

The Intention of Whistleblowing: The Effect of Professional Commitments, Organizational Commitments, Legal Protection, Reward, Level of Religiosity, and Moral Intensity of Internal Auditor

(Case Study at Primary Tax Office in Semarang)

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Abstract—The purpose of this research is to analyze the influence of professional commitment, organizational commitment, legal protection, reward, level of religiosity, and moral intensity of internal auditor toward intention to conduct whistleblowing (study at pratama tax service office in Semarang city). The sample was chosen by the saturated sampling method and obtained 20 samples of internal auditors working within the office of pratama city tax service semarang.

Keywords—*Intention to Conduct Whistleblowing; Professional Commitment; Organizational Commitment; Legal Protection; Rewards; Level of Religiosity and Moral Intensity*

I. INTRODUCTION

According to KNKG in the violation reporting system, whistleblowing is the disclosure of unlawful, unethical/immoral acts or other acts that could harm the organization or stakeholders, done by employees or an organizational leader to the other of organizational leaders that can take action on the offense. While someone who does whistleblowing is called a whistleblower or complainant.

Since 2011 the Directorate General of Taxes (DGT) has issued Regulation No. PER 22 / PJ / 2011 on the Obligation of Reporting Violations and Management of Reporting Violations (Whistleblowing) at Directorate General of Taxes and PER-21 / PJ / 2011 on Procedures for Complaint Handling by the Directorate KITSDA which came into effect in 2012. DGT is the first echelon I public institution to actualize the Whistleblowing System not only as a policy, but also as a written rule.

One of the reasons behind the issuance of regulations related to Whistleblowing System in DGT is that there are often cases of crime or fraud committed by the officials of Directorate General of Taxes themselves. It affects the public's trust in the professionalism and ethical behavior of internal tax audit profession. This can be seen from the many cases of corruption or fraud committed by tax actors such as alleged bribery case of taxpayers of PT EK Prima Export Indonesia. Both of them are Head of Sub Directorate of Initial Evidence Directorate of Law Enforcement at Directorate

General of Taxes Ministry of Finance Handang Soekarno and President Director of PT EK Prima Export Indonesia Rajesh Rajamohanam Nair.

The nature of commitment to professionalism is needed for an internal audit, because an internal audit must work objectively and transparently. Professional commitment is one of the decisive factors in a person's decision to report the unethical behavior they find. Professional auditors are expected to have high professional commitment so as to give priority to professionalism and professional ethics [1].

A study on the influence of auditors' professionalism commitment to the intention of doing whistleblowing with the locus of control as a moderating variable [1]. The results of the study stated that professional commitment has no effect on the intention of doing whistleblowing. In research conducted to prove that the professional commitment of accounting students (PPA and Non-PPA) positively influence the perception of the importance of whistleblowing and intention to do whistleblowing [2].

Some studies show that the older and more experienced employees are, the higher their tendency to do whistleblowing. That's because the more experienced a person is, the more committed they are to the organization they work in Brabeck; Sims and Keenan. [3].

Organizational commitment is a combination of attitudes and behaviors involving three attitudes: sense of identification towards the organizational goals, a sense of engagement with organizational tasks and a sense of loyalty to the organization. Organizational commitment is the degree to which employees are engaged in their organization and wish to remain as members, which in it contains an attitude of loyalty and willingness of employees to work optimally for the organization they are working to [4].

Research examined the relationship between organizational commitment and whistleblowing. The results showed no significant relationship between organizational commitment and whistleblowing. It can be concluded the commitment of the organization cannot fully explain the intention to conduct whistleblowing without complementary consideration of the commitment of colleagues [5].

Whistleblowing system is considered very helpful in the performance of the Directorate General of Taxation in terms of preventing the occurrence of criminal acts or other fraud. Thus, the existence of whistleblower is needed in each of the existing taxation agencies in Indonesia. Whistleblower is a very noble act, but behind that glory, whistleblowers must be ready to deal with any risks that will befall them. The destiny of a whistleblower is to face the dangers and threats arising from his conscience to report allegations of corruption or unethical actions within a particular organization. Therefore, the main task of the State is to provide special protection to whistleblowers in Indonesia. Vital legal protection for whistleblowers is anti-retaliation protection or protection against retaliation carried out on reports made by whistleblower [6].

Protection of national law concerning protection against whistleblower, contained in Article 10 paragraph (1) and (2) of Law Number 31 Year 2014 on Protection of Witness and Victim as follows,

"Article 10

- 1) Saksi, Korban, Saksi Pelaku, dan/atau Pelapor tidak dapat dituntut secara hukum, baik pidana maupun perdata atas kesaksian dan/atau laporan yang akan, sedang, atau telah diberikannya, kecuali kesaksian atau laporan tersebut diberikan tidak dengan itikad baik.
- 2) Dalam hal terdapat tuntutan hukum terhadap Saksi Pelaku dan/atau Pelapor atas kesaksian dan/atau laporan yang akan, sedang, atau telah diberikan, tuntutan hukum tersebut wajib ditunda hingga kasus yang ia laporkan atau ia berikan kesaksian telah diputus oleh pengadilan dan memperoleh kekuatan hukum tetap. (Undang-undang Nomor 31 Tahun 2014 tentang perlindungan Saksi dan Korban, Lembaran Negara Republik Indonesia Tahun 2014 Nomor 293).

Article 10 paragraphs (1) and (2) of Law Number 31 Year 2014 on the Protection of Witnesses and Victims is a key article in the protection of law against whistleblower in Indonesia.

Various studies on Whistleblowing have been widely practiced. The following research is a continuation of previous research on the influence of the application of Good Governance and Whistleblowing System to the compliance of individual taxpayers. The result of the research is the implementation of Good Governance has no effect on taxpayer compliance but the application of Whistleblowing System in the DGT has a positive and significant impact on taxpayer compliance.

Research conducted regarding reward to fraudulent financial reporting shows that reward compensation strongly influences a person to open in revealing a fraud. In addition research on rewards is the influence of rewards on employee performance, the results showed that rewards provide motivation for employees to improve their performance. That

is the background of researchers want to test reward compensation to the auditor's intent to conduct whistleblowing [7].

Self-awareness to perform tasks honestly and well in every job of an internal auditor without expecting rewards is needed in a special agency or company in the world of taxation. Self-awareness to do behave well can be influenced by the level of religiosity of each individual. The higher the level of one's understanding of a religion then the higher the self-awareness to behave well.

The level of religiosity will have an impact on the moral intensity of an auditor. The moral intensity that influences one's decision-making process and the degree of varying moral intensity. Moral intensity is multidimensional, and its component parts are the characteristic of moral issues [8].

The theory in this study uses the **Theory of Planned Behavior** (TPB). This theory by adding constructs that do not yet exist in Theory of Reasoned Action (TRA) that is perceived behavioral control. TPB aims to predict and understand the impact of behavioral intentions, identify strategies to change behavior and explain real human behavior. The main factor of an individual's behavior is the individual's intention to display certain behaviors [9].

Furthermore, TPB explains that the individual's intention to behave is influenced by three factors:

1. Attitude Toward the Behavior

Attitude is a tendency to approach or avoid, respond positively or negatively to various social circumstances. Individuals will act according to the attitude he has in response to a behavior. Attitudes toward behavior that is considered positive, will be made an individual choice to guide him in behaving in his life.

2. Subjective Norm

Subjective Norm define subjective norms as individual perceptions of whether people who are important to them will support or not to perform certain behaviors in their lives. Furthermore, subjective norms are also as a perception of social pressure in carrying out certain behaviors. Thus arises the awareness for the individual to be able to overcome the social pressure towards his behavior [9].

3. Perceived Behavioral Control

Behavioral control refers to individual perceptions and their ability to display certain behaviors. Behavioral control is a critical determinant of intentions when one has had previous experience of behavior to be displayed is a foreign or new behavior for a person, behavior control will provide a low predictive control for the intention to behave in the TPB model [9].

The variables of professional commitment present a component of attitudes towards behavior. The power of professional committees will form self-belief that the profession being worked out provides a good thing for the individual. A person with strong professional commitment

tends to always comply with applicable codes of ethics and norms in order to avoid possible future violations that could jeopardize his profession. Thus they can be motivated to protect their profession by reporting ethical violations.

Organizational commitment variables, legal protection and rewards represent the subjective norm component of the theory of planned behavior. In this case the individual will think of a certain behavior very correctly because the actions and behaviors that will be done will affect the others' judgments towards himself. In the context of accountants, other people are companies, communities, countries and organizations under accountant itself, which is the Indonesian Institute of Accountants (IAI) and also colleagues.

The variable of levels of religiosity and moral intensity present a perceptual component of behavior control. An individual cannot completely control the person's behavior or in a particular situation an individual can control others' behaviour. An individual's control over his behavior can be caused by internal and external factors. Internal factors come from within the individual, while external factors are derived from the environment around the individual.

Based on the description above, the authors feel interested to conduct research on the disclosure of intentions to do whistleblowing with various variables that exist: *Professional Commitment, Organizational Commitment, Legal Protection, Reward, Religiosity Level And Moral Intensity of Internal Auditor to Do Whistleblowing* (Case Study on Service Tax Pratama in Semarang City) "

The purpose of this study is to empirically prove the influence of professional commitment, organizational commitment, rewards, level of religiosity, and moral intensity of internal auditors to the intention of doing whistleblowing. The results of this study are expected to improve the intention of internal auditors in reporting or doing the so-called whistleblowing.

II. METHODOLOGY

The method used in this research is quantitative analysis method using Microsoft Excel software and SPSS program (IBM Social Information Statistical Package) version 21. Independent variables in this research are professional commitment, organizational commitment, legal protection, reward, level of religiosity and moral intensity. While the dependent variable in this study is the intention to do whistleblowing.

Measurements in this variable use a five-scale questionnaire (Likert Scale), with 1 (one) point presented "strongly disagree" and 5 (five) points presented (strongly agree). This questionnaire consists of several question items in each variable. Professional commitment consists of 16 (sixteen) question items, organizational commitment consists of 13 (thirteen) question items, rewards consists of 13 (thirteen) question items, level of religiosity consists of 26

(twenty-six) question items, and moral intensity consists of 15 (fifteen) question items.

Multiple Regressions equation which is used is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + e \quad (1)$$

where:

Y = Intention in doing whistleblowing

X₁ = Professional commitment

X₂ = Organizational commitment

X₃ = Legal protection

X₄ = Reward

X₅ = Level of religiosity

X₆ = Moral intensity

a = Constants

b = Regression coefficient

e = Error

III. FINDINGS AND DISCUSSION

The result of model of regression equation will be as follows:

$$Y = -86,173 - 0,444X_1 + 0,276X_2 - 0,239X_3 + 0,386X_4 + 1,001X_5 - 0,692X_6 + \epsilon \quad (2)$$

A. The Influence of Internal Auditor's Professional Commitment to the Intention of Conducting Whistleblowing

H1 hypothesis test results indicate that professional commitment influences the intention to conduct whistleblowing. This shows that the higher level of professional commitment of internal auditors the higher the intention to conduct whistleblowing. These results show that professional commitment has a significant level of 0.046 < 0.05, so it can be said that professional commitment influences the intention of doing whistleblowing, and H1 is acceptable. The results of this test illustrate that internal auditors who have a high professional commitment will develop the intention of doing whistleblowing.

Professional commitment is defined as the preference set by a person to his or her profession, [4]. A person who is professionally committed trust and accept the purpose of the profession and willing to make various efforts to achieve the goal of the profession without being asked beforehand. Because of the love of high professions, internal auditors who work at the Tax Office in Semarang City will reveal the violation that he found. And the intention in revealing the fraud will be higher. This is in line with what is the rule for the internal government auditor. The responsibility of government internal auditors is very high, because they work to advance the State and for the benefit of the wider community. It is also expressed by Sorensen and Sorensen that professional commitment is a form of dedication to

professional profession and career as well as acceptance of professional ethics and organizational goals [10].

The results of this study which states that the level of professional commitment has a significant effect on the intention of reporting (whistleblowing) for criminal acts [10]. Results of the research that professional variables of internal auditor's commitment to the dimension "demands for independence" have a positive effect on the intention of doing whistleblowing [3]. So it can be concluded that this study supports several studies that have been done by previous researchers.

B. The Influence of Internal Auditor's Organizational Commitment to Intention to Conduct Whistleblowing

The value of sig for organizational commitment (X2) is 0.079. The sig value is greater than probability value 0.05, or value $0.079 > 0.05$, then H2 is rejected and H0 is accepted. Variable X2 has t_{count} that is 1.909 with t_{table} 2,160. Thus, $t_{\text{arithmetic}} < t_{\text{table}}$ can be concluded that the variable X2 does not have contribution to Y. The value $t_{\text{arithmetic}}$ positive indicates that the variable X2 has a direct relationship with Y. Therefore, it can be concluded that Organizational Commitment has no significant positive effect on Intense conduct Whistleblowing.

The results of this study indicate that auditors who are committed to the organization do not have a positive relationship with the intention to conduct whistleblowing or report violations.

The Theory of Behavior (TPB) organizational commitment presents the subjective norm component. In this case the subjective norm as the respondent's perception of whether the people who are important to him will support or not to perform certain behaviors in his life. The study illustrates that organizational commitment cannot support the existence of an act or intention to conduct whistleblowing, so that this study cannot investigate the possibility that higher organizational commitment will affect the intention to conduct whistleblowing or report violations.

C. The Effect of Internal Auditor's Legal Protection towards the Intentions Conducting Whistleblowing

The sig value for Legal Protection (X3) is 0.144. The sig value is greater than the probability value 0.05, or the value is $0.144 > 0.05$, then H3 is **rejected** and H0 is accepted. Variable X3 has t_{count} that is 1.555 with t_{table} 2,160. Thus $t_{\text{arithmetic}} < t_{\text{table}}$ can be concluded that the variable X3 has no contribution to Y. The negative t value indicates that X3 has a relationship in opposite direction with Y, so it can be concluded that Legal Protection has no significant effect on Intention to conduct whistleblowing.

Based on the Theory of Planned Behavior (TPB), legal protection presents the subjective norm component. In this

case the individual will think of a certain behavior very carefully because the actions and behaviors to be done will affect the judgment of the others. Define subjective norms as individual perceptions of whether the people or institutions that are important to them will support and protect or not to perform certain behaviors in their lives [9].

This study uses questionnaires as a source of data in digging information from respondents. The questionnaire submitted is guided by Law Number 31 Year 2014 on Witness and Victim Protection of 10 paragraphs 1 and 2. The results obtained indicate the weak protection given to whistleblower and the absence of a special institution to regulate the protection and the need of protection which is specific and strong for whistleblowers in reporting a crime. So it can be concluded with the existing legal protections that show that the level of legal protection can not affect the level of intention to do whistleblowing.

D. The Effect of Internal Auditor's Reward on Intention to Conduct Whistleblowing

Based on the above test results, obtained value of significance on variable Reward of 0.015. The value is significantly smaller than the probability value of 0.05, or the value of $0.015 < 0.05$, then H1 is accepted and H0 is rejected. Variable X4 has $t_{\text{arithmetic}}$ that is 2,785 with $t_{\text{table}} = 2,160$. Thus, $t_{\text{arithmetic}} > t_{\text{table}}$, so it can be concluded that the variable X4 has a contribution to Y. The positive t value of it shows that X4 has a direct relationship with Y, it can be said that professional commitment has a significant positive influence on the intention of doing whistleblowing.

The concept of management explains that reward is one tool to improve employee performance. This method can associate the actions and behaviors of a person with a sense of happiness and usually will make them do a good deed repeatedly. Reward also aims for someone to become more active in attempt to improve the achievements that have been reached.

The results of this research support the research conducted which states that the existence of the reward can support Fraudulent Financial Reporting by employees reduced [6]. The existence of rewards such as bonuses given by superiors to employees, giving the ease of promotion in terms of fighting fraud make the employees motivated in working in accordance with the rules. Thus, it can be concluded that this study can investigate that the higher the reward rate given, the higher the level of intention to do whistleblowing.

E. The Effect of Internal Auditor's Level of Religiosity towards the Intention of Conducting Whistleblowing

Based on the test results in 4:15 above the table obtained value of significance in the Religiosity level variable of 0.000. The value is significantly smaller than the probability value

0.05, or the value $0.000 < 0.05$, then H_1 is accepted and H_0 is rejected. Variable X5 has t_{count} that is 4.452 with $t_{\text{table}} = 2.160$. Thus, $t_{\text{arithmetic}} > t_{\text{table}}$, so it can be concluded that the variable X5 has a contribution to Y. The positive t value of it shows that X5 has a direct relationship with Y, it can be said that the level of religiosity has a significant positive influence on the intention of doing whistleblowing.

It shows that internal auditors have a high degree of religiosity, it can be assumed that internal auditors have a strong belief in things that are dogmatic such as belief in God, bibles, apostles, angels, and qadha and qadhar; have good worship in performing ritual obligations in religion.

The above statement is in accordance with the opinion of religion is the motivation for the individual to perform an act which is considered to have elements of purity and obedience so that the individual will carry out what is commanded in religion and avoid what is forbidden in religion [11]. In this study the variable level of religiosity has a positive influence on the intention of doing whistleblowing.

F. The Effect of Internal Intelligence Auditor's Intensity on the Intention of Conducting Whistleblowing

Based on the test results in 4:15 above the table obtained value of significance or probability of 0.002. Significant value less than probability value 0.05, or value $0.002 < 0.05$, then H_1 is **accepted** and H_0 is rejected. Variable X6 has $t_{\text{arithmetic}}$ that is 3,850 with $t_{\text{table}} = 2,160$. Thus, $t_{\text{arithmetic}} > t_{\text{table}}$, so it can be concluded that the variable X6 has a contribution to Y. The negative t value of it shows that X6 has the opposite relationship with Y, it can be said that the moral intensity has a significant negative influence on the intention of doing whistleblowing.

That strong moral intensity significantly affects moral intensity by reporting offenses [8][12]. Moral integrity consists of six factors that are likely to affect the auditor's intention to report the offense. The purpose of reporting offenses for others is a combination of the seriousness of the offense and the perceived responsibility for the act of reporting the offense [5]. A study to examine the effect of moral intensity on reporting intentions. In this study the moral intensity affects the moral intensity to report the act of violation in the situation of profit management [13].

It can be concluded that the results of this study has supported previous researchers where the intensity of the moral affect the intention of doing whistleblowing. Thus this research can investigate that the higher the level of moral intensity owned by someone, the higher the level of intention to do whistleblowing.

IV. CONCLUSION

Professional commitment, reward, level of religiosity and moral intensity are some of the variables that have an

influence on the intention of doing whistleblowing in contrast to organizational commitment and legal protection variables that have no influence on the intention of doing whistleblowing.

The results of this study illustrate that internal auditors who work in the tax office in Semarang who have a high level of professional commitment, religiosity and high moral intensity also have a high indication also in reporting actions on a fraud to a higher managerial level.

While the internal auditors who work in the tax office in Semarang assume that their percentage of organizational commitment is at a normal level so that the intentions of an internal auditor to perform reporting action is still very small and even the ignorant nature often raised, and the raise of assumption of legal protection to whistleblower in Indonesia is still relatively weak and still needs a revision or improvement to be stronger legal rulings it provides. With legal protection that is deemed to be weak, the legal protection variables do not have an influence towards auditors to conduct reporting actions on fraud or crime.

The results of this study are expected to improve the management of various factors above so as to increase the disclosure of the violations that occurred. In addition, management is expected to implement and use a good whistleblowing system. Because this can create a better management performance.

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