auditor Behavior

Job stress refers to the psychological strain experienced when work demands are perceived as difficult to manage. For auditors, these demands may include heavy workloads, tight deadlines, emotional exhaustion, role conflict, and disruption to work–life balance. Such pressures can become particularly pronounced during reporting periods, when multiple engagements require attention within limited timeframes. Under sustained pressure, auditors may have less time, energy, or psychological resources to complete all required audit procedures. Consequently, abbreviated procedures, premature sign-off, or other dysfunctional practices may be perceived as ways to cope with demanding work conditions. Rustiarini (2021) and Achyarsyah and Sabilah (2024) identify job stress as a relevant factor associated with dysfunctional audit behavior, although other studies report no significant association. These mixed findings suggest that the relationship may depend on individual characteristics and the organizational context in which auditors perform their work. Nevertheless, higher levels of job stress are expected to increase the likelihood of dysfunctional auditor behavior.

Individual responses to job stress may also differ depending on auditors' moral courage. Moral courage reflects an individual's willingness to maintain ethical principles and professional responsibilities despite potential personal, professional, or economic consequences. In demanding audit situations, auditors may face competing pressures between completing assigned work within established deadlines and ensuring that all required procedures are properly performed. Moral courage may influence how auditors respond to these competing demands and make professional decisions when experiencing psychological strain. Accordingly, the relationship between job stress and dysfunctional auditor behavior may vary depending on the level of moral courage. This suggests that moral courage represents an important individual characteristic in understanding how auditors respond behaviorally to stressful working conditions.

Based on these arguments, the following hypotheses are proposed:

H_{3a}: Job stress has a positive effect on dysfunctional auditor behavior.

H_{3b}: Moral courage moderates the relationship between job stress and dysfunctional auditor behavior.

Based on the theoretical arguments and empirical findings discussed in the preceding sections, this study proposes three direct relationships between client pressure, audit firm culture, and job stress and dysfunctional auditor behavior. In addition, moral courage is examined as a moderating variable in these relationships. The expected directions of the direct and moderating relationships, together with their corresponding hypotheses, are summarized in Table 1.

Table 1. Summary of Expected Relationships

Predictor / interaction	Expected relationship
Client Pressure (CP)	Positive effect on dysfunctional auditor behavior
Audit Firm Culture (AFC)	Negative effect on dysfunctional auditor behavior
Job Stress (JS)	Positive effect on dysfunctional auditor behavior
Moral Courage (MC)	Moderating relationships of CP; AFC; JS with

MATERIALS AND METHODS

Research Design and Data Collection

This study adopts a quantitative explanatory approach and relies on primary data collected through a structured questionnaire. The target respondents were auditors employed by public accounting firms (PAFs) operating across Sumatra, Indonesia. Based on the population frame established for this study, 78 PAFs were included in the target population. Questionnaires were distributed directly to auditors in Pekanbaru and Aceh, while respondents in other areas were approached through online distribution via regional IAPI WhatsApp groups and email.

Data collection took place between 15 June and 15 August 2026. A total of 234 questionnaires were distributed through these channels, resulting in 169 usable responses for analysis, representing a usable response rate of 72.22%. The number of respondents varied across firms, ranging from one to ten auditors per firm. Since the questionnaires were distributed through a combination of direct contact and online professional networks rather than to a predetermined list of individually identified auditors, the distribution process did not follow a uniform firm-level allocation. This recruitment approach is relevant when assessing sample coverage and interpreting the extent to which the findings may be generalized to auditors working in public accounting firms across Sumatra. The collected data were analyzed using partial least squares structural equation modeling (PLS-SEM) with SmartPLS version 4.1.1.8.

Operational Definitions and Measurement of Variables

The operational definitions, measurement indicators, and sources of the measurement items for each construct are presented in Table 2. The table provides an overview of how each construct was defined and measured in the questionnaire, including the adaptation of items from previously published studies.

Table 2. Operationalization of study constructs

Construct	Operational meaning	Indicators	Source
Dysfunctional auditor behavior	Auditor actions that depart from audit procedures or professional requirements.	Premature sign-off; reduction of audit procedures; audit-document manipulation; under-reporting time; disregard of audit evidence.	Johari et al. (2022)
Client pressure	Pressure perceived from clients that may influence independence and audit judgment.	Requests for rapid completion; pressure to maintain business relationships; intervention in procedures; pressure on audit outcomes; economic dependence.	Das et al. (2025)

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Audit firm culture	Shared firm values and practices that shape auditors' attitudes and decisions.	Professional compliance; supervisory support; open communication; audit-quality orientation; collaboration.	Alberti et al. (2022)
Job stress	Psychological response to demanding or threatening work conditions.	Workload; emotional exhaustion; time pressure; role conflict; work–life imbalance.	Rustiarini (2021)
Moral courage	Capacity to uphold ethically appropriate action despite pressure, risk, or negative consequences.	Upholding ethical principles; rejecting unethical pressure; willingness to report violations; professional responsibility; consistency in ethical decisions.	Ejaz (2025)

The study examines five constructs: dysfunctional auditor behavior, client pressure, audit firm culture, job stress, and moral courage. Dysfunctional auditor behavior covers deviations from audit procedures, including premature sign-off, reduced audit procedures, inappropriate documentation, under-reporting of audit time, and disregard for audit evidence (Johari et al., 2022). Client pressure refers to client demands that may influence auditors' independence and professional judgment (Das et al., 2025). Audit firm culture reflects shared values and practices concerning professional compliance, supervisory support, communication, professional standards, and collaboration (Alberti et al., 2022). Job stress encompasses workload, emotional exhaustion, time pressure, role conflict, and work–life imbalance (Rustiarini, 2021). Moral courage represents auditors' willingness to uphold ethical principles, resist unethical pressure, and report professional violations despite potential consequences (Ejaz, 2025). The instrument contained 15 items for each construct was measured using questionnaire items on a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree).

Measurement Model Assessment

The measurement model was evaluated to establish the reliability and validity of the constructs. Indicator reliability was assessed through outer loadings, while Cronbach's alpha and composite reliability were used to examine internal consistency. Convergent validity was evaluated using the average variance extracted (AVE), with a minimum acceptable value of 0.50. Discriminant validity was examined through the heterotrait–monotrait ratio (HTMT), where values below 0.85 were considered acceptable. The results of these assessments provided the basis for determining whether the constructs were adequately measured before testing the proposed relationships.

Structural Model Assessment

The structural model evaluation focused on examining the proposed relationships and the explanatory contribution of each predictor. Collinearity was assessed using variance inflation factor (VIF) values to ensure that multicollinearity did not affect the estimation results. The explanatory power of the model was determined by the coefficient of determination (R^2), while effect size (f^2) indicated the extent to which each predictor contributed to the endogenous construct. Hypotheses were tested using path coefficients and bootstrapping results. The moderating effect of moral courage was evaluated through the interaction terms between moral courage and each predictor, with their significance determining whether the proposed moderating relationships were supported.

RESULTS

Respondent Profile

The 169 respondents came from nine regional groupings. Pekanbaru accounted for the largest share (76 respondents; 44.97%), followed by Padang (20; 11.83%) and Palembang (16; 9.49%). The remaining participants were based in Batam, Medan, Jambi, Banda Aceh, Bandar Lampung, and Bengkulu.

Table 3. Respondent distribution by region

Region	KAP represented	Respondents	Share (%)
Banda Aceh	1	5	2.95
Bandar Lampung	3	4	2.37
Batam	7	18	10.65
Bengkulu	1	4	2.36
Jambi	3	11	6.51
Medan	6	15	8.87
Padang	5	20	11.83
Palembang	7	16	9.49
Pekanbaru	11	76	44.97
Total reported	—	169	100.00

Source: Processed research data

Table 4. Respondent characteristics

Characteristic	Category	n	%
Gender	Male	74	43.79
Gender	Female	95	56.21
Age	Below 25 years	58	34.32
Age	25–35 years	91	53.85
Age	35–45 years	15	8.87
Age	Above 45 years	5	2.96
Education	Diploma (D3)	5	2.96
Education	Bachelor (S1)	122	72.19

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Characteristic	Category	n	%
Education	Master (S2)	39	23.08
Education	Doctoral (S3)	3	1.77
Tenure	Below 2 years	62	36.69
Tenure	3–10 years	89	52.66
Tenure	Above 10 years	18	10.65
Position	Junior auditor	87	51.47
Position	Senior auditor	53	31.36
Position	Supervisor	16	9.48
Position	Manager	4	2.37
Position	Partner	9	5.32

Source: Processed research data

The respondent characteristics indicate that the study involved 169 auditors with diverse demographic and professional backgrounds. Most respondents were female (56.21%), aged 25–35 years (53.85%), and held a bachelor's degree (72.19%). Regarding professional experience, the majority had 3–10 years of tenure (52.66%). In terms of organizational position, junior auditors represented the largest group (51.47%), followed by senior auditors (31.36%). Overall, the respondents represented various levels of professional experience and organizational positions within public accounting firms.

Descriptive Statistics

As presented in Table 5, the descriptive statistics show that the study involved 169 respondents across five constructs. Client pressure had a mean of 40.07 (SD = 15.64), while audit firm culture recorded a mean of 51.66 (SD = 14.45). Job stress had a mean of 41.41 (SD = 15.71), and dysfunctional auditor behavior had a mean of 41.37 (SD = 15.85). Meanwhile, moral courage recorded a mean of 41.27 (SD = 14.74). The minimum and maximum values indicate variations in respondents' scores across all constructs. Overall, the standard deviations suggest differences in respondents' perceptions of the constructs examined.

Table 5. Descriptive statistics

Construct	N	Minimum	Maximum	Mean	Std. deviation
Client pressure	169	16.00	71.00	40.0651	15.64454
Audit firm culture	169	23.00	75.00	51.6627	14.45349
Job stress	169	15.00	69.00	41.4142	15.70733
Dysfunctional auditor behavior	169	15.00	71.00	41.3728	15.84740
Moral courage	169	16.00	69.00	41.2722	14.73566

Source: Processed research data

Measurement Model Assessment

Convergent Validity

The convergent validity results presented in Table 6 indicate that all research indicators have outer loading values above 0.70. The lowest outer loading value is 0.702 for moral courage, while the highest is 0.878 for job stress. Therefore, all indicators meet the convergent validity criteria and can be retained in the measurement model.

Table 6. Indicator Reliability Assessment (Outer Loadings)

Construct	Number of Indicators	Minimum Outer Loading	Maximum Outer Loading	Remark
Client pressure	15	0.785	0.861	Valid
Audit firm culture	15	0.728	0.861	Valid
Job stress	15	0.781	0.878	Valid
Dysfunctional auditor behavior	15	0.739	0.871	Valid
Moral courage	15	0.702	0.864	Valid

Source: Processed research data

As reported in Table 7, all constructs exhibit satisfactory reliability and convergent validity. The Cronbach's alpha values range from 0.954 to 0.968, while composite reliability values range from 0.958 to 0.970, indicating that all constructs exceed the recommended threshold of 0.70. The AVE values also range from 0.607 to 0.686, exceeding the minimum criterion of 0.50. These results indicate that the indicators adequately represent their respective constructs and demonstrate sufficient internal consistency. Therefore, all constructs meet the requirements for reliability and convergent validity, supporting the adequacy of the measurement model for subsequent analysis.

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Table 7. Construct reliability and convergent validity

Construct	Cronbach's	Composite	AVE
Audit firm culture	0.954	0.958	0.607
Moral courage	0.959	0.963	0.636
Dysfunctional auditor behavior	0.964	0.968	0.668
Job stress	0.964	0.967	0.664
Client pressure	0.968	0.970	0.686

Source: Processed research data

Discriminant Validity

As reported in Table 8, the HTMT values range from 0.116 to 0.622, remaining below the threshold of 0.85. The highest value is found between moral courage and dysfunctional behavior (0.622), whereas the lowest value is observed between audit firm culture and job stress (0.116). The results suggest that the constructs capture distinct concepts and do not exhibit problematic overlap. Accordingly, discriminant validity is established for all constructs, supporting their suitability for subsequent structural model assessment.

Table 8. HTMT discriminant validity matrix

Construct	Audit firm culture	Moral courage	Dysfunctional behavior	Job stress	Client pressure
Audit firm culture	—				
Moral courage	0.258	—			
Dysfunctional behavior	0.426	0.622	—		
Job stress	0.116	0.348	0.456	—	
Client pressure	0.121	0.246	0.393	0.175	—

Source: Processed research data

Structural Model Assessment

R-Square

The internal model assessment, or structural model evaluation, is conducted to examine the relationships among constructs in the research model, particularly the explanatory power of the model and the R-square value. The R-square value indicates the extent to which the independent variables, namely client pressure, audit firm culture, and job stress, explain variations in the dependent variable, namely dysfunctional auditor behavior. The results of the R-square assessment provide an indication of the model's ability to explain the phenomenon under investigation, as presented in Table 9.

Table 9. Coefficient of determination

Endogenous construct	R^2	Adjusted R^2
Dysfunctional auditor behavior	0.600	0.582

Source: Processed research data

The model explains 60.0% of the variance in dysfunctional auditor behavior, as indicated by the R^2 value of 0.600. After accounting for the number of predictors included in the model, the adjusted R^2 decreases slightly to 0.582. This suggests that client pressure, audit firm culture, and job stress collectively account for 58.2% of the variation in dysfunctional auditor behavior, while the remaining 41.8% is associated with factors beyond the scope of this study. Overall, the findings indicate that the model has substantial explanatory power in explaining dysfunctional auditor behavior.

F-Square

As presented in Table 10, the f^2 values indicate the extent to which each variable contributes to explaining the dependent variable. Audit firm culture (0.158) and moral courage (0.289) show moderate effect sizes, suggesting that both variables make a relatively meaningful contribution to the model. In contrast, job stress (0.144) and client pressure (0.111) have small effect sizes, indicating a more limited contribution. These findings should also be considered alongside the path coefficients and their significance levels to provide a more complete understanding of the relationships between the variables.

Table 10. Reported effect sizes

Predictor	f^2	Interpretation
Audit firm culture	0.158	Moderate
Moral courage	0.289	Moderate
Job stress	0.144	Small
Client pressure	0.111	Small

Source: Processed research data

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Path Coefficient Test

Hypothesis testing was conducted by examining the path coefficients to determine the direction and magnitude of the relationships between variables, while t-statistics and p-values were used to assess their statistical significance at the 5% significance level. The analysis also included interaction terms to examine whether moral courage moderates the relationships between client pressure, audit firm culture, and job stress and dysfunctional auditor behavior. The results of the hypothesis testing are presented in Table 11, which reports the direct effects of the independent variables on dysfunctional auditor behavior, as well as the interaction effects indicating whether moral courage strengthens or weakens these relationships.

Table 11. Structural path coefficients and hypothesis decisions

Relationship	β	t-statistic	p-value	Decision
Client pressure → dysfunctional behavior	0.221	4.516	0.000	significant
Audit firm culture → dysfunctional behavior	−0.262	4.314	0.000	significant
Job stress → dysfunctional behavior	0.258	4.321	0.000	significant
Moral courage × client pressure → dysfunctional behavior	0.121	2.413	0.016	positively significant
Moral courage × audit firm culture → dysfunctional behavior	−0.089	1.742	0.082	not significant
Moral courage × job stress → dysfunctional behavior	0.045	0.731	0.465	not significant

Source: Processed research data

DISCUSSION

Client Pressure and Dysfunctional Auditor Behavior

Client pressure is positively associated with dysfunctional auditor behavior (β = 0.221; t = 4.516; p = 0.000), supporting H1. This finding indicates that auditors experiencing greater client pressure tend to report higher levels of dysfunctional behavior. Requests to accelerate audit completion, influence audit procedures, or affect audit conclusions may create tension between maintaining client relationships and exercising independent professional judgment.

From the perspective of the Theory of Planned Behavior (TPB), client pressure may influence auditors' perceptions of expected behavior and the consequences of rejecting client demands. This interpretation is broadly supported by previous studies examining the implications of client pressure for auditor independence and professional judgment (Muslim et al., 2020; Arini & Yandra, 2022; Das et al., 2025). Although these studies examine different outcomes, they provide relevant empirical context for understanding how client pressure may shape auditors' professional behavior.

Audit Firm Culture and Dysfunctional Auditor Behavior

The results show that audit firm culture has a negative and statistically significant association with dysfunctional auditor behavior (β = −0.262; t = 4.314; p = 0.000). Therefore, H2 is supported. This finding suggests that auditors who perceive their firms as having a supportive culture tend to report lower levels of dysfunctional behavior. Such a culture is reflected in compliance with professional standards, adequate supervision, open communication, a commitment to professional conduct, adherence to audit procedures, and cooperation among colleagues.

In our view, the finding highlights the importance of the working environment in shaping auditor behavior. Professional standards and internal policies alone may not be sufficient if daily work practices do not support their implementation. For example, auditors may be more likely to take shortcuts when completing assignments on time is given greater priority than following proper audit procedures. In contrast, effective supervision and open communication allow auditors to discuss problems and seek guidance before they lead to deviations from established audit procedures. This result is consistent with previous studies by Alberti et al. (2022) and Andiola et al. (2020), although it differs from Zahra et al. (2020), who found no significant association. Differences in research settings, measurement approaches, and audit firm practices may help explain these findings.

Job Stress and Dysfunctional Auditor Behavior

The results indicate that job stress has a positive and statistically significant association with dysfunctional auditor behavior (β = 0.258; t = 4.321; p = 0.000). Thus, H3 is supported. Auditors who experience heavy workloads, emotional exhaustion, time pressure, role conflict, and difficulties balancing work and personal life tend to report higher levels of dysfunctional behavior. This finding suggests that excessive work demands may make it more difficult for auditors to perform their responsibilities effectively. Under tight deadlines and heavy workloads, some auditors may be more likely to reduce audit procedures or take shortcuts. This result is consistent with Rustiarini (2021) and Achyarsyah and Sabilah (2024).

From the perspective of the Theory of Planned Behavior (TPB), job stress may reduce auditors' perceived behavioral control, making them feel less capable of completing their work properly under demanding conditions. However, not all auditors experiencing stress will necessarily engage in dysfunctional behavior. The finding highlights the importance of reasonable workload allocation, realistic deadlines, adequate supervision, and clear procedures for reporting work-related difficulties.

Moral Courage as a Moderator of Client Pressure

The interaction between moral courage and client pressure is positive and statistically significant (β = 0.121; t = 2.413; p = 0.016). Therefore, H4 is supported in terms of the significance of the interaction. However, the positive coefficient indicates that moral courage strengthens, rather than weakens, the positive association between client pressure and dysfunctional auditor behavior. This finding does not support the expected buffering role of moral courage. One possible explanation is that auditors with greater moral courage may be more aware of conflicts between professional

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standards and client demands. However, recognizing an ethical conflict does not necessarily mean that auditors can effectively resist the pressure, particularly when client demands are strong and support from the audit firm is limited.

Another possibility is that the moral courage measure reflects auditors' ethical commitment but does not fully capture their ability to act on that commitment under pressure. These explanations should be interpreted with caution, as the interaction result alone cannot establish the reasons behind this relationship. Nevertheless, the finding suggests that moral courage does not automatically protect auditors from the effects of client pressure. Further research using simple-slope analysis, interviews, or experimental scenarios may provide a better understanding of this unexpected relationship.

Moral Courage as a Moderator of Audit Firm Culture

The interaction between moral courage and audit firm culture is negative but not statistically significant ($\beta = -0.089$; $t = 1.742$; $p = 0.082$). Therefore, H5 is not supported at the 5% significance level. Although the negative coefficient indicates a possible moderating effect in the expected direction, the statistical evidence is insufficient to conclude that moral courage changes the relationship between audit firm culture and dysfunctional auditor behavior. One possible explanation is that audit firm culture influences auditor behavior through established working practices, supervision, and shared professional expectations. These organizational practices may apply to all auditors, regardless of their individual levels of moral courage.

This finding also suggests that individual moral courage may have limitations when organizational practices do not provide sufficient support. Auditors may have strong ethical values, but their ability to maintain appropriate behavior can still depend on the working environment. For example, a firm that consistently emphasizes audit quality, professional compliance, and open communication may encourage appropriate behavior among its staff through organizational support rather than relying solely on individual ethical characteristics. However, the present results do not provide sufficient evidence to confirm this explanation.

Moral Courage as a Moderator of Job Stress

The interaction between moral courage and job stress is not statistically significant ($\beta = 0.045$; $t = 0.731$; $p = 0.465$). Therefore, H6 is not supported. This result indicates that there is insufficient evidence to conclude that moral courage changes the relationship between job stress and dysfunctional auditor behavior. Although moral courage is important in supporting ethical behavior, it may not be sufficient to overcome the practical difficulties associated with job stress. Auditors with strong ethical commitments may still face excessive workloads, tight deadlines, fatigue, and role conflicts. These conditions can make it difficult to complete audit procedures properly, regardless of their personal commitment to professional principles.

In our view, this finding highlights the difference between individual ethical qualities and organizational working conditions. Moral courage may encourage auditors to make ethical decisions, but it cannot directly reduce workloads or provide additional time to complete audit assignments. Therefore, audit firms need to pay attention to workload distribution, deadline management, and supervisory support. These organizational measures are important to help auditors maintain appropriate behavior, particularly during periods of high work pressure.

CONCLUSION

The findings indicate that client pressure and job stress have positive and significant associations with dysfunctional auditor behavior, while audit firm culture has a negative and significant association. These results suggest that pressure from clients and demanding work conditions may increase the likelihood of auditors engaging in dysfunctional practices. In contrast, a supportive audit firm culture can help reduce such behavior through effective supervision, professional standards, open communication, and a commitment to audit quality. Overall, the findings highlight the importance of organizational culture and working conditions in shaping auditor behavior.

Regarding the moderating role of moral courage, the results show a positive and significant interaction with client pressure. This indicates that moral courage strengthens, rather than weakens, the positive association between client pressure and dysfunctional auditor behavior. Meanwhile, its interactions with audit firm culture and job stress are not statistically significant. These findings suggest that moral courage does not consistently function as a protective factor against dysfunctional auditor behavior, particularly when auditors face strong client pressure and demanding work conditions.

This study has several limitations. First, the survey-based approach relies on respondents' perceptions and self-reported assessments, which may not fully represent their actual behavior. Second, the study examines a limited number of factors associated with dysfunctional auditor behavior. Future research could incorporate additional variables, such as ethical leadership, organizational commitment, professional skepticism, and organizational support. Qualitative interviews, experimental approaches, and longitudinal studies may also provide deeper insights into how auditors respond to client pressure and work-related demands.

The findings have practical implications for public accounting firms and their clients. Public accounting firms should strengthen their quality-oriented culture through effective supervision, reasonable workload allocation, realistic deadlines, and continuous ethics training. They should also establish mechanisms that enable auditors to resist inappropriate client demands while maintaining professional independence. For clients, respecting auditor independence, providing audit evidence promptly, and avoiding excessive pressure are essential to supporting a constructive audit process. Ultimately, maintaining audit quality requires shared commitment from auditors, public accounting firms, and clients to uphold professional ethics and ensure reliable financial reporting.

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CONFLICT OF INTEREST

The authors declare that no conflict of interest exists in relation to this study.

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