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Greed as Organizational DNA: External Auditor's Perceptions

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General Background: Organisational misconduct is not only caused by individual errors, but also by patterns of behaviour that develop internally. Greed is one such pattern and gradually shapes the organisation's mindset and decision-making. **Specific Background:** During audits, external auditors often encounter clients who exhibit repetitive decision-making patterns and ingrained organisational routines. From the auditor's perspective, these patterns indicate greed that has been internalised in the organisation's systems and operational practices. This condition shapes the character of the organisation, reflected in shared norms, values, and procedural frameworks that guide decision-making processes, information flows, and managerial motivation. **Knowledge Gap**: Several studies using quantitative or qualitative approaches have addressed greed. However, studies linking greed to the concept of organisational DNA and viewing it from the perspective of external auditors as a phenomenological lens are still rare. **Method**: To explore how auditors understand greed in organisational DNA, this study adopts a qualitative approach and Alfred Schutz's social phenomenology as its methodological framework. **Results**: The results show that auditors often identify patterns of greed from interactions with clients, financial reports, decision-making processes, and management responses. This greed develops from repeated decisions and justifications until it eventually becomes part of the client's organisational DNA. **Novelty:** This study uses the auditor's experience as a lens to understand greed as part of the client's organisational DNA and combines the Organisational DNA framework with Schutz's phenomenology. **Implications:** These findings help auditors and regulators become more sensitive to client behaviour patterns and encourage audits that focus not only on numbers, but also on the behaviour, culture, and character of the organisation.

Keywords: Greed, Organizational DNA, Schutz's Phenomenology, Auditor Experience

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INTRODUCTION

In Indonesia's current economic climate, the private sector has become one of the main drivers that significantly influence the national financial structure. This sector contributes around 60% to the Gross Domestic Product (GDP) and employs nearly 90% of the national workforce, thus playing an important role in supporting the economic life of the community (Majalah Ceo, 2025; Antara News, 2025). However, despite this important role, the private sector often faces a worrying irony. According to data from Indonesia Corruption Watch (ICW, 2025), 256 suspects in corruption cases come from the private sector. This makes the private sector the second largest group of offenders after local government officials.

A series of recent scandals shows that deviant practices in the private sector continue to recur. One case that has attracted significant attention is PT Sri Rejeki Isman Tbk (Sritex). This textile company is reported to have caused the state financial losses of IDR 692 billion and was eventually declared bankrupt in 2024. This incident not only affected the company's financial condition but also impacted thousands of employees who were forced to lose their jobs due to mass layoffs (Detiknews, 2025; Kompas.com, 2025). This case shows that a greedy approach to managing a company can cause losses not only for the company itself but also for its employees and other stakeholders.

Upon closer examination, the Sritex case and other similar cases reveal repeated failures that gradually become part of an organisation's habits. This situation indicates that the audit mechanisms commonly used thus far are still not fully capable of identifying behavioural problems hidden behind various managerial decisions.

In this study, greed is understood as the drive to continuously pursue excessive profits, even at the expense of ethics and rules. This drive initially arises at the individual level, but over time it can become ingrained and shape the way an organisation operates. Research by (Ashforth & Anand, 2003) explains that this condition is formed through a process of habituation, justification, and internalisation of values, so that deviant practices are gradually considered normal.

How greed is understood is also influenced by the social views and judgements of those involved (Arango *et al*., 2023; Hoyer *et al*., 2024). In situations like this, accounting functions are often no longer performed as they should be, but are instead used to present managerial decisions as rational and reasonable, even though these decisions are essentially driven by certain motives (Wahyudi, 2021).

Over time, these deviant practices can become ingrained and become part of the internal structure of the organisation, often referred to as the organisational DNA. In this study, Organisational DNA is understood as the basic patterns of structure and routines that shape how an organisation operates and how values are transmitted from one period to the next. This concept emphasises the dynamic relationship between four main components—structure, decision-making rights, motivators, and information—which together influence organisational behaviour (Neilson *et al*., 2003).

In Indonesia, previous studies have shown that cultural norms and managerial practices embedded in the organisational DNA play an important role in determining how management accounting systems are applied in practice (Sudarma & Wulandari, 2024). When greed is embedded in these components, deviant behaviour patterns are formed that reinforce each other and are maintained through daily work routines and incentive structures (Nafei, 2014). (Madi, 2025) also emphasises that harmony between these elements is crucial to maintaining organisational integrity; when greed disrupts this harmony, unethical behaviour tends to persist and spread throughout the organisation.

This condition makes the auditor's perception very important, because in carrying out their duties, auditors not only deal with numbers, but also interpret the behaviour and integrity of clients through professional judgement and cognitive processes (Kassem, 2024; Islamiati *et al*., 2023). However, in practice, many auditors tend to avoid assessing managerial behaviour because it is considered too subjective and difficult to prove formally.

Based on this situation, this study adopts a qualitative interpretative approach that focuses more on understanding meaning than identifying cause-and-effect relationships. Within this framework, external auditors are positioned as interpretive actors, where their personal experiences and professional judgements are key to explaining how the DNA of greed is formed and maintained within the structural and cultural context of the client organisation. Research using this approach is still limited, especially studies that explore greed as part of the DNA of an organisation based on the real experiences of external auditors.

Previous studies on greed, corruption, and ethical behaviour in organisations generally analyse these issues from the perspective of organisational structure, individual behaviour, or moral attitudes. Ashforth & Anand (2003) explain that corrupt practices can become normalised through a process of rationalisation and routine that develops within organisations. Furthermore, research by (Sajko *et al*., 2021) and (Fitriani *et al*., 2022) emphasises CEO greed and its impact on corporate social responsibility and organisational resilience. These findings are in line with (Abraham, 2020), who explores how moral emotions, such as guilt and shame, influence ethical judgements among public officials.

In auditing, auditors often face ethical dilemmas when evaluating management decisions and actions. According to (Tormo-Carbó *et al*., 2024), factors such as subjectivity and financial pressure make it difficult for auditors to uncover fraud or assess management integrity.

In general, these studies help explain the structural and psychological factors underlying unethical behaviour. However, these studies have not yet thoroughly discussed how auditors understand and interpret greed as something embedded in the DNA of client organisations, nor how this greed is reflected in organisational practices and decision-making processes. Although previous studies have made important contributions, they still have several limitations. Greed is generally understood as something that can be

measured, rather than as a moral value formed through social experience and organisational habits.

As a result, discussions on how external auditors view, interpret, and respond to greed embedded in client organisations remain limited. Studies that specifically explore auditors' interpretations of greed as part of the character of client organisations are also rare. Furthermore, most existing studies rely on quantitative approaches, which are less capable of explaining how auditors understand and deal with moral issues that arise in their daily work practices.

Based on these limitations, this study uses a qualitative approach based on Alfred Schutz's Social Phenomenology. This approach was chosen because it helps to understand auditors' experiences more deeply when interacting with client organisations. Schutz's concepts, such as lifeworld, stock of knowledge, typification, and intersubjectivity, are used to explain how auditors construct understanding and meaning through professional experience and decision-making processes (Schutz, 1967; Vargas, 2020; Ibrahim *et al*., 2024).

In addition, this approach also provides an initial overview for identifying recurring patterns of deviation in organisational behaviour (Kransdorff, 2010). The main objective of this study is to understand how external auditors interpret greed as part of the client organisation's organisational DNA.

In this study, greed is not only seen as an individual trait, but also as something that grows and develops alongside organisational work practices and habits. By understanding the elements of organisational DNA, such as structure, decision-making processes, work motivation, and information flow, this study is expected to help auditors become more sensitive in carrying out their duties, especially in identifying greed embedded in organisational DNA.

Greed in Organisations

Greed is a personal drive that makes a person always want more and rarely feel satisfied with what they already have. In modern organisations, greed does not only arise from individuals, but can also become collective behaviour that encourages opportunistic actions and places personal interests above moral values and social balance.

For example, (Sajko *et al*., 2021) show that executive greed can weaken corporate social responsibility (CSR) investments, reduce organisational resilience, and lower stakeholder trust.

Liu (2023) shows that prioritising wealth and power can reduce ethical awareness, both at the individual and societal levels.

When greed becomes ingrained in an organisation, it is reflected in rules, daily routines, and reward systems that judge success solely on results. If performance evaluations focus only on results without considering the process, the drive to be greedy gradually becomes the shared norm, as proper procedures are often ignored. Ashforth & Anand (2003) describe this phenomenon as the normalisation of corruption, where unethical behaviour is considered acceptable because it has become part of everyday practice. In addition, external factors such as a social environment that is tolerant of violations and weak law enforcement further reinforce this behaviour (Pura & Sahidah, 2025).

The consequences of greed not only harm individuals but can also affect various aspects of organisational and social life. Ohana (2025) found that employees who perceive corporate greed are more likely to engage in counterproductive work behaviour and weaken the moral commitment of the team. In professional environments, greed can also undermine ethical leadership and increase violations of the management accountant code of ethics (Fitriani *et al*., 2022). On the other hand, religion can serve as a moral filter, as the internalisation of spiritual values in organisational culture helps to suppress greedy behaviour (Maulidi *et al*., 2025). In other words, greed is not only an individual moral issue but a structural problem that can undermine accountability, transparency, and integrity throughout the organisation.

Organisational DNA

Organisational DNA is a metaphor taken from biological DNA, which is a coding system that regulates the growth, adaptation, and overall functioning of an organism (National Human Genome Research Institute, 2025). In the context of organisations, this term refers to the structural, procedural, and cultural elements that shape how people work, how decisions are made, and how organisations continue to operate and survive (Neilson *et al*., 2003). This organisational code is formed and maintained through repetitive routines and habits, creating a unique corporate identity that is important for maintaining organisational excellence while also increasing innovative capacity (Al Khasabah, 2025; Elsakaan *et al*., 2021; Bahaa *et al*., 2019).

In this regard, Madi (2025) divides organisational DNA into two types: coding DNA and non-coding DNA, with the latter reflecting how flexible an organisation is in adapting to change.

Furthermore, the 'Four Building Blocks of Organisational DNA' framework (Neilson *et al*., 2004) highlights four key elements: structure, decision-making rights, information, and motivators. These four elements work together to guide how an organisation operates and responds to changes in its environment, as illustrated in Figure 1.

[Figure 1 about here.]

The first is structure. Structure defines the division of tasks, communication channels, and coordination mechanisms between units (Neilson *et al*., 2004). A clear structure helps reduce confusion, increases stability, and makes the organisation more effective. In addition, structure shapes the character of an organisation, serves as a source of strengths and weaknesses, and provides an important foundation for good governance (Elsakaan *et al*., 2021).

The second is decision-making rights. This right determines who has the authority and responsibility for decision-making (Gupta, 2024). Clear decision-making rights prevent overlapping tasks and facilitate the decision-making process. Madi (2025) adds that organisational memory is an essential

source of knowledge for better decision-making. Therefore, information acts as the main link and coordinator of all internal organisational processes.

The fourth is motivators. Motivators direct individual behaviour to align with organisational goals and play a central role in directing actions towards achieving organisational goals. They function by shaping preferences, influencing decisions, and encouraging behaviour that supports the overall organisational strategy (Bahaa *et al*., 2019). The findings of (Elsakaan *et al*., 2021) confirm the role of motivators in promoting institutional excellence, placing this element as a key factor in maintaining behavioural consistency and strengthening organisational identity. This integrated four-pillar framework is at the core of this study, as it provides an analytical structure for how greed is systematically embedded and reproduced, forming the "DNA of Greed".

Schutz's Phenomenology

Alfred Schutz's phenomenology is one of the important approaches in the social sciences. This approach refers to Edmund Husserl's phenomenological idea of understanding individual life experiences in everyday social life (Ibrahim *et al*., 2024). Through his work The Phenomenology of the Social World (Schutz, 1967), Schutz explains that social reality cannot be understood solely as a structure that exists outside the individual. Instead, social reality is formed through meanings that are continuously constructed, understood, and interpreted by social actors in their daily lives. This perspective has greatly influenced the development of interpretive sociology and has become the basis for the emergence of ethnomethodology (Psathas, 2004). Schutz's phenomenology is based on several key concepts, namely the lifeworld, stock of knowledge, typification, and intersubjectivity. These concepts are relevant to this study because they help explain how auditors not only follow formal standards, but also interpret the intentions, behaviour, and organisational culture of clients based on their subjective experiences.

The initial concept in Schutz's framework is the lifeworld. The lifeworld describes the everyday world that is taken for granted and no longer questioned, where individuals carry out their activities in familiar patterns of time and space (Geniusas, 2025; Vargas, 2020). This world functions as a background of meaning that is not always consciously recognised, but plays an important role in helping individuals understand social norms, roles, and expectations. By understanding the lifeworld, it becomes clear that social reality is shaped by individuals' direct experiences, is subjective, but is still shared and understood collectively through social interaction.

Experiences in the lifeworld are understood through the stock of knowledge. The stock of knowledge is a collection of knowledge from past experiences, habits, rules, memories, and understandings that are embedded in individuals and are often experienced unconsciously (Psathas, 2004). This knowledge develops gradually through repeated experiences and eventually becomes embedded in the individual's consciousness (Trujillo, 2018). When this stock of knowledge is shared among group members, social interactions become smoother because everyone unconsciously relies on the same references when interpreting situations.

The knowledge stored in the stock of knowledge is then organised through a process known as typification. Typification is the way individuals group people, events, or situations into specific categories based on previous experiences (Schutz, 1967). This process makes it easier for individuals to interpret social reality because they do not need to analyse each situation from scratch. In organisations, typification serves to clarify roles and maintain relatively stable work patterns. However, if typification is applied rigidly, individuals may find it difficult to understand new situations that do not fit into existing categories.

To bridge the gap between individuals' subjective experiences and orderly social life, Schutz introduced the concept of intersubjectivity. Intersubjectivity is formed through shared experiences and the exchange of perspectives among individuals in social interactions (Vargas, 2020). This concept is based on the assumption of perspective reciprocity, which is the belief that other people see and understand the world in more or less the same way (Geniusas, 2025; Trujillo, 2018). Through intersubjectivity, personal experiences can be mutually understood and develop into collective understanding. In organisations, intersubjectivity forms the basis for the emergence of norms, routines, and patterns of behaviour that are repeatedly performed by members of the organisation.

Auditor Perception

Auditor perception is a thought process that plays an important role in auditing activities and is not limited to simply checking figures or financial statements. This perception includes how auditors understand evidence, assess risk levels, and make professional judgements that affect the quality of audit results (Kassem, 2024; Fajrin Noho *et al*., 2021). An auditor's perspective is influenced by various factors, such as personal characteristics, professional training, and the organisational environment in which the auditor works. The combination of these factors affects the auditor's ability to identify indications of irregularities and perform professional duties effectively (Simanjuntak & Mare, 2025). Therefore, the auditor's understanding of the role, responsibilities, and forms of fraud plays a crucial role in determining how thorough and effective the audit process will be.

The auditor's perception becomes clearly visible when the auditor applies professional judgement, especially during fraud risk assessment. Several studies show differences between aspects that are considered important in theory and those that are more often applied in audit practice. Although management integrity and intent are recognised as important factors in detecting fraudulent financial reporting, auditors tend to pay more attention to observable opportunities for fraud. This occurs because management intent is more difficult to evaluate subjectively (Agus & Lastanti, 2025; Maulani *et al*., 2024). In addition, the quality of auditors' professional judgements is influenced by experience and technical skills, which in some studies are considered to be more influential than formal position or seniority alone (Santoso *et al*., 2020).

Beyond technical factors, auditors' perceptions are also greatly influenced by ethical aspects. In practice, auditors often face situations where professional demands conflict with personal values or external pressures. Auditors' actions in interpreting a situation can influence important decisions regarding their careers and professional attitudes (Tormo-Carbó *et al*., 2024). When faced with ethical dilemmas, auditors' decisions are often more influenced by personal attitudes such as idealism or the drive for financial gain than by work experience or formal educational background (Islamiati *et al*., 2023). This shows that auditors' perceptions are influenced not only by logical reasoning but also greatly by the moral values held by each individual.

Good auditor perceptions are built on fundamental professional qualities, such as integrity, independence, and competence, which are the main foundations for producing high-quality audits (Sandy & Januarti, 2022). Auditor integrity has been proven to play an important role in fraud prevention (Maulani *et al*., 2024) and is closely related to how auditors view their professional responsibilities. Auditors with a higher level of moral development and a certain mindset tend to feel a stronger sense of personal responsibility in detecting corrupt practices. This shows that perception and sense of responsibility are closely related and together drive audit performance (Yusnaini, 2020) and is closely related to how auditors view their professional responsibilities. Auditors with a higher level of moral development and a certain mindset tend to feel a stronger sense of personal responsibility in detecting corrupt practices. This shows that perception and sense of responsibility are closely related and together drive audit performance.

METHODS

This study adopts an interpretive paradigm, which views social reality as something that is collectively constructed through interactions between individuals. From this perspective, the greed that has been embedded in the DNA of the client company's organisation is not understood as a single, stand-alone fact, but rather as a diverse reality shaped by the experiences and social relationships of the actors involved. Therefore, a qualitative approach is considered appropriate, as it allows for a deep understanding of social phenomena in their natural environment through direct interaction with research participants (Hadi *et al*., 2021). As explained by Kamayanti (2020), qualitative research is descriptive and is often used to gain a more comprehensive understanding of phenomena from the perspective of the actors themselves.

Using an interpretive approach, this study aims to understand the meaning of auditors' experiences through Alfred Schutz's phenomenological perspective. This approach is considered relevant because accounting practices are always related to the social, cultural, and political contexts in which they occur (Abdussamad, 2021). Schutz emphasises that meaning is formed through shared experiences, prior knowledge (knowledge stock), and the way individuals categorise experiences (typification) in everyday life (Geniusas, 2025). The focus on personal experiences and everyday professional life is a hallmark of phenomenological research and has been widely applied in previous studies (Bagoes & Respati, 2026; Febriani & Setiyaningsih, 2025).

This study combines Schutz's approach with the stages of reduction from Edmund Husserl's transcendental phenomenology. Schutz's framework is used to explore and interpret social meaning from the informants' perspective, while Husserl's approach helps analyse the core meaning of the phenomenon under study (Febriani & Setiyaningsih, 2025). By integrating these two approaches, researchers can place the auditors' experiences in their social context while maintaining analytical rigour, so that the meaning derived from the findings becomes clearer.

This study was conducted over one month in October 2025 at Public Accounting Firm (PAF) X, located in South Tangerang. The selection of PAF X was based on several considerations. First, the firm has been operating for more than four decades, demonstrating long organisational experience in auditing practice. Second, PAF X serves thousands of clients in various industrial sectors, providing auditors with diverse auditing experience. Third, PAF X is part of an international accounting network registered among the Top International Alliances and Associations, which implies the application of global working standards. This condition places auditors in complex audit situations and provides an opportunity to observe client organisational dynamics, including the emergence of greedy practices during the audit process.

The research informants consisted of three senior auditors (A1, A2, and A3) selected using the snowball sampling technique. All informants met the main criteria of having at least five years of work experience and being actively involved in various audit tasks. These criteria were applied to ensure that the data obtained was based on auditors with sufficient experience and understanding of audit practices. Primary data was collected through semi-structured interviews, a method commonly used in qualitative research because it allows informants to share their experiences more openly (Mulyana *et al*., 2024). Given the sensitive nature of the topic of Greed DNA, all interviews were conducted voluntarily and confidentiality was strictly maintained in accordance with research ethics.

In-depth interviews were used to explore how auditors interpret their daily audit activities and understand the client environment. Interview questions were designed to capture how auditors form perceptions of management behaviour, how their professional experience and accumulated knowledge respond to perceived signals of greed, and how interactions within the audit team influence collective judgements and professional decision-making.

In addition to interviews, researchers recorded field reflections to capture contextual elements, nonverbal expressions, and emotional dynamics that emerged during the data collection process. The use of in-depth interviews and a phenomenological approach has been widely applied and proven relevant in previous accounting research (Febriani & Setiyaningsih, 2025; Bagoes & Respati, 2026). Data analysis was conducted through the stages of phenomenological reduction (epoché), thematic analysis, and identification of core meanings (eidos), following Husserl's phenomenological stages integrated into Schutz's conceptual framework. The methodological flow of this study is presented in Figure 2.

[Figure 2 about here.]

RESULTS AND DISCUSSION

This section outlines the research findings obtained through phenomenological analysis. Data was collected by exploring the lives and daily experiences of auditors, involving three senior auditors at KAP X, South Tangerang (Mr A, >15 years; Mr B, >5 years; Ms C, >8 years). This analysis revealed one key finding: greed does not appear suddenly, but develops gradually into a persistent pattern called Greed DNA, which consists of four pillars. Referring to Alfred Schutz's social phenomenology, this study views this issue not merely as an individual moral failure, but as a phenomenon that grows and persists within the organisation.

The Life World of Auditors and Phenomenological Interpretation

Alfred Schutz's phenomenology helps explain that the reality faced by auditors is not limited to technical data, but is also shaped by experiences that arise through routine interactions with clients. The auditor's daily activities with clients become the starting point for understanding how professional meaning is constructed. In this routine, activities such as requesting data, checking documents, and discussing audit results become the initial space where certain signs of the client's organisation emerge and require further interpretation.

Mr. A (2025) explains that there are formal boundaries in this professional relationship: *'When interacting with clients, we usually only discuss matters related to the audit... so there is no discussion of personal matters.'* This statement shows that the auditor's work environment operates within a professional framework that focuses on data, numbers, and procedures. However, through this routine, auditors begin to pick up on client work patterns, management attitudes, and organisational dynamics that are not always immediately apparent and require deeper interpretation.

The Role of *Epoché* and Knowledge Stock

As formal interactions progress, communication becomes an essential component of the audit process. Auditors realise that their work involves not only processing numbers and documents, but also understanding how clients respond to questions, their level of openness to certain topics, and the speed or delay of their responses. These communication patterns are often early indicators of the internal condition of an organisation. This is expressed by Mr B (2025): 'What is sometimes difficult is not processing data, but communicating with clients... some are very open with us, but others are sensitive when asked about certain issues.'

In addition to the content of communication, the time dimension also shapes how auditors interpret situations. Delayed responses, the need for repeated reminders, or the use of alternative communication channels influence how auditors read the client's condition. From a Husserlian phenomenological perspective, experiences such as those described by Ms. C (2025) are not considered neutral. Client responses are interpreted as signals that can indicate work habits, internal conditions, or organisational management styles.

These situations encourage auditors to apply **epoché**—postponing their initial judgements—to avoid premature conclusions. This mindset is particularly evident when auditors encounter defensive reactions or persistent delays. As noted by Ms. C (2025): 'At first, of course, I felt annoyed… but I didn't want to jump to negative conclusions… I preferred to assess the situation first.' By withholding judgement while remaining alert to abnormalities, auditors strive to separate personal emotions from professional analysis. In this process, their knowledge—a reserve of accumulated past experience—serves as a crucial tool for identifying recurring patterns.

This knowledge is formed through previous audits and includes an understanding of client characteristics, workflows, and high-risk accounts. Mr. A (2025) explains: 'If we have audited the same company before... we already know their work patterns, management characteristics, and risky accounts. So the next audit can be more effective.' However, auditors also acknowledge that experience can lead to bias if not handled carefully. Mr. B (2025) emphasises, 'Previous experience does have an influence... but you still have to be careful, don't rush to conclusions.' The interaction between accumulated knowledge and epoché allows auditors to remain vigilant without getting caught up in overly hasty judgements.

Typification and Meaning Validation Through Intersubjectivity

Based on their knowledge, auditors gradually form typifications as a preliminary way to understand new situations they encounter. These typifications help auditors avoid starting from scratch when dealing with new clients or unfamiliar conditions. Through this process, auditors can identify certain patterns at an early stage, although these initial indications still need to be verified further.

Mr A (2025) provides an example of how typification begins to take shape from a company's initial documents: 'From their vision and mission... you can see whether they are serious about long-term development or just focused on results, not the process of achieving them.' In addition, Mr. B (2025) explains that client behaviour also serves as an early indicator in the audit process: 'If they are quick and open, it is easier for us to process the data and the audit results can come out faster. But if the response is slow and the client keeps delaying, we start to be more cautious.'

Through these experiences, auditors are accustomed to directing their attention to certain signs that are considered important. Previous work experience makes auditors more sensitive in reading situations. However, this initial understanding cannot be considered a final conclusion and must still be tested further throughout the ongoing audit process.

The meaning that emerges from the typification process is then re-examined through an intersubjective process. This means that the auditor's understanding is not based solely on personal judgement, but is discussed within the audit team and

confirmed through communication with the client and available evidence. In audit practice, findings cannot stand alone without support from other parties.

Mr A (2025) explains that when faced with data that is difficult to obtain, auditors usually take a persuasive approach: 'For things that are a bit difficult, we usually explain first why the data is important... so that they become more cooperative.' Meanwhile, Ms C (2025) emphasises the importance of documenting communication as a working reference for auditors: *"All communication… I write it down as evidence and also as our reference."*

Through team discussions, clarification with clients, and regular documentation, the meaning of a finding becomes stronger. At this stage, the auditor's assessment is no longer personal, as each audit result must be explainable, traceable, and professionally accountable.

Eidos Greed: From Personal Motives to Organisational DNA

Through this series of meaning interpretation processes, auditors seek to understand the core of the phenomenon of greed they encounter in organisational practice.

Although the term 'greed' is rarely mentioned explicitly, auditors can recognise this phenomenon through recurring patterns of behaviour and habits. Mr A (2025) views greed as something that primarily originates from individuals within the organisation: "In my opinion, it comes from individuals. *The organisational culture may be good, but if the individual is greedy, the organisation can also be disrupted... It all depends on the intentions and character of the people within the organisation.'* On the other hand, Mr B (2025) sees greed as part of the pressure of an organisation that is too results-oriented: 'What comes to mind is an organisation that is hungry for results. Everything is measured by targets and numbers."

Ms C (2025) adds that this tendency can be seen in the way companies operate: 'Ambition is healthy as long as there are limits...' From these various perspectives, it appears that greed does not stand alone, but is shaped by a combination of individual factors, work systems, and organisational culture.

Greed becomes more apparent when auditors identify recurring technical signs. Mrs C (2025) explains some common examples: *"For example, sales may spike at the end, but strangely cash flow remains flat… and often there are large closing entries that appear very close to the reporting date, with very generic descriptions."*

The inconsistency between profits and cash flow, as well as suspicious adjustment entries, is read as a signal that there is a specific motive behind the numbers. This experience allows auditors to see how greed develops—starting with personal motivation, then simple rationalisation, followed by specific recording practices, and finally incentive structures that encourage risky behaviour. This reality puts auditors in a difficult position. As Mr B (2025) explains regarding the pressures involved: 'Cases like this are not uncommon... As auditors, we are in a difficult position. We cannot be too confrontational or rigid, because maintaining a working relationship with the client is important. But on the other hand, if we just go along with it, we lose our integrity.' This statement shows that the auditor's job is not only about technical examination, but also involves moral attitude and responsibility.

To understand how greed can be embedded in an organisation, auditors need to look at the basic elements that shape the character of the company. Ms C (2025) explains this as follows: 'In my opinion, it's like the soul and character of the company... the work patterns and character can remain the same even if the management changes.' This shows that the DNA of an organisation is reflected in recurring work patterns that are not easily changed, even though individuals within the organisation may change over time.

The Four Pillars of Client Greed DNA

The first pillar relates to weak organisational structure and governance. This condition occurs when rules and procedures that should function as control mechanisms are not properly implemented because they are ignored by certain individuals in power. This situation is illustrated by Mr A's (2025) experience: 'For example, there are large expenditures that should be approved through three levels of approval, but if the immediate superior says yes, the expenditure is still made.' This shows that formal rules only exist on paper, while actual decisions depend on those with the most influence. The problem is exacerbated by the fact that internal oversight does not operate independently. Mrs C (2025) states that "Internal audits are often not very independent... and audit committees are also more passive, so they are just a formality for management." When oversight functions cannot enforce rules, organisational governance weakens and creates space for unilateral decisions and practices that deviate from established procedures.

The second pillar relates to authority in decision-making. Highly centralised authority is often used to adjust financial reports to make them look better than they actually are. This was experienced by Mr A (2025): 'For example, the client had prepared a journal for doubtful debt reserves, but management rejected it for fear that profits would be reduced.' Rejection of audit adjustments is also often justified by materiality arguments, as explained by Mr B (2025): "Often. *Usually, regarding adjustments, they do not want our notes to appear because they are afraid it will affect the report. Some insist that it is not material, even though it is clearly material."* In this situation, auditors face a difficult position, as they must maintain professionalism while facing pressure and management interests to ensure that reports continue to reflect the actual conditions.

The third pillar relates to incentive and reward systems. Bonus schemes that are overly focused on short-term profit targets can encourage deviant behaviour. The pressure to meet targets leads some to consider number-crunching as normal. Mr A (2025) explains that *"They usually only focus on profit. Bonuses are calculated based on their results, not on compliance or quality of work.'* Ms. C (2025) also points out that short-term performance targets with high bonus

requirements encourage risky behaviour. The impact of this problem extends to junior employees. Mr. B (2025) shares an example that reveals: '*At the staff level, it is common for people to change invoice dates. They may push back the invoice date from the 1st of the new month to the 30th of the previous month just to hit the sales target and qualify for the bonus*." This shows how poor incentive programmes can encourage practices that undermine the integrity of financial reporting over time.

The fourth concern relates to how information is managed and who can access it. In many organisations, a single point of contact is designated to provide all data to auditors. As noted by Mr. A (2025), "*There is usually one person responsible for providing us with data. This means that the data has already been filtered and sorted before we* see it.' This arrangement makes it difficult for auditors to form a complete and unbiased picture, as the information received has already been filtered. Mrs. C (2025) faced similar obstacles: 'Our questions are often deflected, or we are instructed to direct all questions through one individual, so the answers we receive are inevitably selected."

When these four pillars are interconnected and persist over time, greed no longer emerges as individual behaviour, but develops into a habit embedded in the organisation. Mrs. C (2025) describes this process: 'At first, it might just be "tweaking the numbers a little to make them look better," but over time, it becomes a habit and may eventually be considered normal.' Mr B (2025) adds that such behaviour is not always driven by excessive desire, but also by fear: *"In my opinion, greed is not just about being greedy, but can also stem from excessive fear. Fear of losing to competitors or fear of being judged poorly by investors..."* Thus, the DNA of Greed is formed through environmental pressure, fear, and repeated justification until it is finally accepted as a normal part of organisational life.

Auditors' Dual Strategy and Ethical Commitment

When faced with complex problems, auditors cannot rely on a single approach. In practice, they employ a dual strategy that combines more in-depth audit procedures with a more personal communication approach. Ms. C (2025) explains the steps she usually takes when signs of manipulation begin to emerge: *"When patterns become apparent, I usually expand the audit procedures... I add third-party confirmations… then analyse profits and cash flow… sometimes conduct surprise stock audits… all communications are documented in writing as evidence… if the risk is high or material findings are not corrected, I have to escalate the issue to my partner… the last option could be to change the audit opinion."* This explanation shows that auditors rely heavily on evidence and expanded examinations to ensure that the resulting financial statements remain reliable. In addition to strengthening audit procedures, auditors also adapt how they communicate with clients.

This approach is carried out carefully while still referring to professional standards. Mr B (2025) explains how he usually handles interactions with clients: *"Sometimes I let them speak first so that I can understand the cause, then I slowly explain the best approach, sometimes we also refer to the basics of PSAK… If it's just based on feelings, I'm worried that I'll make the wrong decision. So I often double-check documents, notes, emails, or other parties."* This approach shows that auditors strive to remain objective while maintaining communication so as not to cause misunderstandings or unnecessary conflicts.

However, the role of auditors often puts them in a difficult position. Auditors must maintain honesty and professional principles while maintaining working relationships with clients. Mr B (2025) openly expressed this dilemma: 'As auditors, we are in a difficult position... if we want to be idealistic, we cannot be too confrontational because we must maintain our relationship with clients. But on the other hand, if we just go with the flow, we lose our integrity.' This situation shows that auditors cannot stand alone, but need support from their professional environment and good examples from seniors or institutions.

The informants' reflections also emphasise that preventing unhealthy practices within organisations cannot rely solely on audit procedures. The personal attitude of auditors and their ethical commitment also play an important role. Mr A (2025) explained how auditors make decisions when there is no agreement with clients: 'If the client still disagrees, we first look at whether the difference is material or not... If it is material, then we convey it through our opinion.' This statement shows that audit decisions are made gradually and based on clear considerations.

On the other hand, Mr B (2025) emphasises the importance of building the character of auditors from the start of their careers: *"My message is that young auditors must be diligent in their studies... First, maintain integrity... And most importantly, have a mentor or senior who can be a role model. Because the world of auditing is very grey..."* This message highlights that being an auditor is not only about technical skills in handling numbers, but also about attitude, values, and proper guidance.

Overall, the experiences of these auditors show that audit work is not just about checking financial statements. Auditing also requires caution, the courage to be honest, and the readiness to face ethical dilemmas, especially when dealing with the DNA of Greed that is embedded in client organisations.

An analysis of the experiences of three senior auditors, combining the perspectives of Husserl and Schutz, produces three interconnected pictures of experience. These profiles describe how each auditor understood the audit situation, identified the roots of the DNA of Greed in the client, and determined the professional actions they took. A summary of the results for Mr A, Mr B, and Ms C is presented in Table 1, Table 2, and Table 3.

[Table 1 about here.]

[Table 2 about here.]

[Table 3 about here.]

CONCLUSION

An analysis of the experiences of three senior auditors at KAP

X shows that auditing is not limited to completing technical procedures, but also involves moral considerations and how auditors interpret the situations they encounter. Of course. Here is a paraphrased version of the text, written in clear and professional English with modified sentence structure and vocabulary to ensure authenticity. An auditor's perspective is never neutral; it is constantly shaped by their daily interactions with clients. Understanding the client's actual operating environment usually begins with formal audit work, where standard checklists and routines provide an initial picture of the organisation's behaviour. When faced with delays or defensive reactions, experienced auditors refrain from making quick assumptions. They practise a form of professional restraint—delaying immediate judgements and drawing on their accumulated experience to identify familiar warning signs. Over time, this repeated exposure builds intuitive expertise, sharpening their sensitivity to potential anomalies, which are then confirmed through written evidence and team consultation.

Through this progressive understanding, auditors realise that greed often evolves from personal failings into a systemic feature of organisational culture. This ingrained condition can be termed "Greed DNA", which is maintained by four interrelated elements: (1) Inadequate Governance, where influential individuals wield greater power than official policies. (2) Overly Centralised Control, which facilitates cosmetic reporting practices and the rejection of significant audit corrections in order to maintain a favourable performance narrative. (3) Short-Term Incentive Schemes, which prioritise immediate results, motivating self-serving actions and data manipulation at various levels of the organisation. (4) Limited Access to Information, often controlled through a single designated channel, which hinders auditors' ability to form a complete and unbiased picture of the client. In practical terms, this DNA of Greed manifests as unusual accounting entries or recurring patterns that indicate a hidden agenda influencing the financial statements.

Performing their duties often places auditors in a challenging position. They must balance adhering to professional principles and maintaining a functional working relationship with the client. To address this tension, auditors employ a dual strategy. Technically, they deepen and broaden their examinations—using third-party confirmations, detailed profit and cash flow analyses, and meticulous documentation—and are prepared to formally raise significant issues, which may include providing a note to their audit opinion. From a relational perspective, they adopt a measured and persuasive communication style, basing discussions on authoritative standards such as PSAK or IFRS, and supporting their arguments with strong evidence. This approach allows them to convey critical findings while minimising unnecessary confrontation.

This study has meaningful implications. For academics, it demonstrates the relevance of Schutz's social phenomenology in audit research, illustrating how auditors' professional judgements are shaped by practical experience, not just codified rules. For practice, the four-pillar framework provides auditors with practical tools to enhance vigilance. It encourages them to pay attention to consistent behavioural and systemic warning signs, moving beyond a narrow focus on isolated numerical errors. These insights may also guide public accounting firms in refining their training programmes, particularly in areas aimed at strengthening professional scepticism and awareness of non-technical risks.

Looking ahead, future research is expected to build on these findings through more diverse approaches. One possible direction is to combine qualitative and quantitative methods, for example by conducting surveys on auditors' sceptical attitudes when faced with different *Greed DNA* conditions. This approach could help assess the extent to which these findings apply in a broader context. In addition, comparative studies between client types or audit environments, such as public and private organisations, could be conducted to understand how differences in regulation and environmental pressures influence how auditors recognise and interpret Greed DNA.

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***Table 1** / Results of Interview Analysis with Mr A*

HUSSERL'S PHENOMENOLOGICAL CONCEPTS (COGNITIVE PROCESS)	
Noema	The phenomenon perceived by Mr. A is characterized by stringent interaction boundaries ("limited to discussing only matters pertinent to the audit") and the protracted submission of data by the client.
Noesis	Mr. A applies epoché by setting aside any immediate negative judgments about the client's responsiveness. He acknowledges that the delay might result from systemic constraints or managerial directives rather than ill intent, demonstrating a disciplined, open-minded approach.
Epoché	Mr. A demonstrates cognitive maturity by applying *Epoché*. He consciously suspends initial judgment or negative preconceptions towards the slow client, recognizing that delays do not necessarily imply manipulation but may be attributed to systemic or managerial instructions.
Bracketing	Mr. A practices bracketing by clearly distinguishing between the professional scope of the audit and personal aspects of the client relationship. This separation ensures that his analysis and interactions remain objective, unaffected by personal bias or familiarity.
Intentionality	Mr. A deliberately directs his attention toward relevant professional elements—such as data accuracy and audit procedures. This focused intentionality reflects a cognitive commitment to preserving objectivity and adhering strictly to formal audit standards.
Eidetic Reduction	This process is achieved when Mr. A concludes that the essence (*eidos*) of his audit practice is the maintenance of objectivity and formality. He reduces all interactional experiences to one essence: preserving professional boundaries to preclude emotional or personal distortion.
SCHUTZ'S PHENOMENOLOGICAL CONCEPTS (SOCIAL CONSTRUCTION)	
Lifeworld	Mr. A constructs his professional Lifeworld by establishing a rigid, formal Initial Horizon, centered solely on "the context of work and audit procedures," thereby filtering out non-professional elements.
Stock of Knowledge	Mr. A's extensive audit experience has led to a strong process of sedimentation, building a deep and well-structured Stock of Knowledge. This accumulated insight significantly improves the effectiveness of subsequent audits, as he is already familiar with the client's operational habits and vulnerable accounts.
Typification	This accumulated Stock of Knowledge enables Mr. A to develop mature typifications regarding the organization's risk patterns and overall character. This ability is derived from his understanding of the company's vision, mission, and strategic targets.
Intersubjectivity	This concept is materialized through the use of Materiality as a mutually acknowledged professional standard, serving as the foundational basis for objective judgment.
REFLECTION ON GREED DNA	
Roots of Greed	Mr. A posits that the root of Greed originates from individual factors ("the person" / "individual intent and character"), which subsequently corrupts the organizational culture or system.
Greed as Organizational DNA	He identifies the manifestation of Greed in: - Pillar I: Structural Failure (The authority of the superior/owner overrides formal procedures). - Pillar II: Centralized Decision-Making (Refusal to make reporting adjustments due to fear of "lower profit").
AUDITOR STRATEGY	
Strategy of Objectivity & Escalation	Mr. A utilizes Materiality as the ultimate, objective standard and final arbiter. If a disagreement is material, the ultimate strategy is escalation through the issuance of a relevant audit opinion (Qualified Opinion or Disclaimer of Opinion).
Message for Junior Auditors	He stresses the importance of continuous learning and expanding insights through professional training (PPL from IAPI/IAI) and seeking guidance from seniors in the field.

***Table 2** / Results of Interview Analysis with Mr B*

HUSSERL'S PHENOMENOLOGICAL CONCEPTS (COGNITIVE PROCESS)	
Noema	The phenomenon perceived by Mr. B is the client's resistance, manifested through: 1) Recurring delays/withholding of data with repeated excuses; 2) A defensive or "sensitive" attitude when questioned; 3) Attempts to disguise misstatements as a "difference in perception."
Noesis	Mr. B reflects that the motive behind client resistance is not always manipulative, but is often driven by fear (shame, fear of being blamed by superiors, stress over targets) or a lack of understanding regarding the data requested.
Epoché	Mr. B consciously applies *Epoché* by suspending initial judgment based solely on intuition or subjective feeling. This action is crucial to ensure his audit decisions are objectively grounded in evidence verification.
Bracketing	Mr. B implements Bracketing by separating personal feelings from factual data. This ensures that his audit decisions are based on objectivity and verification, rather than emotion or conjecture.
Intentionality	Mr. B deliberately directs his focus toward interpreting non-verbal signals—such as gestures, facial expressions, and signs of evasion. He also intentionally moderates his responses to client resistance, grounding his actions in the principles of PSAK (Indonesian Accounting Standards).
Eidetic Reduction	This reflective process leads Mr. B to recognize that the fundamental essence (eidos) of auditing lies in upholding integrity amid uncertainty. This core principle requires the auditor to function as an impartial judge, relying strictly on evidence rather than emotion or personal impression.
SCHUTZ'S PHENOMENOLOGICAL CONCEPTS (SOCIAL CONSTRUCTION)	
Lifeworld	Mr. B's professional Lifeworld is marked by a deep Moral Dilemma, characterized by the tension between the demand for Integrity and the necessity of maintaining the Client Relationship (as the client is a crucial asset to the Public Accounting Firm).
Stock of Knowledge	Previous audit experience has been Sedimented, which helps Mr. B to "read client patterns" more quickly, knowing when to be patient and when to be firm.
Typification	Mr. B performs Communication Typification by categorizing clients based on their responses (open, sensitive, defensive). This typification serves as a social navigation mechanism to handle interactional ambiguity.
Intersubjectivity	Mr. B uses PSAK and Empirical Evidence as the basis for Intersubjectivity (social objectivity). This standard is a universal tool for validating findings and addressing client refusal.
REFLECTION ON GREED DNA	
Roots of Greed	Mr. B reflects that Organizational Greed DNA is rooted in excessive, socio-structural fear (fear of losing competitiveness, fear of poor corporate image), rather than merely individual avarice.
Greed as Organizational DNA	He identifies the manifestation of Greed in: - Pillar II: Centralized Decision-Making (e.g., management forcing asset recognition for a favorable image). - - Pillar III: Defective Motivation (e.g., operational staff committing minor manipulations like adjusting invoice dates for bonuses/incentives).
AUDITOR STRATEGY	
Strategy of Objectivity & Escalation	He uses PSAK and Evidence as the basis for firm yet polite counterarguments. The escalation strategy is measured: if data withholding recurs, Mr. B signals the partner to "evaluate our communication approach to the client." He also consciously employs a non-reactive approach and attempts to understand the client's psychological motives (fear) to elicit more authentic information.
Message for Junior Auditors	Mr. B emphasizes the importance of Integrity as the auditor's main asset. He specifically suggests the necessity of having a Mentor/Senior as a role model to navigate the complexities of morality ("the audit world is highly ambiguous").

***Table 3** / Results of Interview Analysis with Mr C*

HUSSERL'S PHENOMENOLOGICAL CONCEPTS (COGNITIVE PROCESS)	
Noema	Mrs. C's focus extends beyond simply identifying numerical errors (noema). She actively strives to understand the human factors, underlying motivations, and on-the-ground realities that shape the financial data.
Noesis	Mrs. C reflects that true professionalism demands a holistic understanding. She not only identifies errors (Noema) but also endeavors to comprehend the human conditions, motivations, and field situations that influence the reported figures.
Epoché	Mrs. C practices epoché by consciously suspending the influence of her immediate emotional reactions, such as frustration or annoyance, when faced with client excuses or justifications. This allows her to maintain professional objectivity.
Bracketing	She implements Conceptual Bracketing by separating logic (factual evidence) from conscience (empathy/ethics). She ensures that decisions must be grounded in fact, while consistently maintaining ethical sensitivity.
Intentionality	Mrs. C's consciousness is consciously (intentionally) directed towards the pursuit of moral and factual equilibrium. She views the auditing profession as a means of understanding the world, necessitating a balance between firmness (for integrity) and patience (for contextual understanding).
Eidetic Reduction	This process is achieved when Mrs. C concludes that the essence (*eidos*) of being an auditor is the search for balance between strict logic and conscience. This equilibrium becomes the core principle that she staunchly upholds amidst external pressures.
SCHUTZ'S PHENOMENOLOGICAL CONCEPTS (SOCIAL CONSTRUCTION)	
Lifeworld	Mrs. C's professional Lifeworld is defined as a negotiating space constantly seeking ethical and factual equilibrium. Her social reality is an arena where logical rigor must be supported by conscience, rejecting the client's lifeworld dominated by external stress.
Stock of Knowledge	Mrs. C observes that a lack of ethical role models in leadership has prevented the development of a strong ethical foundation within the client's corporate culture. This points to an understanding that ethical standards must be cultivated and demonstrated from top management downward for them to take root organizationally.
Typification	Mrs. C engages in moral typification when navigating audit scenarios. She classifies the appropriate professional response, distinguishing situations that call for firmness to uphold integrity from those that require patience to exercise contextual empathy. This framework guides her actions according to the specific moral demands of each situation.
Intersubjectivity	Mrs. C establishes facts as the absolute foundation for Intersubjectivity (social objectivity). While empathy is permitted, she asserts that the auditor must not "evade existing facts," as facts constitute the mutually recognized truth.
REFLECTION ON GREED DNA	
Roots of Greed	Mrs. C maintains that greed can be altered, but it must originate from leadership that serves as a role model for subordinates, thereby focusing on the roots of organizational culture and leadership.
Greed as Organizational DNA	She identifies that the lack of ethical role models from management results in: - Pillar I: Structural Failure (Formal rules are insufficient without ethical commitment). - Pillar IV: Gatekeeping Information (The system of formal ethics/rules is not fully enforced, which facilitates the filtering and concealment of data and information
AUDITOR STRATEGY	
Strategy of Objectivity & Escalation	The primary strategy is balancing logic and conscience. Mrs. C adopts firmness for integrity and patience for comprehension, using empathy to understand motives but always returning to facts as the external boundary. She emphasizes that professionality involves balancing logic and conscience under immense external pressure.
Message for Junior Auditors	Mrs. C advises Junior Auditors to not only focus on numbers but also to understand the people and situations behind those figures. The key message is to adhere firmly to principle and integrity, as these factors determine one's professional reputation.

LIST OF FIGURE

1. Four Building Blocks of Organisational DNA 141
2. Research Methodology Flow Chart 142

Figure 1 */ Four Building Blocks of Organisational DNA*

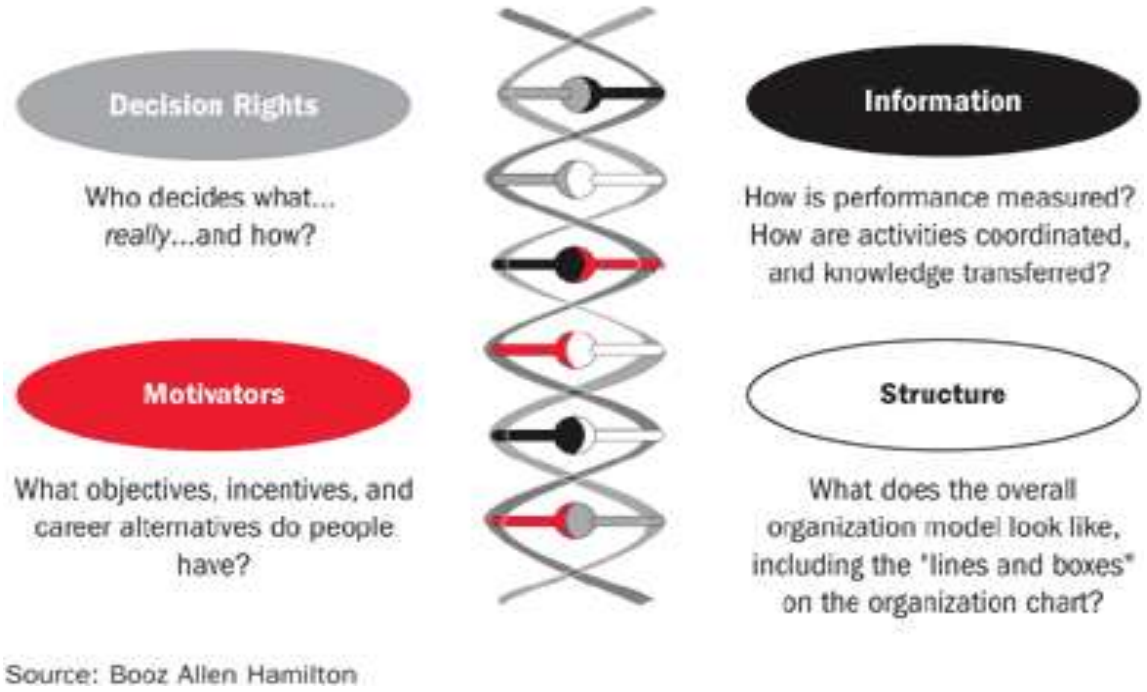


***Figure 2** / Research Methodology Flow Chart*

