Journal of Humanities and Social Sciences Studies
ISSN: 2663-7197
DOI: 10.32996/jhsss
Journal Homepage: www.al-kindipublisher.com/index.php/jhsss

JHSSS
AL-KINDI CENTER FOR RESEARCH AND DEVELOPMENT

| RESEARCH ARTICLE

The Impact of Toxic Leadership on Internal Audit Effectiveness: The Moderating Role of Organizational Silence

Ala' Jaber Almatarneh
Associate Professor- Accounting Department- Faculty of Finance and Business - World Islamic Sciences and Education University, Jordan
Corresponding Author: Ala' Jaber Almatarneh, **E-mail**: ala.matarneh@wise.edu.jo

| ABSTRACT
The study aims to examine the Impact of Toxic Leadership on Internal Audit Effectiveness and the moderating role of Employee Silence. To achieve the study objectives, a descriptive-analytical approach was adopted and used. The study population comprised managers, heads, and employees of internal audit departments in companies listed on the Amman Stock Exchange. For data collection, a questionnaire was developed and distributed electronically; 180 questionnaires were distributed to the sample members. After the collection process, 150 questionnaires were retrieved for analysis, following the exclusion of 30 questionnaires that were either not returned or incomplete. The statistical package for social sciences (SPSS) was used for data analysis. Descriptive statistical methods such as arithmetic means and standard deviations, were employed, alongside simple and multiple regression analysis to examine and test the study's hypotheses. The results revealed existence of statistically significant impact of toxic leadership with its dimensions (narcissism, authoritarian leadership, self-promotion, poor supervision, and unpredictability) on internal audit effectiveness in the presence of employee silence as a moderating variable. This indicate that the prevalence of a culture of employee silence contributes to exacerbating the negative impact of toxic leadership on internal audit effectiveness. In the light of findings, the study recommends that companies should work to promote a culture of psychological safety within the internal audit function, ensuring that auditors feel secure in raising concerns without fear of retaliation.

| KEYWORDS
Toxic Leadership, Internal Audit Effectiveness, Employee Silence, Amman Stock Exchange.

| ARTICLE INFORMATION
ACCEPTED: 01 July 2026 **PUBLISHED:** 04 August 2026 **DOI:** 10.32996/jhsss.2026.8.8.4

1. Introduction
In today's world, Toxic Leadership has been gaining more attention and more prevalence in both organizations and society; therefore, there are strong indications of the broad scope of this issue and its ability to produce many different types of consequences (Ogbonda & Amadi, 2022). Researchers and management scholars have been paying closer attention due to the numerous negative outcomes of Toxic Leadership including, but not limited to, damage to organizational culture (or internal policies), internal organizational structure, or any other institutions that comprise an organization. The recent researches clearly indicates that Toxic Leadership is a major contributing factor to the deterioration of the foundations of an organization and decreases the overall effectiveness of institutions at all levels; therefore, it is among the greatest threats to today's modern work environments(Koç et al., 2022).

The growing interest in the effectiveness of internal audit from academics and practitioners has led to a necessity of addressing how internal auditors are tasked to complete their responsibilities and evaluate the impact of internal auditor's performance on the forming of their professional judgment will provide a basis for additional research and inquiry. Internal Auditing has been considered a primary building block of Corporate Governance systems, providing oversight and accountability mechanisms associated with organizations. The main purpose of internal auditing is to promote, protect, and improve organizational performance in line with management's expectations, while abiding by the basic tenets of independence and objectivity(Da Silva et al., 2022). In the modern enterprise, the effectiveness of internal auditing is considered one of the key factors for ensuring the accuracy and reliability of data. Leadership is a significant contributing factor in both influencing the internal auditors create effective audits and the achievement of their organization's internal audit function objectives(Noch, 2024). The internal auditors are not operating in isolation, but rather in an environment that is shaped by organizational context and the behaviors exhibited by management that can help or hinder the auditor's independent professional judgment and the quality of the auditor's work. Within the leadership-internal audit effectiveness relationship, employee silence can be seen as either a way for employees to defend themselves or as a negative response to toxic leadership. Employee silence is the status quo in many businesses around the world where employees feel the need to remain silent and do not share their opinion or ideas, particularly if those opinions or ideas conflict with management's viewpoint or may be perceived as negative or threatening. This results in less opportunity to have a constructive dialogue within the organization and, thus, degrades the organization's ability to leverage employee knowledge and experience to solve issues critical to organizational performance improvement(Detert et al., 2010).

The study problem lies in the adverse effects of toxic leadership on the effectiveness of the internal audit function, meaning that is expected to operate with independence and objectivity to ensure sound corporate governance. The issue is that toxic leadership behaviors create an environment where employees will be silent, which causes them to withhold from sharing information and ideas that would help the organization reach its goals. This type of environment will worsen issues in the organization, decrease employee satisfaction, and reduce the overall level of involvement by employees; this decreases individual performance, which affects the entire organization’s ability to perform at a high level. While previous studies have shown a strong correlation between the type of leadership style and how effective internal audits are(Bany, 2024; El-Shafie et al., 2025; Noch, 2024), there is limited information in the current literature on the specific effect of toxic leadership on the effectiveness of the internal audit and its ability to provide accurate and impartial evaluations. When ideas or concerns, which could indicate some deficiency or violation, are not allowed to be shared, this negatively affects internal audit performance as well as the overall performance of the organization and the integrity of both financial and operational reports. The objective of this study is to identify how toxic leadership impacts internal audit effectiveness with specific reference to the moderating influence of employee silence in the context of Jordan and among those who experience adversities in their jobs. This research is significant in that there is a gap in the accounting and management literature regarding the impact of toxic leadership, particularly in developing countries such as the Middle East. In addition, the internal auditing discipline in Jordan has been the target of research into toxic leadership because the organizational culture of auditing relies heavily on hierarchical and paternalistic systems, thus potentially worsening the impact of toxic leaders.

In addition, this study builds upon previous research recommendations (Da Silva et al., 2022; Ebrahim et al., 2023) by examining the association between toxic leadership behaviors and the effectiveness of internal audit in organizations; however, little has been researched in this area. Additionally, this study contributes to the literature by addressing a topic that has been overlooked in previous studies on the use of toxic leadership as a detrimental influence on organizational culture and demonstrates how this, in turn, is consistent with many modern professional practices(Rittenberg, 2016) that include evaluating an organization’s climate within the framework of internal audit activities. The contribution of this study to the existing body of knowledge derives from examining the moderating effect of employee silence on the relationship between toxic leadership behavior and the effectiveness of internal {audit}; thus providing insight into how organizations can improve their governance structures and better manage their W risk and its impact on organizational objectives.

2. Literature Review

2.1 Toxic Leadership

Toxic leadership is often considered one of the most harmful styles of leadership due to the nature of its destructive behavior towards individuals and organizations. Toxic leadership cannot be classified as simply a deficiency of skills but instead is seen as an intentional act to harm the individual and to frustrate the organization. The literature discusses toxic leadership as being a pattern of harmful behaviors (e.g., manipulation, coercion, aggression, and overuse of authority) that can negatively impact employee well-being. As a result, the negative effects of toxic leadership lead to lower employee job satisfaction, lower morale, lower organizational performance, and an organization with a work environment that is hostile; therefore, toxic leaders impede an organization’s ability to achieve its goals and negatively impact both managerial and operational effectiveness(Abdelaliem & Abou Zeid, 2023; Atalla & Mostafa, 2023; Ogbonda & Amadi, 2022; Zaghmout, 2024).

There are various ways in which toxic leadership manifests itself, all of which can be expressed through a number of distinguishing characteristics or behaviors. The most prominent of which are Narcissism (the tendency to put one’s self at the center of everything, while showing little regard for everyone else); Authoritarianism (not allowing others to participate and suppressing individuals from taking initiative); the Self-Promotion, in order to build one’s own image at the expense of a group’s interest; and Abusive Supervision, where coercive means are used to ensure control is maintained. Unpredictability is another important characteristic because it adds to confusion and results in an unstable organization. Toxic leaders can also bully, intentionally coerce, manipulate and intimidate, yet maintain the ability to hide these negative characteristics behind the positive attributes of personal charisma or the illusion of professional success. This duality of characteristics makes the identification and resolution of toxic leadership within an organization particularly difficult(Ogbonda & Amadi, 2022; Schmidt, 2008; Zaghmout, 2024; Zaman et al., 2023). Employees experience considerable psychological and social impacts from all of the above toxic traits. Examples of these are emotional exhaustion, increased anxiety, physical symptoms (headaches, sleep problems), and cardiovascular issues for workers exposed to or working with toxic leaders. By constantly attacking employee dignity and self-worth, these leaders reduce their employees' self-esteem and perceived competence, resulting in lower productivity and reduced quality of work produced by employees. The effects are not limited to the individual employee; they also extend to what happens in social relationships between team members. In addition, toxic leaders create more interpersonal conflict, increase hostility, and increase feelings of isolation among coworkers, thereby reducing collaboration and harming the overall work environment(Hadadian & Sayadpour, 2018; Kusy & Holloway, 2009; Mehta & Maheshwari, 2013; Wolor et al., 2022).

Toxic leadership, at the organization level, can facilitate an environment in which there are two major characteristics: uncertainty and unpredictability. Toxic leaders frequently want to control too much and undermine job responsibilities that have been well-defined. As a result of their behaviors, job satisfaction diminishes and the commitment to the organization declines, which may also cause workplace gossip. Toxic leaders contribute to a reduction in the number of employees who report to work and increase turnover rates, thereby inhibiting the ability to maintain quality employees. As a result of toxic leadership, the overall morale of the collective is decreased, collaboration between team members is hampered, and overall workplace cohesion is inhibited. Toxic leadership has been cited in a number of studies as being integral to dark leadership and as having a steady, but very damaging influence on an organization. The effects of toxic leadership are often subtle and go unnoticed for significant amounts of time before the negative impact is fully realized(Bhandarker & Rai, 2019; Darvishmotevali & Ali, 2020; Erdal & Budak, 2021; Lee et al., 2024).

2.1.1 Mechanisms Explaining How Toxic Leadership Affects Employee Behavior

Previous studies have examined how toxic leaders are as well as how they negatively impact the psychological well-being of employees and negatively affect the effectiveness of an organization; however, very little is known about how toxic leadership behaviors become responses by employees (i.e., withdrawing from or being silent in their workplace). How do abusive and coercive leadership behaviors create an environment in which employees do not engage or do not take the initiative? To help answer this question, three different theoretical perspectives (i.e., Conservation of Resources Theory, Social Exchange Theory, and Affective Events Theory) provide a framework for understanding the complicated relationship between depleted psychological resources, loss of relationship-based trust, and emotional reactions that ultimately result in employee silence.

According to Conservation of Resources (COR) Theory, the systematic erosion of employees' psychological capital by the coercive practices of toxic leaders is explained by COR Theory’s perspective on the resource acquisition, resource preservation, and resource protection needs of all individuals. Employees attempt to acquire, maintain, and protect resources such as psychological energy, self-confidence, and feelings of competency. Toxic leaders create the chronic stressor that depletes these resources through their ongoing psychological mistreatment of employees combined with unpredictable behaviors and constant threats to personal safety. The psychological depletion due to the chronic toxic leadership stressor is generally related to emotional exhaustion; emotional exhaustion subsequently predicts silence-related behaviors as a form of self-protection. Employees then engage in behaviors designed to conserve what psychological resources they have left by withdrawing from their work environments, avoiding confrontation, and not speaking up(Klingebiel & Rammer, 2014; Lee et al., 2022).

The Social Exchange Theory (SET) offers an explanation for how employees may respond based on their own individual depletion of psychological resources (an individual-level explanation). SET also provides employees with a relational basis for understanding their behavior. In particular, toxic leadership impacts employees in that they breach the basic principles of reciprocity and fairness. As a result, employees develop negative exchange relationships, including ones based on fear or exploitation, with toxic leaders. When toxic leaders fail to provide support, respect, and kindness to their employees, employees do not honor these same principles towards the organization; thus, employees do not reciprocate socially or psychologically. Rather than act out of a collaborative, partnership-oriented mindset and reciprocate the organization's support and respect through commitment, effort, and cooperation, employees shift to a defensive mindset due to this breach of the psychological contract by the leader. As such, employees react to the toxic leadership by reducing effort, withholding their opinions, and being less interested in contributing on a discretionary or voluntary basis. Previous research indicates that the negative effects of toxic leadership on LMX may also be compounded by employees' perceptions of organizational politics. Employees who view the leader–member exchange as diminished because of toxic leadership may view the organization as unfair and unsupportive, which will, in turn, increase their likelihood of silence, whether as a means of passive resistance or self-preservation(Muhammad et al., 2021; Xu et al., 2015).

The Affect Theory of Social Exchange augments and expands upon two different perspectives by explaining how emotions are the immediate means through which workplace experiences are turned into behavioral responses. The unethical behaviors of toxic leaders (such as manipulation or exploitation) represent more than simply violating a procedure – such behaviors are a direct attack on the employee's personal values and moral standards. These types of behaviors can elicit an intense emotional reaction of moral outrage, which is a type of anger resulting in the employee feeling resentment and ethical disapproval towards those who they feel have treated them unfairly or unethically. These types of emotional reactions can ultimately lead to an increase in the development of silence from that employee. In other words, because an employee feels angry and frustrated, they may refrain from sharing their ideas or reporting problems due to the following reasons: they have used up all of their resources, they no longer trust anybody, and the negative working environment makes them feel like speaking up will be a burden and/or risk to their career or other opportunities. Thus, psychological motives (resource preservation), social motives (withdrawing from unfair exchange relationships), and emotional motives (suppressing moral outrage) can interact to produce silence behaviors(Ghafoor & Shah, 2023; Lawler, 2001).

The researcher argues that organizations with problematic and harmful organizational culture will foster these behaviors by tolerating and condoning these behaviors rather than taking corrective action through measurable and effective means to address the issue. Because of this disconnect, organizations fail at preventing destructive leadership behaviors, in which individuals choose to manage in a manner that results in harm to others. In many instances, self-serving intentions dominate these leaders' mind sets and they choose to pursue their own self-interests at the expense of their subordinates and the organization's goals and objectives. Misuse of power/authority is also evident in these situations, as leaders use their position of power to control and dominate their subordinates, exercise discretionary authority in an arbitrary way, and reduce the autonomy of others in the pursuit of coerced and/or compelled behavior and exploitation of others. Ultimately, these types of leaders create significant negative consequences on both an individual and organizational level; including reduced institutional effectiveness, lower employee morale, and compromised employee well-being.

2.*2 Internal Audit Effectiveness*

The effectiveness of an organization's governance structure relies heavily on the internal audit function. The internal auditor protects the company's assets by ensuring all assets are correctly recorded and reported in the financial statements, ensuring the reliability of external financial reports/consolidated statements, and assisting the external auditors by providing them with assurance when performing their audit procedures to verify the accuracy and completeness of the financial statements(Da Silva et al., 2022). Furthermore, the internal audit function provides more than just previous oversight functions; it assists organizations in developing their organizations by improving financial performance, increasing efficiency in utilizing resources and improving risk management through better controls to mitigate potential losses. In addition, the internal audit function prevents fraud, monitors the earnings management activities of management, strengthens internal controls and increases transparency and accountability within organizations; therefore, making sure that organizations can perform on a sustainable basis(Eulerich et al., 2021).

One of the most important aspects of the performance of an organization is its effectiveness of its internal audit function, as this serves as one critical indicator of if an organization can meet its goals/objectives to maintain the continued existence of its organization, the quality of the governance processes, the transparency of the organization, and the ethical behavior of the people/management of the organization. Internal audit effectiveness can be accomplished through the systematic planning of audit activities; producing both credible and relevant internal audit reports; as well as developing timely and actionable recommendations and strategies that assist the organization in improving its overall performance and efficiency through the use of improved processes and procedures(Almatarneh, 2021; Setiawan et al., 2021).

Regarding Evaluating the Effectiveness of Internal Auditing (IA), it is essential to understand that IA is effective when the organization demonstrates a strong commitment to professionalism through the commitment of accomplishing IA's objectives and managing risk efficiently. All of this will only occur when there is strong, ongoing management support in providing adequate resources (i.e., staffing), investing in proper training and development, adopting new technology, and implementing incentives to help further strengthen the internal auditor position. While providing strong management support is key, ensuring the internal auditor is able to maintain independence of the organization and the individuals within that organization, is critical for the success of the internal audit function. The CAE must have unrestricted access to senior management, as well as the board of directors, to provide for the reliability of professional judgments and the reliability of the end product of audits(Almatarneh, 2021). Additionally, the ability for the organization to provide an organizational structure that creates an environment strong enough to provide sufficient resources for the organization and to promote continuous professional development will positively impact the effectiveness of IA. This will allow for greater efficiency when performing audit functions, and thus will aid in achieving oversight and governance objectives(Ebrahim et al., 2023).

2.3 Toxic Leadership and Internal Audit Effectiveness

Leadership constitutes a vital factor in shaping and influencing the effectiveness of an internal audit function since leaders affect both individual auditor performance and contribute to the efficiency of all audit processes, both of which enhance the probability of achieving an organization's success and increasing confidence of stakeholders in that organization(Noch, 2024). Different leadership styles create different working environments for internal auditors, for example, democratic leadership has a very positive impact on developing relationships with internal auditors and increasing motivation within the work unit, while the use of authoritarian styles by leadership greatly diminishes levels of job satisfaction and adversely affect levels of professionalism thus having a direct effect on both professional judgment and overall decision-making processes(Da Silva et al., 2022). Effective leadership styles further enhance the improvement of individual and team performance, thereby strengthening the level of cooperation among the members of the audit teams improving quality of audit results and facilitating high levels of coordination within the audit teams(Suputra & Widhiyani, 2020). However, the literature demonstrates that the presence of toxic leadership creates an environment of organizational pressure that causes auditors to comply with unethical behavior or alter audit evidence in fear of sanctions against them or loss of privileges either in the workplace or through other means. Consequently, this behavior undermines the independence of the internal audit function and diminishes its role in upholding accountability and transparency(Johnson et al., 2016; Rittenberg, 2016).

As a result of these toxic practices, performance levels are decreasing, uncertainty is being felt across the organization and the ability for people to feel safe at work (due to both their own unmet job expectations, and to other employees' negative perceptions) is decreasing. Additionally, auditors working in an environment marked by significant amounts of uncertainty may experience a lack of defined roles and responsibilities and job insecurity, which then negatively impacts their engagement and productivity levels(Lee et al., 2024). Consequently, toxic leadership is often associated with higher instances of corporate fraud, along with poor internal controls, due to the lack of exceptional leadership. For example, it was identified that unethical behavior by leaders was responsible for 27.6% of control deficiencies, which illustrates the relationship between leadership and both the integrity and behavioral governance of an organization(ACFE, 2020). According to Stewardship Theory, leaders are expected to behave as stewards who can be trusted with resources, act in the best interest of their organizations, and work to achieve the goals of all stakeholders. These behaviors build moral and ethical practices in the workplace and encourage employees to continue their work with motivation and tenacity. Conversely, toxic managers seek to gain from their position at the expense of both their organizations and the employees for whom they are responsible, which harms the organization's climate due to harmful actions that reduce commitment and morale, and as a result, reduce the overall effectiveness of the organization(Khikmah et al., 2023). The role of independence for internal auditors and support from top management is critical in order to provide an environment conducive to the effectiveness of the internal audit function. A healthy, supportive working environment protects auditors against toxic pressures and permits them to perform their duties with increased effectiveness, objectivity, and professional integrity(Almatarneh, 2021; Alyazidi et al., 2022; Ebrahim et al., 2023; Eulerich et al., 2021).

The above allows formulation of the first major hypothesis of the study as follows:

H01: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of toxic leadership with its dimensions (Narcissism, Authoritarian Leadership, Self-Promotion, Abusive Supervision, and Unpredictability) on internal audit effectiveness.
The following sub-hypotheses arise from it:
H01.1: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Narcissism on internal audit effectiveness.
H01.2: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Authoritarian Leadership on internal audit effectiveness.
H01.3: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Self-Promotion on internal audit effectiveness.
H01.4: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Abusive Supervision on internal audit effectiveness.
H01.5: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Unpredictability on internal audit effectiveness.

2.4 Employee Silence

Employee silence has been defined as the willful act of an employee withholding their opinions, concerns and assessments about the work environment and work-related matters/Conditions from those individuals who hold the power or ability to create change. Defense mechanism; illustrates the degree to which the organization has a deficient organizational environment. Employee silence is an intentional behavior in which employees assess their desire for voice against their fear of repercussions (loss of trust, negative response, punitive treatment) for speaking up. Therefore, employees may choose silence as opposed to engaging in productive dialogue with the organization due to a lack of trust in the organization or concern about possible consequences from the organization(Abdelaliem & Abou Zeid, 2023; Wang & Hsieh, 2013). Three forms of silence exist among workers as seen through recent research. Acquiescent silence is a display of an employee's feelings of hopelessness and helplessness in their ability to have a voice regarding workplace issues, causing them to accept the status quo rather than try to change it. Defensive silence stems from employees' fears of being harmed or punished for speaking out, causing them to withhold critical data and insights from their employers for self-preservation and risk avoidance. Lastly, prosocial silence happens when an employee attempts to avoid ruining a relationship with a peer or otherwise damaging the team environment by being silent in order to support their colleagues(de Carvalho, 2025; Ebrahim et al., 2023). Employees that are silent can create a distance between the employer and employee, amplifying differences in perception and understanding between both groups. For example, leaders may incorrectly judge their employees' levels of willingness to voice their issues with the company to be very high, while their employees are not providing this input. This disconnect creates a continued culture of silence and removes opportunities for organizations to learn from their operations, grow, and develop stronger working relationships with their teams(Saqib & Arif, 2017).

According to Conservation of Resources (COR) Theory, employees who are exposed to negative leadership behaviors tend to adopt withdrawal-oriented responses, including avoiding direct interaction with toxic leaders who are perceived as sources of psychological strain. As a result, employees may resort to silence as a defensive mechanism to preserve their remaining psychological resources. However, this strategy often contributes to greater emotional exhaustion and a decline in performance over time (Saqib & Arif, 2017). Employee silence is primarily rooted in two underlying beliefs: fear of negative consequences associated with expressing opinions and a sense of futility stemming from low trust and perceived organizational injustice. Organizational factors such as excessive centralization, unfair disciplinary practices, and ineffective communication channels reinforce these beliefs and encourage employees to remain silent(Ebrahim et al., 2023). These conditions can also be seen in employees’ diminishing job satisfaction and their increasing frustration, which in turn amplifies the likelihood that they will move to another organization and likely to impair the quality of decisions made by the organization through lack of necessary information for decision making(Abdelaliem & Abou Zeid, 2023). The silence of the employee can further impair organizational learning and limit innovation because the organization cannot take full advantage of the knowledge and experience of the employee. Consequently, organizations may incur higher operational costs and become less competitive due to issues remaining unresolved until they grow into a greater problem(de Carvalho, 2025). Research conducted previously indicates that toxic leadership exacerbates this situation as toxic leaders create a work environment that is characterized by authoritarian structures, marginalizing others and using their leadership position for personal gain. These conditions lead to a breakdown in trust, self-esteem is diminished, and employees tend to withdraw or remain silent as a method of self-preservation(Peng et al., 2014; Wolor et al., 2022). Conversely, having a working environment that has a culture of open communication, a space for providing constructive feedback, and a state of psychological safety for employees will help to create an environment in which employees feel comfortable speaking up or acting without worry about being punished or being retaliated against. When employees have that level of security, there is a strong likelihood that they will be more active participants in generating ideas, voicing concerns, and engaging in the process of achieving success for the organization. This emphasizes the important role that leadership has in developing psychological safety and creating an atmosphere of empowerment for employees in the organization. Both of these factors enhance learning for organizations as well as contribute to the overall performance of the institution(Zaghmout, 2024).

2.5 Employee Silence as a Moderating Variable

Employee silence is an organizational characteristic that hinders an organization’s ability to identify its errors and enhance its processes through the flow of information, and affects employees' willingness to share their observations, concerns and ideas. An organization’s level of psychological safety directly relates to the degree to which employees feel comfortable being honest about their thoughts and ideas; the more comfortable employees feel about expressing themselves freely, without fear, the more likely they will be to contribute to innovation and ongoing improvement(de Carvalho, 2025). Therefore, addressing employee silence requires creating an environment of support and psychological safety that addresses the root causes of employee silence rather than simply reacting to the manifestations of employee silence. A major factor contributing to employee silence is toxic leadership, which can take various forms such as authoritarian, narcissistic, and bullying and discourage employees from speaking out due to concerns about retaliatory or negative consequences. An increase in emotional exhaustion and diminished individual and collective performance also result from these conditions(Bany, 2024). Additionally, leaders may foster shared understandings among employees that questioning or reporting issues are futile or detrimental, thus creating the stage for defensive silence. Collectively over time, these shared understandings can convert employees' silence from an individual response to a deeply embedded organizational culture. Employee silence is an organizational characteristic that hinders an organization’s ability to identify its errors and enhance its processes through the flow of information, and affects employees' willingness to share their observations, concerns and ideas. An organization’s level of psychological safety directly relates to the degree to which employees feel comfortable being honest about their thoughts and ideas; the more comfortable employees feel about expressing themselves freely, without fear, the more likely they will be to contribute to innovation and ongoing improvement(de Carvalho, 2025). Therefore, addressing employee silence requires creating an environment of support and psychological safety that addresses the root causes of employee silence rather than simply reacting to the manifestations of employee silence. A major factor contributing to employee silence is toxic leadership, which can take various forms such as authoritarian, narcissistic, and bullying and discourage employees from speaking out due to concerns about retaliatory or negative consequences. An increase in emotional exhaustion and diminished individual and collective performance also result from these conditions(Bany, 2024). Additionally, leaders may foster shared understandings among employees that questioning or reporting issues are futile or detrimental, thus creating the stage for defensive silence. Collectively over time, these shared understandings can convert employees' silence from an individual response to a deeply embedded organizational culture(Ebrahim et al., 2023).

One major threat to the independence and objectivity of internal auditors is toxic leadership. In a climate where there are pressures from superior leaders, the perceived costs of displaying moral courage by challenging authority figures and/or reporting issues are much higher than normal. This kind of climate promotes defensive silence and reduces the value of the internal audit function(Taha, 2024). In addition to this, employee silence also undermines the internal audit's strategic partnership role in helping improve the organization. As a result, auditors are less likely to provide development recommendations and to challenge ineffective practices, and the audit function tends to become a compliance-based activity rather than a source of advice. According to the literature, the solution to this problem involves strengthening the internal auditor's independence and developing a culture of open communication and dialogue as well as an environment conducive to safe and constructive disclosure(Bileti, 2022; Taha, 2024). In summary, improving internal audit effectiveness requires the removal of sources of fear and the promotion of a workplace culture based on trust, transparency, and open communication.

The second major hypothesis of the study can be stated as follows based on the above:

H02: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of toxic leadership with its dimensions (Narcissism, Authoritarian Leadership, Self-Promotion, Abusive Supervision, and Unpredictability) on internal audit effectiveness, with employee silence acting as a moderating variable.

The following sub-hypotheses arise from it:

H02.1: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Narcissism on internal audit effectiveness, with employee silence acting as a moderating variable.

H02.2: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Authoritarian Leadership on internal audit effectiveness, with employee silence acting as a moderating variable.

H02.3: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Self-Promotion on internal audit effectiveness, with employee silence acting as a moderating variable.

H02.4: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Abusive Supervision on internal audit effectiveness, with employee silence acting as a moderating variable.

H02.5: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of Unpredictability on internal audit effectiveness, with employee silence acting as a moderating variable.

Based on the review of previous literature and the analysis of theoretical links between the study variables, the study proposes a conceptual model illustrating these relationships, as shown in Figure (1).

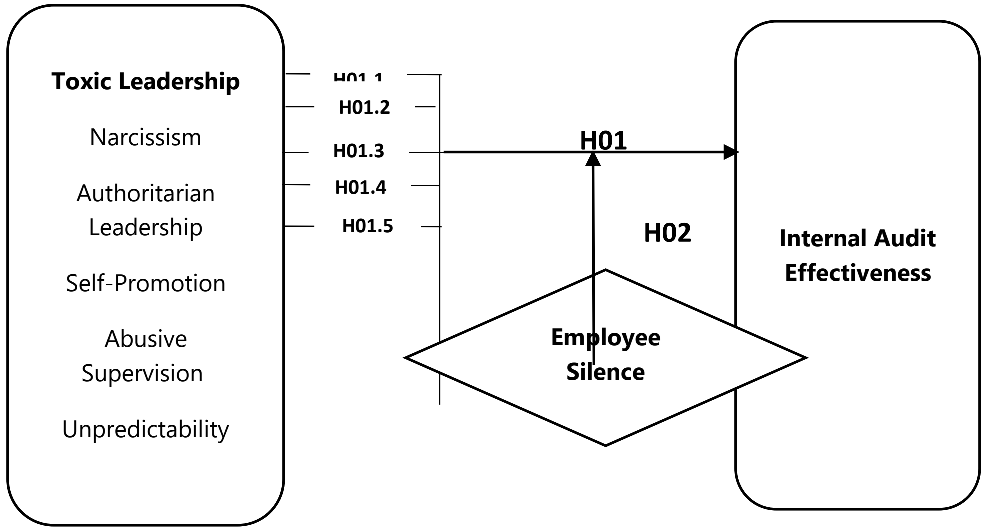

Figure (1) Study Model

3. Practical Part of the Study

3.1 Study Methodology

In order to answer the research questions, a descriptive-analytical framework was utilized to evaluate the social/economic phenomenon scientifically through descriptive and analytical methodologies of observation, identification of characteristics and quantitative and probabilistic relationships among dimensions/variables of the phenomenon. In this study, the descriptive-analytical framework was operationalized as an empirical methodology for examining the specific phenomenon studied in listed companies on the Amman Stock Exchange using primary data collected for the purpose of this research. While the descriptive aspect of the methodology is used to observe and document systematically the studied phenomenon, the analytical aspect of the methodology measures/assesses quantitatively and tests hypotheses using appropriate analytical and measurement techniques. The methodology used to investigate the studied phenomenon allows the derivation of sound conclusions based on verifiable evidence. Finally, the descriptive-analytical methodology produces objective interpretations and is based on empirical evidence, which allows for making practical recommendations to resolve the problems being studied.

3.2 Study Population and Sample

The study population consisted of Jordanian public shareholding industrial companies listed on the Amman Stock Exchange in 2025, totaling 30 companies distributed across eight industrial sectors, as identified in the official directory of listed companies issued by the Amman Stock Exchange. In conducting this study, a census sampling method was chosen to maximize the breadth of coverage and increase the reliability of the results. The focus of this study was on administrative units within an organization that have a clear link to the dependent variable and will be able to provide the necessary information needed to test the independent variable. The sample for the study included management, heads of internal audit departments and the internal audit employees of the organizations in this study that were listed and traded on the Amman Stock Exchange. To gather the necessary information needed to address the objectives of the study, the researcher distributed 180 electronic questionnaires to the participants within the sampling population representing all organizational levels. A total of 150 questionnaires were suitable for use in the statistical analysis for this study; however, the 30 unusable questionnaires were discarded because of missing or invalid data. The overall response rate for the questionnaires distributed by the researcher was 83%, which is considered to be a good response rate and is an indicator that adequate representation, reliability and validity can be established in empirical research.

3.3 Data Collection Source

The current research study collected secondary data sources and primary data sources. Secondary data consisted of scientific literature, including books, academic theses, and peer-reviewed journals in Arabic and English, that contributed to the construction of the theoretical framework and development of the study instrument. Primary data consists of a survey that was developed based on a review of prior literature and judged by experts as appropriate for measuring the attitudes of all levels of management (i.e., managers, staff, and employees) within the internal audit department of Jordanian public shareholding industrial companies towards the study variables. The integration of theoretical and empirical data from both secondary and primary sources enhances the quality and reliability of the results produced by the study since the secondary data provided the body of knowledge on which to build the study and the primary data provided the field data required to test the study's hypotheses.

3.4 Research Instrument

The researcher designed a detailed questionnaire for collecting primary data from a representative sample (of managers, heads, and employees) in the various internal auditing departments of Jordanian companies; thus, this work was published to fulfil the study's objectives and answer its research questions. This instrument was developed systematically and using a scientific methodology (with an extensive Literature review and a detailed analysis of the research variables and their theoretical dimensions), as well as by consulting with a panel of experts and specialist researchers (to establish both face value and content value). Also, when creating the items on the questionnaires, the researcher took into account both the scientific accuracy of the item and the linguistic clarity of the item and the professional characteristics of the sample (respondent).

Table (1): Distribution of the items of the questionnaire among the Study variables and dimensions.

Dimensions	Number of Items
Narcissism	5
Authoritarian Leadership	5
Self-Promotion	5
Abusive Supervision	5
Unpredictability	5
Internal Audit Effectiveness	10
Employee Silence	10
All	**45**

3.4.1 Validity and Reliability of the Research Instrument

In order to ascertain whether or not the study variables can be accurately measured by using this instrument, we assessed both the validity and reliability of the instrument by performing the following tests:

Reliability testing is used in this case as an indication of reliability and internal consistency. Specifically, reliability tests are conducted by determining how consistently participants respond across various items on an instrument and how stable the responses are over time. Cronbach's Alpha was specifically selected as the main measure for this study because it is one of the most common reliability assessments utilized throughout the field of social science research to measure internal consistency. As indicated by Bougie & Sekaran (2019), this study instrument exhibits acceptable reliability if the calculated Alpha value obtained from participants' responses to items on this study instrument is equal to or above 70%. Therefore, if the calculated Alpha value for this study instrument is closer to 100%(i.e., a 1.0), the reliability for this study instrument would be increased.

Table (2): Reliability Test Results of the Research Instrument

Dimensions	Cronbach's Alpha
Narcissism	**0.842**
Authoritarian Leadership	**0.841**
Self-Promotion	**0.861**
Abusive Supervision	**0.838**
Unpredictability	**0.865**
Internal Audit Effectiveness	**0.807**
Employee Silence	**0.880**

The results of the reliability tests show that the coefficients of the Cronbach's Alpha for the study dimensions ranged between 0.807 and 0.880 and were 0.934 for the entire instrument. This demonstrates that the study instrument has a high level of reliability that is above the minimum threshold of 70%. The high level of reliability indicates that the instrument will accurately and reliably measure the study variables consistently throughout the entire instrument.

3.4.2 Evaluation of the appropriateness of data for statistical analysis.

The purpose of this part of the analysis, is to assess and examine the appropriateness of the statistical procedures used in this analysis through assessing whether or not the data supports the application of parametric tests.

a) Multicollinearity Test

According to Bougie & Sekaran (2019), Multicollinearity occurs when two or more independent variables used in a regression model are highly correlated, resulting in an artificially inflated coefficient of determination (R2), instability in the estimated regression coefficient(s), and making it difficult to determine the contribution of each independent variables to the dependent variable. The method for detecting Multicollinearity problems is via Pearson correlation coefficients, which should be less than 0.80 for any pair of independent variables if valid results are to be obtained from the analysis. In the statistical analysis conducted for this study, all of the correlation coefficients were below this threshold, indicating that there had been no instance of Multicollinearity, thus ensuring the validity and accuracy of the results.

Table (3): Results of the Multicollinearity Test among the Dimensions of the Independent Variable and the Moderating Variable Using Pearson's Correlation Coefficient

Variable	Narcissism	Authoritarian Leadership	Self-Promotion	Abusive Supervision	Unpredictability
Narcissism	**1**				
Authoritarian Leadership	0.671	**1**			
Self-Promotion	0.642	0.658	**1**		
Abusive Supervision	0.666	0.666	0.651	**1**	
Unpredictability	0.637	0.657	0.667	0.669	**1**

As shown before, correlation coefficients between independent and moderating variable dimensions ranged from 0.642 to 0.671, being below the threshold value of 0.80. This may indicate that the data can be regarded as free from issues of Multicollinearity. To further validate this result, variance inflation factor (VIF) and tolerance values were calculated for each dimension of independent and moderating variables. Following accepted criteria set forth by Bougie & Sekaran (2019), VIF values in a range of 1.0 to 10.0 were considered free from Multicollinearity, while tolerance values above 0.1 and below 1.0 were also regarded as free from Multicollinearity. The following results represent the Multicollinearity test on independent variable dimension and moderating variable dimension based on VIF and tolerance values.

Table (4): Results of the Multicollinearity Test Using Variance Inflation Factor (VIF) and Tolerance Values

Independent	VIF	Tolerance
Narcissism	1.845	0.521
Authoritarian Leadership	2.040	0.516
Self-Promotion	1.783	0.523
Abusive Supervision	2.064	0.515
Unpredictability	1.762	0.524

As shown in Table 4, the Variance Inflation Factors (VIFs) for all of the dimensions of the independent variable and the moderating variable were between 1.762 and 2.064, which are within the acceptable range of 1.0 - 10.0. Correspondingly, all of the Tolerance values were between 0.515 and 0.524, which are also within the acceptable range of 0.1 - 1.0. Therefore, it can be concluded that the data are not affected by Multicollinearity.

4. Results of Hypothesis Testing

This section contains information that explains results from a study where results have been derived from the application of inferential statistics procedures that are used to validate hypotheses. The hypotheses evaluated influencer's effects of toxic leadership (as described in Chapter 2) on an assessment of internal audit effectiveness (as described in Chapter 3) with employee silence functioning as a moderating influence.

4.1 Hypothesis Testing

These two hypotheses have been used to test our original two main hypotheses. The first presented both valid conclusions about the influence of toxic leadership on internal audit effectiveness and were found to contain valid and non-valid relationships, while the second evaluated whether or not forms of employee silence also have an influence on the effectiveness of internal audits (again as an independent influence).

4.1.1 Results of Testing the First Main Hypothesis

The first main hypothesis concerned the impact of toxic leadership (narcissism, authoritarian leadership, self-promotion, abusive supervision, and unpredictability) on internal audit effectiveness. The following hypothesis was posed: There is no statistically significant effect at the significance level ($\alpha < 0.05$) of toxic leadership with its dimensions (narcissism, autocratic leadership, self-promotion, abusive supervision, unpredictability) on internal audit effectiveness. Multiple linear regression was used to test the hypothesis and the results are presented below.

Table (5): Results of the Multiple Linear Regression Analysis of the Effect of Toxic Leadership on Internal Audit Effectiveness

Dependent	R	R^2	Adjusted R^2	Std. Error	DF	F	(Sig F*)
Internal Audit Effectiveness	0.648	0.420	0.400	0.212	5	20.855	0.000

Table (5) shows the result of the explanatory power of the model. The results show that toxic leadership has a positive correlation with the effectiveness of internal audit with the value of R = 0.648. The coefficient of determination was $R^2 = 0.420$, meaning that 42.0% of the total variance in internal audit effectiveness was explained by the toxic leadership, and 58.0% of the variance was explained by other factors, not included in the current model. The findings also confirm a significant relationship between toxic leadership and IA effectiveness, statistically. The calculated F-value was 20.855, and the Sig. = 0.000, which is below the acceptable level of Sig. = 0.05. This result indicates that there is a statistical significance at the regression model. Therefore, the first null hypothesis is rejected and the second null hypothesis is accepted. The results revealed that toxic leadership has a statistically significant effect on the internal audit effectiveness at $\alpha \leq 0.05$, in terms of the dimensions of narcissism, authoritarian leadership, self-promotion, abusive supervision and unpredictability.

Table (6): Regression Coefficients for the Effect of Toxic Leadership on Internal Audit Effectiveness

Variable	B	Std. Error	Beta	t	Sig.
Constant					
Narcissism	-0.185	0.070	-0.156	-2.642	0.009
Authoritarian Leadership	-0.244	0.068	-0.345	-3.588	0.001
Self-Promotion	-0.160	0.069	-0.061	-2.320	0.022
Abusive Supervision	-0.145	0.069	-0.034	-2.101	0.037
Unpredictability	-0.210	0.068	-0.326	-3.088	0.002

The regression coefficient results showed that the dimensions of toxic leadership had different impacts on the effectiveness of internal audit. Specifically, a statistically significant negative effect was found for both authoritarian leadership (B = -0.174, t = -3.477, Sig. = 0.001) and unpredictability (B = -0.160, t = -3.361, Sig. = 0.001). The findings indicate that there is a negative correlation between authoritarianism and the effectiveness of internal audit. This indicates that the higher the authoritarianism, the lower the effectiveness of internal audit, and the higher the unpredictable leadership behavior, the lower the effectiveness of internal audit. The results showed that narcissism, self-promotion and abusive supervision did not have a statistically significant independent effect within the regression model, with their significance values being 0.112, 0.534 and 0.734 respectively, as the values are greater than 0.05. As regards the relative importance of the dimensions, authoritarian leadership proved to be the strongest predictor (Beta = -0.345), followed by unpredictability (Beta = -0.326). Based on the combined results, it can be concluded that the size of toxic leadership does not have the same impact on the internal audit environment. Unlike authoritarian behavior and unpredictability, the influence of narcissism and self-promotion does not seem to have a direct impact on the procedural and organizational challenges that face the work of an internal auditor. The one thing that can be said is that internal auditors have a high level of professional responsibility and they work within institutional frameworks and professional standards that make them less vulnerable to leaders' personal characteristics and interpersonal behaviors. This can help them to be more objective and meet audit standards in adverse leadership situations.

4.1.2 Results of Testing the Second Main Hypothesis

The second main hypothesis examined the effect of toxic leadership on internal audit effectiveness in the presence of employee silence as a moderating variable. The hypothesis was stated as follows: **There is no statistically significant effect at the significance level (α < 0.05) of toxic leadership with its dimensions (Narcissism, Authoritarian Leadership, Self-Promotion, Abusive Supervision, and Unpredictability) on internal audit effectiveness, with employee silence acting as a moderating variable.**

The hypothesis was tested using hierarchical regression analysis to determine the moderating effect of employee silence towards the relationship between toxic leadership and internal audit effectiveness. The results are presented below.

Table (7): Regression Coefficients for Testing the Second Main Hypothesis

Dependent	Independent	Model 1			Model 2			Model 3		
		B	t value	(Sig t*)	B	t value	(Sig t*)	B	t value	(Sig t*)
Internal audit Effectiveness	Narcissism	-0.185	-2.642	0.009	-0.154	-2.231	0.027	-0.140	-2.058	0.042
	Authoritarian Leadership	-0.244	-3.588	0.001	-0.210	-3.134	0.002	-0.185	-2.803	0.006
	Self-Promotion	-0.160	-2.320	0.022	-0.135	-1.985	0.049	-0.130	-1.992	0.048
	Abusive Supervision	-0.145	-2.101	0.037	-0.138	-2.029	0.044	-0.125	-1.975	0.047
	Unpredictability	-0.210	-3.088	0.002	-0.185	-2.761	0.007	-0.160	-2.424	0.017
	Employee Silence				-0.280	-4.117	0.000	-0.245	-3.656	0.000
	Narcissism * Employee Silence							-0.195	-2.867	0.005
	Authoritarian Leadership * Employee Silence							-0.220	-3.235	0.002
	Self-Promotion * Employee Silence							-0.153	-2.067	0.041
	Abusive Supervision * Employee Silence							-0.135	-1.982	0.049
	Unpredictability * Employee Silence							-0.175	-2.573	0.011
	R^2	0.420			0.485			0.540		
	ΔR^2	0.420			0.065			0.055		
	Δ F	20.855			18.049			3.300		
	Sig Δ F	0.000			0.000			0.008		

To investigate the effect of the dimensions of toxic leadership on the internal audit effectiveness, the researcher used Hierarchical Multiple Regression analysis and to examine the moderating role of employee silence in this relationship the researcher used the steps of the Hierarchical Multiple Regression analysis. The analysis was carried out in three stages to ensure that the proposed model is rigorously evaluated and the results interpreted more accurately.

Step One: The Direct Impact of Toxic Leadership Dimensions

The initial results showed that there is a strong correlation between the factors of toxic leadership (narcissistic leadership style; authoritarian leadership; self-promoting behaviors; abusive supervision; and unpredictability) and the effectiveness of internal audit function. The coefficient of determination (R^2) was 0.420, which means that these five factors account for approximately 42% of the variance in the effectiveness of internal audit function. Additionally, the value of F-statistic (F=20.855) was statistically significant (p=0.000); this confirms that the model is statistically robust. Furthermore, all five factors have a highly significant, negative relationship. However, authoritarian leadership was identified as having the most significant negative impact on internal audit function than all other factors combined.

Step Two: The Effect of Adding Employee Silence as an Independent Variable

This part of the analysis saw the addition of employee silence to the model. The R^2 increased to 0.485, which represents an increase of 6.5% in the amount of variance of the dependent variable that is explained by this new model (ΔR^2 = 0.065). The improvement was statistically significant (Sig ΔF = 0.000). The data support the conclusion that employee silence independently represents a significant impediment to the effectiveness of internal audits; employee silence demonstrated a strong and statistically significant negative relationship with the dependent variable (B = -0.280, t = -4.117).

Step Three: Testing the Moderating Role (Interaction Effect)

The addition of interaction terms among the dimensions of toxic leadership and employee silence into the regression model represents a critical step in the analysis. The overall coefficient of determination (R^2) increased from 0.485 to 0.540, meaning that the integrated model explained over half of the variance that exists in internal audit effectiveness. With an overall increase in the coefficient of determination (ΔR^2) of 0.055 and with statistical significance (Sig ΔF = 0.008), these results show support for a moderating role for employee silence on the relationship between the dimensions of toxic leadership and internal audit effectiveness. More specifically, the negative relationship between the dimensions of toxic leadership and internal audit effectiveness becomes greater when the interaction of employee silence with toxic leadership exists. This is demonstrated through the negative and significant coefficients of all of the interaction terms included in this regression analysis. Therefore, employee silence is not merely an independent variable that negatively impacts internal audit effectiveness, but instead acts as a mechanism that increases the negative effects of toxic leadership when levels of employee silence within an organization increase. Consequently, as levels of employee silence increase, the negative consequences of toxic leadership on internal audit effectiveness will also increase.

4.2 Interpretation of the Study Findings

To understand how toxic leadership impacts the effectiveness of internal audits and/or how employee silence affects this relationship, we can look to the proposed hypotheses through an integrated application of three major theories: Conservation of Resources Theory, Social Exchange Theory, and Affective Events Theory. Collectively, these theories provide a comprehensive framework that can be used to explain the relationship between toxic leadership and the effectiveness of internal audits and/or the influence of employee silence on that relationship.

4.2.1 Interpretation of the First Main Hypothesis (H01)

The relationship shown can be analyzed through the Conservation of Resources (COR) Theory, which suggests that people are always trying to get, keep, and protect their psychological, cognitive, and social resources. However, as they experience more organizational stressor types, their resources may be depleted over time. In the case of internal auditing, the professional independence, organizational trust, managerial support, and cognitive focus are considered the necessary resources for auditors to perform their jobs effectively. When leaders use toxic behaviors towards those who work with them, this creates a stressful and demanding work environment which causes the depletion of these essential resources; therefore, internal auditors' ability to perform their assurance and advisory functions efficiently and objectively is reduced. As a result, the effectiveness of internal audits declines through poorer professional judgment, a reduced capability to identify risks, and lower levels of compliance to auditing standards.

Social Exchange Theory (SET) is another way to describe this relationship. SET holds that the relationships between organizations are based on mutually obligatory and reciprocal obligations. Employees may feel that they are in a relationship with their leaders; however, they perceive that their relationship has been violated when they feel that their leaders have exploited them or treated them unjustly or selfishly. The deterioration of mutual commitment occurs when employees perceive that there has been a violation of the psychological contract. These negative perceptions are likely to lead to decreased trust, cooperation, and work engagement. In the case of the internal audit environment, decreased trust and cooperation are manifested through decreased initiative from the professional, less effective information sharing, and a lower level of commitment to the oversight objective, all of which will decrease the effectiveness of the internal audit function. Additionally, Affective Events Theory (AET) adds to this discussion by highlighting the role of organizational events in establishing employees' emotional reactions to (and thus behavior toward) work. Toxic leadership practices create negative organizational events where employees experience stress, anxiety, frustration, anger, and uncertainty about their jobs. All of these emotions will ultimately lead to deterioration in auditors' professionalism and performance, and thus, limit auditors' abilities to provide appropriate reasoning, maintain objectivity, and contribute to organizational governance processes. Therefore, overall, the effectiveness of internal auditing will progressively regress when there are circumstances of toxic leadership present.

4.2.2 Interpretation of the Sub-Hypotheses

The influence of narcissism can be analyzed from three theoretical perspectives. Individuals who are narcissistic in any leadership role often display a high degree of self-importance along with an ongoing need for approval and acknowledgement from others, and because of this, narcissistic leaders are generally less open to hearing or accepting differing opinions or to receiving audit reports that would tell them that they have made a mistake or are doing something wrong. This behaviour results in a total depletion of the psychological resources of auditors based on an individual auditor's concerns of receiving bad feedback from an auditor. In terms of the Conservation of Resources Theory (COR), under this theory, the behavior of narcissistic leaders, who have an inflated sense of self-importance, to reject or ignore audit findings or reports that disagree with them spills over into limiting the resources available to auditors for conducting their work. Under the Social Exchange Theory (SET), employees' trust and willingness to cooperate with their leaders will decrease when employees believe their leaders place more emphasis on their own self-interest than on the organization's well-being and goals. In addition to these two theories, under the Affective Events Theory (AET), auditors who are exposed to a narcissistic leader for an extended period of time may experience prolonged frustration, mental strain, and tension that could adversely impact their ability to perform at an acceptable level as well as diminish the effectiveness of internal audit as a whole. The results of the current study are consistent with those of (Abdelaliem & Abou Zeid, 2023; Al-Hassani, 2025; Bany, 2024; Schmidt, 2008).

Authoritarian leadership has the characteristic of centering power and authority in one person while limiting the ability of employees to participate in decisions. In terms of the concept of Conservation of Resources Theory, the result of this behavior is diminished independence and reduced sense of control for auditors, which represents lost value to the organization as an accessible resource. From the perspective of Social Exchange Theory, a decline in the level of perceived fairness and respect, and in the level of perceived mutual obligation exists, all of which will negatively impact on the degree of employee commitment and engagement. Furthermore, from the perspective of Affective Events Theory, an authoritarian environment creates an atmosphere that fosters fear, pressure, and stress to workers that negatively impact an auditor's ability and effectiveness in performing their jobs. Thus, the auditor's ability to conduct their duties independently and effectively can be negatively impacted. The results of this research correspond to those of (Atalla & Mostafa, 2023; Bany, 2024; Da Silva et al., 2022; Schmidt, 2008; Singh et al., 2025).
Self-promoting leaders focus more on promoting themselves than helping their organization accomplish its goals, based on the Conservation of Resources (COR) Theory. Employees who witness this type of leader may experience negative effects because the leader's self-promotion can result in the depletion of organizational resources available to support internal auditors and, therefore, limit the help that internal auditors receive in performing their duties well. The relationship can also be explained by the Social Exchange Theory (SET) in that employees can see that there is an imbalance in the exchange relationship and that the leader is focused on his/her own benefit at the expense of considering the interests and welfare of their subordinates. This can break down trust and create an environment of a lack of commitment and cooperation in the workplace. In accordance to Affective Events Theory (AET), self-promoting behavior may contribute to feelings of resentment among employees and lower job satisfaction, both of which are likely to hinder an employee's work attitudes and performance. Thus, the effectiveness of the internal audit function would be inhibited. This study's results are consistent with the findings of (Al-Hassani, 2025; Atalla & Mostafa, 2023; Schmidt, 2008).

Failure to have adequate supervision is significantly linked to decreases in an auditor's performance because they are unable to receive sufficient guidance, resources or support from their supervisor(s) to accomplish the required tasks related to the audit work. Poor supervision is defined by Conservation of Resources (COR) Theory as lack of supervisory support, resulting in a depletion of cognitive and professional resources to effectively complete audit tasks. Additionally, Social Exchange Theory (SET) states that employees' lack of commitment on the job is primarily due to their perception that they do not receive adequate reciprocity/swaps of support from their supervisor. Finally, Affective Events Theory (AET) interprets that, through having the experience of poor supervision, employees could feel negative emotions (e.g., frustration) and/or discontent, which could ultimately impact the effectiveness of internal auditing. The statistical findings of this study conform to findings made by (Atalla & Mostafa, 2023; Mehta & Maheshwari, 2013; Schmidt, 2008).

This dimension relates to how unpredictable and inconsistent a leader's decision-making, or a leader's behavior could be; the theory of conserving resource theory (COR) states that since there is normally a great amount of uncertainty, the effect of uncertainty makes employees allocate more resources to cope with changing states of being, resulting in less of these same resources available for performing their auditing duties and responsibilities. Additionally, social exchange theory (SET) discusses this relationship in terms of the erosion in trust of a leader because of inconsistent behavior. On the other hand, Affective Events Theory (AET) states that the ambiguity and unpredictability in turn creates an environment with increased levels of anxiety and tension, and in turn have a negative impact on the overall effectiveness of an internal audit. The results of this study are in agreement with the results of (Al-Hassani, 2025; Atalla & Mostafa, 2023; Schmidt, 2008).

4.2.3 Interpretation of the Second Main Hypothesis (H02)

The moderating effect of employee silence can be analyzed using the integration of three different theoretical models. It can be considered through Conservation of Resources (COR) Theory. Employees might choose to be silent and, therefore, use silence as a way of protecting their psychological and social resources when they are being exposed to possible harm or loss due to the impact of toxic leadership. While it might seem that this provides a protective buffer to the employee's internal resources, it also removes from the organization a very valuable source of knowledge — i.e., the exchange of information, insight, and expertise — that is required for the successful enhancement of internal audit processes. From the SET perspective, employees who are exposed to toxic leadership experience a breakdown in the trust between themselves and the organization, leading internal auditors to be less likely to voice their concerns, or communicate risks, or make suggestions for improvement. As employee silence becomes more common, the negative impact of toxic leadership is exacerbated because critical information does not get to the right levels of management. As a result, the internal audit function is less able to successfully fulfil its assurance and advisory obligations. Negative feelings (fear, anxiety, frustration, and insecurity) caused by negative leaders will cause employees to choose to be quiet at work (not communicate their concerns) and not whether or not they report problems. Therefore, the worse their negative feelings grow, the more likely auditors will choose to be silent about their concerns, not report issues, or refrain from making any professional comments regarding the problems. This "silence" just makes the negative relationship that exists between toxic leaders and the effectiveness of the internal audit worse (i.e., keeping hidden critical information, limiting the chances of correcting an error, and/or limiting the effectiveness of the efforts to improve performance).

Thus, employee silence can be understood as both a behavior that develops in reaction to toxic leadership and an organizational mechanism that enhances the damaging effects of toxic leadership on the effectiveness of internal audit. Employee silence, therefore, reduces the flow of information, decreases the amount of professional participation, and exacerbates the negative psychological and emotional ramifications of internal auditors due to toxic leadership. The implications associated with this interpretation are congruent with key tenets of Conservation of Resources Theory, Social Exchange Theory, and Affective Events Theory and provide a robust theoretical basis for examining the second principal hypothesis and related sub-hypotheses.

4.3 Study Recommendations

Given the findings of the roles played by toxic leadership dimensions and the silencing of employees on the effectiveness of internal auditing, many organizations can take action to strengthen the control environment and improve the effectiveness of internal auditing:

1. Organizations need to promote and implement policies and practices in the workplace that support the creation of a culture of psychological safety for all employees, including those who work in the internal audit function so that they are able to communicate their professional concerns and to report risks or irregularities without fear of negative consequences.
2. The audit committee should ensure that systematic evaluations are made regarding the leadership styles of the internal audit function; specifically, identifying what constitutes toxic leadership and determining how these toxic leadership dimensions may impact auditors' independence and their ability to use sound professional judgment.
3. Organizations should develop and strengthen their reporting channels so that employees have a means to express valid reporting concerns in an environment that is free from toxic leadership elements or an unsupportive organizational culture, even when there are limitations on the available formal reporting channels.
4. Leaders must be trained continuously in ethical leadership and behavioral governance, including recognizing what makes a leader's behavior "toxic," how bad leadership hurts everyone, and how to create an atmosphere where auditing professionals will want to communicate any ethical or governance-related issues as a core requirement of improving the quality of internal audits.

Funding: This research received no external funding.
Conflicts of Interest: The authors declare no conflict of interest.

References

[1] Abdelaliem, S. M., & Abou Zeid, M. A. G. (2023). The relationship between toxic leadership and organizational performance: The mediating effect of nurses' silence. *BMC Nursing*, *22*(1), 4. https://doi.org/10.1186/s12912-022-01167-8
[2] ACFE. (2020). *SURVEI-FRAUD-INDONESIA-2019*. Association of Certified Fraud Examiners.

[3] Almatarneh, A. J. (2021). The impact of artificial intelligence risks on the effectiveness of internal audit from the viewpoint of the Jordanian certified public accountants. *Al–Mithqal for Economic & Administrative Sciences and Information Technology*, *7*(3), 166–195.

[4] Alyazidi, A., Abdullah, Md. F., & Alhebri, A. A. (2022). The Impact of Chief Audit Executive's Leadership Style and Senior Management Support for Internal Audit Function on Corporate Governance Effectiveness with the Moderating Effect of Audit Committee Characteristics: Evidence from Yemen. *The Journal of Management Theory*, *3*(2). https://www.researchgate.net/publication/363432127_The_Impact_of_Chief_Audit_Executive's_Leadership_Style_and_Senior_Management_Support_for_Internal_Audit_Function_on_Corporate_Governance_Effectiveness_with_the_Moderating_Effect_of_Audit_Committee_Cha

[5] Atalla, A. D. G., & Mostafa, W. H. (2023). Relationship between Toxic Leadership and Work Outcomes: A Cross-sectional Study. *Egyptian Journal of Health Care*, *14*(1), 199–211. https://doi.org/10.21608/ejhc.2023.280739

[6] Bany, B. M. (2024). The impact of toxic leadership on employee silence: The mediating role of workplace bullying: A study analyzing the perspectives of some leaders at the University of Kufa. *Asian Journal of Management and Commerce*, *5*(1), 521–531. https://doi.org/10.22271/27084515.2024.v5.i1g.299

[7] Bhandarker, A., & Rai, S. (2019). Toxic leadership: Emotional distress and coping strategy. *International Journal of Organization Theory & Behavior*, *22*(1), 65–78.

[8] Bileti, E. A. (2022). LEADERSHIP STYLES AND QUALITY AUDITS IN TEACHER TRAINING INSTITUTIONS IN WEST NILE, UGANDA. *European Journal of Education Studies*, *9*(11). https://www.researchgate.net/publication/367132602_LEADERSHIP_STYLES_AND_QUALITY_AUDITS_IN_TEACHER_TRAINING_INSTITUTIONS_IN_WEST_NILE_UGANDA

[9] Bougie, R., & Sekaran, U. (2019). *Research Methods For Business: A Skill Building Approach* (8th ed.). Wiley. https://www.wiley.com/en-us/Research+Methods+For+Business%3A+A+Skill+Building+Approach%2C+8th+Edition-p-9781119561248

[10] Da Silva, A., Haveroth, J., & Roberto Da Cunha, P. (2022). Influence of Leadership Style and Subordination on Internal Auditors' Judgment and Decision Making. *Journal of Education and Research in Accounting*, *16*(1), 31–52. https://doi.org/10.17524/repec.v16i1.2936

[11] Darvishmotevali, M., & Ali, F. (2020). Job insecurity, subjective well-being and job performance: The moderating role of psychological capital. *International Journal of Hospitality Management*, *87*, 102462. https://doi.org/10.1016/j.ijhm.2020.102462

[12] de Carvalho, V. A. C. (2025). *When Leaders Silence Employee: A Study of Toxic Leadership and Organiz* [Crummer Graduate School of Business- Rollins College]. https://scholarship.rollins.edu/dba_dissertations/55/

[13] Detert, J. R., Burris, E., & Harrison, D. A. (2010). Debunking Four Myths About Employee Silence. *Harvard Business Review*, *88*(6). https://hbr.org/2010/06/debunking-four-myths-about-employee-silence

[14] Ebrahim, F., Sarikhani, M., & Rostami, A. (2023). Modeling the factors affecting the internal auditor silence behavior. *Managerial Auditing Journal*, *38*(7), 1053–1081.

[15] El-Shafie, E., Nassani, A., & Aljumah, G. (2025). Understanding the Consequences of Toxic Leadership in the Business Sector: An Empirical Study in Saudi Arabia. *Arab Journal of Administration*, *45*(3). https://doi.org/10.21608/aja.2024.293277.1657

[16] Erdal, N., & Budak, O. (2021). The mediating role of organizational trust in the effect of toxic leadership on job satisfaction. *International Journal of Research in Business and Social Science (2147-4478)*, *10*(3), 139–155.

[17] Eulerich, M., Kremin, J., Saunders, K. K., & Wood, D. A. (2021). Internal audit stigma impairs internal audit outcomes. *Corporate Ownership and Control*, *19*(1, special issue), 257.

[18] Ghafoor, B. A., & Shah, T. A. (2023). Unethical Leader Behavior and Employee Silence: Mediating Role of Moral Anger. *International Journal of Business and Economic Affairs*, *8*(3), 49–64. https://doi.org/10.24088/IJBEA-2023-83004

[19] Hadadian, Z., & Sayadpour, Z. (2018). Relationship between Toxic Leadership and Job Related Affective Well-Being: The Mediating Role of Job Stress. *European Online Journal of Natural and Social Sciences: Proceedings*, *7*(1(s)), 137–145.

[20] Johnson, E. N., Lowe, D. J., & Reckers, P. M. J. (2016). The Influence of Mood on Subordinates' Ability to Resist Coercive Pressure in Public Accounting. *Contemporary Accounting Research*, (33), 261–287.

[21] Khikmah, S. N., Rohman, A., & Januarti, I. (2023). The role of internal audit and leadership style in increase of fraud prevention: A stewardship theory perspective. *Corporate and Business Strategy Review*, *4*(4, special issue), 271.

[22] Klingebiel, R., & Rammer, C. (2014). Resource allocation strategy for innovation portfolio management. *Strategic Management Journal*, 246–268.

[23] Koç, O., Bozkurt, S., Taşdemir, D. D., & Günsel, A. (2022). The moderating role of intrinsic motivation on the relationship between toxic leadership and emotional exhaustion. *Frontiers*, *13*, 1–12.

[24] Kusy, M., & Holloway, E. (2009). *Toxic Workplace!: Managing Toxic Personalities and Their Systems of Power*. John Wiley & Sons.

[25] Lawler, E. J. (2001). An Affect Theory of Social Exchange. *American Journal of Sociology*, *107*(2), 321–352. https://doi.org/10.1086/324071

[26] Lee, M. C. C., Sim, B. Y. H., & Tuckey, M. R. (2024). Comparing effects of toxic leadership and team social support on job insecurity, role ambiguity, work engagement, and job performance: A multilevel mediational perspective. *Asia Pacific Management Review*, *29*(1), 115–126. https://doi.org/10.1016/j.apmrv.2023.09.002

[27] Lee, W.-R., Kang, S.-W., & Choi, S. B. (2022). Abusive Supervision and Employee's Creative Performance: A Serial Mediation Model of Relational Conflict and Employee Silence. *Behavioral Sciences*, *12*(5), 1–14.

[28] Mehta, S., & Maheshwari, G. C. (2013). Consequence of Toxic leadership on Employee Job Satisfaction and Organizational Commitment. *Journal of Contemporary Management Research*, *8*(2), 1.

[29] Muhammad, K., Irina, P., Sarminah, S., & Shanika, W. (2021). Leaving in Mascot of Silence: Organizational Determinants of Employee Turnover Intentions in Mediating and Moderating Roles of Quiescent Silence and Coworker Support in a Russian Context. *Journal of Management and Business Administration. Central Europe*, *29*(2). https://ideas.repec.org/a/vrs/jmbace/v29y2021i2p121-146n3.html

[30] Noch, M. Y. (2024). The Influence of Leadership in Audit Teams on Audit Effectiveness. *Golden Ratio of Auditing Research*, *4*(2), 56–65.

[31] Ogbonda, E. H., & Amadi, G. (2022). TOXIC LEADERSHIP AND EMPLOYEE TURNOVER INTENTION: A CONCEPTUAL REVIEW. *Strategic Journal of Business & Change Management*, *9*(2). https://doi.org/10.61426/sjbcm.v9i2.2345

[32] Peng, A. C., Schaubroeck, J. M., & Li, Y. (2014). Social Exchange Implications of Own and CoWorkers' Experiences of Supervisory Abuse. *Academy of Management Journal*, *57*(5), 1385–1405.

[33] Rittenberg, L. E. (2016). *Ethics and Pressure-Balancing the Internal Audit Profession*. The IIA Research Foundation. https://www.theiia.org/globalassets/site/foundation/latest-research-and-products/practitioner-reports/cbok/cbok-pdfs/cbok-2015-ethics-and-pressure.pdf

[34] Saqib, A., & Arif, M. (2017). Employee Silence as a Mediator in the Relationship between Toxic Leadership Behavior and Organizational Performance. *Journal of Managerial Sciences*, *11*, 83.

[35] Schmidt, A. A. (2008). *Development and Validation of the Toxic Leadership Scale*. http://hdl.handle.net/1903/8176

[36] Setiawan, R., Wisetsri, W., Abdullah, F. A., S. D, P. R. M., Pachala, V. V., Kurniullah, A. Z., Hashim, & Christabel, G. J. A. (2021). Making a difference through Internal Audit Leadership and Enterprise Risk Management. *Productivity Management*, *26*(1), Article 1. https://doi.org/10/2/Publikasi4_04045_6894.pdf

[37] Suputra, I., & Widhiyani, N. (2020). Types of personality, audit structure and transformational leadership styles moderate the effect of organizational commitments on auditor performance. *International Research Journal of Management, IT and Social Sciences*, *7*, 54–65. https://doi.org/10.21744/irjmis.v7n6.1005

[38] Taha, A. A. D. (2024). Internal auditors' independence under workplace bullying stress: An investigative study. *Journal of Islamic Accounting and Business Research*, *15*(5), 762–783.

[39] Wang, Y.-D., & Hsieh, H.-H. (2013). Organizational ethical climate, perceived organizational support, and employee silence: A cross-level investigation. *Human Relations*, *66*(6), 783–802.

[40] Wolor, C. W., Ardiansyah, A., Rofaida, R., Nurkhin, A., & Rababah, M. A. (2022). Impact of Toxic Leadership on Employee Performance. *Health Psychology Research*, *10*(4), 57551. https://doi.org/10.52965/001c.57551

[41] Xu, A. J., Loi, R., & Lam, L. W. (2015). The bad boss takes it all: How abusive supervision and leader–member exchange interact to influence employee silence. *The Leadership Quarterly*, *26*(5), 763–774. https://doi.org/10.1016/j.leaqua.2015.03.002

[42] Zaghmout, B. (2024). Unmasking Toxic Leadership: Identifying, Addressing, and Preventing Destructive Leadership Behaviours in Modern Organizations. *Open Journal of Leadership*, *13*(3), 244–265. https://doi.org/10.4236/ojl.2024.133015

[43] Zaman, U., Florez-Perez, L., Anjam, M., Khwaja, M. G., & Ul-Huda, N. (2023). At the end of the world, turn left: Examining toxic leadership, team silence and success in mega construction projects. *Engineering, Construction and Architectural Management*, *30*(6), 2436–2462