



STRESS TRIGGERS AND COPING MECHANISMS EXPERIENCED BY INTERNAL AUDITORS OF COOPERATIVES

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KeyWords

Affecting audit quality, coping mechanism, internal auditors of cooperatives, stress management, stress triggers, stressors.

ABSTRACT

This study is descriptive qualitative research using the phenomenological research design. The data of the study were gathered through focus group discussion which is virtually participated by fifteen (15) internal auditors of cooperatives in Sorsogon Province. This determined the stress triggers experienced by internal auditors in which resulted to various and common stressors coming from work and personal lives of the participants. Also, it identified the effects of stress triggers that have affected the audit quality of internal auditors. Furthermore, it also discussed the coping mechanisms and strategies utilized by the participants in managing their stressors, these resulted to coping strategies such as adaptive, maladaptive, problem-focused and emotion-focused. Additionally, through these data gathered the researcher was able to designed and proposed a learning and development activities on stress management and coping mechanisms that will help the internal auditors in minimizing stressors and prevent it from escalating into an uncontrollable stress trigger.

INTRODUCTION

The word *stress*¹ comes from the Latin words “*strictus*” which means tight or narrow and “*stringere*” which means “to tighten”. These word roots carry the meaning of constraint and limitedness and reflect individual psychosomatic states under physical pressure or mental demands.

The feeling of tension emotionally or physically is called stress. It can originate from any incident, affair or thought that makes a person to feel frustrated, irritated, angry, or nervous. Stress is the human body's response

to a demand or challenge. Stress could be a positive reaction in short outbursts, such as when it benefits an individual in avoiding threat or danger, or when meeting a deadline. However, it may harm a person's health when stress lasts for a long time².

A stressor or stress triggers is a certain tension, incident, person, happening or situation that causes an individual to be stressed. It can be anything or anyone as long as it is seemed as a response of the person to danger, fear, or threat. There are two types of stressor or stress triggers which are the physiological or physical stressors. Stress triggers that put pressure on individual's body are referred as "physiological stressors". While psychological stressors are the individuals, events, situations, remarks, or anything that a person's interpreting as a negative or threatening.

Stress is a usual reaction of the human body in the occurrence of changes, which arising intellectual, physical and emotional reactions. In some circumstances, stress may lead to injury, death or mental health problems. Therefore, addressing the root causes of stress will help and guide the person to avoid or prevent its stress triggers or having a stress management training may help an individual to deal with changes or stressors in a healthier way.

Generally, most workers and employees experience stress at work. Thus, work-related stress is an increasing problem from place to place in the world that affects not only the well-being and health of employees, but also the efficiency of organizations. Work-related stress ascends where work demands of many types and combinations surpass the person's capacity and capability to manage or handle stress.

Every person is different and has different stressor or stress triggers that cause them to be stressed in a certain situation or events that almost collectively affected. These stress triggers such as uncertainty, guiltiness over procrastinations, high expectation on oneself, problem in having commitments, issues on changes, being

directionless and being out of control are needed to be understood by most people to create preventive.

Moreover, Lu³ can be considered the first person to describe stress as a new concept. He sees psychological pressure as an answer that the body shows against the demands it enters. This answer, in terms of some perspectives, is a non-specific answer. Whatever the stress triggers from external or internal factors, and the person who is visible to psychological pressure is the one who is the human body that responds.

In the Philippines the Republic Act No. 11036 or the Mental Health Act⁴ delegated the nationwide multi-media campaign to increase public awareness on the protection and promotion of mental health and rights should be initiated and sustained by DOH and the LGUs. As mandated by the law the campaign should also include stress handling, guidance and counseling as it also a factor on the mental well-being of Filipinos.

The DOLE Department Order No. 208 series of 2020 or the Guidelines for the Implementation of Mental Health Workplace Policies and Programs for the Private Sector⁵ necessitates all work establishments and offices in the Philippines by creating or drafting a program and policy on mental health. It is to encourage workers to have a work-life balance and healthy lifestyle and should effectively manage changes in organization. The program should also guide the organization in recognizing employees' achievements, and help them handle disasters and major life events that eventually will lead to stress.

Based from an internet source a new report released by analytics firm Gallup. The Philippines has ranked the highest in the Southeast Asia Region as the most stressed employees. The Gallup World Poll also emphasizes that stress among Filipino workers was even higher than the global average, with 50 percent stating that they experienced the feeling of stress a lot the previous day. Around the world there are 44 percent of workforces that has experienced a lot of stress the previous day in 2021, as per the 2022 State of the Global Workplace Report⁶.

In the survey of Social Weather Stations⁷ conducted December 16 to 19, 2019, twenty-seven percent (27%) of Filipinos stated they *frequently experienced stress* in their daily lives. The latest survey also showed that thirty-seven percent (37%) of Filipinos said that they *sometimes suffered stress*, while 34 percent said they *rarely experience it*. Two percent (2%) said that they *never felt stress*. SWS also documented that stress was “*more frequent*” in Metro Manila residents, with 35%, compared to the 28% in both Balance Luzon and the Visayas, and the 18% in Mindanao.

According to Zadegan and Ali Aqa’I⁸, internal auditors are at the heart of the audited institutions and are in the organizational chart of the institution where they have their own limits. The main purpose of the internal audit is to assess how the functions are delegated to the various units of the institution. Internal audit staffers are usually under the supervision of another CEO or senior official.

Internal auditing is performed to ensure that one hundred percent (100%) compliance rate to internal control is achieved through examination and verification of data and information. Hence, it is part of the reporting and reporting process that justifies the need for relevant economic information, information systems and information generation as a consequence of the increasing growth and complexity of the society. Accordingly, the internal auditors' primary duties and responsibilities are to monitor internal control to minimize or prevent fraud and promote transparency and accountability in the overall aspects of management and the organization.

Individual job performance of internal auditors is very important because of the impact on the quality of the audit, and the delay in submitting the audit report directly affects the performance and performance of the audit¹⁰. Inevitably, internal auditor’s poor job execution may lead to weakening the quality of the audit and may result in losing their credibility of being objective in providing audit reports.

As mandated by the Cooperative Development Cooperative (CDA)¹¹, various cooperatives in the Philippines are obliged to have at least one (1) audit committee and/or internal auditor to conduct an audit on the overall efficiency and effectiveness of the cooperative; its management and officers; and the various obligation of internal auditors are the core foundation for refining individual and distinct team or overall performance and for objectively and qualitatively informing such performance the general membership.

According to Section 4 of CDA Memorandum Circular No. 2021-04, Series No. 2021 that *“the purpose of the Performance Audit Report is to measure the financial and non-financial performance of the cooperative. Specifically, the report shall serve as the: a.) Management tool of cooperative to identify the strong and weak areas in its governance and management practices and business operations; and b.) Regulatory and supervisory tool of CDA to determine the appropriate intervention¹²”*.

Hence, the performance audit report measures the effectual, operative and appropriate institutionalization and enactment of policies, structures, systems and methods by the board of directors and top management of a cooperative as it is essential for a secured operation and vital for the achievement of good financial performance. Operative and efficient practice of the management, upright governance, and well financial condition of cooperatives are concrete measures of well-defined systems, policies and procedures implemented by the cooperative management and administration.

Aside from conducting performance audit report by the internal auditors. The CDA also mandated internal auditors in the cooperative sectors to conduct social audit and submit a social audit report as per the CDA Memorandum Circular No. 2018-01 which is the Revised Guidelines on Social Audit of Cooperative¹³. The social audit report entails the program of activities the cooperative launched to help its members and the community, where it operates. The program of activities includes those in pursuance of their socio-civic undertakings, showing their progress and achievements at the end of every fiscal year.

Most of individuals engages in various coping mechanism and strategies to manage their stress. Lazarus and Folkman¹⁴ revealed that there are two types of managing stressful situations in our lives. It can be a problem-focused coping when an individual directly addressed the problem that causes stress. and emotion-focused coping strategies when a person temporarily control and normalize their feelings a result of the stressful events but indirectly solved the problem.

Moreover, can also help individuals who are suffering from stress. According to an online source¹⁵ stress management is defined as the methods, strategies, techniques or tools that minimizes stress and its negative effects of stress has on the individual's mental or physical well-being. A diversity of practices can be used to handle and control stress. These include strategies on mind, emotion, and behavior. When stress management is used regularly and in response to stressful life events, it optimizes well-being.

Given the heavy responsibility and duties of an internal auditors, it is understandable that their work is very stressful yet maintaining high level of professionalism, objectivity and independence are expected. Generally, among employees, job stressors are the usual root cause of stress for most employees in the workplace or organization.

Therefore, this study aims to identify stress triggers being experienced by the internal auditors and determine learning and development activities that could be designed on stress management and coping mechanism of internal auditors in cooperative sector in Sorsogon Province. This study also intends to recognize the stress triggers experienced by the internal auditors that affects the quality of audit report and to know how internal auditors coped with those experienced stress triggers. And incite possible learning and development activities on stress management and coping mechanism which are applicable to all internal auditors, and at least will help them in preventing and reducing the stress triggers from affecting their job performance in producing a good quality of

audit reports.

METHODOLOGY

This study is descriptive qualitative research using the phenomenological research design. The data of the study were gathered through focus group discussion which is virtually participated by the internal auditors of cooperatives in Sorsogon Province. The data gathered were transcribed as verbatim and were analyzed and interpreted through the use of thematic analysis.

This study used primary sources of data from participants who are internal auditors in the cooperative sector, to determine the stress triggers and coping mechanism experienced by internal auditors of cooperatives in Sorsogon Province. This research identified the stress triggers experienced by internal auditors that affects the audit quality. This also determined the coping mechanism or strategies used by internal auditors in managing those experienced stress triggers. Based from the responses of the participants, the researcher designed a learning and development activities for internal auditors on stress management and coping mechanisms.

SUMMARY

Internal auditing is a very challenging profession, performing the job itself is physically and mentally draining. While stress is indeed common in the work place and to individual's day-to-day lives. Just like other employees, internal auditors in the cooperative sector experience stressful situations. These stresses may lead to harmful effects to physical and mental well-being and may resulted to death when uncontrollable stress is not prevented from escalating. Also, unhealthy and improper coping mechanism or strategy will not help the internal auditors to directly address, manage, handle and survive stressful circumstances but it could be resulted to an obsession, bad habit and negative behavior. Thus, the researcher was necessitated to conduct this study to design or determine a learning and development activities for stress management and coping mechanism based from the

stress triggers and coping mechanisms experienced by internal auditors of cooperatives in Sorsogon Province.

Specifically, it answers the following questions:

1. What are the stress triggers experienced by internal auditors?
2. How do stress triggers experienced by the internal auditors affect audit quality?
3. How do internal auditors cope with those experienced stress triggers?
4. What learning and development activities can be designed for internal auditors on stress management and coping mechanism?

The researcher utilized a descriptive qualitative research through phenomenological research design. Fifteen (15) participants were selected through purposive sampling from large cooperatives in Sorsogon Province namely: GSAC, SAFADECO, SMMGHI and SORECO II. The researcher focuses on the stress triggers experienced by internal auditors and their coping mechanisms or strategies applied to manage their stress. And determine the learning and development activities that can be designed for the internal auditors working in the cooperative sector.

The data were gathered through focus group discussion virtually participated by the participants. The researcher used the thematic analysis in the analyzing and interpretation of the data gathered. This tool assisted the researcher to arrive at relevant and useful findings.

FINDINGS

Based on the data gathered and analyzed, the researcher discovered the following findings:

1. The participants revealed that the internal auditors experienced work-related and personal stress. The work-related stressors experienced by internal auditors are heavy workloads in which thirteen (13) out of fifteen (15) have shared; nine (9) of the participants stated that tight deadline or time pressure as stressor; ambiguities of organizational policy, rules and regulations were from seven (7) respondents; conflict with the auditee and undue influence by the management were stated by six (6) participants; daily life hassle or annoyance were shared by six (6) participants; while five (5) participants shared role ambiguities as their stress triggers; whereas four (4) participants shared that low salary and benefits; and social pressure within the organization as their stress triggers. The personal stressors experienced by the internal auditors are personal problem or conflict; times of uncertainty and major life events. Seven (7) of fifteen participants discussed that personal problem or conflict and times of uncertainty as their stressors and four (4) have shared the major life events as their stress triggers.
2. Stress triggers experienced by the internal auditors in the cooperative has various effects that affects the audit quality. The participants revealed that the effects of stress triggers experienced are: a) clouded judgment; b) indecisive and hesitancy; c) lack of interest, motivation or energy; d) preoccupied or difficulty of focusing; and e) irritability and anger. And observation and deciphering of the participants' actions and expression during the focus group discussion, they indicate nervousness, unhappiness and struggles upon remembering their experienced stress triggers.
3. Participants were engaged to peculiar ways of coping from their stress triggers. On work-related stress triggers all fifteen (15) of the participants employed adaptive and problem-focused coping strategies such as confronting or resolving the problem; look for a new job or opportunity; maintaining composure; procrastination; researching or seeking information through trainings and professionals; and time management. While eleven (11) out of fifteen participants utilized adaptive and emotion-focused coping strategies such as acceptance, maintaining composure; and resting and relaxation; social support by reaching

out with friends, family and church groups. Whereas nine (9) of the fifteen participants engaged in maladaptive and emotion-focused mechanism involving avoidance or ignoring concerns; engaging in vices; excessive eating; excessive use of mobile phone; and procrastination. On personal stress triggers the eight (8) participants employed adaptive and emotion-focused coping mechanism engaging into acceptance; confronting or resolving the problem; look for a new job or opportunity; and social support by reaching out with friends, family and church groups. While six (6) participants employed maladaptive and emotion-based coping mechanism that involves avoidance or ignoring concerns; engaging in vices; and excessive use of mobile phone. And only two (2) participants used adaptive and problem-focused strategies involving confronting or resolving the problem; and look for a new job or opportunity.

4. Various learning and development activities can be designed to aid the internal auditors in managing their stress such as internal auditor's summit and adapting stress management policy which includes annual stress assessment and consultation, additional leave with pay,

CONCLUSIONS

Based on the findings of this study, the researchers arrived at the following conclusions:

1. The internal auditors experienced variety of stress triggers not only in the workplace but also outside of the cooperative.
2. Due to the effects of stress triggers experienced by internal auditors, it has affected the audit quality by inefficient and ineffective performance of internal audit procedure such as planning the audit schedule, planning the process audit, conduct of audit process, audit reporting, and follow-up on issues or improvements found.
3. The coping mechanisms employed by the participants on work-related stress triggers were responses that directly addresses their stress triggers and have an optimistic reframing in handling and dealing with their

stressors. While in personal stress triggers, most of the participants indirectly addresses their stressors and engaged in relieving the feeling of tension, pressure or stress rather than pinpointing the root cause of stress but it helped them in minimizing negative emotional responses due to stress.

4. An internal auditor's summit for professional development of internal auditors are necessary. And stress management policy is also important in helping and supporting internal auditor's physical and mental well-being.

RECOMMENDATION

On the basis of the conclusions drawn, the following are recommended:

1. Annual stress assessment should be conducted in the workplace that focuses on work-related stress. Formulation of policy or program for employees who have experienced or currently experiencing distressing major life events.
2. Monthly monitoring of duties and responsibilities of internal auditors by the audit committee or managers to minimize workloads and overworking.
3. Stress management consultation should be included in the annual medical examination of employees in the cooperative. In-house stress management consultant may be employed to guide and assist employees on proper coping strategies.
4. Trainings, seminar and workshop on stress management and professional growth can be provided by the cooperative to their internal auditors.

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