

Analysis of factors that affect internal whistle-blowing intentions

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ABSTRACT

This research aimed to find out more information and empirical evidence on the effect of managerial status, organizational commitment, locus of control, and personal cost on internal whistle-blowing intentions among the employees of Regional Government Work Unit (Satuan Kerja Perangkat Daerah/ SKPD) in Surabaya. This research used 57 employees of SKPD Surabaya as the respondents. The sample was taken using a quota sampling method. This is a quantitative research in which the data were analyzed using multiple regression analysis with SPSS 23. The results shows that the variables of managerial status, locus of control, and personal cost have no effect on internal whistle-blowing intention, while the variable of organizational commitment has an effect on it.

ABSTRAK

Penelitian ini bertujuan untuk mengetahui informasi lebih lanjut dan bukti empiris tentang pengaruh status manajerial, komitmen organisasi, locus of control, dan personal costs terhadap intensi untuk melakukan internal whistle-blowing pada karyawan Satuan Kerja Perangkat Daerah (SKPD) di Surabaya. Penelitian ini menggunakan 57 karyawan SKPD Surabaya sebagai responden. Sampel diambil dengan menggunakan metode kuota sampling. Penelitian kuantitatif ini menggunakan data yang dianalisis menggunakan analisis regresi berganda dengan SPSS 23. Hasil penelitian ini menunjukkan bahwa variabel status manajerial, locus of control, dan personal costs tidak berpengaruh terhadap intensi untuk melakukan internal whistle-blowing, sedangkan variabel komitmen organisasi berpengaruh terhadap intensi untuk melakukan internal whistle-blowing.

1. INTRODUCTION

Fraud is recognized as a serious economic problem (UN, 2003) because it has incurred enormous losses. One of the efforts to avoid fraud is through whistle-blowing. The issue of whistle-blowing has been popular since the disclosure of the Enron case involving Arthur Andersen Accounting Firm. At that time, Enron manipulated its financial statements in order that they could make their performance look good and make the investors interested in investing their money in it. Enron manipulated its financial statements by presenting their revenues of \$ 600 million, whereas their actual income was less than \$ 600 million. The case made Enron's internal auditors unable to report large-scale financial report manipulations that occurred at Enron.

They did not report the incident was because they thought that it would endanger their careers and threaten their safety (Sulisutomo, 2012). However, one of Enron's executives, Sherron Watskin, even made a different decision. He could not bear to see the impact caused by the massive manipulation of financial statements and finally reported the fraud. Sherron Watskin became a whistleblower by filing complaints about the manipulation of financial statements to Enron Director, Kenneth Lay, through a letter written directly by Sherron Watskin. Watskin's courage as a whistleblower finally made everything open (Kreshastuti, 2014).

Another interesting phenomenon to be discussed in this study was the disclosure of audit findings by the Audit Board of the

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Republic of Indonesia (Indonesia: Badan Pemeriksa Keuangan/ BPK) on one of the "X" departments in Surabaya city Government at the beginning of 2017. The first BPK's audit finding was related to the existence of unclear funds reported by the Ruler of the Budget Users of "X" Department. The unclear fund was that the budget in and out received had the same nominal as the financial report, but when the BPK requested the supporting note of expenditure, the "X" Department could not provide the evidence requested by the BPK. Conversely, when the "X" Department provided supporting evidence of its expenditure, the BPK found a difference in nominal value between the budget received and the financial statements made. This case involved an internal party of the "X" Department in Surabaya City Government.

Another audit finding by BPK in "X" Department was the existence of fraud committed by the recipient of the grant personally and the recipient of the grant involving the party in the "X" Department. The case began when the "X" Department gave a grant to the recipient of the grant, whereby the grant recipient had to return the grant provided to the "X" Department. The return of the grant was given in the form of accountability. However, fraud occurred when the recipient of the grant could not provide accountability to the "X" Department at a predetermined time. The "X" Department could not provide authentic evidence to the Audit Board (BPK) that the "X" Department had provided funds to grantees.

Issues regarding whistle-blowing have been a global concern over the past few decades. Therefore, it has been increasingly prominent because it plays a major role in resolving fraud cases that occur in the government and the private sector. The rise of corruption cases and fraudulent practices that have been exposed to the public so far has attracted great attention because several fraud cases were finally revealed do to the active role of whistleblowers. The results of research conducted from 1996 to 2014 also showed that 18.3% of fraud cases committed by companies in the United States were detected and reported by employees. The results of another analysis conducted by KPMG in 2007 in various organizations in Europe, Central Asia, and Africa showed that 25% of violations were reported by employees. The results of a survey conducted by the Association of Certified Fraud Examiners in

2010 stated that whistle-blowing is the most common method of detecting fraud.

Whistle-blowing is a complex process that relies on the courage of individuals or groups to play a role as a whistleblower. Without a whistleblower, the system will not function and various violations and fraud occurring that have occurred are only kept in the mind, which in turn can degrade the heart and mind, harming various parties. Therefore, for the monitoring mechanism to run more optimally, the whistle-blowing system must be enhanced and supported by individuals. They should voluntarily want to become whistleblowers with the aim to reveal various violations and fraud that occur in the workplace.

Whistle-blowing is also expected to be used as a way to disclose accounting violations in order to restore public trust. It is a way to reveal cases of accounting violations such as those carried out by Enron and the Bakrie Group. Whistle-blowing is expected to be the first step to correct fraud that occurs in an organization or company.

The implementation of a whistle-blowing system is a commitment to transparency and accountability of company management in order to build business trust with partners and stakeholders. Complaints from whistleblowers have proven to be more effective in uncovering fraud than other methods such as internal audits, internal controls, and external audits. This makes whistle-blowing as part of the company's control mechanism that is built and developed using certain software that can be delivered through the website, e-mail and letters addressed to the company by maintaining the confidentiality of those who report existing violation.

Based on the problem formulation above, this study tries to find out and develop the results of previous research and re-examine the influence of managerial status, organizational commitment, locus of control, and personal costs on internal whistle-blowing intentions.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

Whistle-blowing can be defined as the disclosure made by both the members and former members of the organization on illegal acts, immoral acts and illegal practices to someone or organization that is authorized to handle it (Near and Miceli, 1985). A whistleblower is different from an eye-witness. A whistleblower is someone who reports an act

of violation. He perhaps does not see and hear the violation himself, but he has evidence, both in the form of letters, recordings, and pictures showing violations. Unlike the whistleblower, a witness is someone who sees, hears and even experiences the acts of violations committed by the reported party and is willing to give his statement before a court hearing.

Whistle-blowing consists of internal whistle-blowing and external whistle-blowing (Keraf, 2000: 32). Internal whistle-blowing occurs when an employee of an organization knows of fraud committed by another employee or his division head, and then he reports the fraud to a higher leader. Whereas an external whistle-blowing occurs when a worker knows of fraud committed by his company, then divulging it to the public, because he knows that the fraud can harm the community.

A whistleblower will face a big risk, especially when the one he reported is the management. A feeling of being afraid and worried will arise in a whistleblower because basically management has a high position in an organization. This makes a whistleblower abandon his intention to make complaint, although it does not rule out the possibility of a positive response that can actually benefit the whistleblower.

Status is a position or post that is defined as something that is given to groups or group members by other people and inherent in society. Status is one of the important factors for understanding human behavior because status is a significant motivator (Robbins and Judge, 2007: 103). The word "managerial" is essentially closely related to management and managers (Partanto, 1994: 434).

Managers consist of three levels: top-level managers, middle-level managers, and first-level managers (Lubis, 2010: 57). Top-level managers or top managers determine the work climate and work culture for managers and staff in an organization. Top managers are described as individuals who play various roles to be able to bring the organization to achieve its goals. In addition, top managers also manage organizational relations with their external environment. Top managers also have more authority and power than other managers. Middle-level managers are also described as individuals who play various roles, but their roles differ from top managers. Middle-level managers are intermediaries between top managers and first-level managers. Middle-level managers must

implement policies made by top managers effectively, even when faced with pressure (Keenan, 2002). The first-level managers are individuals who direct the employees directly. First-level managers manage the work of non-managerial individuals involved in the creation of organizational products (Lubis, 2010: 58).

Organizational commitment is defined as an employee dedication to his or her work and organization. Commitment held by individual represents employee feelings and behavioral tendencies towards his or her organization (Jex and Britt, 2014: 84). Organizational commitment is described as the employee's willingness to expend his or her energy and loyalty to the organization (Kanter, 1986). Organizational commitment is the relative strength of each individual or employee in identifying and engaging in parts of the organization (Mowday, et al, 1979). Some experts argue that organizational commitment is the degree to which an employee identifies himself with an organization and wants to continue to actively participate in the organization (Newstrom, 2007) in (Han, et al, 2012).

Locus of control is a bipolar dimension in individuals, in which it has two opposing sides (Rotter, 1996). Locus of control is defined as a reward or outcome that is controlled by the actions of individual or by other forces. Locus of control is one of the important characteristics that explain the behavior of individuals in the organization.

Locus of control has two dimensions: internal locus of control and external locus of control (Rotter, 1996). Internal locus of control views success (reward) or gratification which is generally recognized by humans as a result of what they have done, such as knowledge and effort. Someone who has internal locus of control tends to make greater efforts to control his environment. Someone who has an internal locus of control has the ability and effort that is more dominant and more responsible for the consequences of actions he has taken as a step to control unapproved activities (Septianti, 2013). External locus of control explains the different things. The factor that determines results and gratifications is not only the individual actions, but also external factors that cannot be controlled, such as fate, opportunity, luck, and other things that cannot be predicted. People who have external locus of control tend to be passive to their environment.

Retaliation against a whistleblower represents the outcome of a conflict controlling

employees by threatening to do or already taking actions that harm the employees, in response to reporting violations, both through external and internal channels (Rehg, et al, 2008). Personal costs are similar to revenge and occur because of the motivation for revenge.

Personal cost of reporting is the employee's view of the risk of retaliation or revenge by organizational members that can reduce employee interest in reporting violations (Schultz, et al, 1993). Members of the organization concerned can come from management, superiors or colleagues.

Some retaliation can occur in intangible forms, for example unbalanced performance appraisals, barriers to salary increases, termination of employment contracts, or transfer to unwanted positions (Curtis, 2006). Other retaliatory actions may include steps taken by the organization to weaken the complaints process, isolate the whistleblower, isolate in the meeting, eliminate additional income, discriminate, etc. (Bagustianto and Nurkholis, 2015).

The Effect of Managerial Status on Internal Whistle-blowing Intention

Managerial status is the position or post of an individual in his or her surrounding community. The position of individual in an organization shows the power and authority that the individual has. Managerial status describes the extent to which individual can reduce the level of fraud depending on his or her level of power (Ahmad, 2011).

Whistle-blowing represents an influence of the power possessed by a member of the organization towards other members of the organization (Near and Miceli, 1985). The manager acknowledges that the whistleblower can help the organization correct products or unsafe working conditions, Graham (1984) in (Keenan, 2002). The whistleblowers that have power or high position in the organization, such as internal auditors, will have high credibility than those who do not.

Research conducted by Giovani (2016) found that managers with a higher level have positive perceptions of whistle-blowing and are more likely to do whistle-blowing for various violations. Differences in individual managerial status in organizations are expected to influence individual perceptions of violations and whistle-blowing. Employees with higher positions are expected to be able to respond violations by conducting whistle-

blowing (Septianti, 2013). Based on this explanation, the hypothesis is:

H1: *Managerial status has an effect on internal whistle-blowing intention.*

The Effect of Organizational Commitment on Internal Whistle-blowing Intention

Organizational commitment is the understanding that an organization is an entity that is related to whistle-blowing. Organizational commitment reflects the level of loyalty and feelings that members have towards their organization. High organizational commitment shows that individuals really want to be involved in advancing their organization.

For individuals who have high organizational commitment, organizational achievement is important (Septianti, 2013). Employees with high organizational commitment will try to align personal goals with organizational goals (Septianti, 2013). Individuals with high organizational commitment have high loyalty, one of which is characterized by whistle-blowing for the future of the organization.

A research conducted by Sri (2017), Giovani (2016), Luh (2016), Rizki and Nurkholis (2015) and Ahmad, et al (2011) showed that employees with high organizational commitment within themselves would have a high sense of belonging to the organization. By doing so, they will not hesitate to do a whistle-blowing because they believe that the action will protect the organization from destruction. Individuals who have high organizational commitment are expected to have the potential to become whistleblowers. Based on this explanation, the hypothesis is:

H2: *Organizational commitment has an effect on internal whistle-blowing intention*

The Effect of Locus of Control on Internal Whistle-blowing Intention

Locus of control describes the extent to which a person perceives the relationship between the action he does and the result or outcome. Locus of control is a concept that refers to individual beliefs about the source of control of events that occur in his life.

Locus of control consists of internal side and external side. Individuals who have dominant internal locus of control are potential to become whistleblowers, because they are more responsible and try to control what happens around them. They believe that everything obtained by someone is the result of the work and effort he has done.

The research conducted by Giovani (2016) showed that internal locus of control moderates the effect of ethical considerations on whistle-blowing intentions. Individuals with internal locus of control have the potential to become whistleblowers because they will try to control the situation around them. Based on the above explanation, the hypothesis is:

H3: *Locus of control has an effect on internal whistle-blowing intention*

The Effect of Personal Cost on Internal Whistle-blowing Intention

Personal cost from reporting is defined as employees' views of risks from retaliation from employees (members of the organization) that can reduce the intention to report any violations. Basically, the assessment of personal cost between one employee and another employee can be different, depending on the factors that influence it (Rizki and Nurkholis, 2015). Personal cost can be based on subjective judgment, which means that the perceptions of personal cost between members of the organization are different (Curtis, 2006). Retaliation or personal cost affects individuals to carry out whistle-blowing actions, with consideration of reporting channels, violator status, and power possessed by the reporter (Rehg, et al, 2008).

Research conducted by Taufiq (2017) and Giovani (2016) showed that individuals who have the ability to influence others and have strong positions and authority tend to view that personal costs arising from whistle-blowing behavior are relatively low, so that individuals will be involved in whistle-blowing behavior. The intention of members to do whistleblowing is stronger when perceptions of personal costs are low. Based on this explanation, the hypothesis is:

H4: *Personal cost has an effect on internal whistle-blowing intention*

Based on the relationship between the independent variables and the dependent variable explained above, a framework can be drawn as showing the effect of managerial status, organizational commitment, locus of control, and personal cost on internal whistle-blowing intention as in Figure 1.

3. RESEARCH METHOD

The researchers used all employees of the Regional Government Work Unit (SKPD) of Surabaya City Government in the Jimerto region as the population. This was done because the Regional Government Work Unit (SKPD) employees of the Surabaya City Government in Jimerto region are very likely to directly face violations and irregularities that occur in Surabaya City Government. In addition, all employees of the Regional Government Work Unit (SKPD) of Surabaya City Government in Jimerto region are perceived as having equal potential in facing an ethical dilemma to become a whistleblower and conduct internal whistle-blowing.

The sample was taken using a quota sampling. Quota sampling technique is a technique to determine the sample of population that has certain characteristics until the desired number (quota) is met (Sugiyono, 2009: 71). Quota sampling is chosen in this sampling technique because the object consists of more than one Regional Government Work Unit (SKPD), so that each SKPD will get the same number of questionnaires, and no SKPD obtains too many or too few questionnaires. This is expected to make the distribution of questionnaires to SKPD employees of the Surabaya City Government spread evenly and the results of the research will more effective.

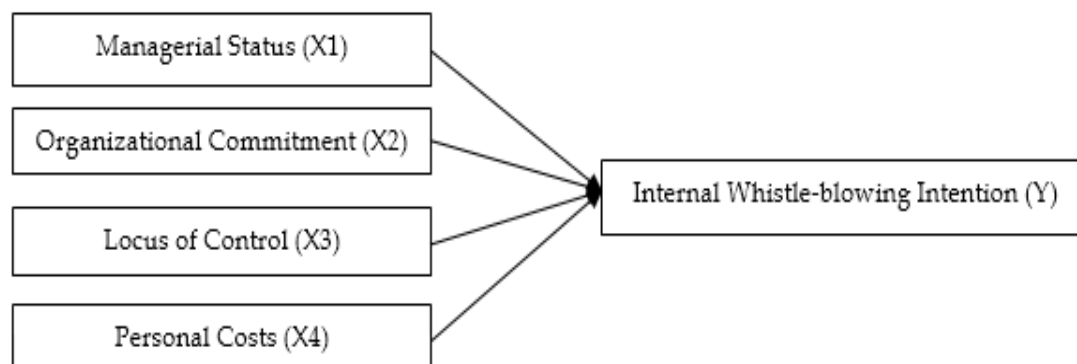


Figure 1
Framework

This study used primary data which were collected by the researchers, consisting of one's opinion, both individually and in groups, related to the results of observations of an event through testing. In addition, the research variables are the dependent variable (internal whistle-blowing intention) and the independent variables (managerial status, organizational commitment, locus of control, and personal cost).

Whistle-blowing is the disclosure, by members or former members, of illegal act, immoral act and illegitimate practices to someone or organization that is authorized to be followed up (Near and Miceli, 1985). Illegal act is a crime or illegal practices and can be punished according to the Act. Immoral act is an action which, according to the whistleblower, is perceived as violating the rules. While illegitimate practices are actions that are outside the authority of the organization or actions unknown to the leadership of the organization.

The assessment of internal whistle-blowing intention was done using four brief scenarios faced by individuals to bring up the internal whistle-blowing intention which refer to research conducted by Giovani (2016). Respondents are asked to respond to the four statements provided.

These four statements are presented in sequence. Each statement presented uses a four-point Likert scale that shows the level of respondents' agreement with each statement. Point 1 shows "Very Impossible" while point 4 shows "Very Possible". Managerial status describes individual positions or posts in an organizational hierarchy. Managerial status used in this study is managerial status according to the functional position of employees at the Regional Government Work Unit (SKPD) of the Surabaya City Government.

Civil Servants in the Regional Government Work Unit (SKPD) of the Surabaya City Government consist of four sub-sections: secretaries, division head, section heads, and staff. Managerial status in this study is measured by value. The value of secretary is four (4), the value of department head is three (3), the value of section head is two (2), and the value of staff is one (1). Organizational commitment explains the level of involvement of individuals in an organization. Organizational commitment shows the level of loyalty, intense feelings, and willingness of employees towards the organization. An employee's organizational

commitment can be seen from the attitudes and behavior of the employee in the organization. The assessment of organizational commitment in this study is done using commitment scale which refers to research conducted by Giovani (2016). Respondents are asked to respond to the ten statements provided.

The ten statements are presented in sequence. Each statement presented uses a four-point Likert scale that shows the level of respondents' agreement with each statement. Point 1 shows "Strongly Disagree" while point 4 shows "Strongly Agree".

Locus of control is the extent to which individuals perceive the contingency relationship between the action and the results they get. There are two kinds of locus of control: internal and external. Individuals who have internal locus of control believe that what they get is the result of their hard work, while individuals who have external locus of control predominantly believe that what they get is the result of luck, fate and other things that cannot be controlled. The assessment of locus of control in this study is conducted using a work locus of control scale (WLCS) which refers to research conducted by Giovani (2016). Respondents are asked to respond to the twelve statements provided.

The twelve statements are presented in sequence. Each statement presented uses a four-point Likert scale that shows the level of respondents' agreement with each statement. Point 1 shows "Strongly Disagree" while point 4 shows "Strongly Agree".

Personal costs can be interpreted as the view of employees (whistleblowers) for acts of retaliation or revenge actions carried out by management and coworkers that can reduce the intention of employees to report violations. The level of possibility of personal costs or the risk of reporting makes the individual experience a dilemma between whistle-blowing or not. The consequences that might arise are the relationships with co-workers become tenuous, defamation, obstacles to promotion, and transfer to an unwanted position. The personal cost assessment in this study is done using four brief scenarios faced by individuals in carrying out internal whistle-blowing which refer to research conducted by Giovani (2016). Respondents are asked to respond to the four statements provided.

The four statements are presented in sequence. Each statement presented uses a four-point Likert scale that shows the level of

respondents' agreement with each statement. Point 1 shows "Very Impossible" while point 4 shows "Very Possible".

The researchers used validity and reliability test techniques to process numbers or data that have been obtained from questionnaires. Besides that, the researchers also used a classic assumption tests consisting of normality test, heteroscedasticity test and multicollinearity test, regression model test, and hypothesis test consisting of F-test, t-test, and coefficient of determination test.

4. DATA ANALYSIS AND DISCUSSION

The classical assumption test is used to test whether in a regression model the independent variables and the dependent variable or both have a normal distribution or not. In addition, the classical assumption test is used to test whether there is a correlation between independent variables in the regression model. The classical assumption test results in this study are as in Appendix 1.

Based on Appendix 1, the results of the Kolmogorov Smirnov test show that the value of Asymp. Sig. (2-tailed) is $0.200 > 0.05$ so it can be concluded that the value of the data is significant, which means that the data in this study are normally distributed.

The results of the calculation of tolerance values in Appendix 2 show that there is no value of the independent variable which has a tolerance value of less than 0.1, which means there is no correlation between the independent variables. The results of the calculation of the Variance Inflation Factor (VIF) value also show the same results, in which each independent variable has VIF value of 1. So there are no independent variables that have a VIF value of more than 10. If the VIF value is < 10 , it can be concluded that there is no symptom of multicollinearity in the data.

Appendix 3, also shows that the sig. value of each variable is greater than 0.05. This means that in this regression model there is no symptom of heteroscedasticity in the variables of managerial status, organizational commitment, locus of control, and personal cost, so it can be concluded that the regression model in this study is feasible to predict the internal whistle-blowing intention based on the variables that influence it.

The Effect of Managerial Status on Internal Whistle-Blowing Intention

In the hypothesis it is stated that the higher

the managerial status of the employees of Regional Government Work Unit (SKPD) of the Surabaya City Government, the higher the internal whistle-blowing intention. However, the results of the regression analysis fail to show the effect of managerial status on internal whistle-blowing intention. This could happen because the power possessed by respondents with high managerial status is limited to internal staff only who are under their control, so whistleblowers who have high managerial status are more interested in reporting violations if the wrongdoer is under their control. Likewise, whistleblowers with lower managerial status will not have the courage to report any violations because they feel that they do not have enough power to support their interest in reporting violations (Puni, et al, 2016).

Managerial status has no effect on internal whistle-blowing intention. The positions of respondents in the Regional Government Work Unit (SKPD) of the Surabaya City Government, such as secretaries, division heads, section heads and staff, do not affect the intention of the employees of the Regional Government Work Unit of the Surabaya City to report violations. Managerial status also cannot describe the power and authority possessed by individuals by showing the extent to which the individuals can reduce the level of fraud depending on the level of power (Ahmad, et al, 2013). Differences in individual managerial status in organizations do not affect individual perceptions of violations and whistleblowing (Puni, et al, 2016).

Table 1
The Results of t Statistical Test of Managerial Status

The Effect between Variables	T	Sig.	Conclusion
Managerial Status - Internal Whistle-blowing Intention	0.409	0.684	No effect

Source: Processed SPSS data

Based on the results in Table 1, it can be concluded that the variable of managerial status has no effect on internal whistle-blowing intention. This can be seen from the sig. value of $0.684 > 0.05$ and t count value $< t$ table value ($0.190 < 2.007$).

Based on the sig. value and the value of regression coefficients to see the effect of managerial status, it can be concluded that the

variable of managerial status has no effect on internal whistle-blowing intention. This shows that hypothesis 1, which states that managerial status has an effect on internal whistle-blowing intention, is not accepted.

The Effect of Organizational Commitment on Internal Whistle-blowing Intention

The employees of the Regional Government Work Unit (SKPD) of the Surabaya City Government who want to do more than they should do for the success of the Surabaya City Government are proven to increase their internal whistle-blowing intention. They see that both less serious and very serious wrongdoing can hinder the progress and success of the organization. And if it is not reported or disclosed, it can reduce organizational performance. Therefore, SKPD employees of the Surabaya City Government chose to do more than they should do by conducting internal whistle-blowing (Jex and Britt, 2014: 84).

The nature of the SKPD employees of the Surabaya City Government that appreciates or praises the Surabaya City Government in the presence of their colleagues can increase the internal whistle-blowing intention. The SKPD employees of the Surabaya City Government state that Surabaya City Government is a great place to work. The one of the form of appreciation of Surabaya City Government SKPD employees towards Surabaya City Government is by conducting internal whistle-blowing. The SKPD employees of the Surabaya City Government believe that the Surabaya City Government is a good place to work because of the participation of the people in it. One form of participation is by conducting internal whistle-blowing. The violation case reported will be followed up and resolved according to the existing regulations, and the wrongdoer will get sanctions in accordance with applicable regulations.

The internal whistle-blowing intention will increase when the value of the Surabaya City Government and the value inherent in the SKPD employees of the Surabaya City Government are the same. The value of the Surabaya City Government does not occur instantly, but through the process and requires a long time. The value of the Surabaya City Government can be seen from the regulations that apply to the Surabaya City Government. These regulations form a habit and culture. These habits and culture create a value. These

regulations will slowly become the culture and values inherent in the SKPD employees of the Surabaya City Government, so that SKPD employees of the Surabaya City Government have the potential to become whistleblowers.

Table 2
The Results of t Statistical Test of Organizational Commitment

The Effect between Variables	T	Sig.	Conclusion
Organizational Commitment – Internal Whistle-blowing Intention	4.445	0.000	Has an effect

Source: Processed SPSS data

Based on the results in table 2, it can be concluded that the variable of organizational commitment has an influence on internal whistle-blowing intention. This can be seen from sig. value of $0,000 < 0.05$ and t count value $< t$ table value ($4,445 > 2,007$).

Based on the sig. value and the value of regression coefficients to see the effect of organizational commitment, it can be concluded that the variable of organizational commitment has an effect of internal whistle-blowing intention. This shows that the hypothesis 2 which states that organizational commitment has an effect on internal whistle-blowing intention is accepted.

The Effect of Locus of Control on Internal Whistle-blowing Intention

High and low connections will not affect the intention to do internal whistle-blowing. The presence or absence of a connection is not a factor in triggering intention to do internal whistle-blowing. Connection is only limited to being a factor for determining the desired job position and influencing income earned (Ahmad, et al, 2011).

SKPD employees of Surabaya City Government carry out their duties in accordance with the applicable code of ethics which states that SKPD employees of the Surabaya City Government must report suspected violations and violations that occur, regardless of any factors. So that even though the SKPD employees of the Surabaya City Government have important or high connections, it will not have any impact on the interest of SKPD employees of the Surabaya City Government in conducting internal whistle-blowing.

The confidence of SKPD employees of the Surabaya City Government regarding

promotions obtained is a matter of fate and does not give an influence on interest in reporting violations. Even though the SKPD employees of the Surabaya City Government have the potential to get higher position easily, they ignore the fact that there will be many benefits they can get by increasing their positions. And this does not affect the intention of the SKPD employees in conducting internal whistle-blowing.

Table 3
Results of t Statistical Test of
Locus of Control

The Effect between Variables	T	Sig.	Conclusion
Locus of control – Internal Whistle-blowing Intention	-0.943	0.350	No effect

Source: Processed SPSS data

Based on the results in Table 3, it can be seen that the variable of locus of control does not affect the internal whistle-blowing intention. This can be seen from the sig. value of $0.350 > 0.05$ and t count value $< t$ table value ($-0.943 < 2.007$).

Based on the sig. value and the value of regression coefficients to see the effect of locus of control, it can be concluded that the variable of locus of control does not affect the internal whistle-blowing intention. This shows that hypothesis 3 which states that locus of control has an effect on internal whistle-blowing intention is not accepted.

The Effect of Personal Cost on Internal Whistle-blowing Intention

The intention to report violations is higher when personal cost is low (Giovani and Yustrida, 2016). This means that the lower the personal cost, the greater the intention of Surabaya City SKPD employees to conduct internal whistle-blowing. However, personal cost does not affect the internal whistle-blowing intention. This might be due to differences in perceptions of SKPD employees of Surabaya City Government as potential whistleblowers that the impacts of physical, economical, and psychological losses influence ethical decision making.

The intention of SKPD employees of the Surabaya City Government to report violations is lower because the high level of personal costs causes potential whistleblowers to be better off because they consider the retaliation from people in the organization who oppose

reporting actions. SKPD employees of the Surabaya City Government feel that internal whistle-blowing is needed, but they cannot do so because of the large risk or retaliation that will be borne and the difficulty of finding future employment for the same type of work as the previous type of work, moreover, when the legal guarantee regarding whistle-blowing has not been explicitly set by the parties responsible for this matter. This could also be caused by the SKPD employees of the Surabaya City Government who do not recognize issues related to broader social responsibility related to internal whistle-blowing.

Table 4
Results of t Statistical Test of Personal Cost

The Effect between Variables	T	Sig.	Conclusion
Personal Cost – Internal Whistle-blowing Intention	1.647	0.106	No effect

Source: Processed SPSS data

Based on the results in Table 4, it can be seen that the variable of personal cost does not affect the internal whistle-blowing intention. This can be seen from sig. value of $0.106 > 0.05$ and t count value $< t$ table value ($1.647 < 2.007$).

Based on the sig. value and the value of regression coefficients to see the effect of personal cost, it can be concluded that the variable of personal cost does not affect the internal whistle-blowing intention. This shows that hypothesis 4 which states that personal cost has an effect on internal whistleblowing intention is not accepted.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

The purpose of this study was to find out the effect managerial status, organizational commitment, locus of control, and personal cost on internal whistle-blowing intention of Regional Government Work Unit (SKPD) employees of the Surabaya City Government in the Jimerto area. The sample was taken from 57 SKPD employees of the Surabaya City Government in Jimerto area. The results showed that managerial status, locus of control, and personal cost have no effect on internal whistle-blowing intention, while organizational commitment has an effect on internal whistle-blowing intention.

There are some limitations such as several SKPD employees were not willing to be the respondents in this study. The collection of

questionnaire data coincided with the busy period of SKPD employees of the Surabaya City Government (end of year), and this study was limited to the internal whistle-blowing intention only.

Based on the results of hypothesis testing, conclusions and limitations, it is recommended that for further research, the researchers should use all Regional Government Work Units of Surabaya City Government or Regional Government Work Units outside Surabaya City Government. In addition, further research, the researchers are expected to find adequate time for collecting the questionnaire and focusing the research not only on internal whistle-blowing, but also on external whistle-blowing.

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Appendix 1. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		57
Normal Parameters ^{a, b}	Mean	.0000000
	Std. Deviation	3.27461353
Most Extreme Differences	Absolute	.071
	Positive	.066
	Negative	-.071
Test Statistic		.071
Asymp. Sig. (2-tailed)		.200 ^{c, d}

- a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Source: Processed SPSS data

Appendix 2. Multicollinearity Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	-1.503	5.906		-.255	.800					
Jabatan	.190	.465	.041	.409	.684	-.028	.057	.041	.974	1.027
KO1	.500	.112	.583	4.445	.000	.669	.525	.442	.576	1.735
Locus of Control	-.137	.145	-.100	-.943	.350	.144	-.130	-.094	.880	1.136
Personal Cost	.303	.184	.207	1.647	.106	.537	.223	.164	.630	1.588

a. Dependent Variable: Intensitas Whistleblowing

Source: Processed SPSS data

Appendix 3. Heteroscedasticity Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.844	3.742		1.829	.073
Jabatan	-.238	.295	-.110	-.807	.423
KO1	-.081	.071	-.202	-1.143	.258
Locus of Control	-.031	.092	-.048	-.335	.739
Personal Cost	-.014	.117	-.021	-.122	.904

a. Dependent Variable: ABS_Res

Source: Processed SPSS data

