

## TRANSFORMING LAPSES INTO STRENGTHS: IDENTIFYING KEY ORGANIZATIONAL DRIVERS OF INTERNAL CONTROL EFFECTIVENESS

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### Abstract

This study examines the organizational motivation behind internal control systems where the effectiveness of internal control in universities in the public sector is determined in the influence of leadership, resource, employee consciousness and motivation. Considering the intricacies of the regulatory compliance and resource limitation, the proposed research would reveal the most important factors which determine the effectiveness and soundness of the internal control systems in the state-owned institutions. A quantitative research design was applied, the data collected was in form of surveys conducted on the employees in various public sector universities, which included administrators, financial managers, auditors, and compliance officers. Three hundred and sixty-four respondents took part, and the analysis was done through PLS-SEM.

The results indicated that transformational leadership is an important factor in encouraging employees and increasing the effectiveness of internal controls. Furthermore, the allocation of resources and employee awareness and training have turned out to be some of the vital requirements that make the compliance easier and enhances the effectiveness of internal audits. Intrinsic and extrinsic motivation among employees was identified to have an important role in the conformity to internal control procedures. Also, the research found that positive control environment has a significant moderation effect on the connection between leadership and internal control effectiveness. The weaknesses in internal control were found to be major obstacles and the study emphasizes the necessity of constant modifications in the leadership practice as well as resource management stemming out of these weaknesses.

The theoretical contributions of this research are based on the Social Exchange Theory and Transformational Leadership Theory and focus on the effects of organizational supports and leadership practices on the performance of employees and internal control efficiency. In practice, the study has practical implications to policy makers, organizational executives and auditors, as the researchers claim that the best possible response would be an improvement in the leadership styles, training and resource distribution that may be of much benefit to the internal control practices. The research gives a more refined insight of the overlapping of leadership, employee engagement, and management of resources in order to enhance internal controls within universities in the public sector.

### Introduction

An internal control loophole is a gap in the internal control framework of an organization through which mistakes, frauds or breaches of standards could happen without initial intervention (Lundelius, 2011). They can be attributed to weaknesses in the control activities, risks, monitoring and information systems, and the control environment to varying extents (Stoneburner et al., 2002). These breaks in the coverage process can result in critical negative consequences for an organization, materialization in terms of monetary losses, fines, interruption of processes, and damage to the image (Sadgrove, 2016). In industries where companies are very much enclosed to regulation and compliance, such as finance, healthcare and energy, failure in internal controls exposes the company to severe penalties and bans and sometimes closure of business, hence emphasizing the necessity of internal control systems (Stimpson et al., 2015).

The cost of internal control failures does not cease at a financial loss or regulatory sanction. Failure of control can lead to distrust from stakeholders, poor customer relations, and demoralization of employees and is aligned with the long-term sustainability aspect (Beneish et al., 2008). The organization will lose market share and competitiveness when such control failures are exposed to the public domain (Heath, 2014). Also, an organization frequently needs more control to attract investors since such investors will want to associate with organizations that demonstrate sound control systems and compliance statuses (Jensen, 2009). According to these stakes of high importance, failure of internal control is not just an organizational or operational inefficiency. They reveal possible structural and cultural issues and resource allocation deficiencies (Dow, 2003).

To manage such risks, organizations require an effective internal control system that goes beyond mere identification of the weaknesses but actively works towards preventing them (Hubbard, 2020). This research aims to gain insight into the nature of organizational factors associated with control failure and available control (Long & Sitkin, 2018). As such, through analysing leadership style, decision-making in resource allocation, and employee engagement,

the research seeks to establish a broad viewpoint by identifying the ways that organizations can tackle the causes of control failings to produce an environment where internal control is not only robust but reliable as well (Saarni, 2012).

Similarly, the experience shows that leadership is one of the significant determinants of an organization's internal control system (Zhang et al., 2022). Managers are directly involved in creating an ethical organizational climate on top of implementing standards, providing necessary values, and promoting accountability that shapes employee's perception of internal controls (Koeswayo et al., 2024). Leadership aspects directly influence the control environment by defining requirements for compliance, integrity and risk management in the organization. Managers who set the tone and emphasize compliance controls are likelier to maintain the tone and create organizational cultures in which subordinates appreciate the relevance of controls and comply with all the laid-down compliance measures (Abd Aziz et al., 2015).

One of the most fundamental problems creating these weaknesses is appreciating how these organizational and human factors enhance or compromise control systems (Proctor & Van Zandt, 2018). For example, while it is clear that CCOs feel that solid leadership is crucial in helping shape and enforce ethical values throughout the organization through what is known as the "tone at the top", there is minimal research on how various forms of leadership might be able to affect internal control bolstering (Kleinhempel, 2025). It is, therefore, essential to understand which leadership type creates the most effective compliance environment to avoid struggling with consistently creating a good tone at the top (Charan et al., 2011).

In the same way, it is essential for maintaining and developing internal controls. However, several unanswered questions exist in the literature about how particular resource decisions - or budget distribution, technology investment, and staffing levels - relate to control activities and results. The most common consequences of inadequate resources are blank spots in monitoring, questionable risk evaluations, and poor employee training. When control conditions deteriorate significantly, they

potentially become major control failures. This problem is especially pertinent under increasing pressures for organizations to transform the existing control structures to address emerging threats and risk standards. (Chenhall, 2003).

Demographic factor familiarization coupled with motivation and interest are also crucial considerations in internal control compliance by employees. Employees need to monitor control breaches, and organizations often experience the challenges of running training and motivational programs that guarantee compliance. Currently, organizations have a poor understanding of how initiatives related to employee engagement affect control adherence and foster an engaged workforce that understands and contributes to sustaining organizational controls. (Imperatori, 2017).

Considering these problems, the research problem focuses on how the problem of continued internal control weaknesses can be mitigated by considering leadership style, resource provision, and employee participation as factors that can determine the effectiveness of internal controls. This research aims to assess the organizational enablers that help leverage or compensate for control issues within an organization to strengthen organizational and internal control system resilience, compliance and flexibility. In solving this research problem, the study seeks to present useful findings that will benefit managers, auditors, and policymakers who wish to enhance structural governance and reduce the implications of control failures (Makgatho, 2013).

### Literature Review

The literature evidence to support the relationship between internal control systems and organizational performance is outstanding. Internal control systems affect organizational performance; they enable efficient decision-making and performance in an organization, according to Sanjaya and Mayola (2019). It is essential in the financial sector as internal control is important when preparing its financial outlook. A literature review shows that companies with enhanced internal control systems have low fraud levels and high organizational performance, supporting the view

that internal controls are significant in an organization (Choudhary et al., 2022).

The context of banking institutions also highlights the role of internal control effectiveness. Internal controls are considered essential in the fight against fraud and the financial solidity of banks (Think & Anh, 2020). They also point out that when internal control systems do not operate effectively, businesses may experience significant losses and organizational problems. Companies with effective internal control mechanisms are poised to record impressive performances in the competitively visored markets and report enhanced levels of liquidity and profitability (Oyelakin & Abdullahi, 2022). Internal controls and the methodologies used to implement organizational strategies reflect the strategies used to achieve organizational performance and strategic objectives.

Besides that, the link between internal control systems and good corporate governance practice, which has become integral, is vital for transparency and accountability. Therefore, according to Putra (2023), in his study on internal controls, it is clear that realizing good corporate governance leads to improved performance. It is further complimented by (Alhawamdeh & Alhawamdeh, 2019), who argue that internal controls are central to increasing employee productivity and achieving organizational goals and objectives. The Treadway Commission has made a Committee of Sponsoring Organizations of the Treadway Commission (COSO) that has created the Integrated Framework, which consists of the following five elements of internal control: the control environment, risk identification, control actions, communication and information, and monitoring.

The control environment is one of the essential elements in the internal control mechanisms within organizations, and it provides the framework from which other components such as risk management, control activities, communication and information, and monitoring are developed. The efficiency of the above components depends on the control environment, which includes the operations of the culture, structure, and ethical channel created by management. The current literature

on this subject compiles the information collected from the relevant literature on the control environment and its influence on the efficiency of internal control.

Motivation has now been determined regarding what is going down and has also given the aspect of how it relates to engagement. As mentioned in another study by Prabowo et al. we learned that while adopting the TFL, it was observed that over-reliance on this model can enhance job satisfaction which is an important component of motivation (Prabowo et al., 2018). The research evidence presents how leaders can apply the transformational leadership approach and bring more meaning, satisfaction, and more performant subordinates than simply proving the motivational uplift. A study done previously showed that individuals are encouraged to give their best because of transformational leaders hence producing exceptional performance from them (Lasiny et al., 2021).

The workload aspect may also be used to explain the effects that resource allocation has on the motivation of employees. There should be the right utilization of resources, especially in the nursing profession since human resources can reduce pressure and enhance job satisfaction (Gao & Yang, 2023). When it comes to the management of resources, there is an improvement in the stress levels of the employee and the level of burnout consequently, this makes the employee more motivated and active. This is especially the case in conditions when work demands significant amounts of resources and time at the employee's expense the latter may lose motivation and satisfaction with their job.

Resource allocation remains one of the significant areas of concern where challenges occur as follows: Sari (2022) examines recommendations made by internal audit for enhancement of internal control and recognizes that issues of resource allocation and change management remain a concern. This suggests it

is possible to assess internal audit through key performance indicators but the absence of sufficient resources may hamper the process of implementing change that may be required. In addition, Wijaya et al. (2021) assert that there are barriers such as shifting financial risks and technology which make it difficult for internal auditors to make proper resource utilization that will help improve the audit techniques.

Compensation is one of the most important tables that organizations use to distribute resources, writes the author. According to Anand et al. (2023), the knowledge of what impacts job satisfaction to enhance the performance of the workers is crucial. The study proves that pay as a resource deployment technique plays a critical role in stimulating employees' performance and satisfaction. This is based on the findings of the earlier studies of El Jeni et al. (2021) which have asserted that training and development among the measures falling under the resource allocation strategies are crucial for encouraging employees and improving their performance. The authors postulated that organizations which committed their resources in the training and development of their employees will expectedly record higher motivation and performance.

The above opens up the aspect of internal audit to focus on risk management frameworks (Emalia et al., 2023). Their research shows that internal audits have important information for top management about the efficiency of the organization's risk management. In this respect, internal auditors provide independent validation and provide insights on prospects concerning risks and whether or not implemented controls are sufficient. As noted earlier, this kind of approach to risk identification is particularly crucial for improving the utility of internal audits, since it will guarantee that the areas for audit will match the specific organization's risk profile.

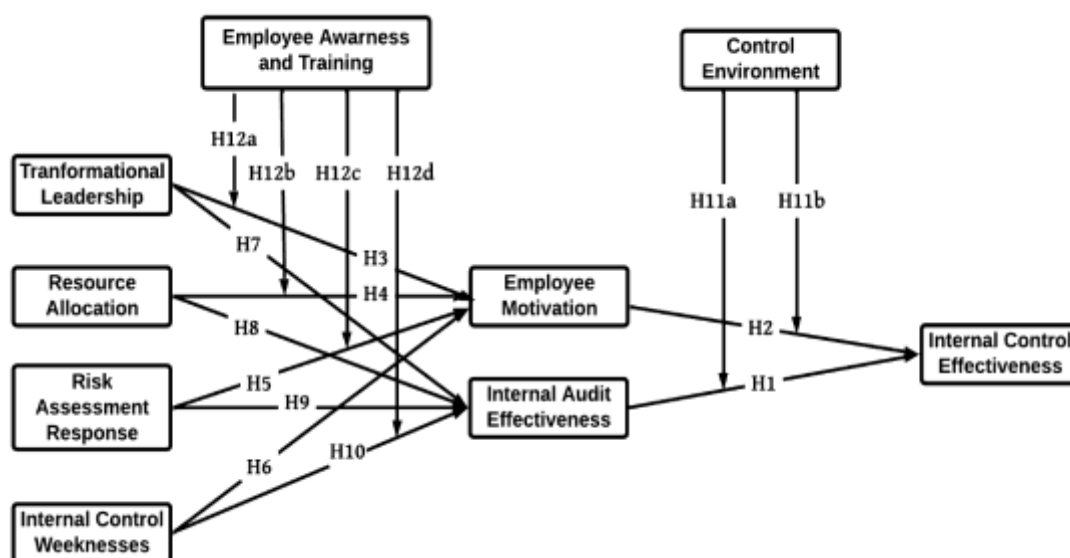


Fig.1: Research Framework

### Research Methods

The study provides useful information on the internal control practice in the context of the public sector universities in terms of the leadership style, resource allocation, employee awareness, and perceived risks in inspiring internal control effectiveness. Following a positivist method, the study uses quantitative methods appropriately to draw causal relations and forecast the alterations in internal practices of control. The research design involves a questionnaire survey of a diverse group of 400 employees using purposive sampling that focuses on administrators, financial managers, internal auditors, and compliance officers. The results highlight the necessity of transformational leadership in promoting employee motivation and enhancing internal control systems, and employee training and awareness play a key role in enhancing organizational control environments.

### Results and Discussion

The correlations between the main constructs in the research model, both direct and indirect, are analysed using survey-based analysis that has been conducted in this chapter. The constructs that are discussed include Employee Awareness and Training, Transformational Leadership, Resource Allocation, Risk Assessment Response and Internal Control Effectiveness in terms of their interrelations where Employee Motivation mediates. Descriptive statistics, Confirmatory Factor Analysis (CFA) and Structural Equation Modelling (SEM) can be employed in the analysis to test the validity and reliability of measurement model and hypothesis of relationships. Results underscore the strong relationships among the variables and the importance of the Employee Motivation as the key to the association of leadership practices with the internal control effectiveness, and the Internal Audit Effectiveness as the key to the overall internal controls. The demographic profile of respondents such as gender, age, education and experience offers a valuable background to interpret the findings.

Table 1: Demographic Information of Respondents

Demographic Variables	Details	Responses	Percentage
Gender	Male	251	68.96
	Female	113	31.04
Age	18-30	031	08.50
	31-43	221	60.70

	44-55	096	26.40
	56 and above	016	04.40
Education Level	Graduation	012	03.30
	Master	098	26.90
	M.Phil.	185	50.30
	Ph.D.	071	19.50
	Less than 1 Year	001	00.03
Experience	1-5 Years	198	54.40
	6-10 Years	147	40.40
	10 Years and Above	18	04.90

The demographic analysis of the 364 respondents indicates that a majority of them were males (68.96%), the majority of them were aged between 31-43 years of age, had an M. Phil. degree and had 1-5 years of working experience.

This is a good combination of younger and more experienced professionals, which offers the valuable insight into the opinions and experiences that are presented in the study.

**Table 2: Measurement Model Results (factor loadings, Alpha, CR and AVE)**

Variables	Items	Factors Loading	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Control Environment	CE1	0.810	0.921	0.937	0.679
	CE2	0.855			
	CE3	0.820			
	CE4	0.844			
	CE5	0.812			
	CE6	0.824			
	CE7	0.803			
Employee Awareness and Training	EAT1	0.771	0.928	0.939	0.606
	EAT2	0.761			
	EAT3	0.797			
	EAT4	0.816			
	EAT5	0.792			
	EAT6	0.770			
	EAT7	0.766			
	EAT8	0.748			
	EAT9	0.802			
	EAT10	0.761			
Employee Motivation	EM3	0.834	0.860	0.905	0.704
	EM4	0.849			
	EM5	0.840			
	EM6	0.832			
Internal Audit Effectiveness	IAE3	0.820	0.917	0.938	0.752
	IAE4	0.898			
	IAE5	0.899			
	IAE6	0.862			
Internal Control Effectiveness	ICE1	0.855	0.927	0.940	0.662
	ICE2	0.769			
	ICE2	0.849			

	ICE3	0.828			
	ICE4	0.809			
	ICE5	0.857			
	ICE6	0.835			
	ICE7	0.819			
	ICE8	0.737			
	ICW1	0.804			
	ICW2	0.752			
	ICW3	0.754			
	ICW4	0.749			
	ICW5	0.787			
	ICW6	0.743			
Internal Control Weaknesses	ICW7	0.768	0.945	0.951	0.583
	ICW8	0.785			
	ICW9	0.755			
	ICW10	0.794			
	ICW11	0.746			
	ICW12	0.755			
	ICW13	0.776			
	ICW14	0.721			
Resource Allocation	RA1	0.804			
	RA2	0.842	0.826	0.885	0.658
	RA3	0.810			
	RA4	0.787			
RAR5	0.867				
Risk Assessment Response	RAR6	0.927	0.878	0.925	0.804
	RAR7	0.895			
	TL1	0.754			
Transformational Leadership	TL2	0.789			
	TL3	0.760			
	TL4	0.752	0.899	0.919	0.587
	TL6	0.795			
	TL7	0.777			
	TL8	0.747			
	TL9	0.752			

The Measurement Model assessment results prove the reliability and validity of the constructs employed in the research, and all factors loading are above the 0.70 value, which means that there is a strong correlation between the measurement items and the corresponding constructs. The Alpha values of all constructs, including Employee Awareness and Training (0.928), and Internal Control Weaknesses (0.945), indicate high internal consistency, which is additionally supported by the Composite Reliability (CR) values, including that of Internal Control

Weaknesses (0.951), revealing an excellent scale reliability. Also, high convergent validity is established by the fact that most of the constructs, like Internal Audit Effectiveness (0.752) and Risk Assessment Response (0.804), all have high values of the Average Variance Extracted (AVE). Although the AVE of Transformational Leadership is slightly lower (0.587), the overall findings reveal that the measurement model is robust, which guarantees good constructs and solid base to carry out any

additional structural model testing and hypothesis testing.

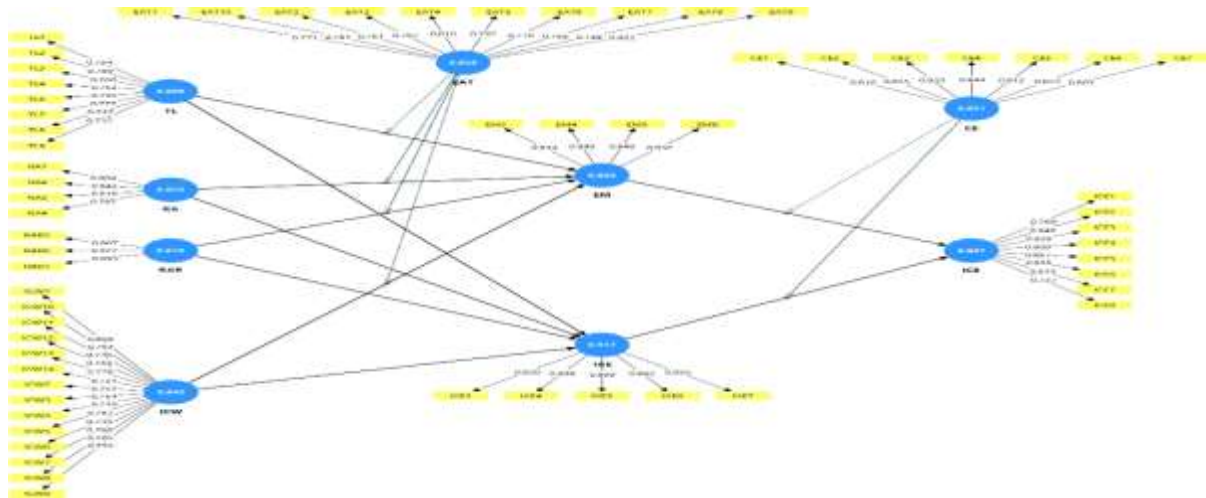


Fig.2: Measurement Model

Table 3: Heterotrait-monotrait ratio (HTMT)

Variables	CE	EAT	EM	IAE	ICE	ICW	RA	RAR	TL
CE									
EAT	0.870								
EM	0.854	0.743							
IAE	0.093	0.096	0.071						
ICE	0.875	0.751	0.733	0.078					
ICW	0.890	0.838	0.721	0.064	0.791				
RA	0.765	0.728	0.711	0.071	0.650	0.744			
RAR	0.084	0.104	0.081	0.577	0.076	0.067	0.086		
TL	0.842	0.830	0.782	0.095	0.687	0.848	0.638	0.109	

Table 3 shows the Heterotrait-Monotrait (HTMT) ratios, which are the discriminant validity tests and the ratios below 0.85 are the ratios that denote that the constructs are different. The findings indicate that the constructs are not measuring the same dimension as all the construct pairs exhibit an

HTMT value less than 0.85. As an illustration, the HTMT value between Control Environment (CE) and Employee Awareness and Training (EAT) is 0.870 and is a bit high but within reasonable limits meaning that the two constructs are closely interrelated and different.

Table 41: Hypotheses Testing of Direct Relations

Relations	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values	Decision
H1: IAE -> ICE	0.253	0.254	0.077	2.092	0.002	Supported
H2: EM -> ICE	0.390	0.392	0.075	4.204	0.000	Supported
H3: TL -> EM	0.142	0.151	0.067	2.124	0.034	Supported
H4: RA -> EM	0.185	0.196	0.084	3.960	0.012	Supported
H5: RAR -> EM	0.214	0.215	0.073	2.628	0.001	Supported
H6: ICW -> EM	0.056	0.059	0.054	1.041	0.298	Not Supported
H7: TL -> IAE	0.313	0.311	0.088	3.269	0.008	Supported

H8: RA -> IAE	0.404	0.405	0.070	2.107	0.015	Supported
H9: RAR -> IAE	0.975	0.975	0.003	288.625	0.000	Supported
H10: ICW -> IAE	-0.010	-0.009	0.027	0.373	0.709	Not Supported

The findings indicate that the majority of the direct hypotheses are supported, i.e., Internal Audit Effectiveness, Employee Motivation, Transformational Leadership, Resource Allocation, and Risk Assessment Response have strong positive impacts in the model. Internal Control Effectiveness is positively influenced by Employee Motivation and Transformational Leadership; Resource Allocation and Risk Assessment Response greatly enhance Employee

Motivation and Internal Audit Effectiveness. Nonetheless, the Internal Control Weaknesses do not have a significant impact on the Employee Motivation and Internal Audit Effectiveness due to the lack of support of H6 and H10. In general, the results support the fact that positive managerial and control-related factors are significant in enhancing the internal control effectiveness.

**Table 5: Hypotheses Testing of Moderating Relations**

Relations	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values	Decision
H11a: CE x -> EM -> ICE	0.141	0.142	0.073	2.423	0.002	Supported
H11b: CE x -> IAE -> ICE	0.213	0.214	0.076	3.092	0.001	Supported
H12a: EAT x TL -> EM -> ICE	0.110	0.110	0.061	2.907	0.000	Supported
H12b: EAT x RA -> EM -> ICE	0.204	0.205	0.078	2.530	0.005	Supported
H12c: EAT x RAR -> EM -> ICE	0.252	0.254	0.073	3.055	0.000	Supported
H12d: EAT x ICW -> EM -> ICE	-0.005	-0.004	0.006	0.854	0.393	Not Supported

The findings of the moderating hypotheses testing show that the majority of the interactions, including the Control Environment (CE), Employee Awareness and Training (EAT), and different constructs (e.g., Transformational Leadership, Risk Assessment, and Internal Control Weaknesses) lead to a significant improvement of the Employee Motivation and Internal Control Effectiveness. As an illustration, CE moderates the relationship between Employee Motivation and the Internal Control Effectiveness, and EAT moderates the relationships between Employee Motivation and the Internal Control Effectiveness. The moderating effect of EAT on Internal Control Weaknesses, however, was not significantly supported.

The results of this research are useful in understanding what factors determine the

motivation of employees and the level of their internal control within organizations. One of the lessons learned is that employee motivation plays a very important role in improving internal control effectiveness and internal audit effectiveness, thus the need to involve employees to improve organizational performance. The correlation between employee motivation and internal control effectiveness is positive which indicates that employee who are motivated tend to obey given control procedures and help in the overall success of internal control systems. This observation is consistent with the increasing literature that argues that employee engagement is not merely important in organizational performance, but also the effective enforcement of control mechanisms.

Also, the research highlights the moderating effect of employee awareness and training (EAT)

on strengthening the relationships amongst different constructs. The findings demonstrate that EAT reinforces the effects of transformational leadership on employee motivation and enhances the effects of resource allocation and risk assessment response on employee motivation. This discovery is quite significant in highlighting the high significance of training and development programs in the development of a motivated workforce. When employees are informed, and provided with the skills required, they will tend to react positively to the efforts made by the leadership and organizational support as a result of which they will feel the encouragement and the effectiveness of internal controls will be increased. This is considered in line with the concept that organizational support via training and development is essential in developing a productive and engaged workforce.

Conversely, the association of internal control weaknesses (ICW) to employee motivation was not established, and it casts significant concerns on the direct relationship between internal control problems and employee attitude. Although it was expected that the weakness of internal controls would go hand in hand with employee demotivation, the outcomes have shown that there are other factors that can play a major role in employee motivation such as quality of leadership and availability of resources. This finding underscores the multidimensional nature of employee behavior wherein other aspects such as leadership and the work environment may roll the impact of the internal control weaknesses. The research suggests that organizations should not simply focus on upgrading internal controls through making sure that the organization has a favorable environment that encourages employees through leadership, support and training programs.

### Conclusion

This research paper brings into focus the very important role of employee motivation, internal control effectiveness and internal audit effectiveness in organizations. It also highlights that to have good internal controls; motivated employees are very important since their participation and following of procedures is

directly related to the success of audits and organizational performance. The study also brings out the importance of transformational leadership in employee motivation in which leaders who motivate and empower employees develop a motivated workforce that fosters a superior internal control system. Additionally, one should mention the significance of employee awareness and training (EAT) that can strengthen the connection between the leadership and the motivation of the employees that results in the increase in the efficiency of the internal controls. The study also indicates that the environment of positive control with trust and transparency can be used to reinforce the need of the supportive organizational culture by owning the control process by the employees.

Practically, the study gives practical suggestions to organizations that want to enhance their internal controls and employee engagement. It indicates that organizations need to aim at enhancing employee motivation by practicing leadership, recognition and career development opportunities, which will also result in a higher degree of compliance with internal control procedures. Also, it is necessary to invest in training employees to improve the knowledge and efficiency of internal controls. Finally, transformational leadership skills in management are essential in having a motivated workforce that helps add value to the organization's goals. There are certain limitations, including the fact that the study is cross-sectional and it is based on the public sector in Pakistan, but the results provide useful information that can be implemented in other industries and areas. Future studies might also expand on these relationships in other organizational environments in order to enhance the overall generalizability of the study and enhance organizational performance by means of effective leadership and motivated workers.

### Implications

Theoretical implications of the study to the organizational behavior, leadership, internal control system and employee motivation are significant. It solidifies the argument that employee motivation is essential in boosting the performance of internal controls by showing

that successful systems of controls necessitate not only the structures and procedures but also the motivated human capital. The results also contribute to the literature by shedding light on the moderating role of employee awareness and training on improving the leadership and motivation relationship which implies that leadership is better when employees are conscious, competent and informed of their responsibilities. Simultaneously, the fact that the agency theory of internal control weaknesses not affecting the motivation of employees contradicts the classical assumption directly with the agency theory that the weak controls will lead to dissatisfaction or disengagement. Instead, it implies that a more complex interaction between such factors as quality of leadership and organizational support that may indirectly affect motivation can be investigated in future studies. In practice, the study offers a useful bit of advice to companies, which desire to increase internal controls, employee motivation, and audit effectiveness. This also means that organizations should have the desire to concentrate on the strategies that will improve on employee engagement such as providing developmental opportunities, recognition of contributions and establishment of positive organizational culture as the engaged employees will be willing to use and comply with the internal control systems. The findings also emphasize the importance of the wide span of employee awareness and training programs that may not only increase the job-related skills, but also the awareness of the organizational values and control requirements. In addition, transformational leadership also emerges as an important factor in employee motivation, leaders who inspire, empower and nurture their employees have high chances of creating a committed workforce that contributes towards organizational goals. Thus, investing in leadership development and employee training may result in the enhancement of the internal processes, internal controls, audit performance, and employee satisfaction.

#### Limitations

Although this study has given useful information on employee motivation, internal control effectiveness, and internal audit effectiveness, there are various limitations that

have to be admitted that can influence the generalizability and interpretation of the results. The sample size and geographical scope, which is confined to a subset of the organizations of the Pakistani public sector, make it impossible to generalize the findings to other industries or regions since the workings of organizations and employee behavior are extremely different in a variety of industries and cultures. Also, the cross-sectional design, which represents a single point of time of relations between variables, makes it hard to make conclusive findings regarding causal relations or the long-term effect of these factors. The longitudinal research on the same variables over time may provide a more insightful idea of how the motivation of employees and internal control and effectiveness of audits change and whether these associations can be considered valid in other organizational environments. Moreover, the use of self-reported information could also be associated with the introduction of biases like the social desirability or exaggeration so that the future studies should include objective performance indicators or several data sources to reduce the effect of these biases.

#### Future Directions

To make this study better, future studies can focus on the connections between employee motivation, internal control effectiveness and internal audit effectiveness in various organizational settings, especially in various industries and geographical settings. Though this study was conducted in the Pakistani government, future studies can adopt to-be-included organizations in the private sector or multinational companies in other economic settings, which will give more insight on how these variables interplay in variations. It would enable comparison of the industries and enable conclusion whether results can be generalized or they are context dependent to particular organizations. In addition, longitudinal studies would also be useful to comprehend the dynamic nature of these relations during the course of time and learn how the alteration of motivation of the employees and the performance of the internal control affects the performance of the organization. Other moderating and mediating factors that could

lead to the connections among the constructs such as organizational culture, job satisfaction, workplace trust, and leadership style may also be researched in the future. Exploring alternative leadership styles, other than transformational leadership, like transactional, authentic, and servant leadership, may provide a more comprehensive view of the impact of leadership on employee motivation and organizational performance, providing useful practical lessons to organizations that aim to use more effective leadership styles and enhance employee engagement and performance.

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