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**PREDICTORS OF EMPLOYEES' INTENTION  
TO WHISTLEBLOW USING THEORY OF  
PLANNED BEHAVIOUR: A CASE STUDY OF  
AN INDONESIAN GOVERNMENT  
DEPARTMENT**

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## **Abstract**

*'We cannot expect someone to engage in whistleblowing if doing so would result in putting him or herself or others in harm's way' –*

W. Michael Hoffman and Robert E. McNulty (2001, p. 55)

The purpose of this study was to facilitate opportunities for disclosure or whistleblowing in the Indonesian Directorate General of Taxation (DGT). Due to the inherent characteristics of tax-related crimes, in terms of cost, the impact of wrongdoing on State revenue amounts to losses of over a trillion rupiahs. Although many studies have been conducted to investigate factors that may support or deter one's intention to whistleblow, due to the differences in values, cultures, and norms of each country, scholars agree that there is still a research gap in understanding variables and whistleblowing intention, and that there is a need to re-examine several variables related to whistleblowing in non-western countries. Thus, some variables have not been sufficiently recognised and examined in the Indonesian context. Moreover, differences may arise due to the particular characteristics of different organisations. Utilizing the theory of planned behaviour, this study investigated DGT employees' intentions to disclose bribery, because it is difficult to study actual whistleblowing. Further, this study enriches the whistleblowing literature by selecting bribery as the type of wrongdoing for investigation and employing Schein's six mechanisms to measure DGT leadership and organisational culture as perceived by the employees.

Initially, it was intended that this study would include all DGT employees by means of a survey administered via the internal internet at DGT's head office. However, conducting research in Indonesia is often cumbersome because of bureaucratic processes. Notwithstanding, quantitative and qualitative analyses were applied to data gathered in 2016 from 641 questionnaires conducted with randomly selected DGT employees. Additionally, online interviews were conducted with high ranking officials and several key employees. Although this research was not carried out on behalf of the organisation (DGT), it received official approval and employees were encouraged to participate.

The primary model, based on attitude, subjective norms, and perceived behavioural control (PBC) showed that PBC (organisation positive image, organisation incentive, and organisation negative image) weakened the effect of the other two variables. This finding

challenges previous research which endorses the effect of attitude and subjective norm. It was also found that PBC's organisation negative image was the most important determinant for DGT employees in making a decision to disclose bribery. As well, in general, the study did not reveal a significant relationship between whistleblowing intention and the DGT employees' demographic characteristics, training attendance, and knowledge about whistleblowing, and confidence about finding another job(s) outside DGT. This study also found that an anonymous internal reporting channel was the most preferred channel for disclosure. Moreover, this study did not find any difference between the intentions of whistle-blowers, bystanders, and non-observers. The findings, all together, indicated that the decision-making process in terms of disclosing bribery was complicated and strongly moderated by perceived behavioural controls of organisation positive image, negative image, and incentive as well as cultural norms.

The result is explained by the very pragmatic approach taken as a result of traditional cultural values (high power distance, collectivist, *ewuh-pakewuh* (uneasiness), *nrima* (to submit), conformity, peasant mentality, and hypocrisy) may lead to cost and benefit calculations before employees decide whether or not to whistleblow. Additional interesting information was that although financial incentive is considered as an important variable to encourage whistleblowing, the most important reward for DGT employees was placement to preferred location. Again, culture may play an important role to explain the phenomena.

The study however was restricted in so far that it considered only DGT employees in several large offices in Jakarta; thus, over-generalization of the findings should be avoided. A further limitation concerns the issue of comparing actual whistleblowing with the intention to do so. This issue requires future research comprising a longitudinal study involving a greater number of DGT employees and a different research design.

To sum up, respondents considered that regardless of their attitude, the amount of support received from people who were important to them (i.e. family member, direct supervisors, co-workers, friends, and neighbour), and their confidence about finding another job(s) outside DGT, these factors could not effectively protect them from any retaliation. Only the organization and the actions of high ranking superiors could provide whistle-blowers with sufficient protection and ensure that the report had a successful outcome. This study is useful to policy makers, practitioners, and academics in the field of whistleblowing.

The study concludes with recommendations for whistle-blower policy in the Department of Taxation. The study provides some initial insights into employees' opinions of the value of whistleblowing intention.

## **Student Declaration**

“I, Bitra Suyatno, declare that the Doctor of Business Administration (DBA) thesis entitled ‘Predictors of Employees’ Intention to Whistleblow Using Theory of Planned Behaviour: A Case Study of An Indonesian Government Department’ is no more than 65,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references, and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work”.



B. Suyatno

Date: 25 April 2018



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## **List of Acronyms and Glossary**

AB: Attitude Behaviour

Asal Bapak Senang: the boss happy

CEC: Corruption Eradication Commission

DGT: Directorate General of Taxation

DJP: Direktorat Jenderal Pajak (English: DGT)

Ewuh Pakewuh: Uneasiness; obedient or attentive an excessive or servile degree. In the organisation, this is practiced by the subordinate with his/her superior, or children to parents amongst family members

Gotong Royong: working together cooperatively

IWa: Internal Whistleblowing Reporting Channel anonymously

EWa: External Whistleblowing Reporting Channel anonymously

IWna: Internal Whistleblowing Reporting Channel non-anonymously

EWna: External Whistleblowing Reporting Channel non-anonymously

IWaEwa: Both Internal AND External Whistleblowing Reporting Channels anonymously

IWnaEWna: Both Internal AND External Whistleblowing Reporting Channels non-anonymously

IWaEWna: Internal Whistleblowing Reporting Channel anonymously BUT External Whistleblowing Reporting Channels non-anonymously

IWnaEwa: Internal Whistleblowing Reporting Channel non-anonymously BUT External Whistleblowing Reporting Channels anonymously

Jalan Tengah: Middle Path

KEMENKEU: Kementerian Keuangan (English: MOF)

KITSDA: Kepatuhan Internal dan Sumber Daya Aparatur (Internal Compliance and Transformation of Human Resources)

KPK: Komisi Pemberantasan Korupsi (English: CEC)

MOF: Ministry of Finance

OECD: Organisation for Economic Cooperation and Development

PBC: Perceived Behavioural Control

PBC-Posi: Perceived Behavioural Control upon DGT positive image

PBC-Inc: Perceived Behavioural Control upon DGT incentive

PBC-Neg: Perceived Behavioural Control upon DGT negative image

PBC-OJ: Perceived Behavioural Control upon easiness to find another job(s) outside DGT

PROMETHEE: Preference Ranking Organization Method for Enrichment Evaluations

TPB: Theory of Planned Behaviour

POB: Prosocial Organisational Behaviour

SN: Subjective Norm

WBI: Whistleblowing Intention

## **List of Publications**

Some sections of this thesis have already been presented in a journal, submission, book chapter, academic poster, and as conference papers and a conference proceeding:

### **Book:**

Armstrong, A. Suyatno, B., and Thomas, K. (in press). In: Stephen Jones, (Ed) 'Whistleblowing Research and Practice'. Melbourne, VIC: Springer Science & Business Media, pp.1-171.

### **Book chapter:**

1. Suyatno, B., Armstrong, A. and Thomas, K. (2017) 'Designing Whistleblowing Policy and Regulations for High-Context Cultures: A Case Study in Indonesia'. In: J.D. Rendtorff, (Ed) *Perspectives on Philosophy of Management and Business Ethics Including a Special Section on Business and Human Rights*. Vol.51. Springer International Publishing AG, Cham, Switzerland pp. 197-223.
2. Suyatno, B., Armstrong, A. and Thomas, K. (in press). 'Determinants of Whistleblowing Intention in an Indonesian Government Organization'. In: Anona Armstrong, (Ed) *Governance of Whistleblowing: Just Do It*. Tup Research, Melbourne, Australia

### **Book of proceedings:**

Suyatno, B., Armstrong, A. and Thomas, K. (2017) 'Barriers to Whistleblowing Intentions And Reporting Channel Preferences', In: Goran Kozina, Laura Juznik Rotar, Daniel Tomic (Ed) *Economic and Social Development 19 th International Scientific Conference on Economic and Social Development*. Varazdin Development and Entrepreneurship Agency, Varazdin, Croatia; Victoria University, Melbourne Australia; Faculty of Management University of Warsaw, Warsaw, Poland; University North, Koprivnica, Croatia pp.115-128.

### **Journal article:**

Suyatno, B., Armstrong, A & Thomas, K (2015), 'Whistleblowing and The Indonesian Tax Department: A Framework For Analysis', *Journal of Business Systems, Governance & Ethics*, vol. 10, no. 3.

**Submission:**

Armstrong, A, Thomas, K & Suyatno, B 2017, Submission No. 20 to Parliamentary Joint Committee on Corporations and Financial Services, Inquiry into whistle-blower protections in the corporate, public and not-for-profit sectors, Parliament of Australia, Canberra, 6 February 2017.

**Poster competition:**

The Law and Justice College, Victoria University, Research Exhibition - City Queen Poster Competition award winner: - Best Poster (Academic) “Identifying predictors of employee intention to report bribery using the planned behaviour theory: a case study in an Indonesian Government department”: 2015.

**Conference papers:**

1. Suyatno, B., Armstrong, A. and Thomas, K. (2017) *Barriers to whistleblowing*. Paper presented at the 19th International Scientific Conference on Economic and Social Development, Victoria University and University North, 9-10 February 2017.
2. Suyatno, B., Armstrong, A. and Thomas, K. (2016) *Whistleblowing and the Indonesian tax department: a framework for analysis (preliminary findings)*. Paper presented at the 2016 Corporate Governance Conference: Across Borders, Victoria University, 28-29 April 2016.
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## CHAPTER I - INTRODUCTION

### 1.1 Background

In recent decades, many organisations in both private and public sectors have become increasingly aware of ethical practices and have established these internally. The collapses of several big companies in the USA due to unethical practices have triggered the U.S. government to strengthen the focus of its regulatory reforms, especially with the Sarbanes-Oxley Act 2002 to prevent repeats of such behaviours (Bowden & Smythe 2009).

According to Vandekerckhove and Lewis (2011), prevention means to halt similar or the same illegal acts or negligent behaviours that could harm others, and in this sense, whistleblowing is seen as the most effective strategy to bring about an ethical organisational environment (Bowden & Smythe 2009). If the majority of employees are willing to expose bribery or other forms of wrongdoing in their workplace, to some degree, this organisational culture will deter individuals from engaging in fraudulent behaviours or perhaps prevent a repetition of those deeds (Bowden & Smythe 2009).

In terms of detection, a study reveals that whistleblowing by employees is the most effective tool for identifying misconduct because the individuals who are the closest to the business operations are best able to discern odd behaviour and accidents, and detect finance-related crimes (PWC 2008).

Another important consideration in successful disclosure is how an organisation handles the reports. According to Brown (2008), whistle-blowers seem to be satisfied with the handling of their report if they are kept informed of the progress of their disclosure. Although whistleblowing may be effective in detecting fraud, if the organisations or authorities are perceived as not following up the reports seriously, employees will hesitate to disclose misconduct in the future (Brown 2008).

Scandals similar to those in the USA have also occurred in Indonesia. Cases of corruption in Indonesia have become a common phenomenon, increasing in number and nominal financial losses (Ari & Furqorina 2017). Many believe that the culture of corruption in Indonesia became more rampant during Suharto's New Order regime (1966-1998), when

the government prevented and repressed an effective system of checks and balances to protect the interests of the incumbents and their cronies (Harris & Marta 2010). Forced by the economic crisis in 1997-1998, the public insisted on the expelling Suharto regime and reforming the bureaucratic system so that it was fairer and accommodated the broader public's interests rather than satisfying the exclusive groups of incumbents (Harris & Marta 2010).

Among the efforts, the Indonesian government introduced whistleblowing as a means of combating corruption (Ari & Furqorina 2017), although a formal definition of whistleblowing is not provided in national regulations (Hendradi 2011). The pioneer of public sector reform in Indonesia was the Ministry of Finance (MoF), which commenced an official reform in 2007 (Nasution 2007). The Directorate General of Taxation (DGT), a directorate under MoF, initiated the implementation of the whistleblowing system (WISE) (Ari & Furqorina 2017). Moreover, DGT plays a major role in collecting revenue for the state budget since around 80 percent of government revenue is derived from tax (DJA 2014).

WISE was based on the Minister of Finance Regulation number 103/PMK.09/2010 concerning Procedures and Follow-up of Whistleblowing within the Ministry of Finance. Due to the lack of a higher law, the principal protection that it affords is that it keeps whistle-blowers' identities confidential (MoF 2010). Despite the DGT's success in collecting state revenue, it is still perceived by many as a corrupt government organisation (Arifianto 2001). However, according to DGT's spokesperson, most corruption cases can be detected due to the information received through WISE (Rizal 2013). The first question that emerges concerns the effectiveness of WISE in detecting misconduct.

Thus, this study focused on DGT. This study expands previous research on whistleblowing by examining the relationship between selected variables, namely, attitude, subjective norm, perceived behaviour control, and intention of whistleblowing regarding bribery in the Indonesian Directorate General of Taxation in Indonesia. The variables were drawn from the Theory of Planned Behaviour (TPB) used by Park and Blenkinsopp (2009) and Schein's six mechanisms of organizational culture and leadership (Schein 2010). Several unique Indonesian national cultural dimensions, such as high-power distance and collectivism (Hofstede & Hofstede 2005), were also used as the basis for a deeper analysis of selected variables.

Previous studies proposed many variables that may influence the decision to whistleblow on misconduct. Several studies since the 1970s have also provided some useful results (Near & Miceli 1996). However, many hypotheses remain untested, while some results show inconsistencies (Miceli, Near & Dworkin 2013).

A meta-analysis study indicates that several singular antecedents such as role and responsibility, and several situational factors such as perceived support, organisational justice, organisational climate/culture and, the seriousness of wrongdoing appear to be consistently associated with whistleblowing (Vadera, Aguilera & Caza 2009).

However, demographic variables (i.e. gender, age, tenure) show inconsistency in terms of their influence on whistleblowing behaviour (Vadera, Aguilera & Caza 2009). Similar finding also could be found for position variable. Near and Miceli (1996) indicates that empirical research prior to 1996 showed that whistle-blowers tend to be relatively powerful employees; for example, they were supervisors or higher ranking, and more senior. However, other studies indicate that job tenure was unrelated to whistleblowing intention (Miceli, Near & Dworkin 2013). A study in Indonesia also indicated that auditors' personal characteristics (gender, age, education, tenure, and position) do not have a significant influence on whistleblowing intention (Kreshastuti & Prastiwi 2014). In addition, research has shown that education is not a significant variable of whistleblowing intention (Mesmer-Magnus and Viswesvaran 2005).

Moreover, several important variables, such as perception of serious misconduct (i.e. bribery), having substantial evidence (MSPB 2011), and ease of finding another job(s) that may influence employees' intention to disclose wrongdoing, have not been investigated in the Indonesian context (Miceli & Near 1985b; Near & Miceli 1986). Literature also indicates that whistle-blowers value whistleblowing as an acceptable behaviour compared to those of non-observers or inactive observers (Miceli & Near 1984).

In regard with ethical training, previous studies, such as conducted by Ghani (2013), Frisque and Kolb (2008), and Daniels (2009) indicated that employees who participate in such training are more likely to whistleblow than those who had no such training. Although this study would investigate whether there was a difference intention among groups who attended ethical training and those of did not participate, it did not intent to include training as a specific exogenous variable. The reasons were that we had not had

enough confident that majority of respondents knew about this issue and training as an incentive has been accommodated in Schein's six mechanisms (2010) used in this thesis' framework.

Also, many scholars have debated the appropriateness of research design when investigating intended or actual whistleblowing. A metadata analysis of 40 empirical studies on whistleblowing indicates that intended hypothetical reporting and actual reporting have seldom intertwined (Mesmer-Magnus & Viswesvaran 2005).

However, it is very difficult or arguably impossible to directly access an actual whistleblowing event because it is considered to be a clandestine activity, which makes the topic difficult to research (Patel 2003 p. 71).

Thus, this study mainly investigated DGT employees' intention to engage in whistleblowing rather than their actual behaviour, which is in line with previous studies (Miceli, Near & Dworkin, TM 2013).

## **1.2 Rationale of the study**

By understanding the dominant factors that encourage or discourage employees from engaging in whistleblowing related to bribery issues, authorities can establish regulations and managerial practices to support whistleblowing and, moreover, eliminate possible barriers to employee reporting.

Research that correlates attitude, subjective norm, and perceived behavioural control and intention to report bribery in a government institution in Indonesia is original. Few studies have been conducted on DGT. Moreover, studies on whistleblowing in Indonesia show inconsistent findings in terms of perceived retaliation, perceived organisational culture, and subjective norms (Bagustianto 2015; Himmah 2014; Sofia, Herawati & Zuhdi) when compared to studies in other countries. All three identified studies indicated that there was no relationship between retaliation, subjective norm, organisational culture and individuals' intention to whistleblow. This study attempted to address several gaps in the literature, such as clarifying those different findings.

Moreover, the study was limited to measuring the effectiveness of the whistleblowing function as a detection tool to prevent bribery because it investigated the DGT employees' intention to report bribery when they perceive it. Meanwhile, the way that DGT employees perceive their organisation's handling of whistleblowing by, for instance, ensuring the

anonymity of reporters, providing monetary and non-monetary incentives, and taking retaliative action, were used as determinants that may encourage or discourage employees from reporting bribery.

Literature indicated that no research in whistleblowing context had investigated bribery as the specific misconduct, while it is considered rampant in Indonesia. Based on the number of cases handled by the Indonesian Corruption Eradication Commission (CEC) between 2007-2014, bribery ranked number one with 168 (52%) of 321 corruption cases, followed by procurement, 115 cases or 36%, and budget misuse, 38 cases or 12% (Humas KPK 2014). Recent data showed that the trend remained the same. In 2017, CEC investigated 93 bribery cases, followed by corruption in procurement cases 15. However, the number three was money laundering 5 replacing budget misused (Julian 2017). In addition, the Corruption Eradication Commission (KPK) investigated bribery cases in 2017 involving several high-profiles, such as the one involving the former speaker of the national legislature (Almanar 2017).

Other reasons for choosing bribery, especially in DGT context instead of another misconduct or all possible types of wrongdoings are: First, bribery in the DGT has attracted great public interest in Indonesia, highlighted by attention on what is commonly referred to as the 'Gayus' case. This most notorious bribery case at the DGT attracted great public interest (Yuhariprasetya 2015) and provides the background story to this study. Gayus, the relatively low level official at DGT with formal earning only around 12 million rupiah (\$1,330) monthly can collect assets amounting to 102 billion rupiahs from bribes in only four years accumulation (Alford 2011) and he might also have caused Indonesian government losses of Rp1.52 trillion or around US\$171.8 million (TJP 2011). Another report says that Gayus received what is described as a small fortune of Rp74 billion (US\$8.5 million) for his assistance companies to illegally evade or reduce their tax liabilities (Newman 2011/2012).

To make matters worse, during the trial process, Gayus bribed millions of rupiahs to be able to unlawfully leave his detention cell to go to Bali and abroad (Rizal, Y 2011). Such behaviour destroyed public trust in law enforcers. This case even triggered a movement in public to boycott pay tax, which potentially decreased tax revenues (KPK 2012 cited in Yuhariprasetya 2015). From the inside organization, the case significantly let the faith and confidence of the DGT's employees down in bureaucratic reform. Moreover, the

shame and embarrassment it caused made many of the DGT employees become somewhat secretive about their jobs (KPK 2012 cited in Yuhariprasetya 2015). Although Gayus was punished to ten years in prison, he described himself as a 'small fish' compared to other much larger wrongdoers in the DGT (Newman 2011/2012). Corroborating his assertion, related analysis indicated that a significant "tax mafia" operates within the organisation (Newman 2011/2012). Moreover, as a survey by a non-government organisation, the Welfare Initiative for Better Societies (cited in Pramudatama (2012) indicated, Indonesia stood to lose approximately 50 percent or around Rp521 trillion (US\$55.9 billion) of its tax revenues as a result of wrongdoers in the department (DGT) exploiting irregularities in tax regulations, in collaboration with taxpayers and unofficial tax officials.

Following the case of Gayus, several other cases emerged in the mass media. Some of them attracted high media coverage. First is Bahasyim case. Bahasyim, the former head of Jakarta Palmerah Tax Office, who was arrested by the police following a report from the PPATK (Indonesian Financial Transaction Report and Analysis Centre) due to the indication for abusing his positions and also charged with money laundering (Rizal 2011 cited in Yuhariprasetya 2015). Second case is Dhana Widyatmika, a former junior tax employee who was convicted of taking bribes and money laundering by compiling a fake assessment to reduce a firm's tax obligation (Jakarta Post 2012 cited in Yuhariprasetya 2015). Third case is about Tommy Hindratno who was caught receiving bribes for an exchange of a tax reduction for an investment firm (Jakarta Post 2012 cited in Yuhariprasetya 2015). Then on 13 July 2012, Anggrah Suryo, Head of Bogor Tax office was also caught by the Indonesian Corruption Eradication Commission due to receiving bribe from taxpayer in exchange for waving a company's taxes (Jakarta Globe 2012 cited in Yuhariprasetya 2015). On 9 April 2013, another case, Pargono Royadi, was caught red-handed receiving an alleged bribe. He was charged with tax extortion against an automotive businessman Asep Hendro (Yuhariprasetya 2015). The case number six, on 15 May 2013, Eko Darmayanto and Mohammad Dian Nuqisra, both were tax employees were caught receiving bribes at the Soekarno-Hatta Airport settle tax issues of a company (Jakarta Post 2013 cited in Yuhariprasetya 2015). The DGT was once again put under the spotlight as Hadi Peornomo, the ex-Director General at DGT, had been accused to corrupt around 375 billion rupiah from one case only ('The birthday present' 2014), although

later, the South Jakarta District Court ruled in favour of Hadi and declared the investigation into him invalid due to procedural and authority issues of the investigators (Halim 2015). Last but not least, the most current case was Handang, an echelon three official, allegedly accepted US\$148,500 in bribes from a company in an exchange for an unlawful reduction of tax obligations (Setiawan 2016)

Those cases indicate that regardless of the level, each tax official/employee is an inherent risk to commit bribery or corruption. This was one of the main reasons to give an opportunity for all officials/employees to participate in this study.

### **1.3 Research Context, Questions and Objectives**

Vogel (1992) argued that whistleblowing is affected by cultural dimensions, as individuals from different countries may vary in their perceptions of morality, loyalty, justice, and right versus wrong. The theory of planned behaviour (Ajzen 1985, 2005; Ajzen & Madden 1986), for example, postulates that formation of intention will lead to behavioural action. Since whistleblowing also involves cultural dimensions (Vogel 1992), such as high-power distance and collectivist cultural dimensions as identified by Hofstede and Hofstede (2005), subjective norms in Planned Behaviour Theories (Ajzen 1991) can help to highlight the influence of national culture in an Indonesian context. This study used Schein's six mechanisms (Schein 2010) to define organizational culture and leadership style items in Perceived Behavioural Control (in the Theory of Planned Behaviour).

This study addressed this broad question: "What are the determinants that influence the Indonesian Directorate General of Taxation employees' intentions to whistleblow within their organisation, and what are their preferred reporting channels?" Accordingly, the following research questions were developed for the purposes of this study:

1. To what extent do selected predictors (attitude, subjective norm, perceived behavioural control of organizational culture and leadership, and perceived behavioural control to find another job(s) outside DGT) influence the intention of the DGT employees to engage in whistleblowing in relation to bribery cases?
2. What is the most important determinant to be considered if seeking to know the enabler or disabler of whistleblowing behaviour?
3. Does the model fit Theory of Planned Behaviour?

4. What is the most preferred reporting channel?
5. What are demographic characteristics of persons who are likely to whistleblow?
6. Is there any difference in whistleblowing intention toward bribery among different education level?
7. Is there any difference in whistleblowing intention toward bribery between employees who attend internal whistleblowing dissemination or ethics trainings and those who do not?
8. Is there any difference in whistleblowing intention between employees who know how to report to internal or external whistleblowing channels and those who do not?
9. Is there any difference in whistleblowing intention toward bribery among actual whistle-blowers, bystanders, and non-observers?

#### **1.4 Research Objectives**

Based on the above research questions, the research objectives of this study were to:

RO1: Investigate the selected variables of whistleblowing intention.

RO2: Identify the most reporting channel preferences chosen by the respondents.

RO3: Determine whether the model fits with the present data.

RO4: Determine whether actual whistle-blowers, bystanders, and non-observers have different whistleblowing intention.

RO5: Determine whether different demographic factors (gender, age, tenure, education level, position) influence whistleblowing intention.

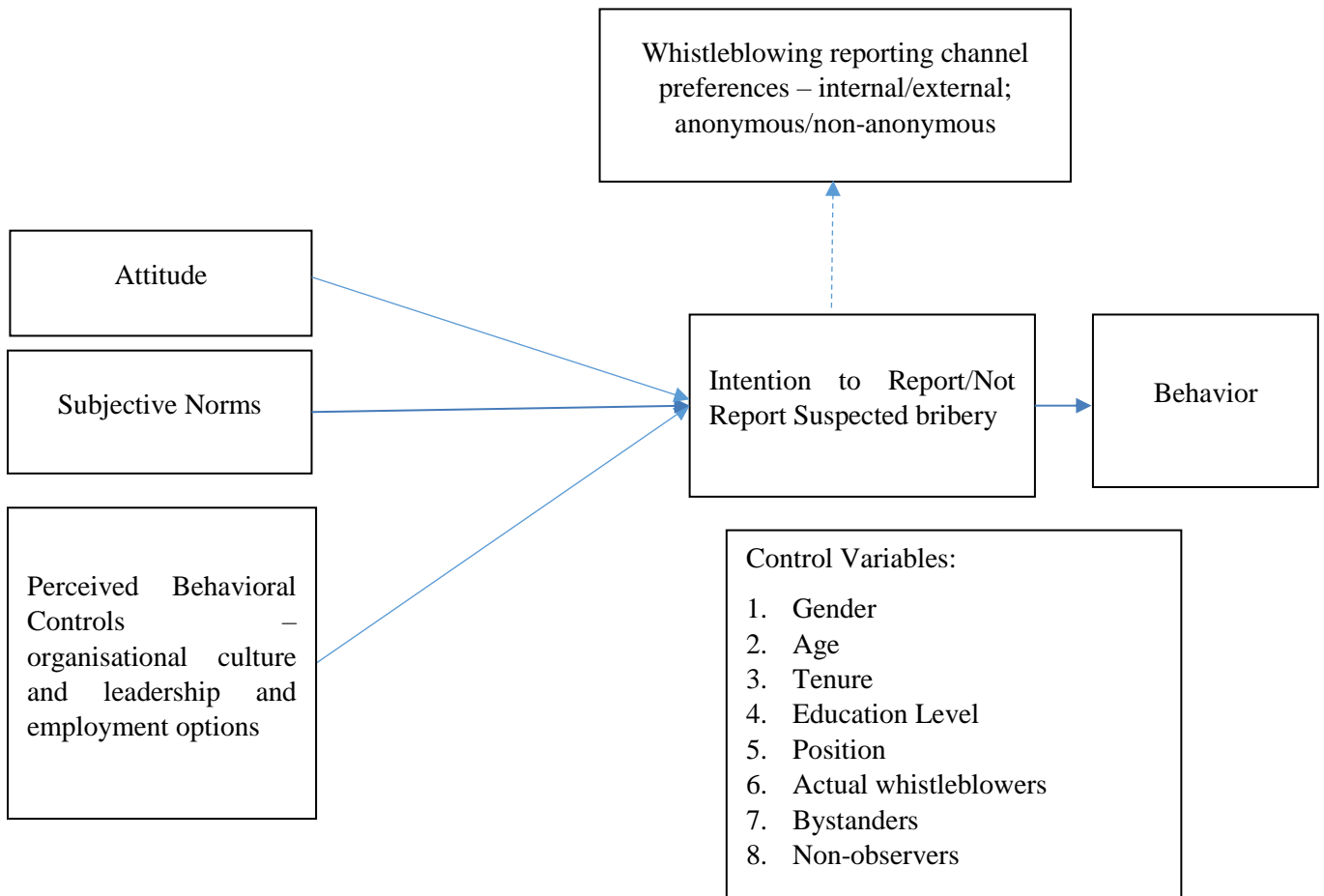
RO6: Determine whether employees who attended related training and have knowledge about reporting channel preferences have different whistleblowing intention compared to ones who did not.

RO7: Identify barriers to the disclosure of bribery using an open-ended question and qualitative interviews.



The research objectives presented above are depicted in the following theoretical framework:

**Figure 1-1: Theoretical Framework**



The framework consists of a dependent or endogenous variable namely, whistleblowing intention to disclose bribery, and three independent variables or exogenous variables that are attitude, subjective norms, and perceived behavioural controls. Accounting for confounding effects, control variables such as gender, age, tenure, position, and education proposed by scholars (Miceli & Near 1992) were investigated to identify whether there was any difference among different groups regarding whistleblowing intention (Barnett, Bass & Brown 1996; Barton 1995; Rehg et al. 2008). Multiple comparisons among actual whistle-blowers, bystanders, and non-observers were also investigated as suggested by Bjorkelo and Bye (2014).

## 1.5 Significance of the study

Firstly, the theory of planned behaviour used in a study by Park and Blenkinsopp (2009) was adapted to present a more comprehensive model with the addition of other relevant variables as identified in the literature. Arguably, the combination of selected determinants in this theoretical framework would be the first to discover the factors that have the most significant influences on intention to report bribery (Suyatno, Armstrong & Thomas 2015).

This was the first study to attempt to examine selected variables and intention to report bribery at a government institution (DGT) in Indonesia. Literature indicated that the specific misconduct investigated was sexual harassment (i.e. Alagappar & Marican 2014; Bowes-Sperry & O'Leary-Kelly 2005; Miceli, Near & Dworkin 2013; Sinha 2013). Whistleblowing studies on particular misconduct were few and required more study (Miceli, Near & Dworkin 2013). Also, researchers need to investigate a particular type of misconduct that is related to an organisation's characteristics and interests (Suyatno, Armstrong & Thomas 2015) since the type of wrongdoing influences how an organisation reacts to whistleblowing (Near & Miceli 1995).

Secondly, in terms of the chosen variables, this study extends the literature by addressing several gaps in past research. For instance, perceived organizational culture based on Schein's model of six mechanisms of organizational culture and leadership styles (Schein 2010) has not, to date, been fully examined in the whistleblowing literature. To the best of our knowledge, this study was the first to use Schein's model in an attempt to determine the extent to which cultural factors influence whistleblowing in the context of an Indonesian public organisation. Moreover, other variables such as the perceived ease or difficulty of finding other employment and the perception of having sufficient evidence and the types of evidence have not been investigated in the Indonesian context. Employees might be encouraged to whistleblow on misconduct if they are confident of securing another job(s) easily in case their current employer retaliates against them (Miceli & Near 1985b; Near & Miceli 1986). Also, employees may be encouraged to whistleblow if they believe that they have adequate and convincing evidence of misconduct (Bowden 2014).

Thirdly, this study investigated not only financial rewards but also non-financial rewards that may influence employees to report bribery. This study also investigated the amount

of money that could be considered as "sufficient" to encourage employees to report bribery. A review of the literature indicates that no study has investigated this issue. Moreover, none or few studies have examined non-financial rewards as potential predictors of whistleblowing intention.

Fourthly, we investigated employee preferences when reporting, using either internal or external channels, by anonymous or non-anonymous means, or by not reporting a case of misconduct. A combination of such reporting channel preferences has not been investigated in the Indonesian context.

Fifthly, literature regarding whistleblowing is constantly developing but more so in Western countries (Park, Heungsik et al. 2008) compared to that in Eastern counterparts (Zhang, Chiu & Wei 2009). There is a need to extend the studies to other regions and cultures (Lowry et al. 2012; Miceli, Near & Dworkin 2013). Given these gaps in whistleblowing literature, this study attempted to extend the theory by re-investigating individuals' perceptions of whistleblowing within non-Western countries (Indonesian Government). This study conducted a partial replication and expansion of the Theory of Planned Behavior (TPB) of the Park and Blenkinsopp's (2009) study. The intention was "to investigate the relationship between attitude, subjective norms and perceived behavioral control, and the intention to whistleblow, as well as the preferred reporting channels in a high context culture" (Suyatno, Armstrong & Thomas 2015, p. 21).

Sixthly, this study also attempted to clarify several inconsistencies in the findings regarding the main predictors (retaliation and organisational culture, and subjective norms). As identified in the literature, retaliation and organisational culture (i.e. Bowden 2014; Brown 2008; Hwang et al. 2014; Keenan 2000; Keenan 2002a, 2007; Lowry et al. 2012; MacNab et al. 2007; Park & Blenkinsopp 2009; Park et al. 2008; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003) as well as subjective norm (Lavena 2014b; Miceli & Near 1988; Miceli et al. 2012) significantly influence employees' intention to disclose misconduct. However, contradictory to the common findings, several studies in Indonesia and Malaysia indicate that retaliation in Indonesia (Budiriyanto & Gugup Kismono 2013; Septiyanti, Sholihin & Acc 2013), organisational culture in Malaysia (Ghani 2013), and subjective norm in Indonesia (Budiriyanto & Gugup Kismono 2013) do not influence employees' intention to report wrongdoing.

Finally, as suggested by Bjorkelo and Bye (2014), this study attempted to identify whether actual whistle-blowers, bystanders, and non-observers are different in terms of attitude, subjective norms, perceived behavioural control, and whistleblowing intention. This is the first study on whistleblowing literature in Indonesia to compare these three groups under the TPB model.

Regarding this study's practical contribution, the findings may assist authorities to design regulations and policies to encourage whistleblowing. As a direct result of these policy-focused solutions, state revenue can be saved and allocated to public services such as education, health care, and infrastructure (Sumardjo 2014).

## **1.6 Definitions of Terms**

Brief definitions of specific terms used in this study are given below to facilitate an understanding of the concepts presented in this study:

- “Anonymous”: (of a person) not identified by name; of unknown name.
- “Aware of”: knowing that something exists, or having knowledge or experience of an event.
- “Bribery”: the actions of giving or promising something to a tax department employee to make him or her reduce tax obligations and/or accelerate services.
- “Confidential”: intended to be kept secret from unauthorized parties.
- “External Reporting Channels”: whistleblowing reporting channels, which are provided by the Corruption Eradication Commissions or Ombudsman or Police or General Attorney or other authorities, outside of MoF's WISE. Reporting bribery to or dealing with mass media or journalists or public is not considered as reporting channel types in this study.
- “Hero”: a person who is admired for having done something very brave or having achieved something great.
- “Help disclose”: an action attempted to stop something illegal that is happening, especially in a government department or a company.
- “Internal Reporting Channel”: the Whistleblowing System (WISE) based on Minister of Finance's Rule Number: 103/PMK.09/2010, Director General of Taxation's Rule Number PER-22/PJ/2011 and other related internal regulations and policies.

- “Non-anonymously”: a person discloses his or her identity to the authority when reporting.
- “Ordinary person”: a member of the public, who does not have position power.
- “Perception”: the way one thinks about or understands someone or something.
- “Report that discloses my identity”: a discloser provides his or her true identity to the authority (MacNab et al. 2007) when reporting bribery practice.
- “Traitor”: a person who is not loyal or stops being loyal to his/her own organization, group, colleagues, etc.
- “Trouble Maker”: a person who is perceived to cause difficulties, distress, worry, etc., for others. An individual who does so habitually can invite a certain amount of hatred.
- “Whistleblowing”：“.....disclosure by organization members (former or current) of illegal, immoral or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action” (Near, Janet & Miceli 1985, p. 4)
- “Whistle-blower”: an individual who conducts whistleblowing.
- Wrongdoing: any “....illegal, immoral or illegitimate practices under the control of their employers, to persons or organizations” (Near, Janet & Miceli 1985).

## **1.7 Thesis Organisation**

The thesis is structured as follows:

Chapter 1 provides the central theme of this study in the context of its background, research questions, objectives, and significance. Also, the chapter provides brief definitions of the terms used in this study.

Chapter 2 is a literature review discussing the theoretical background and identifies key areas of research that are missing from the field (research gaps) that lead to the conceptual framework of this study. Correspondingly, there is a review of previous literature on the establishment of this study’s research framework.

Chapter 3 explains whistleblowing legal framework in the Indonesian context.

Chapter 4 explains the hypotheses development this study based on the theoretical framework that was presented in Chapter 2.

Chapter 5 outlines the preferred research paradigm employed in this study and the data collection procedures, research design, and instrument development. Also, there is an explanation of the pilot study. This chapter also explains methodological issues, the selection of samples and the statistical analyses methods used for data analysis.

Chapter 6 provides the statistical analyses and results of hypotheses testing using Structural equation modelling (Analysis of Moment Structures or AMOS), open-ended questionnaire (NVivo 8 software program) as well as online interviews.

Chapter 7 presents a summary of the findings and discussions.

Chapter 8 explains the implications and limitations of this study, offers suggestions for future research, and provides recommendations for practical implementation.



## CHAPTER 2 - LITERATURE REVIEW

### 2.1 Introduction

This chapter presents the theoretical underpinnings and empirical studies related to whistleblowing intention. This chapter is divided into twelve sections. Following this section, section 2.2 provides a definition of whistleblowing and the theory underpinning whistleblowing. Sections 2.3 to 2.7 explain the main theories used in the proposed study, such as pro-social organisational behaviour, whistleblowing empirical studies across the globe, intention versus actual whistleblowing, Theory of Reasoned Action and Theory of Planned Behaviour, and Theory of Planned Behaviour and whistleblowing intention. Section 2.8 indicates preferences regarding reporting channels, followed by bribery and scope in section 2.9. Section 2.10 examines whistleblowing studies in Indonesia. Then, section 2.11 identifies the gaps in extant whistleblowing literature and section 2.12 concludes this chapter with a summary.

### 2.2 Whistleblowing Definition and Moral Justification

There are several definitions of whistleblowing (Bowden 2014). For instance, it is defined as ‘a dissenting act of public accusation against an organisation which necessitates being disloyal to that organisation’ (Jubb 1999, p. 77); ‘the deliberate, voluntary disclosure of individual or organisational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by an organisation that is within its ability to control’ (Dawson 2000, p. n.p.).

According to Bowden (2014), the most common definition of whistleblowing is based on a study conducted by Near and Miceli (1985). Whistleblowing is a process of exposing of illegal, immoral, unethical, or misconduct under the control of employers, by former or existing employees to individuals or institutions that may be able to effect action (Near & Miceli 1985).

Researchers such as Miceli, Near, and Dworkin (2013) have argued that whistleblowing studies lack fundamental theories.

It seems that there is a general consensus of whistleblowing theory dispute residing on ‘loyalty to employer or organization’ (e.g. Clinard 1983; Weinstein 2013) versus



‘encouragement to whistleblow’ (e.g. Bowden 2014; Ewing & Nielsen 1983). Some nationalities, such as American have a strong tradition to refute against ‘ratting’ or ‘telling on others’ (De George 1986 cited in Hoffman & McNulty 2011).

Similar tradition as called as ‘dobbing’ also exists for Australians (Wang 2005). However, for the latter country, a current research indicates that there is a change "dobbing" culture especially for serious wrongdoing (Dreyfus 2017). Based on a survey conducted in the UK, Australia, Iceland, 80 % indicated that if they observed wrongdoing they would feel personally obligated to report it to someone in their organization (Dreyfus 2017). Moreover, 80% of the respondents argued that whistle-blowers do not deserve punishment, and whistle-blowers should be protected (Dreyfus 2017).

In order to fill the gap of lacking sound whistleblowing theoretical base, Hoffman and McNulty (2011) propose A Universal Dignity Theory of Whistleblowing (UDTW). The essential principles of UDTW is that ‘whistleblowing is both permissible and a duty to the extent that doing so constitute the most effective means of supporting the dignity of all relevant stakeholders’ (Hoffman & McNulty 2011, p. 51). Although the principles acknowledge the importance of loyalty to the employer and organization, those go beyond it by stressing the loyalty should go to broader and ultimate stakeholders which are in the public interest. Thus, Hoffman and McNulty (2011, p. 51) set the following conditions for ethical whistleblowing:

- 1 Compelling evidence of nontrivial illegal or unethical actions done by an organization or its employees that are deemed to violate the dignity of one or more of its stakeholders.
- 2 A lack of knowledge within the organization of the wrongdoing or failure by the organization to take corrective measures.

If the above justificatory conditions are met, whistleblowing is ethically called for unless the following exempting conditions from whistleblowing prevailed:

- 3 One is conditionally exempted from the duty to blow the whistle if one has credible grounds for believing that by doing so one would be putting oneself or others at risk of serious retaliation.

As indicated from above following conditions, the main foundations of the theory encourage individuals to whistleblow if they have sufficient evidence, the wrongdoing is nontrivial, the organization fails to take corrective actions and if by doing so, a whistleblower would not put oneself or others at risk of serious retribution. The theory is very

humanistic. On one hand, it admits duty-based ethics to report nontrivial wrongdoing. Since human being is not perfect, trivial mistakes should be accepted. This can be settled down by dispute resolution or other ways of reconciliations. On the other hand, it acknowledged that individuals should not be obliged to whistleblow if by doing so one would put one's life at risk. Moreover, the theory requires individuals to have sufficient evidence before whistleblowing. It means that individuals have to acknowledge presumption of innocence and do not spread 'hearsay' or 'gossip'.

This study has adopted the "Universal Dignity Theory of Whistleblowing" (UDTW) proposed by Hoffman and McNulty (2011) as basic theory. There are key principles of this basic theory that justify this investigation. This study emphasises the requirement of having evidence, which was highlighted in an earlier report as a particular type of unlawful action (bribery), perceptions of the leadership culture and the organization's seriousness about investigating the report, and consideration of retaliation as key antecedents to intention to whistleblow (Suyatno, Armstrong & Thomas 2015). This study also used the principled whistleblowing theory developed by Hoffman and McNulty (2011) for the Indonesian context although the theory is grounded in the United States, following the authors' (2011) claim that it can be adapted and applied to other countries and cultures.

Moreover, literature also suggests that individuals often have intrinsic or extrinsic motives instead of merely wanting to help others (Dozier & Miceli 1985). For instance, individuals may be motivated to disclose wrongdoing given the opportunity to obtain financial or other personal benefits (Bowden 2014).

Thus, it is argued that if an organization is keen to encourage its employees to report misconduct, it needs to also establish and encourage an ethical environment with a supportive culture and values, and devise appropriate regulations, policies, procedures and other intrinsic and extrinsic elements.

The reasons are very clear. Since whistleblowing has an embedded risk of reprisal, requesting an individual to be a martyr, without providing adequate protection from retaliation or other adverse consequences and providing adequate rewards that could encourage disclosure, is unreasonable (Suyatno, Armstrong & Thomas 2015). Equally, encouraging others to sacrifice themselves is no sacrifice at all when the leader giving direction is free from any adverse repercussions (Bouville 2008). In fact, as Bouville

(2008) noted, offering and giving rewards to potential or existing whistle-blowers does not breach principles of morality. The underlying assumptions of morality do not require individuals to be sinless or who act with complete altruism and without regard for rewards for their deeds (Bouville 2008). In fact, from a cost and benefit perspective, the potential to report misconduct and stop wrongdoing seems to be activated if financial rewards are also included (Suyatno, Armstrong & Thomas 2015). Consistent with this line, some scholars (Bowden 2014; Brink, Lowe & Victoravich 2013; Dworkin & Near 1997; Miceli & Near 1985a) recommend that sufficient monetary incentives should be offered in order to encourage employees to report any illegal or unethical action (such as bribery).

### **2.3 Prosocial Organisational Behaviour**

Why do some individuals blow the whistle on wrongdoings in an organisation and others do not? This question has become an intriguing phenomenon for many scholars, emerging in the US from around 1980s, when mass media reported the whistleblowing cases, although these did not seem to attract much research (Dozier & Miceli 1985).

Literature indicates that studies on whistleblowing began as early as the late '70s in the U.S. when Latane and Darley (1968) investigated why bystander students were less likely to respond to the emergency warning of smoke that might endanger them and others. Several potential reasons were (1) lack of situation awareness; (2) less emergency perception; (3) not one's responsibility to help ("diffusion of responsibility"); (4) lack of understanding of how to help; and (5) avoid consequences of actions.

Few whistleblowing actions are seen as antisocial. Rather, scholars believe that generally, whistleblowing is a positive behaviour, intended to halt adverse consequences of misconduct for organisational and public interests (Miceli & Near 1997). Besides, whistleblowing is an effective means of detecting and preventing fraud. Various surveys in private sectors reveal that whistleblowing is the most effective way to identify and detect fraud, rather than internal controls and professional audits (KPMG 2006, p. 20; PWC 2008, p. 4). Although many believe that whistleblowing is the key tool to detect and identify fraud, research in the Australian public sector (Brown 2008) and the United States (ERC 2005 cited in Bowden 2014) indicate that several whistle-blowers experience retaliation (around 22 percent). On the other hand, Lennane (2012) reports that 90 percent of whistle-blowers claim that they lose their jobs or are demoted as caused of their action.

Having said that high percentage, unfortunately, the scholar does not explain how to select the respondents.

It seems that most of the studies related to whistleblowing refer to prosocial behaviour (Miceli, Near & Dworkin 2013). Prosocial behaviour is defined as a positive behaviour that is intended to benefit other people as well as potentially to provide an advantage for the actor (Staub 1978). Thus, the main difference between prosocial behaviour and altruism is that the latter behaviour is purely unselfish (Dozier & Miceli 1985).

In a later development of the same basic concept, researchers attempted to apply the prosocial behaviour model in an organisational context (Bowes-Sperry & O'Leary-Kelly 2005; Brief & Motowidlo 1986), namely prosocial organizational behaviour (POB). POB is defined as behaviour that is "(a) performed by a member of an organization; (b) directed toward an individual, group, or organization with whom he or she interacts while carrying out his or her role; and (c) performed with the intention of promoting the welfare of the individual, group, or organization toward which it is directed" (Brief & Motowidlo 1986, p. 711).

The POB model proposes many variables that may influence the decision to whistleblow on misconduct. Although studies since the 1970s have provided some useful results (Near & Miceli 1996), many hypotheses remain untested, and even when tested, some results show inconsistencies (Miceli, Near & Dworkin 2013).

In general, Miceli, Near and Dworkin (2013, p. 71) have identified variables and categorized them as 'personal' (e.g., personality or dispositional factors, demographics), 'situational' (e.g., the seriousness of the perceived wrongdoing or the type of wrongdoing), or person by situation (an example of this would be the fact that sexual harassment wrongdoing is usually directed against female employees, so that they are more likely to whistleblow about this type of wrongdoing than are male employees)".

Other literature, from twenty-eight identified studies, reveals that some individual antecedents, such as perceived whistleblowing as a role and responsibility and whistleblowing values, and some situational factors, such as perceived support, organisational justice, organisational climate/culture, organisational resources, public organisation, type and severity of wrongdoing show consistent association with whistleblowing (Vadera, Aguilera & Caza 2009). On the other hand, other factors such

as gender, age, and tenure show inconsistency in findings (Vadera, Aguilera & Caza 2009). Moreover, a meta-analysis conducted in order to compare intention and actual whistleblowing indicates that the intention to whistleblow does not always become actual whistleblowing (Mesmer-Magnus & Viswesvaran 2005).

Miceli, Near and Dworkin (2013) thus encourage scholars to identify the range of applicability of other possible influential variables across interdisciplinary practices, to use various methods, and to explore, re-examine and test whistleblowing issues in different countries. Moreover, Ghani (2013) argued that little research has been conducted regarding whistleblowing in several Asian countries, including Indonesia. Hence, a study that focuses on Indonesia might provide additional insight and contribute to whistleblowing literature.

#### **2.4 Previous Empirical Studies Regarding Whistleblowing**

As explained in section 2.3, many scholars use prosocial (organisational) behaviour to identify antecedents that may influence individuals to whistleblow on misconduct.

Many other studies, which have been conducted mainly in the U.S., have extended previous research by adding, manipulating, and altering antecedents in empirical studies (Miceli, Near & Dworkin 2013). Other studies have attempted to apply culture dimensions across countries to identify individuals' intention to whistleblow on misconduct (Keenan 2000, 2002a, 2007; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003), but according to Miceli and Near (2013), the culture dimension cannot stand alone, but needs to involve other taxonomies, such as economy, law, and political situations in a particular country in order to obtain more comprehensive findings.

Moreover, several studies on whistleblowing have been conducted in various countries including Australia (Anonymous 2002; Callahan, Dworkin & Lewis 2004; De Maria 1997), Canada (Laver 1996; Thiessen 1998), Croatia (Tavakoli, Keenan & Cranjak-Karanovic 2003), Great Britain (Anonymous 2002; Callahan, Dworkin & Lewis 2004; De Maria 1997; Dobson 1998; Figg 2000; Lewis 2002), Hong Kong (Chua 1998; Near & Miceli 1988), India (Keenan 2002a), Ireland (Feldman 2002), Israel (Day Jr 1996; Seagull 1994), Jamaica (Sims & Keenan 1999), Japan (Akabayashi 2002; Yoshida 2001), Korea (Park & Blenkinsopp 2009; Park et al. 2008; Park, Rehg & Lee 2005; Rehg & Parkhe 2002), The Netherlands (Bates 1999), New Zealand (Beattie 2000 cited in Miceli, Near,

& Dworkin 2013), Russia (Knox 1997 cited in Martirosian 2004; Miceli, Near & Dworkin 2013), Somalia (Anonymous 1996 cited in Miceli, Near & Dworkin 2013), and South Africa (Camerer 2001).

In addition, past studies in Eastern regions have been concerned mainly with China (Bond 1996), South Korea (Park & Blenkinsopp 2009; Park et al. 2008; Park, Rehg & Lee 2005; Rehg & Parkhe 2002), Hong Kong (Chiu & Erdener 2003; Chiu 2003; Chua 1998; Near & Miceli 1988) and Japan (Akabayashi 2002; Fukuyama 1995; Yoshida 2001).

However, scholars agree that there is still a research gap in understanding variables and whistleblowing intention and that there is a need to re-examine several variables related to whistleblowing in non-western countries (Miceli, Near & Dworkin 2013). For a country like Indonesia, there is very little of such research (Ab Ghani 2013). Moreover, studies on whistleblowing in Indonesia are quite new. They began to emerge in 2011 and most are published in the Indonesian language (Appendix 8).

According to Hofstede and Hofstede (2005), the Indonesian cultural dimensions were high power distance and collectivist attitude, unlike the cultures of most Western societies. Although Indonesia is well known as a multiracial and multiethnic country in Southeast Asia (Nurjaya 2012), its society is mostly dominated by the prevailing Javanese culture of around 80% of Indonesians (Worang 2013).

In regards to identifying the factors that may influence an individual to whistleblow, there are several significant findings, which are summarized by Vadera, Aguilera and Caza (2009, p. 555) as follows.

**Figure 2-1: Individual and Situational Antecedents of Whistleblowing**

Individual Antecedents	
Consistent Factors	Inconsistent Factors
Views Whistle-Blowing as Role Responsibility Others: <ul style="list-style-type: none"> <li>• Job Performance</li> <li>• Organizational Position</li> <li>• Pay Level</li> <li>• Education</li> <li>• Values Whistle-blowing</li> </ul>	Gender Age Tenure Attachment: <ul style="list-style-type: none"> <li>• Job Satisfaction</li> <li>• Pay Satisfaction</li> <li>• Job Commitment</li> <li>• Organizational Commitment</li> </ul> Personal Morality

Situational Antecedents of Whistle-Blowing*	
Characteristics of Job/Organization	Characteristics of the Wrongdoing
Perceived Support Organizational Justice Organizational Climate/Culture Organizational Performance Organizational Resources Private versus Public Organizations	Type of Wrongdoing Severity of Wrongdoing

\* Since situational factors are more consistently associated to whistle-blowing, we present these factors as those relating to job/organization and to the wrongdoing

Moreover, as Vadera, Aguilera and Caza (2009) argue, situational predictors such as perceived support and organisational culture are more consistent predictors of whistleblowing intention than are individuals' antecedents such as demographic factors. Research conducted by Cassematis and Wortley (2013) on a public service sector in Australia supports this finding.

## 2.5 Intention versus Actual Whistleblowing Behaviour

A meta-analysis of forty empirical whistleblowing studies shows that intention and actual reporting have seldom intertwined (Mesmer-Magnus & Viswesvaran 2005). The scholars argue that there is low correlation between whistleblowing intention and actual behaviour (Mesmer-Magnus & Viswesvaran 2005).

Moreover, several prominent researchers remain unconvinced about the cause-effect relationship between antecedents and intention to whistleblow on wrongdoings and actual whistleblowing (Miceli 1992; Miceli, Near & Dworkin 2013). Miceli (1992, p. 114) argues that 'while values and beliefs predict whistleblowing, their effects, in general, are weaker than are those of situational variables concerned with the particular incident of wrongdoing.'

As argued by Bjorkelo and Bye (2014), the problems seem to relate to differences in preferred predictors (Mesmer-Magnus & Viswesvaran 2005). For instance, some scholars preferred to use relatively stable variables such as gender, age, tenure, education, and/or individuals' personalities (introverted or extroverted) (Bjorkelo 2010 cited in Bjorkelo & Bye 2014), but few conducted a longitudinal study (such as comparing attitudes and behaviours before and after a whistleblowing experience).

However, it is very difficult or arguably impossible to directly access an actual whistleblowing event because it is considered to be a clandestine activity, which makes many scholars prefer to investigate intention rather than actual whistleblowing (Patel 2003 p. 71).

Besides, Ajzen and Madden (1986) explain that in order to make accurate predictions of intention and actual behaviours, several conditions should be fulfilled regarding certain target, action, setting and time lag. For instance, the longer the gap between intention and actual action, the less is the relationship between those two behaviours due to changes in a situation (Ajzen & Madden 1986).

Although there are several models that can be used to measure an individual's intention, Ajzen's (1985) theory of planned behaviour is considered as one of the best because it is a more accurate predictor of intention than Ajzen's and Fishbein's (1980) theory of reasoned action, and Miniard's and Cohen's (1983) model (Netemeyer, Andrews & Durvasula 1993).

Moreover, the theory of planned behaviour (TPB) has been extensively cited by many researchers, which made it the most popular theory among U.S. and Canadian social psychologists (Nosek et al. 2010). The main criticism of the TPB is that the theory may be too rational and ignores the cognitive and affective processes influencing human bias (Ajzen 2011). Although the scholar admits that the theory may not be able to predict the relationship between intention and behaviour in all situations accurately, he believes that whatever an individual's thoughts (whether irrational or rational), each produces his or her attitudes (Ajzen 2011), intentions and behaviours consistent with these beliefs (Geraerts et al. 2008). In general, based on meta-analytic syntheses from seven studies since the theory was first introduced in 1985, the TPB seems to be able to predict intentions and behaviour quite accurately (Ajzen 2011). Also, Mattered, Diepgen and



Weisshaar (2011) argued that intention, rather than willingness, can more accurately predict behaviour.

## **2.6 Theory of Reasoned Action (TRA) and Theory of Planned Behaviour (TPB)**

Davis, Bagozzi and Warshaw (1989) argue that one's performance of a particular behaviour is determined by individual behavioural intention (BI) to perform the behaviour, and BI is jointly determined by his or her attitude (A) and subjective norm (SN) concerning the behaviour in question.

Zanna and Rempel (1988) conceptualize attitudes as evaluations based on beliefs, feelings, and/or previous behaviour. Moreover, 'a person's overall attitude toward an object is determined by the subjective values of the object's attributes in interaction with the strength of the associations' (Ajzen 2001, p. 30). It is assumed that although an individual can form many different beliefs about an object, only beliefs that are readily accessible in his or her memory influence attitude in any given situation (Ajzen 2001). The more favourably an individual evaluates the particular behaviour in question, the more likely he/she will be to perform it (Trongmateerut & Sweeney 2013).

Previous research confirms that attitudes can be influenced by subjective norms through a group's interventions, norms, and opinions (Albrecht & Carpenter 1976; Bock et al. 2005; Deng 2013; Shaftel & Shaftel 2005). The assessment of subjective norms can be done directly by inviting individuals to describe their perceptions of the expected behaviour of group members (Cialdini & Trost 1998), and then, to predict the likelihood that one will engage in a questionable action, the perceptions of referent persons' expectations about the behaviour assessed, and the extent to which the individual wants to comply with those expectations (Bobek, Roberts & Sweeney 2007; Cialdini & Trost 1998). Moreover, Feldman and Lobel (2008) argued that social norms perceived by respondents seem to be more predictive of social enforcement than the expected organizational costs.

Subjective norms are the person's interpretation of others' opinions about his or her questioned behaviour (Cialdini & Trost 1998). Several researchers identify that individuals depend on the support and approval of their superiors, often known as organisation or group norms, in regards to understanding or appropriately responding to social situations, particularly during uncertain conditions (Cialdini 2001; Cialdini &

Goldstein 2004) and to behave in a manner that is perceived as acceptable by the community (Cialdini 2001; Cialdini & Trost 1998).

Sheppard, Hartwick and Warshaw (1988) argued that a combination of attitude and subjective norm is the main foundation of the theory of reasoned action (TRA). Moreover, they argued that the relationship between attitudes-subjective norms and intentions to perform activities involving choice is higher than for those activities where there has been no choice (Sheppard, Hartwick & Warshaw 1988). In general, the greater one's intention to engage in behaviour, the more he or she is likely to engage in such behaviour (Sheppard, Hartwick & Warshaw 1988).

Several empirical and laboratory studies confirmed the arguments (Ajzen 1991; Ajzen 2001; Ajzen & Fishbein 1980; Ajzen & Madden 1986; Beck & Ajzen 1991; Buchan 2005; Schifter & Ajzen 1985). However, the TRA is not without criticism. Sheppard, Hartwick and Warshaw (1988) suggested that the model needs to be clearer on goal intentions, choice situations, and differences between intention and estimation measures. Due to the weaknesses of TRA regarding the theory's boundary condition, an individual's intention may not be precisely aligned with behaviour (Ajzen & Madden 1986). A mundane activity or behaviour such as driving to the supermarket can usually be executed or not at will, although the intention may be thwarted by a broken car (an uncontrollable situation) (Ajzen & Madden 1986). Thus, a similar idea that has influenced the prediction of intention more accurately is not only based on attitudes and subjective norms, but also on the perception that the behaviour is controlled by the individual (Ajzen & Madden 1986). It should be highlighted that the word "perceived" is used rather than "actual" control, since the latter is difficult or perhaps impossible to predict due to the possibility of many unanticipated circumstances (such as an accident) that can prevent the execution of a particular intention (Ajzen & Madden 1986). Also, the human ability to identify and assess internal factors is very limited (Ajzen & Madden 1986). Thus, based on those conditions, Ajzen and Fishbein (1980) added perceived behavioural control over behavioural achievement as a determinant of intention, and experimentally examined college students' intention and goal attainment in a research setting condition and compared results with the prediction of intention utilising the TRA model.

Ajzen and Madden (1986) found that perceived behavioural control is not based on actual control, but on the individual's subjective perception regarding the ease or difficulty of

engaging in certain behaviour. The more one thinks that he or she has resources, and the fewer the hurdles, the more one tends to engage in questionable behaviour (Ajzen & Madden 1986). Perceived control does not always come from one's experience but is often derived from the experiences of peers and colleagues or even from second-hand information (Ajzen & Madden 1986). Reflecting the issues above, the new theory that became known as the Theory of Planned Behaviour (TPB), has been shown to more accurately predict intentions and goal attainment than did TRA. Perceived behavioural control added significantly to the prediction of intentions (Ajzen & Fishbein 1980).

In addition, relevant to TPB, how human brain works is also very complex. Recent studies indicate that individuals tend to select and keep only experiences impressing them in their memories. Moreover, they tend to memorize the ends and the bad things over whole experiences and good ones.

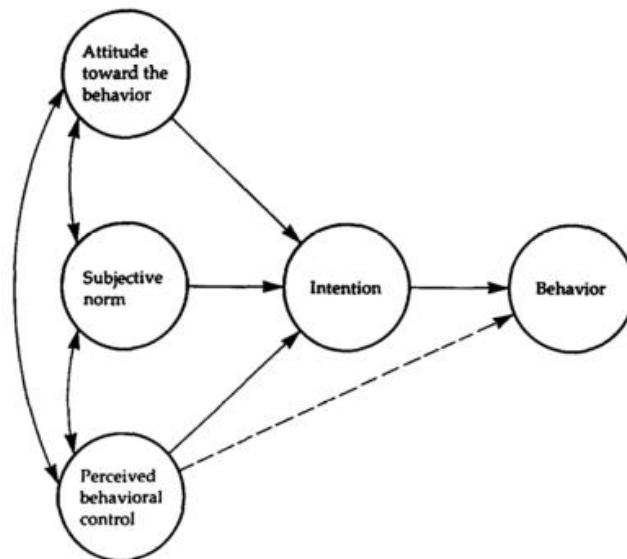
Kahneman (2013) argued that human being tends to confuse memories with the real experience that gave rise to those memories. On the one hand, human brain would select only experiences, usually the significant moments, and endings which they want to keep in their memories (Kahneman 2013). On the other hand, individuals are rare to keep the whole experiences they have (Kahneman 2013). Most of experiences count for nothing because they do not store in human brain (Kahneman 2013). Moreover, the memory is ruined, and the end of memory is usually all that humans have gotten to keep (Kahneman 2013). For instance, when someone listens to glorious music, but at the very end of the recording, there is a dreadful screeching sound, he or she tends to memorize only the bad experience the end, and then ruined the whole experience he or she has (Kahneman 2013). Perception plays also in human memory, because some memories come with a very compelling sense of truth although they are not true (Kahneman 2013).

Unfortunately, 'bad emotions, bad parents, and bad feedback have more impact than good ones, and bad information is processed more thoroughly than good' (Baumeister et al. 2001, p. 323). That is the reason why an individual is more motivated to avoid bad occasions than to pursue good ones (Baumeister et al. 2001). Again, human's perception plays important in selecting what experiences, impressions, or stereotyping need to be kept (Baumeister et al. 2001). Those bad ones are quicker to form and more resistant to

disconfirmation than good ones (Baumeister et al. 2001). Baumeister et al. (2001) concluded in their study that hardly any exceptions good can out-weight bad be found. To sum up, ‘these findings suggest that bad is stronger than good, as a general principle across a broad range of psychological phenomena’ (Baumeister et al. 2001, p. 323).

In relation with whistleblowing context, taken together, Kahneman's (2013) and Baumeister et al.'s (2001) studies indicate that employees’ bad perceptions either from one’s own, perception, or someone else’s story about whistleblowing tend to be stick in their memories. It would be not easy to replace it with incentives or encouragement.

**Figure 2-2: Theory of Planned Behaviour (adopted from Ajzen 1991, p. 182)**



## 2.7 Theory of Planned Behaviour and Whistleblowing Intention

The theory of reasoned action (TRA) (Richardson, Wang & Hall 2012; Trongmateerut & Sweeney 2013) and then its further development into the Theory of Planned Behaviour (TPB), seems to be an effective theoretical framework to predict ones’ intentions regarding ethical behaviour (Buchan 2005; Chang 1998; Mcmillan & Conner 2003; Randall & Gibson 1991).

In the whistleblowing literature, several studies have used the TPB model to investigate human intention to whistleblow on wrongdoing (Ghani 2013; Gundlach, Douglas & Martinko 2003; Park & Blenkinsopp 2009). In addition, Bjorkelo and Bye (2014) suggested that scholars use the TPB in whistleblowing studies for several reasons:

1. Theoretically, the TPB can serve as a useful integrative framework influencing the predictive validity of intentions to whistleblow.
2. Each of the factors in the TPB (attitude, subjective norm, and perceived behavioural control) is constructed with two components, namely belief and evaluation. While the first component explains one's core willingness to execute a particular behaviour, the latter has a role in moderating (making stronger or weaker) the willingness to act by considering the cost and benefit of the action (Ghani 2013). Together, they show the readiness of a person to perform the particular behaviour.
3. Miceli, Near and Dworkin (2013), who developed pro-social organizational behaviour (POB) in their whistleblowing studies, divided the process of human thinking into four phases: 1) identification of misbehaviour; 2) experiences; 3) responsibility to report or not; and 4) cost and benefit consideration as well as the availability of other options. The process of human thinking in POB fits with the final stage of the decision-making process in the TPB (Bjorkelo & Bye 2014, p. 146).
4. Three studies employed the TPB using different approaches: a hypothetical scenario (Ellis & Arieli 1999; Liyanarachchi & Adler 2011; Oh & Teo 2010), a particular wrongdoing (Keenan 1990; Keenan 2000), and a general wrongdoing (Park & Blenkinsopp 2009).
5. Bjorkelo and Bye (2014) also suggested that a large sample be used in order to obtain a sufficient number of silent observers and actual whistle-blowers.

Utilizing the TPB is also recommended by several scholars (Loyens & Maesschalck 2014; Vandekerckhove, Brown & Tsahuridu 2014) who argue that if a researcher does not yet know to what extent context and personality determine, moderate and mediate the targeted respondents' response to whistleblowing, the TPB is a useful initial entry into this field of research and a means of determining when or in what condition respondents will perform a particular behaviour (Vandekerckhove, Brown & Tsahuridu 2014) and helps to link intention with actual behaviour (Bjorkelo & Bye 2014).

An intention may lead to the actual behaviour (Chang 1998). Moreover, Ajzen (1991) argues that intention is the best predictor of behaviour. He defines intention as the cognitive representation of one's readiness to perform a given behaviour which is considered as an immediate antecedent of behaviour (Ajzen 1991; Ajzen & Madden 1986). It means that a behavioural intention is a subjective probability that a person

assigns to the possibility that a given behaviour alternative will be chosen (Hunt & Vitell 1986).

The TPB is based on the assumption that individuals' intention to perform a specific behaviour depends on their beliefs and on available information (Ajzen 2005). The theory has provided good predictions of both intentions and behaviours regarding the use of cannabis, which is a sensitive issue (Conner & McMillan 1999). Thus, the concept is arguably also useful for predicting with some accuracy other high-risk behaviours such as whistleblowing (i.e. Ghani 2013; Fatoki 2013; Park & Blenkinsopp 2009). Moreover, if an individual believes that he or she has the appropriate opportunities or resources (e.g. money, time, skills, cooperation and support from others) to deal with particular behaviours, they are more likely to perform the behaviour in question (Ajzen & Madden 1986).

As explained in previous sections, the TPB accommodates three elements namely attitude, subjective norm and perceived behavioural control, which are considered as predictors of one's intention to perform a particular questionable behaviour (Ajzen 2005). Details are explained below.

### **2.7.1 Attitude**

The first determinant of intention is attitude, which refers to an individual's favourable or unfavourable response to particular object, person, entity, event, or behaviour (Ajzen 2005). It is derived from salient beliefs about the consequences of the behaviour and the subjective evaluation of those consequences (Park & Blenkinsopp 2009). Attitude reflects an evaluation of the consequences arising from doing any questionable behaviour (Ghani 2013). As a result, the calculation involving all the (expectation) x (value) items yields the individual's attitude toward the questionable behaviour (Ghani 2013). Miceli and Near (1984) argue that whistle-blowers tend to value whistleblowing as an acceptable behaviour compared to non-observers or inactive observers.

Several researchers concluded that if individuals have a positive attitude toward whistleblowing, they will agree that whistleblowing has positive effects and it is important to act against misconduct (Park & Blenkinsopp 2009). However, a positive attitude towards whistleblowing (individuals think it is morally right and necessary) does

not necessarily mean that all will disclose wrongdoing when the time comes to do so. In fact, only a few actually take action (Park & Blenkinsopp 2009).

### **2.7.2 Subjective Norm**

The second determinant of intention is subjective norm, which refers to “the perceived social pressure to perform or not to perform the behaviour” (Ajzen 1991, p. 188). This is a reflection of an individual’s normative beliefs about approval or disapproval by important referent individuals or groups in relation to a given behaviour (Ajzen 1991). Subjective norms are measured by normative beliefs about what others think an individual should do multiplied by the individual’s motivation to obey (Ghani 2013). As suggested by a study, subjective norm is defined as a product of (expectation) x (value) (Ghani 2013).

When an authority, organisation, or important members of a group approve of or support the intention to report misconduct, the observers are more likely to report wrongdoing (Trongmateerut & Sweeney 2013). Their finding is supported by several studies in literature reviews (Dozier & Miceli 1985; Mesmer-Magnus & Viswesvaran 2005; Miceli, & Near 1989; Miceli, Near & Dworkin 2009; Near & Miceli 1995) or empirical research (Lavena 2014b; Miceli & Near 1988; Miceli et al. 2012). Mainly, a study conducted by Mesmer-Magnus and Viswesvaran (2005), shows that subjective norms may govern the relationship between intention to report wrongdoing and actual whistleblowing.

A significant number of researchers also argue that the presence of super-ordinates or co-workers support has a positive relationship with reporting (i.e. Brown 2008; Dozier & Miceli 1985; Ellis & Arieli 1999; Lavena 2014a; Mesmer-Magnus & Viswesvaran 2005; Miceli & Near 1988, 1989; Miceli, Near & Dworkin 2009; Miceli et al. 2012; Near & Miceli 1995; Park & Blenkinsopp 2009; Proost et al. 2013; Trongmateerut & Sweeney 2013).

In the Thailand context, a study has found that if super-ordinates or co-workers support the observers of wrongdoing, the observers will be more likely to report (Trongmateerut & Sweeney 2013). Their conclusion is supported by several researches in the literature review (Dozier & Miceli 1985; Mesmer-Magnus & Viswesvaran 2005; Miceli & Near 1989; Miceli, Near & Dworkin 2009; Near & Miceli 1995) or empirical studies (i.e. Brown 2008; Cassematis & Wortley 2013; Miceli & Near 1988; Miceli et al. 2012; Park

& Blenkinsopp 2009). Moreover, in Israeli Defence Forces, the subjective norms effect is much stronger than attitudes (Ellis & Arieli 1999). In particular, the study conducted by Mesmer-Magnus and Viswesvaran (2005), shows that the subjective norms may govern the relationship between intention to report and actual whistleblowing. Moreover, as literature from several studies concludes, group dynamics in organisations may have more influence on whistleblowing than does the conducting of ethics programs (Vadera, Aguilera & Caza 2009).

Inconsistency in results related to this variable can be found in a single study in Indonesia. At the DGT, supervisor support does not influence employees' intention to report wrongdoing (Budiriyanto & Gugup Kismono 2013), while other studies have shown that subjective norms influence accounting students' (Sulistomo & Prastiwi 2011) and internal auditors' (Banda & Mahfud Sholihin 2012) intention to whistleblow.

In addition, Lavena (2014a) argued that intention to whistleblow on misconduct is negatively associated with some important indicators of organizational cultures, such as perceptions of respect and transparency, cooperativeness and flexibility in the work setting, and fair treatment and trust in supervisors. Moreover, Miceli and Near (1994a) and their other study (Near & Miceli 1996) concluded that the absence of co-workers' support does not have a correlation with retaliation, but managements retaliate against the whistle-blower because the latter is seen as a threat to the organisation. In line with this finding, studies report that managements play an important role in retaliation (Miceli et al. 1999; Rehg et al. 2008).

Regarding this context, Hofstede and Hofstede (2005) argued that Indonesian cultural dimensions are categorized as large power distance (Trompenaars & Hampden-Turner 1998), collectivism (C), moderate feminism (F), and moderate with unknown situations (UA). Since F and UA were considered as moderate which was difficult to distinguish, this study focused mainly on Indonesians' prominent cultures (PD and C), which fitted with the study context also. PD is defined as "the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally" (Hofstede 2011, p. 9). One of the characteristics of this dimension is that lower level individuals tend to accept orders from higher ranking individuals without questioning, which may discourage whistleblowing behaviour. Not disagreeing with the boss is another example of a high-power distance culture. Employees



are forced to obey in every way without questioning (Worang 2013). Moreover, legal regulations are not yet clear, and the bosses can also ask their employees to run personal errands for them and their families (Koentjaraningrat 1988). The implication of this phenomenon is that employees get used to obeying their superiors in every way regardless of whether or not they agree with the opinions or actions of their superiors. This situation leads employees to think that their opinions are not important enough to drive their actions.

Collectivism is defined as “cultures in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) that continue protecting them in exchange for unquestioning loyalty, and oppose other in-groups” (Hofstede 2011, p. 11).

To further explain Hofstede and Hofstede (2005), the majority of Indonesians are influenced by a “*Ewuh-Pakewuh*” culture. Based on an interview, Worang (2013, p. xvii) defines *ewuh-pakewuh* as “uneasiness; obedient or attentive to an excessive or servile degree. In the organisation, this is practised by the subordinate with his/her superior, or children to parents amongst family members”. Moreover, another researcher argued that as a reflection of the cultural power, a patron-client culture may arise due to the interdependence between patron (super-ordinate) and the client (subordinate) (Wati 2014). The formation of a “*ewuh-pakewuh*” attitude toward the relationship between super-ordinates and subordinates is the result of a patron-client culture (Wati 2014). Although there are two sides to the coin (good and bad) (Martodjo 2008), *ewuh-pakewuh* is often used negatively in order to deter staff from criticising their superordinates or seniors, or offering them suggestions and opinions (Frinaldi & Embi 2014).

*Ewuh-pakewuh* is often based on the norm of “*Asal Bapak Senang*” (keeping the boss happy), whereby sub-ordinates want to please a superior, which is a common phenomenon in government organizations (Worang 2013). Also, as a member of a collectivist culture (Hofstede 2011), an Indonesian tends to conform to his or her group’s particular values, norms, and habits. This dimension illustrates the value placed on maintaining harmony among members (avoiding conflicts and losing face to others) and the emphasis of relationship prevailing over task (Hofstede 2011). In addition, the cultural norm of middle path (“*jalan tengah*”) is often misemployed to resolve any disputes in order to avoid the application of the law (Worang 2013). Many Indonesians

have also indicated the tendency to misuse the culture of working together cooperatively (“*gotong royong*”) to conceal an act of corruption inside the organization (Worang 2013).

To make the situation worse, many Indonesians have ‘*nrima*’ (to submit) mentality. The concept of *nrima* holds that an individual should accept grief and displeasure because these are one’s destiny (Koentjaraningrat 1988). This cultural value might indirectly discourage employees from whistleblowing.

In general, the culture has positive and negative sides, but since Indonesia has been considered by many as having had a long history of bribery, this makes many social commentators believe that Indonesia has a corruption tolerance culture (Arifianto 2001). The cultural norms of *ewuh-pakewuh*, *asal bapak senang*, *jalan tengah*, *nrima*, and *gotong royong* tend to promote the culture of corruption.

However, respected scholars warn that although cultural dimensions can be considered an alternative model for whistleblowing research, the variables alone have been identified as implausible if they are used as a single taxonomy (Miceli, Near & Dworkin 2013). Consequently, it seems too early to draw conclusions regarding the influence of national culture on wrongdoing (Miceli, Near & Dworkin 2013).

Thus, to predict intention more accurately, one should consider not only the attitudes and subjective norms, but also behaviour that one perceives as being under one’s control or according to expectation (Ajzen & Madden 1986). It should be highlighted that, regarding control, the word “perceived” rather than “actual” is used since the latter is difficult or perhaps impossible to be predicted due to many unanticipated accident factors in nature that can prevent one from executing a particular intention (Ajzen & Madden 1986). In addition, even the human ability to identify and assess internal factors or requisite skills is very limited (Ajzen & Madden 1986). The third element of perceived behavioural control has been added and used in the planned behaviour model through several laboratory tests (Ajzen & Fishbein 1980).

### **2.7.3 Perceived Behavioural Control**

The third determinant of intention is perceived behavioural control, defined as the perceived ease or difficulty of performing the behaviour (Ajzen 2005). It depends on an individual’s self-efficacy and perceived wider environmental factors that promote or hamper performance (Ajzen 2005; Foy et al. 2007), which is assumed to reflect past

experience (Ajzen 2005) and/or anticipated outcome from indirect information about the behaviour, experiences of other people or by other factors (Ajzen 2005; Ajzen & Madden 1986). This third determinant emerged due to the limitations noted in attitude and subjective norms as predictors of individual intention as explained previously.

Perceived behavioural control consists of two dimensions: control beliefs and behavioural control (Ghani 2013). 'Control beliefs' are related to an individual's beliefs about the factors that may encourage or deter a particular behaviour (Ajzen & Madden 1986). Hence, perceived behavioural control is calculated by the total set of accessible control beliefs (Ghani 2013), whereby an individual is more likely to perform the behaviour in question if s/he perceives that the necessary resources and opportunities are under his/her control (Ajzen & Madden 1986).

Several variables related to this context have been identified, such as personal considerations related to cost of acting/retaliation consequences (Brown 2008; Hwang et al. 2014; Keenan 2002a, 2007; Lee & Fargher 2013; Miceli, Near & Dworkin 2013; Richardson, Wang & Hall 2012), cash reward or other benefits (Bowden 2014; Miceli, Near & Dworkin 2013), and training (Ghani 2013).

Some studies on whistleblowing have allowed that the concept of perceived behavioural control is related to different variables that can be used to measure individuals' characteristics, personality/dispositional characteristics, positions, independency, and resources that affect their decision to report perceived wrongdoings in their organisations. For instance, several perceived behavioural control variables such as the power position of whistleblowers (Ghani 2013; Lee & Fargher 2013; Miceli, Near & Dworkin 2013; Near & Miceli 1985, 1995), internal/external locus of control (Ghani 2013; Ahmad, Smith & Ismail 2012; Chiu 2003; Dozier & Miceli 1985; Mesmer-Magnus & Viswesvaran 2005; Miceli, Near & Dworkin 2013; Near & Miceli 1996; Septiyanti, Sholihin & Acc 2013), and adequate and convincing evidence (Brown 2008; Mesmer-Magnus & Viswesvaran 2005; Miceli & Near 1985a, 2002; Miceli et al. 2012; Near & Miceli 1985), have been investigated.

Other findings from Brown's (2008) empirical study and Bowden's (2014) literature review revealed that two predominant reasons for individuals reporting on misconduct

are: 1) assurance that the reporters will be protected from any reprisal; and 2) assurance that the disclosures will be investigated seriously.

Moreover, based on the power and dependency theory, Emerson (1962) argued that the greater an individual's dependence on an organisation and the lower availability of alternative resources, such as another job(s), the less will be the tendency to report wrongdoings in the organisation and vice versa. Thus, researchers have assumed that when alternative job opportunities are perceived as being available and achievable, individuals are more likely to have the courage to take risks to whistleblow on wrongdoing, rather than those who depend on their organisation for continuing employment (Miceli & Near 1985b). Other studies have attempted to investigate the field of dependence and its influence on whistleblowing as one of several variables (Miceli, Near & Dworkin 2013; Near & Miceli 1985, 1986, 1995, 1996).

Importantly, as shown in a study conducted by Mesmer-Magnus and Viswesvaran (2005), the intention to whistleblow is often not followed by the actual taking of action. Several variables related to this tension between intent and action have been identified, such as personal considerations related to cost of acting/retaliation consequences (Brown 2008; Hwanget al. 2014; Keenan 2002a, 2007; Lee & Fargher 2013; Miceli, Near & Dworkin 2013; Richardson, Wang & Hall 2012), cash incentives or other benefits (Bowden 2014; Miceli, Near & Dworkin 2013), and training (Ghani 2013). It has also been argued that the perceived difficulty may overlap substantially with affective attitude (Kraft et al. 2005).

Inspired by Park and Blenkinsopp (2009) and Fallon and Cooper (2015) studies, this study used similar items for Perceived Behavioural Control (PBC) determinant. For instance, an organization's culture (positive and negative images) as well as PBC relating to the ease of finding another job(s) fit the variables under PBC.

### **2.7.3.1 Organizational Culture**

The first determinant of perceived behavioural control is organizational culture.

Although culture is an abstraction, the forces that create a culture in social and organizational situations are powerful (Schein 2006). It is also commonly understood that culture and leadership are two sides of the same coin (Schein 2006). On the one side, cultural norms will define leadership; while on the other hand, the ultimate act of

leadership is to internalize useful culture or to mitigate culture when it is considered as dysfunctional (Schein 2006).

Schein's six mechanisms used by Fallon and Cooper (2015) in their study seems to be able to measure employees' perception of their organisation's culture and leadership style in relation to whistleblowing. To ensure data validity, as Schein (2010) suggests, scholars should consider predictability and replication of recognized methods. In line with his argument, Fallon and Cooper (2015) successfully used Schein's six mechanisms to measure the influence of organisational culture on fostering bribery cases that occurred within the Australian Wheat Board (AWB) between 1999 and 2002. Other studies have confirmed that a corrupt organisational culture has caused severe damage in various organisations (i.e. Agrawal, Jaffe & Karpoff 1999; Dellaportas, Cooper & Braica 2007; O'Connell 2004).

A combination of organization culture and national culture needs to be considered because to some extent they influence each other. The effect of national culture on the workplace is evident in the following noticeable characteristics: (1) inequality is acceptable; (2) more powerful individuals have more privileges, sometimes in breach of clear, established rules and regulations; (3) whoever holds power is often seen as the source of rightness and goodness; (4) individuals tend to avoid conflict, preserve others' 'face', maintain harmony, and seek compromise; and (5) relationships prevail over task considerations (Hofstede & Hofstede 2005). All studies seem to accept that leaders are key players in shaping the organisational culture (Fallon & Cooper 2015; Hofstede & Hofstede 2005; Schein 2006).

The attributes of organizational culture and leadership styles based on Schein's six mechanisms are: (1) attention; (2) reaction to crisis; (3) resource allocation; (4) role modelling (how leaders behave); (5) allocation of reward; and (6) criteria for selection and dismissal (Fallon & Cooper 2015; Schein 2006, 2010). The six mechanisms in Schein's framework accommodate salient beliefs in the framework. Scholars suggest incorporating salient beliefs in the framework instead of a single belief because one's belief tends to consist of both the positive and negative aspects of reporting organizational misbehaviour (Bjorkelo & Bye 2014) and the evaluation of benefits versus costs of whistleblowing (Keil et al. 2010; Miceli, Near & Dworkin 2013).

## **1. Attention**

Attention is a leader's focus on evaluating and managing issues that are perceived by employees as having an important or not important value within an organisation (Fallon & Cooper 2015; Sims & Brinkmann 2003). Thus, if leaders convey conflicting messages, then subordinates may feel confused about the real view or opinion of their leaders (Fallon & Cooper 2015). For instance, in the case of whistleblowing, regardless of how frequently the super-ordinates encourage the subordinates to disclose wrongdoing, if senior leaders are seen to not follow up reports seriously, this is likely to discourage employees' intention to report wrongdoing (i.e. Bowden 2014; Brown 2008; Cassematis & Wortley 2013). Worse, the lack of a leader's attention can help create a corrupt culture within the organisation (Fallon & Cooper 2015).

If whistleblowing policies and regulations are in place, these can be seen as signals of the leaders' intention to encourage whistleblowing. The presence or absence of such policies and regulations might either encourage or discourage both wrongdoing and whistleblowing (Blackburn 1988; Keenan 1988; Zalkind 1987 cited in Near & Miceli 1995; Seifert 2006). Common results show that employees may see the presence of whistleblowing policies and regulations as signals that an organisation is open to the reporting of wrongdoing (Keenan 2000), which leads to disclosure. Conversely, it may be perceived as an organisation that does not support whistleblowing, which therefore discourages reporting (Cassematis & Wortley 2013; Seifert 2006; Sinha 2013; Stansbury & Victor 2009). However, policies, systems, tools, and codes of conduct alone may not be sufficient enough to mitigate wrongdoings. Rather, an organisation needs sound practices to support its ethical culture (Chung, Monroe & Thorne 2004; Pascoe & Welsh 2011; Seifert et al. 2010), including an effective means of handling disclosures (Brown 2008).

The effect of a perception of having evidence of the misconduct, and the response of leaders when dealing with a report that is supported by evidence, need to be elaborated. As indicated by a previous study conducted by the U.S. Merit Systems Protection Board, a high rate of reporting, particularly for serious types of wrongdoing, is highly related to the quality of evidence held by whistle-blowers (MSPB 2011). These studies indicate that whistle-blowers need to ensure the accuracy of information associated with the misconduct before making a decision to report or not report (Near & Miceli 1996). Since

this chapter is concerned with bribery as the main type of wrongdoing, which may be considered as a serious type of misconduct, the issue of evidence and how employees think about their leader's attention to a report based on evidence, must inevitably be included.

## **2 Reaction to Crisis**

Employees often see leaders' reactions to a crisis as a reflection of leaders' values (Dellaportas, Cooper & Braica 2007). How executives react to a bribery case, whether they shift the blame and point fingers at others for the fraud, or whether they admit to a weakness in the system and apologise for the problems, can indicate the leaders' ethical values (Fallon & Cooper 2015) as Australian Wheat Board (Fallon & Cooper 2015) and Enron (Sims & Brinkmann 2003) have illustrated. If the leaders are seen to blame others or react defensively to unethical behaviours within the organisation, employees are likely to report misconduct through external reporting channels or by going public rather than using internal channels (Driscoll 1999; Tavakolian 1994).

## **3 Resource Allocation**

The third leadership mechanism indicates that employees' behaviour, attitudes and their personal goals are influenced by leaders' decisions on budget allocation and expenditures (Dellaportas, Cooper & Braica 2007). Simply, a leader's priorities are clearly illustrated by budget allocation (Schein 2010). For example, if an organisation spends much of the budget on entertainment and services for business partners, rather than on the quality and/or ethical value of products offered, the perception by employees can be that the organization encourages a "justify all means" attitude, which in turn can lead to a corrupt work environment (Fallon & Cooper 2015). A study in the USA reveals that the low percentage of noted complaints in an organization was due to the inadequacy of staffing and resources (Vaughn 2013 cited in Bowden 2014). Other studies of different organizations also supported these findings (i.e. Dellaportas, Cooper & Braica 2007; Fallon & Cooper 2015).

## **4 Role Modelling**

A fourth mechanism, role modelling, is regarded as one of the most important responsibilities of leaders in organisations (Fallon & Cooper 2015). Positive role models strengthen the ethical way to conduct business; however, the example set by high ranking

officials whose behaviour wrongly is likely to erode ethical standards (Fallon & Cooper 2015). Also, leaders' role model behaviour can be positive or negative (Fallon & Cooper 2015). Positive role modelling will promote ethical behaviour in the conduct of business, while negative role modelling will erode ethical standards (Fallon & Cooper 2015). Surprisingly, in many cases, employees may complain about toxic leaders but only few attempts to stop them (Lipman-Blumen 2006). Individuals' tolerance of the toxic leaders' behaviour results in those leaders remaining in power for a long time (Lipman-Blumen 2006).

However, correlation between role model and intention to whistleblow needs to be interpreted carefully. Kaptein (2008) argued that the eight dimensions of ethical culture (transparency, clarity, congruency local management, congruency senior management, discussability, sanctionability, and feasibility) are not all positively related to a positive response and not all negatively related to a negative response of employees who observe misconduct. As expected, transparency, which is a desirable organizational virtue for discouraging misconduct, was negatively related to the positive response of direct intervention and reporting to management (Kaptein 2008). Apparently, the presented arguments for reporting to management and approaching the wrongdoer(s) - the more transparency, the more management know about misconduct occurs, and the less meaningful it is for employees to report to them (Kaptein 2008).

Interesting result can be found from relation between role modelling and reporting to management trend. Role modelling of management seems to encourage more reporting to management and reduce direct intervention by employees (Kaptein 2008). One of possible reasons is because employees who regard their manager as good role models rely more on the intervention of their manager rather than their own direct interventions to stop misconduct (Kaptein 2008). Both findings from Kaptein (2008) study above should be interpreted carefully because first, if transparency is high, the report to management may be low. Second, if employees trust their manager to intervene to stop misconduct, the intention to whistleblow may be low. However, both possible scenarios do not mean that employees do not have intention to stop misconduct.

Another careful interpretation and further elaboration are needed to understand the correlation between transparency and external whistleblowing showing that the first was positively related to the latter. Kaptein (2008) confirmed that external whistleblowing



generally is one of indications of a weakness in the ethical culture of the organization, except for transparency. If we do not careful interpret the finding, it may lead a conclusion that transparency is a factor to promote employees to report to external parties. Regarding this issue, Kaptein (2008) suggests that ethical culture is not the only relevant factor in explaining it. Supporting argument was presented by considering inaction of employees as a failure of the ethical culture of organizations is generally also correct, but only transparency was positively related (Kaptein 2008).

The findings from Kaptein (2008) study above lead a need to use both quantitative and qualitative analysis for further research.

## **5 Allocation of Rewards**

Merit-based performance rewards given by leaders show the prevailing organisational culture (Fallon & Cooper 2015). However, if unethical individuals within the organisation are still rewarded, these informal messages send even stronger messages about the real corporate culture, which is perceived as promoting unethical business practices (Fallon & Cooper 2015). In the case of the oil-for-wheat kickback scandals involving the Australian Wheat Board (AWB) in 2005, for example, empirical studies show that AWB executives received higher salaries and bonuses despite showing unethical behaviour in the conduct of business (Cole 2006 and Overington 2007 cited in Fallon & Cooper 2015). In the AWB case, the norm appeared to be that the ends (goal to maximum profit) justified the means (actual practices) that included unethical business kickbacks to the Iraqi regime as these were in contravention of UN sanctions and Australian Law (Fallon & Cooper 2015). The message was quite clear that that being unethical was 'good' and being ethical was not, if it potentially jeopardised future sales (Fallon & Cooper 2015, p. 80).

Conversely, if whistle-blowers are rewarded, this can be seen as leaders and the organization supporting the employees who whistleblow. The idea of offering financial incentives to attract public cooperation in enforcing the law goes back to mediaeval times (Fasterling 2014) since, due to lack of law enforcement, certain violations of the law can be prosecuted more efficiently with the help of the public (Pitzer 1971). Studies also reveal that individuals often have intrinsic or extrinsic motives, unrelated to altruism, when they perform a good deed for the broader community (Dozier & Miceli 1985). For instance, in the context of whistleblowing, employees may be motivated to disclose

wrongdoing given the opportunity to obtain financial and other personal benefits (Bowden 2014).

An empirical study conducted by Ayagre and Aidoo-Buameh (2014) shows that in Ghana, a reward system for whistleblowing does not have a significant effect on encouraging individuals to whistleblow on misconduct; however, the authors suspect that unfair treatments and retaliations may outweigh the attractiveness of financial incentive offers. However, another study in Ghana shows an inconsistency in findings. Despite the highly valued collectivist mentality in Ghana that emphasises the bond between individuals, the Ghanaian culture equally admires wealth and riches. Thus, it is suggested that monetary inducement would be effective to some degree as a means of obtaining internal information (Yeboah-Assiamah et al. 2016).

## **6 Criteria for Selection and Dismissal**

The criteria for employee selection and dismissal - the internal selection process for employees joining and/or leaving the organisation - can ensure that the corporate culture remains intact and benefits the leaders (Fallon & Cooper 2015). Employees who are seen as suiting the culture will remain in work or will be newly recruited, while those who oppose the culture may resign or be terminated (Fallon & Cooper 2015). In the case of the AWB, the whistle-blower who challenged the payment of kickbacks was ultimately pushed out of the organization due to his 'questioning' (Fallon & Cooper 2015). It is clear that selection and dismissal criteria can discourage employees from reporting wrongdoing, especially if finding other work is not a ready option. The effect of perceived retaliation is consistent in several countries. Several studies confirm the two main inducements to report misconduct are: the organisation taking action to seriously investigate the report(s), and perceived safety from retaliation (Bowden 2014; Brown 2008; Cassematis & Wortley 2013; Mesmer-Magnus & Viswesvaran 2005; Miceli 1992; Park & Blenkinsopp 2009).

However, studies on retaliation and perceived organisational culture have produced mixed results regarding the relationships between individuals' whistleblowing intentions. For instance, Brown (2008), Cassematis and Wortley (2013), and Bowden (2014) argued that retaliation and the organization's less-than-serious handling of whistleblowing may deter employees from whistleblowing. This finding is consistent with those of several cross-cultural studies (i.e. Fatoki 2013; Hwang et al. 2014; Keenan 2000, 2002a, 2007;

Lowry et al. 2012; MacNab et al. 2007; Park & Blenkinsopp 2009; Park et al. 2008; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003).

However, conversely, studies in Indonesia have found that, somehow, retaliation does not significantly influence individuals' intention to disclose misconduct (Bagustianto 2015; Septiyanti, Sholihin & Acc 2013). Unfortunately, the Indonesian researchers did not conduct an in-depth investigation to determine why this anomaly occurred. Hence, Bagustianto (2015) has encouraged other scholars to explore this issue in depth in future research.

### **2.7.3.2 Ease of obtaining another job(s) outside DGT**

Based on the theory of power dependence relations, an employee's decision to perform a particular action is highly influenced by his or her degree of dependence on the organisation and the availability of other resources (Emerson 1962). If an employee believes that s/he can secure another job(s) easily, s/he might not be afraid of retaliation and will tend to disclose (Miceli & Near 1985b; Near & Miceli 1986). Despite the importance of perceived availability of alternative employment to encourage employees to disclose and its strong influence on DGT employee turnover (Ariyanti 2014), this variable has not been investigated in the Indonesian context.

## **2.8 Reporting Channel Preferences**

Many researchers have paid attention to the role of the reporting paths for whistleblowing either anonymously or non-anonymously (Kaplan et al. 2012; Near & Miceli 1995) and have addressed either the internal or external reporting channels (i.e. Callahan & Dworkin 1994; Dworkin & Baucus 1998; Park & Blenkinsopp 2009). A single study shows that the existence of an anonymous channel will decrease the likelihood of reporting to non-anonymous channels (Kaplan & Whitecotton 2001). The preference for reporting channels is also related to perceived retaliation. A negative result from the perspective of a previous non-anonymous whistle-blower reduced participants' non-anonymous reporting intentions, while these adverse outcomes did not lower participants' anonymous reporting intentions (Kaplan et al. 2012). Park and Blenkinsopp (2009) argued that preference to use internal reporting channels is significantly influenced by respondents' attitude, subjective norm, and perceived behavioural control, 'with the exception of the relations between external whistleblowing and perceived behavioural control which was

in the predicted direction' but not significant (Park & Blenkinsopp 2009, p. 10). However, their study limited the paths to only two categories: internal and external reporting channel. On the other hand, Olsen (2014) suggested that multiple reporting pathways be investigated in in order to understand their effectiveness in encouraging employees to report.

## **2.9 Bribery and Scope**

Bribery is commonly determined and widely accepted as one form of corruption (OECD 2008). Although the words – bribery and corruption – clearly refer to transfers of resources that are in some sense “bad”, many organisations still find it difficult to identify and describe “bribery” and “corruption”, especially when applying these general terms to specific business operations (Gordon & Miyake 2001). Moreover, this same study identified that tolerance of different practices in different cultures is used as an excuse for the persistence of bribery and this, together with other corrupt practices, can present some implementation difficulties. For example, many organisations in various countries have offered gifts and entertainment in return for favours as culturally-specific forms of economic transaction (Au 2014). Yet, there is little evidence to show how to differentiate between acceptable and unacceptable practices (Gordon & Miyake 2001). In a Chinese business and cultural context, for example, the failure to reciprocate (take and give) can cause a loss of prestige, face, and mutual trust (Hwang 1987).

Even the Organisation for Economic Co-operation and Development (OECD), the Council of Europe, and the United Nation Conventions do not explicitly describe “corruption”. However, the OECD did establish a list of corrupt behaviours, which includes bribery of foreign public officials (OECD 2008). Also, while definitions of corruption may differ slightly, the OECD (2008) identifies more similarities in international definitions of corruption for policy purposes. The common definition is the ‘abuse of public or private office for personal gain’. This definition can be used as a reference for policy development, awareness-raising, and elaborating anti-corruption strategies (OECD 2008, p. 22).

Nonetheless, despite definitional differences, many businesses have made public commitments to define codes of conduct ‘as a bribery code if it mentions money transactions, political contributions, gift giving or entertainment’ (Gordon & Miyake

2001, p. 5). Other scholars describe bribery as any action that includes an explicit request for reciprocity or "a favour for a favour" (Lambsdorff & Frank 2010). Similarly, Donaldson (2001) suggests that a bribe is the result of a bargain-based relationship between two parties that violates accepted legal and moral standards in most countries, while Brown (2006) views bribery, which appears in the domestic laws in most countries and in academic publications, as the conferring of a benefit in order to unjustifiably influence an action or decision.

## **2.10 Demographic Factors**

Research has suggested that gender (Near & Miceli 1985), age (Brennan & Kelly 2007) and working tenure (Miceli & Near 1988) are related to individuals' whistleblowing intentions. With regards to gender, females appearing to be more ethical than males (Vermeir & Van Kenhove 2008); consequently, females are expected to be more willing to whistleblow (Ahmad, Smith & Ismail 2012). However, conversely, other scholars argue that males rather than females tend to whistleblow (Dworkin & Baucus 1998; Miceli & Near 1988; Sims & Keenan 1998) because males tend to have higher positions in organisations and have more credibility than females (Near & Miceli 1995). Furthermore, females tend to be more afraid of retaliation than do males (Rehg et al. 2008).

Several studies have indicated that age is not a significant variable of whistleblowing intention (Dworkin & Baucus 1998; Keenan 2000; Sims & Keenan 1998). However, other studies have shown that older employees have a better understanding of the authority and control systems in their organisation and have more power to whistleblow compared to the younger staff (Keenan 2000). Based on power-dependence theory, an individual who feels less dependent on the organisation is likely to feel more free to speak the truth than someone who depends on the organisation (Emerson 1962).

Finally, in terms of working tenure, senior employees were found to be more likely to whistleblow because they were more likely to occupy high positions and therefore had greater power (Mesmer-Magnus & Viswesvaran 2005; Near & Miceli 1985). Conversely, junior employees tended to have less knowledge about the available reporting channels (Miceli 1992), were less familiar with the way that the organisational culture operated, and were not really concerned about stopping misconduct (Dworkin & Baucus 1998).

However, these findings contradict those of other studies indicating that job tenure was unrelated to whistleblowing intention (Miceli, Near & Dworkin 2013). Research has shown that education is not a significant variable of whistleblowing intention. In their meta-analysis, Mesmer-Magnus and Viswesvaran (2005) argued that the correlation between the two was zero in three studies on whistleblowing intent and six studies on actual whistleblowing.

### **2.11 Training and Knowledge about Whistleblowing Channels**

For whistleblowing and ethics training, several studies conducted by Ghani (2013), Frisque and Kolb (2008), and Daniels (2009) indicated that employees who participate in such training are more likely to whistleblow than those who do not attend them. Another study indicated that managers who had received the least or less adequate training in handling whistleblowing cases were those who relatively did not care with employee reporting and/or case were unlikely to be revealed (Vandekerckhove, Brown & Tsahuridu 2014).

### **2.12 Whistleblowing studies in Indonesia**

From identified whistleblowing literature regarding the Indonesian context, the research findings are summarized in Appendix 8. In general, it seems that whistleblowing studies in Indonesia have emerged only during the last five years. As can be seen from Appendix 8, the findings vary. Some variables are relatively consistent, while others are not. For instance, different from common perspectives (i.e. Bowden 2014; Brown 2008; Hwang et al. 2014; Keenan 2000; Keenan 2002a, 2007; Lowry et al. 2012; MacNab et al. 2007; Park & Blenkinsopp 2009; Park et al. 2008; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003), no relationship was found between retaliation and individuals' intention to whistleblow in the Indonesian context (Bagustianto 2015; Septiyanti, Sholihin & Acc 2013).

Moreover, Budiriyanto and Gugup Kismono (2013) argue that sanctions may encourage employees at the DGT to report to management and use external reporting channels. Studies in other organisations in Indonesia such as Indonesian Financial Transaction Report and Analysis Centre (Septiyanti, Sholihin & Acc 2013) and Supreme Audit Board of the Republic of Indonesia (Bagustianto 2015) also confirm that retaliation does not

significantly influence one's intention to whistleblow. Possible reasons are that job characteristics may influence employees' intention to whistleblow.

Another finding in relation to the DGT indicates that a supervisor's support does not influence employees' intention to report wrongdoing (Budiriyanto & Gugup Kismono 2013). This finding is inconsistent with those of other studies showing that subjective norms affect accounting students' (Sulistomo & Prastiwi 2011) and internal auditors' at BPKP (Banda & Mahfud Sholihin 2012) intention to whistleblow. Moreover, a study on the Indonesian Financial Transaction Report and Analysis Centre shows that organisational commitment does not have a significant effect on internal whistleblowing intentions (Septiyanti, Sholihin & Acc 2013).

Regarding financial reward, one study revealed that if there is a perception that retaliation will occur, respondents will not be encouraged by financial reward, but by the availability of anonymous channels (Sholihin 2013). The same study also concluded that reward will be adequate enough to encourage employees to whistleblow if they do not perceive the possibility of retaliation (Sholihin 2013). However, no study has identified non-financial rewards as well as the amount of money that can be considered as adequate enough to encourage employees to disclose misconduct. Research on this issue may be a *prima facie* case for regulators to look at how much amount of money is considered as sufficient and the other non-financial rewards that can be offered.

Contradictory findings regarding demographic variables are also seen in the Indonesian context. A study on Indonesian auditors indicated that auditor's personal characteristics (gender, age, education, tenure, and position) do not have a significant influence on whistleblowing intention (Kreshastuti & Prastiwi 2014). Another recent study on Indonesian State-Owned Enterprises showed inconsistency: tenure and gender have a significant influence on whistleblowing intention among accounting professionals, while age and professional association membership had no significant influence (Mochkoid & Haryanto 2016).

Finally, relatively few studies are conducted at DGT (Bagustianto 2015; Himmah 2014; Sofia, Herawati & Zuhdi), and none has investigated bribery in particular.

### 2.13 Research Gaps

This study attempted to fill several gaps identified in the literature as follows:

Firstly, the selection of a specific wrongdoing, bribery, has made our study unique and different from other whistleblowing studies in Indonesia and other countries. Miceli, Near, and Dworkin (2013) revealed that most whistleblowing studies that select a particular wrongdoing are related to sexual harassment scenarios. They indicated that whistleblowing studies, which select a particular type of wrongdoing as a control situation, are still very few (Miceli, Near & Dworkin 2013). Another study examined whistleblowing related to the latest member of a university fraternity being required to perform humiliating or dangerous tasks (Richardson, Wang & Hall 2012). Moreover, arguably, very few if any whistleblowing studies have attempted to measure individuals' intention to report bribery. The type of wrongdoing also influences the organisation's reaction to the fraudulent actions because it relates to organisational characteristics and objectives (Near & Miceli 1995). The tax service is characterised by monopoly, huge discretion, and potentially less accountability (Rizal, Y 2011), all of which, to some extent, create opportunities for bribery. This is in line with Klitgaard's formula:  $Corruption = Monopoly + Discretion - Accountability$  (Klitgaard 1988).

Secondly, many studies on whistleblowing have been, and continue to be, concerned with Western countries (Park et al. 2008) rather than their Eastern counterparts (Ghani 2013; Zhang, Chiu & Wei 2009). The literature shows relatively few studies on whistleblowing in the Indonesian context (Ghani 2013). Furthermore, he encouraged scholars to conduct more research in several South-East Asia countries, including Indonesia (Ghani 2013).

Thirdly, this study examined several inconsistencies in findings in relation to the main predictors (perceived retaliation, organisational culture, and subjective norm). As identified in the literature, retaliation and organisational culture (i.e. Bowden 2014; Brown 2008; Hwang et al. 2014; Keenan 2000; Keenan 2002a, 2007; Lowry et al. 2012; MacNab et al. 2007; Park & Blenkinsopp 2009; Park et al. 2008; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003) and subjective norms (Lavena 2014b; Miceli & Near 1988; Miceli et al. 2012) significantly influence employees' intention to disclose misconduct. However, unlike common findings, several studies in Indonesia have indicated that retaliation (Budiriyanto & Gugup Kismono 2013; Septiyanti, Sholihin & Acc 2013), organisational culture (Septiyanti, Sholihin & Acc 2013), and subjective



norms (Budiriyanto & Gugup Kismono 2013) do not influence employees' intention to report wrongdoing. This study investigated this phenomenon because results for the relationship between the identified predominant variables and intention to whistleblow seem to be inconclusive.

Fourthly, by utilizing selected determinants (attitudes, subjective norms, perceived behavioural controls), this study investigated individuals' whistleblowing intention in the context of a non-Western country (Keenan 2000, 2002a, 2007; Park & Blenkinsopp 2009; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003). Therefore, a re-examination of those variables from an Indonesian perspective may contribute a whole new intercultural interpretation to research on whistleblowing (Park, Rehg & Lee 2005). Moreover, this study contributes to international and cross-cultural whistleblowing research by obtaining more knowledge and additional clarification about the perceptions of Indonesians.

Fifthly, to measure organisational culture, to the best of our knowledge, this study was the first whistleblowing study in Indonesia to use Schein's six mechanisms, Organizational Culture and Leadership adapted from Schein (2010), and Fallon's and Cooper's (2015) research. Surprisingly, although Schein's mechanisms were proven to measure organizational culture effectively, no whistleblowing study has used this model.

Sixthly, this study added to whistleblowing literature on Indonesia by investigating role and responsibility under the attitude determinant. Those personal antecedents show consistency in findings (Vadera, Aguilera & Caza 2009). To the best of our knowledge, the antecedents have not been investigated in an Indonesian context.

This study is also the first to investigate the effectiveness of DGT's current financial and non-financial support intended to encourage the DGT employees to report bribery and to identify the amount of money that is considered "sufficient" enough to encourage reporting. As indicated in the literature, employees may be motivated to disclose wrongdoing given the opportunity to obtain financial and other personal benefits (Bowden 2014).

Also, perceived availability of other employment has not been examined in Indonesian whistleblowing studies. An employee's decision to perform a particular action is highly influenced by his or her degree of dependence on the organisation and the availability of

other resources (Emerson 1962). Thus, if an employee feels that he or she is less dependent on their organisation and can find another job(s) easily, he or she tends to whistleblow (Miceli & Near 1985b; Near & Miceli 1986). This seems to be suitable for Indonesia's DGT case, which in recent years has seen many tax employees move over to the private sector (Ariyanti 2014).

This study also enriched whistleblowing literature by investigating the relationship between evidence and whistleblowing intention as well as exploring the kind of evidence that is considered as "strong". Literature indicates that the quality of evidence is an important influence on employees' intention to whistleblow (Bowden 2014). However, no single whistleblowing study in Indonesia has ever researched this topic, and no single whistleblowing study has ever investigated the types of evidence that are considered robust.

Moreover, following a suggestion by Olsen (2014), this study investigated multiple reporting pathways beyond internal or external and anonymous or non-anonymous recipients.

## **2.14 Summary**

In terms of its application to real-world situations, this study may assist authorities to design regulations and policies to promote whistleblowing since an effective whistleblowing system would detect and prevent misconduct, and potential or existing loss of tax revenue might be prevented or reduced. A survey conducted by Perkumpulan Prakarsa (Welfare Initiative for Better Societies) in 2012 and cited in Pramudatama (2012) indicated that Indonesia could lose approximately 50 per cent or around Rp521 trillion (US\$55.9 billion) in tax revenue as a result of the massive corruption of wrongdoers at DGT involving taxpayers, unprofessional tax officials and irregularities in tax regulations. Perkumpulan Prakarsa is a non-government organisation established in 2004 with the objectives, among others, to nurture and develop welfare ideas and initiatives through independent research (Prakarsa n.y.). Moreover, a single case can involve significant sums of money. For example, the Gayus case was predicted to lose the Indonesian government the sum of Rp1.52 trillion or around US\$171.8 million (TJP 2011).



## CHAPTER 3 - STUDY CONTEXT

### 3.1 Introduction

This chapter explains the Indonesian Legal Framework in Securing Protection and Cooperation of Witnesses and Whistle-blowers at National Level and Directorate General of Taxation. Following the introduction, section 2 presents the motivation for the study. Section 3 explains the impact of rampant bribery in Indonesia. The weaknesses of the current framework and its implementation are discussed in section 4. Section 5 concludes the chapter with a brief summary.

### 3.2 Motivation for the Study

Studies show that a whistleblowing system can play a significant role as an effective internal control mechanism for the early detection of fraud within organisations (KPMG 2006, 2008, 2013; Read & Rama 2003). Another researcher argues that whistle-blowers can be considered as model employees for organisations (Hardjowirogo 1983; Vinten 1999). However, as Vogel (1992) has argued, individuals' perceptions of right or wrong, justice, morality and loyalty from different countries might vary according to their cultural contexts.

Regarding this study, particularly regarding 'bribery,' one study identified that tolerance of different practices in different cultures is an excuse for bribery and other corrupt practices that can present some implementation difficulties for whistleblowing policy and practice (Gordon & Miyake 2001). For example, many organisations in different countries have used gift-giving and entertainment in return for favours as a culturally-specific form of economic transaction (Au 2014). Yet, there is little known evidence about how to differentiate between acceptable and unacceptable practices (Gordon & Miyake 2001). In a Chinese business and cultural context, for example, the failure to reciprocate (take and give) can cause a loss of prestige, face, and mutual trust (Hwang, K-k 1987). Also, based on the interviews with Indonesian employees from a state bank, some of them believed that accepting gifts is part of the business culture (Worang 2013). Moreover, this gift-accepting practice was sanctioned in the bank's code of conduct with a provision

permitting employees to accept gifts valued at up to one million rupiahs (around US\$72) (Worang 2013).

Although there is a regulation forbidding DGT employees from accepting a gift from taxpayers (Indonesian Government 2010), it still seems to be common practice for many members of the public to take short cuts to prevent the application of the law in Indonesia or to settle legal matters quickly in order to remove uncertainty, even if there is a price to be paid (bribery) (Worang 2013). This social phenomenon is called *jalan damai* or 'middle path' or 'path of peace' (Lev 1990), where instead of obeying the exact rule of law, individuals compromise or take the middle path (win-win solutions in a negative sense) to resolve an issue (Worang 2013).

In theory, the bribing of a legal instrument in order to win a case is illegal. However, in practice, seeking justice is often difficult in Indonesia. Thus, many people who have been subjected to the legal process take short cuts by bribing the legal instrument because they understand that although they might not be guilty, they still have to pay a bribe in order to be released. 'This is a very pragmatic approach to avoid the difficulties associated with the legal process' (Worang 2013, p. 62). Moreover, the wrongdoers also use bribery to win their case. Thus, justice is often determined not by evidence but by who can pay more.

The middle-path notion is consistent with research by Chen, TTY (2001), wherein individuals with different cultures may have different perceptions of what is or is not considered as ethical. Hence, this study expands upon previous studies of whistleblowing, particularly by re-examining the relationship between a selection of predictive variables and whistleblowing intention, as well as preferences of reporting channels in an Indonesian cultural context, an area that has seen little empirical research.

In addition, the function of whistleblowing as an internal control mechanism has only recently been considered by legal authorities in government institutions like the MoF, including DGT in 2010. However, as indicated by Worang (2013), the phenomenon of whistleblowing is not accepted in Indonesian culture, because it violates the social norms of *tenggang rasa* (not wanting to hurt another person's feelings) and *jalan damai* (path of peace). Earlier studies reveal that written regulations and policies providing whistleblower protection programs, and threatening punishment for those who retaliate against whistleblowers, are not sufficient (e.g. Bowden 2014; Miceli & Near 1989;

Miceli, Near & Dworkin 2009; Near, Dworkin & Miceli 1993; Near & Miceli 2008). Our study investigated social and cultural variables such as attitude toward whistleblowing, group pressure and perceived behavioural controls that may encourage individuals to report bribery. Unless bribery is understood within an organizational (both structural and cultural) context, the relevant regulations, policies, and systems may not be effective or they might not be used correctly to combat bribery.

### **3.3 Bribery in Indonesia**

Nowadays, the nature of corruption and organized crime has become extraordinarily sophisticated as it can now involve economic crime such as tax evasion, fraud, or money laundering (Hendradi 2011). Bribery, one of the most common types of corruption, has been a very widespread practice in Indonesia for many years.

Bribery incurs a high cost for the economy and creates a barrier to entry into the markets for business and public goods transactions because any dealings between businesses and government officers have to be closed with the payment of bribes, thereby making it difficult for new businesses to gain entry into the markets in Indonesia (Robertson-Snape 1999). Also, Indonesia demonstrably has a long history of bribery leading many social commentators to believe that Indonesia has a corruption-tolerance culture (Arifianto 2001). Indonesia was increasingly seen as a kleptocratic state during the Soeharto era, especially after his children actively participated in rent-seeking activities using their father's power (Arifianto 2001).

Arguably, despite the long history of corruption in Indonesia, there has been a fight against corruption since 1954, and it has become one of the national goals of the Indonesian government (ACCH 2015). However, the movement by the public to eradicate corruption gained massive momentum after Suharto was ousted in 1997.

### **3.4 Regulatory failure**

#### **3.4.1 Whistleblowing conflicting definitions**

Although the definition of whistle-blower is well known by many Indonesians, the Government of Indonesia does not have a regulation at the national level that includes a definition of the term 'whistle-blower' (Hendradi 2011). Indonesia was assessed as "somewhat/partially comprehensive" in terms of whistle-blower definition (Wolfe et al.

2014). Best Practice Criteria for Whistleblowing Legislation provides a broad whistleblower definition as those “whose disclosures are protected (e.g. including employees, contractors, volunteers and other insiders)” (Wolfe et al. 2014, p. 4).

Article 10 (2) Law 13/2006 only states that a witness who is also as a suspect (justice collaborator), on the same case cannot be released from charge if one is proved guilty, but his cooperation in revealing the case could be considered by a judge to reduce his punishment (Hendradi 2011). A legal expert in Indonesia believes that there should be no mitigation of punishment when a person is a justice collaborator since the defendant may whistleblow only in order to take advantage of a strategy that will reduce his/her punishment (Harkrisnowo cited in Hendradi 2011). Another Indonesian law expert argues that the definition of whistleblower in Indonesia is only for an individual who is not involved in the crime, whereas in the common law countries, whistleblowers also include those who are involved in the crime and report their conduct to the law enforcement authorities (Mahendra cited in Hendradi 2011).

The ambiguity of the whistle-blower definition might lead to confusion for law enforcement officials regarding the application of the law. For instance, the role of the police general in exposing enormous tax embezzlement scandals involving Gayus Tambunan, a taxation official, several businessmen, and several police officers in Jakarta (Andriyanto n.y.), gave him the status of “hero” because he had succeeded in revealing the corruption case involving a billion Rupiah (Hendradi 2011). However, ironically, the police general (the whistle-blower) was convicted and arrested for corruption cases related to one of the companies he reported (Hendradi 2011). When the police general appealed for protection in the safe house, the police did not release him to the Protection of Witness and Victim Agency (PWVA) and argued that even though he was a whistleblower, he was also a suspect in the corruption case, and therefore did not deserve protection under the PWVA (Hendradi 2011).

### **3.4.2 Witness definition**

The current regulation (Law 13/2006) does not clearly differentiate the definition of “witness” either as an individual who supports the criminal (a charge) or a person who assists the law enforcers to discover the facts of a case (*a de charge*) (Ibrahim 2014). Consequently, it would be difficult for the PWVA to determine which “witness” should

be protected under the law. One scholar suggested that the law be revised in order to limit the definition of “witness” as one who has the right to be protected under the law to one who assists the law enforcers to discover the facts of a case (*a de charge*) (Ibrahim 2014).

### **3.4.3 Inconsistency of Law 13/2006 articles**

Article 2 of the law provides protection for Witnesses and Victims under PWVA, but this is limited to the duration of all stages of court proceedings only, and place (court jurisdiction). This article does not consider that witnesses and victims may experience threats for a longer time even after the final court proceedings, and in some serious cases, witnesses or victims receive threats for the rest of their lives (Ibrahim 2014). In addition, Article 2 is inconsistent with Article 5, which the later gives witnesses and victims the right to be informed about the development of court proceedings, the right to be informed about the release of the offender, and the right to obtain a new identity (Ibrahim 2014). The state should give the witnesses and victims the right to continued protection after the final trial proceedings, or for the rest of their lives if necessary (Eddyono 2006 cited in Ibrahim 2014).

### **3.4.4 The Law 13/2006 does not give temporary witness protection**

Unlike many other countries, the Law does not provide temporary protection for witnesses who, in the PWVA’s opinion, are in urgent need of immediate protection (Ibrahim 2014). The reason may be because it takes the PWVA about seven days, from the time of the initial request for protection, to make a decision regarding whether or not a witness needs protection (Ibrahim 2014). However, in some cases, either before or during that seven-day period, witnesses might have experienced threats or even retaliation from the offenders before they or an authority could submit a request for protection in writing to the PWVA (Eddyono 2006 cited in Ibrahim 2014).

### **3.4.5 Monetary incentive is often perceived as too small**

As stated in Government Regulation 71/ 2000, individuals or corporations who help in the fight against corruption may be given tokens of gratitude, either in the form of certificates or money as the highest as 0.002 of the asset confiscation. According to the former of KPK deputy chief, the amount of asset seizure is quite small compared to that in other countries (Hardjapamekas 2009 cited in Mad & Nrl 2009). According to the False



Claims Act (FCA) in the United States, a successful qui tam whistle-blower can receive from 15 percent to 30 percent of the total amount of assets seized by the government (Bowden 2014).

### **3.5 Weaknesses in implementation**

#### **3.5.1 Inadequate staffing and skills in PWVA**

Hendradi (2011) found that the PWVA was inadequately staffed and its personnel lacked the skills required for specific tasks such as how to deal with the witness and victim.

A regulation providing for monetary incentives does exist, although it has not been implemented because the information has not been disseminated.

According to an anti-corruption activist, although the Government of Indonesia launched Regulation 71/2000 in 2000 offering monetary incentives to whistle-blowers, the KPK and other law enforcement officials did not effectively make this regulation known to the public (Yuntho cited in Mad & Nrl 2009). Consequently, few individuals know about this regulation and how to claim the rewards (Yuntho cited in Mad & Nrl 2009).

#### **3.5.2 Lack of Technology Support**

It was still rare to give testimony in the court without having to be present, such as by using the support of technology, just in case a witness cannot testify directly before the court (Hendradi 2011). Such a tele-conference may encourage witnesses to speak. However, the use of this technology in the court has not been regulated (Hendradi 2011).

#### **3.5.3 PMVA only in the Capital City**

Although having been mandated by Act 13/2006, PMVA has not established branches in local areas (Hendradi 2011; Ibrahim 2014). Since serious crime such as corruption is conducted in every region and Indonesia comprises a large archipelago (Ibrahim 2014), support from the government and law enforcement agencies is also needed in order to reduce time consuming and financially costly efforts to obtain data and to investigate witnesses who live far from the head office of the PWVA (Hendradi 2011).

## **CHAPTER 4 - THEORETICAL FRAMEWORK AND HYPOTHESES DEVELOPMENT**

### **4.1 Introduction**

This chapter explains the conceptual framework and development of hypotheses. It identifies and justifies the selected variables using Ajzen's (1991) model of planned behaviour as the conceptual framework (Ajzen 1991). The chapter then describes the theoretical framework, provides the development of hypotheses, and concludes with a brief chapter summary.

### **4.2 Justification of the Selected Variables**

Previous conceptual frameworks and empirical studies have attempted to examine the whistleblowing process from the perspective of different types of individuals and situational variables because these variables have been identified as possible influences on individuals' whistleblowing intentions (Miceli, Near & Dworkin 2013). However, as Mesmer-Magnus and Viswesvaran (2005) and Vadera, Aguilera and Caza (2009) have noted, the effect of some variables on the intention to whistle-blow is still inconsistent and inconclusive. Previous research showed that findings were dissimilar regarding individuals' whistleblowing intentions (Ghani 2013; Brewer & Selden 1998; Chiu 2003; Goldman 2001). Since this study used the Theory of Planned Behaviour (TPB) by Ajzen (1991), several past studies which show inconsistency in results will be explained in more detail later in this chapter.

This study attempted to bridge the gap in extant literature by re-examining selected variables and considering several other variables that are relevant to the Indonesian DGT context in order to address the inconclusive findings on the relationship between variables and whistleblowing intention, as well as the preferences of reporting channels. Also, the selection of a particular type of wrongdoing (bribery) makes this study unique and different from other whistleblowing studies in Indonesia and other countries. These efforts will make an academic contribution to the general whistleblowing literature.

The independent variables selected for this study are attitude, subjective norm, and perceived behavioural control. The variables were selected as a partial replication and

expansion of the Park and Blenkinsopp (2009) study of whistleblowing decision-making, whereas the contents of perceived behavioural control mainly adapted from Schein's (2010) six mechanisms in the organizational culture and leadership model. Meanwhile, the dependent variable is the individuals' intention to disclose bribery occurring in their workplace. The reasons for the choice of these individual variables are explained below.

### **4.3 Antecedents – Model Fit Approach**

Most of the theories used in the whistleblowing studies are based on prosocial organizational behaviour (POB) (Dozier & Miceli 1985; Miceli, Near & Dworkin 2013; Miceli & Near 1985a) and motivational theories (Fleischer & Schmolke 2012; Miceli et al. 2012). Consequently, the antecedents selected for this study were mainly based on prosocial organisational behaviour (POB) model, which is developed by Miceli, Near and Dworkin (2013). Some identified variables are as follows:

- 1 Personal/dispositional characteristics:
  - a. Demographic factors: gender, age, tenure, position (rank).
  - b. Job situational characteristics: hierarchy, payment grade satisfaction, role responsibility, professional status, job satisfaction, training, and reporting channel.
  - c. Personal considerations: responsibility to report/not report, the cost of acting/retaliation, cash reward/other benefits, and power position.
  - d. Personality/dispositional characteristics: tolerance for ambiguity, field dependence, the internal/external locus of control, low self-esteem, and low-self monitoring.
- 2 Situational predictors:
  - a. Wrongdoing characteristics: seriousness of wrongdoing/type and affect to whistle-blowers/colleague/public, organisational level (power) of wrongdoers, organisational climate (degree of tolerance of wrongdoing), perceived general fairness, trust in/support from supervisor/management/co-workers, perceived ethic program.
  - b. Organisational characteristics: group size, bureaucratic/non-bureaucratic, lack resources, and organisational climate.

Some of above antecedents may overlap, and as Miceli, Near and Dworkin (2013) acknowledge, others may disagree with those categories or the way those variables are grouped.

As explained previously, prosocial behaviour and motivational perspectives are the most common theories used in whistleblowing studies. However, this study used the TPB because it can accommodate many determinants under prosocial behaviour such as attitude to a particular behaviour (individual characteristics), reciprocity norms, group cohesiveness, role models, leadership style, organizational culture, stressors, and contextual determinants of organizational commitment (contextual antecedents) (Hazzi & Maldaon 2012).

The identified conceptual framework (see Figure 1.1) in Chapter 1 is based on the three core constructs of the TPB: attitude, subjective norms and perceived behaviour control (Ajzen 2005). The TPB is based on Ajzen's (1991) model and was used in our study to investigate the relationships between the selected individual variables and whistleblowing intention, as well as the individual's preferred reporting channel. This is because the TPB allows us to examine the relationships between individuals' intentions and their behaviour and actions (Ajzen 1991). Additionally, Miceli, Near and Dworkin (2013) encouraged scholars to carefully select a suitable theory that can be applied to determine an individual's intention to disclose wrongdoing.

Our justification for the utilisation of TPB is as follows:

Firstly, many researchers claim that there is no comprehensive theory of whistleblowing behaviour (Miceli, Near & Dworkin 2013; Zhang, Chiu & Wei 2009).

In addition, as noted in chapter 2, the theory has been widely tested and has general validity as a general theory on whistleblowing.

Second, it might be difficult or even impossible to directly access an actual whistleblowing event because it is such a sensitive issue (Chiu 2003; Patel 2003) and a hidden activity (Patel 2003). The confidentiality stipulations established by organizations restrict access to whistle-blowers (Sims & Keenan 1998), which also applies to the DGT context. Consequently, the focus is on the 'intention' of DGT employees to engage in whistleblowing, rather than their actual behaviour. However, to add academic value, this study also investigated the actual whistleblowing by asking respondents about their past

experiences of reporting bribery or not reporting it during the last five years, and then whether they would report it in the future.

In sum, the primary objective of using TPB is to explore and obtain further understanding of the formation of organisational members' intentions to report any observed bribery. Moreover, compared to Ajzen's and Fishbein's (1980) theory of reasoned action, or Miniard's and Cohen's (1983) model, the TPB has shown better accuracy in predicting intention (Netemeyer, Andrews & Durvasula 1993). According to one whistleblowing study, there is a significant relationship between intention and actual actions in the peer reporting situation (Victor, Trevino & Shapiro 1993). In another study, perceived behaviour control outweighed the attitudes and subjective norms of individuals wanting to copy software illegally (unethical behaviour), (Chang 1998). All cited studies supported the argument that the application of the TPB can satisfactorily predict an individual's intention to whistleblow.

Finally, TPB proposes two advantages over other theoretical approaches used to date (Ghani 2013). Firstly, the theory allows for an exploration of determinants influencing whistleblowing behaviour, particularly whistleblowing intention (Ghani 2013). The TPB can determine the effects of factors on the behaviour (Ghani 2013). Moreover, the TPB integrates theoretical postulations and methodology to describe whistleblowing behaviour by associating many of the mentioned perspectives such as prosocial behaviour (Latane & Darley 1968; Latané & Darley 1970; Staub 1978), power and dependency theory (Emerson 1962), resource dependence theory (Mesmer-Magnus & Viswesvaran 2005; Near, Dworkin & Miceli 1993; Pfeffer & Salancik 2003), cultural dimension theory (Hofstede & Hofstede 2005), and expectancy theory (Fudge & Schlacter 1999; Vroom 1982).

Furthermore, the relationships between the selected variables and whistleblowing intention are still under review by many researchers because the relationships are still questionable and the findings are sometimes inconsistent (Mesmer-Magnus & Viswesvaran 2005; Miceli, Near & Dworkin 2013). Therefore, there is still a gap in understanding the relationships between variables and whistleblowing intention, which means there is also an opportunity for other researchers to re-examine the previously-investigated variables, as well as other variables.

It has been acknowledged that prosocial organizational behaviour is a heavily value-laden notion, and therefore it is often difficult to examine all related antecedents of prosocial organizational behaviours in one study (Hazzi & Maldaon 2012). Thus, our study selected particular behaviours based on previous research that may be relatively consistent and relevant to individuals' intention to whistleblow, which also aligns with TPB. For instance, in this study, we chose to exclude demographic factors (i.e. gender) as the possible determinants influencing individuals' intention to report bribery because several recent studies conducted in other countries including Indonesia have shown that those variables do not have significant effect to whistleblowing intention (Bhargava & Madala 2014).

Having selected the most consistent variables, to some extent, this study was expected to be one of the first to propose fundamental and comprehensive models for further research.

Among the identified predictor variables within the TPB as can be seen in Figure 4.1, this study intended to examine six main groups of independent variables. These variables are: (1) attitude, (2) subjective norm, (3) perception of behavioural control of organization cultural and leadership positive image, (4) perception of behavioural control of organization's cultural and leadership negative image, (5) perception of behavioural control of organization incentives, and (6) perception of behavioural control of another job(s).

These variables have been used in many studies (Ajzen 1991; Ajzen 2005; Ajzen & Fishbein 1980; Bowden 2014; Brown 2008; Miceli, Near & Dworkin 2013), although they may also be assessed separately. Moreover, the findings still seem to vary regarding the variables that are strongest in influencing individuals to whistleblow. The issue of what variables affect an individual to whistleblow, and which variable is the most important, appear to be inconclusive and open to question.

A detailed explanation of justification of the selected variables and hypotheses development in this study are presented below in section 4.4.

#### **4.4 Hypotheses Development**

According to Durbin (2004), the hypothesis is a research question expressed as a formal statement, while (Collis & Hussey 2013; Zikmund et al. 2012) define a hypothesis as a tentative statement that offers a possible explanation for several phenomenon or events.

This study proposes the following hypotheses explained in sections 4.4.1. to 4.6 based on the theoretical framework (Figure 4.3) to satisfy the research questions in Chapter 1.

#### **4.4.1 Attitude**

An attitude is an individual's judgement of how much he or she favours or rejects a particular behaviour, derived from salient beliefs about the consequences of the behaviour and the subjective evaluation of those results (Park & Blenkinsopp 2009). This study investigated beliefs about the positive consequences of whistleblowing based on the aims of the whistleblower protection laws (Callahan & Dworkin 2000), including prevention of harm to an organisation, corruption control, public interest enhancement, an employee's beliefs regarding his or her role and responsibility, as well as moral satisfaction (Park & Blenkinsopp 2009).

The choice of these variables is also based on Vadera, Aguilera and Caza (2009)'s review of 28 prominent whistleblowing studies. The researchers indicated that the personal antecedents among other things, which are consistent in the findings, are role and responsibility (Vadera, Aguilera & Caza 2009). Research suggests that those individuals who perceive that whistleblowing is their role and/or responsibility tend to report wrongdoing (Ellis & Arieli 1999; Miceli & Near 1985a, 1989, 2002; Miceli, Roach & Near 1988; Near, Dworkin & Miceli 1993; Park & Blenkinsopp 2009; Trevino & Victor 1992; Victor, Trevino & Shapiro 1993). Survey data collected by the Merit Systems Protection Board of the U.S. federal government reveals that the likelihood of whistleblowing on wrongdoing is positively associated with individuals' norm-based and affective work motives (Lavena 2014a). Moreover, the role and responsibility factors seem to be able to answer a fundamental question of the whistleblowing decision-making process identified by Miceli, Near and Dworkin (2013): is it my responsibility to report on wrongdoing?

Other findings from various countries (i.e. Ireland, China, Israel, US, South Korea) related to one's attitude toward a disclosure in relation to his or her role/responsibility show consistently that a positive perception of whistleblowing has a positive relationship with one's intention to disclose (Buckley et al. 2010; Chiu 2003; Ellis & Arieli 1999; Lavena 2014a; Miceli & Near 1985a, 1989, 2002; Miceli, Roach & Near 1988; Near, Dworkin & Miceli 1993; Park & Blenkinsopp 2009; Sims & Keenan 1998; Trevino &

Victor 1992; Vadera, Aguilera & Caza 2009; Victor, Trevino & Shapiro 1993; Zhang, Chiu & Wei 2009) and one's preference is the vital factor which is theoretically the closest variable in the causal chain (Victor, Trevino & Shapiro 1993). Consistent with these findings, a study in Indonesia shows that the positive perception of whistleblowing as a means of controlling misconduct has a positive relationship with the intention to whistleblow (Harsanti, Ghozali & Chariri 2016). As yet, the role and responsibility factors have not been examined in Indonesia.

As explained above, common beliefs show that if individuals have a positive attitude toward whistleblowing, they tend to whistleblow. Therefore, this study proposes the following hypothesis:

*Hypothesis 1: That attitude toward whistleblowing is positively related to intention to disclose*

#### **4.4.2 Subjective Norms**

The second determinant of intention, subjective norms, refers to “the perceived social pressure to perform or not to perform the behaviour” (Ajzen 1991, p. 188), which is based on an individual's normative beliefs about approval or disapproval from his or her important referent individuals or group in relation to engaging in a given behaviour (Ajzen, 1991). As has been used in Ajzen's (2005) model, the support for a whistleblower given by important individuals or a group (i.e. family member, supervisor, co-workers) are truly influential as subjective norms related to encouraging or discouraging one to take action in regards to a particular behaviour in question (Park & Blenkinsopp 2009).

Several empirical and laboratory studies confirm this last finding (Ajzen 1991; Ajzen 2001; Ajzen & Fishbein 1980; Ajzen & Madden 1986; Beck & Ajzen 1991; Buchan 2005; Schifter & Ajzen 1985). For example, a study related to choosing infant food formula in Malaysia shows that the beta weight of subjective norms from peers is greater than attitudes toward intention (Ramayah et al. 2004). Beta weights can be rank-ordered to identify which predictor variable is the “best” in multiple linear regression (Nathans, Oswald & Nimon 2012). In Ramayah et al.'s 2004 study, the beta weight for SN is greater than attitude. This means that SN, more than attitude, influences people's intention.

Moreover, Sheppard, Hartwick and Warshaw (1988) argued that the relationship between attitudes-subjective norms and intentions to perform ‘choice’ activities are higher than



those of 'non-choice' activities. This situation is relevant to the whistleblowing context since most whistleblowing cases mainly involve a process of thinking and decision making, and rational choices when individuals are faced with dilemmatic situations (Miceli, Near & Dworkin 2013; Trongmateerut & Sweeney 2013). In a whistleblowing context, if super-ordinates or co-workers offer support to observers of any wrongdoing, the observers are more likely to report (Trongmateerut & Sweeney 2013). Several meta-analysis studies (Dozier & Miceli 1985; Mesmer-Magnus & Viswesvaran 2005; Miceli & Near 1989; Miceli, Near & Dworkin 2009; Near & Miceli 1995) and empirical studies (Brown 2008; Miceli & Near 1988; Miceli et al. 2012; Park & Blenkinsopp 2009) confirm that the support given by important persons may encourage one to whistleblow.

In the Israeli Defence Forces, the effect of subjective norms is stronger than attitudes (Ellis & Arieli 1999). In fact, as a meta-analysis conducted by Mesmer-Magnus and Viswesvaran (2005) shows, subjective norms may govern the relationship between intention to report wrongdoing and actual whistleblowing. Moreover, as several studies have concluded, the intervening programs and policies in group dynamics in organisations may have more influence on whistleblowing rather than do the ethics programs (Vadera, Aguilera & Caza 2009).

As noted in the Park and Blenkinsopp (2009) study, for a whistle-blower, the influential individuals or group include family members, immediate supervisor, co-workers, fellows, and neighbours. Most researchers argue that the perceived support of super-ordinates or colleagues is positively related to reporting (i.e. Brown 2008; Dozier & Miceli 1985; Ellis & Arieli 1999; Lavena 2014a; Mesmer-Magnus & Viswesvaran 2005; Miceli & Near 1988, 1989; Miceli, Near & Dworkin 2009; Miceli et al. 2012; Near & Miceli 1995; Park & Blenkinsopp 2009; Proost et al. 2013; Trongmateerut & Sweeney 2013). In the US context, the role of friendship and team environment appear to support whistleblowing (Rothwell & Baldwin 2007). In addition, in the context of China, Zhang, Chiu and Wei (2009) argue that collectivist and management-sanctioned behaviour would influence the likelihood to report wrongdoing. In addition, in line with the previous studies' results, from the cultural dimension perspective, Indonesia, can be categorised as a high-power distance and collectivist society, which means there is a strongly defined social framework that expects individuals to respect higher ranks or senior positions and comply with the values of the groups to which they belong (Hofstede & Hofstede 2005). Still

relevant to the cultural dimension, Indonesians are reported as having a low preference for avoiding uncertainty, which is often practised by maintaining work relationship harmony, preventing others from losing face, and avoiding conflict within the group or society (Hofstede & Hofstede 2005). Worang (2013) interprets this cultural dimension in the many Indonesian work places with a very common key phrase in Indonesia as “*Asal Bapak Senang*” (Keep the Superior Happy), which has a negative connotation. This means that subordinates are expected to continue pleasing the super-ordinates in order to be rewarded, even if they have to conceal any unpleasant facts in reporting (Worang 2013).

Inconsistency in results is found from a study of the Indonesian DGT showing that supervisor support does not influence employees’ intention to report wrongdoing (Budiriyanto & Gugup Kismono 2013). For the purpose of our study, which uses the TPB, supervisors/management/co-workers’ support are included in order to measure subjective norms and to determine whether or not this variable is important in encouraging or discouraging employee whistleblowing in the Indonesian DGT.

As explained in detail above, if the important persons support observers of wrongdoing, the observers will be more likely to report it. Therefore, this study proposes the following hypothesis:

*Hypothesis 2: That support from important individuals is positively associated with intention to disclose bribery*

#### **4.4.3 Perceived Behavioural Control**

In regard to perceived behavioural control, this study adapted the Park and Blenkinsopp (2009) model by utilizing Schein’s six mechanisms of organizational culture and leadership style (Fallon & Cooper 2015; Schein 2010) to investigate an organization’s shared “underlying assumptions and the process by which they come into being” (Dellaportas, Cooper & Braica 2007, p. 1445).

Moreover, this study expands on previous research by including the perception of the ease/difficulty of securing another job(s), and having strong and sufficient evidence to justify the disclosure (MSPB 2011) as variables that can stimulate an individual’s propensity to report misconduct (Miceli & Near 1985b; Near & Miceli 1986).

#### **4.4.4 Organisational Culture**

It seems that, to some degree, if an organisation's environment/culture is perceived by its members as supporting or tolerating wrongdoings, individuals are discouraged from whistleblowing. To some extent, this variable may be able to confirm Brown's (2008) findings that one of the predominant factors that encourages people to report misconduct is that they believe their organisation will investigate the report seriously. Another study in the US by Sims, RR (1992) suggests organizational culture is important as it guides employees on how to deal with ethical issues in their daily work. Hence, when the ethical climate is obvious and encouraging, every member of the organisation will know what is expected when inevitable ethical dilemmas occur. The presence of whistleblowing policies and regulations may signal to the employees that their organisation is open to the reporting of wrongdoing (Keenan 2000). Conversely, the opposite situation (absence of policies) may be perceived as the organisation only tacitly supporting whistleblowing, which can discourage employees from reporting (Cassebatis & Wortley 2013; Stansbury & Victor 2009).

Moreover, Miceli (1992) and Vadera, Aguilera and Caza (2009) argued that in general, situational variables are more likely to be stronger than individual characteristic variables. Several researchers have innovatively suggested that in order to encourage more employees to whistleblow on misconduct, an organisation should create policies that both obviously define misconduct and establish penalties for ignoring wrongdoing so that supervisors will view whistleblowing as less threatening to the organization (Near & Miceli 2008). Thus, in this study, it is hypothesized that support from others and the organisational culture (situational characteristics) are more influential than individuals' characteristics and other considerations (financial incentives, the cost of acting, role and responsibility, and availability of another job(s)).

Finally, a study of whistleblowing in UK NHS organisations suggests that organisations should emphasize the overarching principle of promoting a culture of safety and learning in which all employees feel safe to raise a concern (Francis 2015). For instance, this includes: facilitating formal and informal raising and resolution concern, building environment of free-blame and fair treatment for formal whistleblowers, providing mediation among conflicted parties, conducting regular trainings for encouraging respect of different opinions, providing counsellors and mentors, providing alternative

employment in the NHS, promoting transparency and accountability in conducting works, utilizing external review, and improving legal protection for whistleblowers (Francis 2015).

In conclusion, the perceived behavioural variables actually ‘either encourage or discourage both wrongdoing and whistleblowing’ (Blackburn 1988; Keenan 1988; Zalkind 1987 cited in Near & Miceli 1995; Seifert 2006). Common results show that the presence of whistleblowing policies and regulations may signal to employees that an organisation is open to reporting wrongdoing (Keenan 2000), which leads to disclosure. Conversely, the opposite situation (no policies or regulations) may be perceived as an organisation not supporting whistleblowing, which leads to the discouraging of reporting (Cassebatis & Wortley 2013; Seifert 2006; Sinha 2013; Stansbury & Victor 2009). However, policies, systems, tools, code of conducts stand-alone may not be sufficient enough to mitigate wrongdoings. Thus, an organisation needs genuine practices in order to support its ethical culture (Chung, Monroe & Thorne 2004; Pascoe & Welsh 2011; Seifert et al. 2010), including the handling of disclosures (Brown 2008).

This research adapted Schein’s six mechanisms that are used by Fallon and Cooper (2015) in their recent study to measure organisation culture in the whistleblowing context. Fallon and Cooper (2015) successfully utilized Schein’s six mechanisms to measure the influence of organisational culture on fostering instances of bribery that occurred at the Australian Wheat Board (AWB) between 1999 and 2002. Other studies confirm that a corrupt organisational culture causes severe damage to organisations (i.e. Agrawal, Jaffe & Karpoff 1999; Dellaportas, Cooper & Braica 2007; O’Connell 2004). The six mechanisms: are attention, reaction to crisis, allocation of resources, role modelling (how leaders behave), allocation of reward, and criteria for selection and dismissal (Fallon & Cooper 2015). It seems that some mechanisms may overlap each other, i.e. resource to allocation and allocation reward could be seen as part of a leader's attention to particular behaviour. However, according to Schein, leader's attention can be represented in terms of a leader’s particular emotions, showing passion or annoyance (Schein 2010). If the employees see that a leader becomes particularly passionate or annoyed, then employees assume that the subject being attended to (whistleblowing behaviour) is either important or not. If employees believe that their leader pays attention to whistleblowing, they tend to perform it and vice versa.

Based on those arguments, this research will also investigate what the organisational culture at Indonesia's DGT is perceived to be by respondents and whether it encourages or discourages whistleblowing on wrongdoing.

The details of the organizational culture variables in this study are given below.

#### **4.4.4.1 Perceived Behavioural Control of Organizational Culture and Leadership Positive Image**

Although organizational culture can be defined in several ways due to its different approaches to the etiologic of culture and different fundamental assumptions about human nature and the conduct of social science (Schneider & Reichers 1983), Near and Miceli (1995) emphasize it as characteristic of the organization or its subunits and their willingness to change. In regards to whistleblowing, organizational culture 'either encourages or discourages both wrongdoing and whistleblowing' (Blackburn 1988; Keenan 1988; Zalkind 1987 cited in Near & Miceli 1995).

Given the sensitive nature of whistleblowing, a potential whistle-blower may be reluctant to disclose wrongdoing if the potential recipient of the information does not appear to have the support of personnel at the highest levels of an organization (Read & Rama 2003). That is why the receiver of the whistleblowing report must be seen by the whistleblower as a person with authority (Read & Rama 2003). "In the context of internal auditing, such authority is demonstrated when internal auditors are free to perform their audits and to discuss their findings and corrective solutions with the audit committee without interference from anyone in the organization" (Read & Rama 2003, p. 355).

Since Schein's (2010) six mechanisms (outlined in Chapter 2) were considered appropriate for the objectives of this study, that is, to investigate the correlation between the leadership style in DGT perceived by employees either in positive or negative ways and employees' intention to disclose bribery, and are supported by several empirical researches (Dellaportas, Cooper & Braica 2007; Fallon & Cooper 2015), the six mechanisms were used in this study.

This study was also supported by recent research in the same country and context (Cassematis & Wortley 2013). Moreover, Rothschild and Mieth (1999) concluded that a democratic culture in organisations would support/encourage employees to whistleblow. Another factor to consider is founded on Reason's (2000) notion that a system approach,

which emphasizes ‘the basic premises that humans are fallible and errors are to be predicted’ is more reliable as a means of understanding and fixing an organisation’s problems, rather than a person-centered approach that focuses on blaming individuals for errors or mistakes that occur within organisations. This notion of systems suggests that management should focus on designing or fixing a system so that it encourages transparency, accountability, freedom to speak, and critical thinking, instead of blaming individuals for misconduct. Reason’s arguments were confirmed by Prabowo (2014) in the Indonesian context. He concluded that before deciding to engage (or not engage) in a corrupt activity, potential wrongdoers have consciously or subconsciously calculated the costs and benefits, and have considered the perceived opportunity (Prabowo 2014). If systems, norms, roles, and regulations are perceived as weak (limited control and absent accountability) potential offenders may take risks to engage in actions that are corrupt.

Several other empirical studies confirmed this argument, indicating that if the members of an organisation believe that distributive and procedural justice within their organization are relatively adequate and fair, they tend to use internal rather than external reporting channels for whistleblowing (Goldman 2001; Seifert 2006; Victor, Trevino & Shapiro 1993). Similarly, as Miceli, Roach and Near (1988) and Mesmer-Magnus and Viswesvaran (2005) argued, employees are more likely to report wrongdoing or misconduct if the organization is generally perceived to be open and supportive of whistleblowing. Fairness is also an important factor in whistleblowing intention. If an organisation is perceived to be fair, observers are more likely to report misconduct (Seifert et al. 2010).

In addition, this study intended to investigate the effect of perceived having evidence. As indicated by a previous study by the U.S. Merit Systems Protection Board, a high rate of reporting, particularly for serious types of wrongdoing, is positively related to the quality of evidence obtained by whistle-blowers (MSPB 2011). The whistle-blower believes to have evidence is important before making a decision to report or not report (Near & Miceli 1996). Since the focus of our study is on bribery as the main type of wrongdoing, which may be considered as a serious type of misconduct, it seems that a perception of having evidence must inevitably be included.

Other organizational support can be seen in the form of reporting anonymously and management responsiveness (Keil et al. 2010). The anonymity of whistle-blowers can be

safeguarded if an organization establishes a system that will allow potential whistleblowers to report misconduct without revealing their identity (Keil et al. 2010). Management responsiveness is defined as the degree to which the organization will respond and show a serious intention to solve the problems (Keil et al. 2010). Empirical studies show that the guarantee of anonymous reporting significantly supports the individuals' intention to report misconduct (Keil et al. 2010; Miceli 1992). Similar results have been found in relation to management responsiveness (Dozier & Miceli 1985; Keenan 1990; Keil et al. 2010; Miceli 1992; Miceli & Near 1985a).

Moreover, research also indicates that managers' attention that support for safe and effective whistleblowing is crucial to encourage employees to report misconduct (Vandekerckhove, Brown & Tsahuridu 2014). Several scholars attempt to identify the characters of managers and factors that may shape their empathy towards whistle-blowers (Vandekerckhove, Brown & Tsahuridu 2014). The results are that the managers who had received the least or less adequate training in handling whistleblowing cases were those who relatively did not care with employee reporting and/or case were unlikely to be revealed (Vandekerckhove, Brown & Tsahuridu 2014). Those managers were at mid-stages rather than early or late stages of their management career (Vandekerckhove, Brown & Tsahuridu 2014). Using Schein's (2010) six mechanisms, leaders' attention to whistle-blowers would be measured from respondents' perspective.

A current survey conducted by ACC (2017) indicated that there is a trend to consider that employees' protection becomes a crucial issue. Of 1,096 responses analysed from 1,139 lawyers participated show that employer's duty of care/workplace safety was a top issue for 44 percent due to increasing of global conflict and instability, domestic and foreign terrorism, and workplace violence(ACC 2017). Thus, all require policies that support the best possible outcome to prevent event occur and protect employees from any adverse impact (ACC 2017).

In the meantime, this study would investigate whether the different gender (Barnett, Bass & Brown 1996; Barton 1995; Miceli 1992; Rehg et al. 2008), age (Morrow & McElroy 1987), education level (Graham 1986) tenure (Keenan 1990), and position (Miceli & Near 1984) have different intention to report bribery. Detail elaboration of those variables can be seen later in section 4.8.1.

This study would also investigate whether employees who had received the least or less adequate training in whistleblowing have different with those who had not. Detail elaboration of training variable can be seen later in section 4.8.2.

However, our approach was different from Vandekerckhove, Brown and Tsahuridu (2014) and Ab Ghani (2013) studies that include position and training as exogenous variables. Several reasons were: 1) the respondents of this study would be all levels, while from Vandekerckhove, Brown and Tsahuridu (2014) and Ab Ghani (2013) studies focused on manager position. Due to the difficulties in accessing Indonesian DGT respondents, it would be unreasonable to limit respondents only for manager levels. If we limited respondents to only manager position, the response rate would have been very low. Moreover, whistleblowing concept in this study was intended for all employees at any level, not limited to the managerial position because we believed that everybody regardless their position had opportunity to bear witness to misconduct in the organisation. Regarding training, we excluded it as an exogenous variable in our framework because we did not have confident neither had majority of respondents have sufficient knowledge about training nor had they had training experience. If respondents did not have knowledge about training or they were not managers, they tended to not response or answer the middle column of Likert scale. Whistleblowing is a sensitive topic, so we had to be very careful in selecting variables. Respondents would have easily withdrawn from participation if they did familiar with variables. Regarding statistical issue, the response rate becomes more crucial since this study used SEM to examine the framework. According to Hair (2009), fifteen responses per parameter is an appropriate ratio for sample size. Hence, we need at least 540 answers given these considerations for measuring thirty-six parameters was deemed appropriate for the application of SEM analysis; 2) Our study heavily adapted variables developed from studies by Park and Blenkinsopp (2009) and Schein (2010) because those models fit with TPB and seemed to be suitable in Indonesian DGT context. The two models did not investigate managers' perception regarding effectiveness of training and/or position they have to encourage whistleblowing behaviour.

As explained above, if the observers believe that their action of disclosing bribery is supported by their organization or the leaders, they tend to report bribery. Therefore, this study proposes the following hypothesis:



*Hypothesis 3: That perceptions of organization support of whistleblowing are positively associate with behavioural to disclose bribery they know*

#### **4.4.4.2 Perceived Behavioural Control of Organization Incentive**

One of the items under Organizational Culture included in this study is organisational financial and non-financial support. Many studies, especially in the US and western countries, show that protecting whistle-blowers only is not fully effective (e.g. Bowden 2014; Miceli & Near 1989; Miceli, Near & Dworkin 2009; Near, Dworkin & Miceli 1993; Near & Miceli 2008). Possible explanations why whistle-blowers often face retaliation are complex (Bowden 2014). As indicated by the author, it is back to the concept of ‘us and them’, rooting in the human defence mechanism could be a possible answer (Bowden 2014). The retaliation against ones (whistle-blowers) who are attacking accused persons is a reciprocity of defensive action, installed into human behavioural patterns over thousands of years (Bowden 2014).

Thus, there is an argument to encourage individuals to whistleblow by offering an incentive.

Humans’ motives to whistleblow are often a combination of unselfishness and selfishness known as pro-social behaviour (Dozier & Miceli 1985). Borrowing this idea, in the organisation context, many prominent scholars have considered whistleblowing as pro-organisational behaviour (Brown 2008; Miceli & Near 2013). Thus, if an organization is keen to encourage its employees to report misconduct, it needs to encourage an ethical environment and a supportive culture and positive values, as well as devise appropriate regulations, policies, procedures and other intrinsic and extrinsic elements. The reasons are very clear. Since whistleblowing has an embedded risk of retaliation, asking one to sacrifice his/her career and, in some extreme cases, possibly their very lives, without providing adequate protection from adverse consequences and providing an incentive that could encourage them to speak up, is unreasonable.

Equally, forcing others to sacrifice themselves is no sacrifice at all when the one giving direction does not bear any adverse costs (Bouville 2008). In fact, as Bouville (2008) noted, offering and giving rewards to potential or existing whistle-blowers does not breach morality. People are not expected to be saints who act with pure motives, and so the rejection of rewards is incompatible with the underlying assumptions of morality

(Bouville 2008). Moreover, from a cost and benefit calculation, the potential to report misconduct and stop wrongdoing tend to increase if financial rewards are also included (Suyatno, Armstrong & Thomas 2015).

Some scholars (Bowden 2014; Brink, Lowe & Victoravich 2013; Dworkin & Near 1997; Miceli & Near 1985a) suggest that adequate financial incentives are worth being included as extrinsic motivational factors to encourage employees to report on misconduct.

Also, Bowden (2014) argues that financial reward is one of the possibly effective factors that can encourage whistle-blowers, because the primary purpose of whistleblowing is to stop wrongdoing, and moreover, many whistle-blowers have indeed experienced severe retaliation. Andon et al. (2016) believed that there was a significant interaction between the provision of a monetary incentive and the perceived seriousness of the misconduct on the intention to report the wrongdoing externally.

However, some studies challenge the idea of using extrinsic motivational factors to encourage disclosure because such incentives undermine the moral stance of whistleblowing, undermine the credibility of whistleblowers, create delays, or lead to false reporting (The UK Whistleblowing Commission cited in Bowden 2014), create opportunism (Vega 2012, p. 483), fail to motivate individuals to disclose wrongdoings (Ayagre & Aidoo-Buameh 2014), decrease a person's intrinsic motivation and create non-legal reasons for acting (Atiq 2013; Brink, Lowe & Victoravich 2013). Moreover, a study in Indonesia concluded that financial reward will encourage whistleblowing but only if the whistle-blower believes that the organization will not retaliate against him/her following the disclosure (Sholihin 2013).

As noted by some scholars, unlike their western counterparts, many eastern people such as the Chinese still consider that whistleblowing is an inappropriate behaviour because it is akin to a betrayal of trust and relationship (Chen 2001; Chiu & Erdener 2003; Chiu 1999; Vogel 1992). This view suggests the effect of a dominant national cultural will override the organisational culture. Most of them believed that a whistle-blower is a traitor. Few whistleblowing studies in Indonesia have investigated this concept. Another important contribution of our study is that it investigated not only whether financial reward influences people's intention to report bribery, but also how much money can be considered as "sufficient" enough to encourage them to report bribery. This approach is new since most identified studies in Asian and African countries focused only on whether

money does or does not influences people's intention to report misconduct, but the researchers do not take the further step of questioning how much might be considered as sufficient.

For the purpose of this study, it explored whether adequate financial incentives may motivate employees to whistleblow on wrongdoing and whether this scheme could outweigh fear of retaliation.

As explained above, if an employee believes that his or her institution gives monetary or non-financial incentives for those who disclose bribery in their workplace, he or she will be likely to report it. Therefore, this study proposes the following hypothesis:

*Hypothesis 4: That expectation of rewards or incentives from the organization are positively related to disclosure*

#### **4.4.4.3 Perceived Behavioural Control of Organizational Culture and Leadership Negative Image**

The main reason for selecting perceived cost of acting/retaliation as a variable is mainly derived from several studies conducted by Brown (2008), Cassematis and Wortley (2013), and literature review from Bowden's (2014) book, which reveal that two predominant reasons for not reporting wrongdoing in organisations are: (1) fear of retaliation (loss of jobs or other forms of retaliation); and (2) belief that the report will not be investigated seriously. The findings are consistent with those of several cross-cultural studies (i.e. Fatoki 2013; Hwang et al. 2014; Keenan 2000; Keenan 2002a, 2007; Lowry et al. 2012; MacNab et al. 2007; Park & Blenkinsopp 2009; Park et al. 2008; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003).

In addition, as several studies have revealed, the fear of retaliation is more influential than the feeling of having assisted in halting misconduct (Miceli 1992; Rothschild & Miethe 1999). Since the studies have been conducted across countries and show that retaliation does influence individuals' intention to report wrongdoing, this variable deserves to be examined in the Indonesian context. While the other predominant factor - that the report will not be investigated seriously-was assessed in this study by utilizing organisational culture as another independent antecedent. However, scholars should bear in mind that the perceived difficulty may overlap substantially with affective attitude (Kraft et al.

2005), although this study refers to Park's and Blenkinsopp's (2009) study in fitting the variables with the TPB model.

Counter arguments come from studies based on actual whistleblowing, which indicate that expected retaliation is not perceived as a variable that can deter individuals from reporting fraudulent behaviours (Near & Jensen 1983; Near & Miceli 1996). Similar findings, somewhat contrary to common beliefs, are also obtained from some studies in Indonesia revealing that no relationship was found between fear of retaliation and individuals' intention to whistleblow (Bagustianto 2015; Septiyanti, Sholihin & Acc 2013). A possible reason is that actual whistle-blowers are people who have been ready to take risks and expect retaliation for reporting wrongdoing. Thus, fear of reprisal is not a significant factor that they take into consideration. Like Bowden's (2014) argument, many employees may see wrongdoings in their workplace, but only a few are courageous enough to report, while the rest, which is the majority, prefer to remain silent. However, a recent study in the Indonesian context showed that formal retaliation such as the sanction of employers, the obstruction of their career and termination of duty or dismissal are all factors that are able to weaken the intention of an individual to perform whistleblowing behaviour (Harsanti, Ghozali & Chariri 2016).

Another study conducted by Lavena (2014a) indicates that an intention to whistleblow on misconduct is negatively associated with several important indicators of organizational cultures, such as perceptions of respect and transparency, cooperativeness and flexibility in the work setting, and fair treatment and trust in supervisors. Moreover, Miceli and Near (1994a) and a further study (Near & Miceli 1996) concluded that the absence of co-workers' support does not correlate with retaliation, but management may take reprisals on whistle-blowers because the latter are seen as a threat to the organisation. This finding is partially supported by another study, which showed that management plays a major role in retaliation (Miceli et al. 1999; Rehg et al. 2008). As explained in detail above, if individuals believe that their institution will attempt to hamper the reports, and is on the side of wrongdoers, they will be likely to be discouraged from reporting wrongdoing. Therefore, this study proposes the following hypothesis:

*Hypothesis 5: That perception of lack of support are negatively related to behavioural intention to disclose*

#### **4.4.4.4 Availability of Employment Alternatives**

The planned behaviour model (1986) suggests that combining perceived behavioural control together with attitudes and subjective norms would help predict one's intention to perform the particular behaviour in question more precisely than utilizing attitudes and subjective norms only. Several studies have clarified this statement (Ajzen 1991; Ajzen 2001, 2005; Ajzen & Fishbein 1980; Beck & Ajzen 1991; Buchan 2005; Schifter & Ajzen 1985). The main idea is that the more one feels that he or she possess more information, resources, and opportunity, that make him or her feel less dependent on the organisation, such as moving to another occupation, the more likely one is to report misconduct. Thus, the perception of the availability of employment alternatives may encourage employees to whistleblow on misconduct since s/he is confident about finding another job(s) relatively easily in case the current organisation retaliates strongly against him or her (Miceli & Near 1985b; Near & Miceli 1986). It seems that this factor is appropriate for Indonesia's DGT, which, according to its former Directorate General, has seen many DGT employees move to the private sector in order to earn a higher salary (Ariyanti 2014). Therefore, this variable should be included within the planned behaviour model to investigate the degree of employees' perception of their dependency on the organisation and its relationship with their intention to whistleblow on misconduct. As explained above, if individuals believe that they do not depend on their institution, they will be more likely to report wrongdoing.

Therefore, this study proposes the following additional hypothesis:

*Hypothesis 6: That perceptions of ease in obtaining another job(s) outside DGT, are positively related to disclosure of bribery*

#### **4.4.4.5 Perceived Behavioural Control of Organizational Culture and Leadership Negative Image is the most important determinant to influence whistleblowing intention**

As many studies have shown, (1) fear of retaliation (losing their jobs or other forms of retaliation); and (2) perception that the report would not be investigated seriously, were considered as the primary determinants hampering the disclosure of misconduct (i.e. Bowden 2014; Brown 2008; Cassematis & Wortley 2013; Fatoki 2013; Hwang et al. 2014; Keenan 2000; Keenan 2002a, 2007; Lowry et al. 2012; MacNab, B et al. 2007;

Park & Blenkinsopp 2009; Park et al. 2008; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003). As explained above, it seems that fear of retaliation and the belief that the organisation will not take the report seriously, are the two most important antecedents to hamper whistleblowing. Therefore, this study proposes the following additional hypothesis:

*Hypothesis 7: That perceive behavioural control is positively related to intention to disclose bribery. The main determinant influencing DGT employees to disclose bribery in their workplace is PBC\_Neg (negative way)*

#### **4.5 Performance of the Model**

Several prominent scholars in whistleblowing literature have argued that the Theory of Planned Behaviour (TPB) is appropriate for predicting intentions to whistleblow (Bjorkelo & Bye 2014; Park & Blenkinsopp 2009; Vandekerckhove, Brown & Tsahuridu 2014). Moreover, the TPB can accommodate many determinants under prosocial behaviour; for example, attitude fits with individual characteristics; reciprocity norms and group cohesiveness are suitable as subjective norms; and role models, leadership style, organizational culture, stressors, and contextual determinants of organizational commitment (contextual antecedents) are relevant to perceived behavioural control (Hazzi & Maldaon 2012).

Therefore, this study proposes the following hypothesis:

*Hypothesis 8: The proposed models drawn from the Theory of Planned Behaviour are confirmed by the present data*

#### **4.6 Dependent Variable**

Per Ajzen (2002), intention is defined as an indication of an individual's willingness to perform a given behaviour. It is assumed to be an immediate antecedent of behaviour. This study was intended to measure DGT employees' intention to disclose bribery if they were aware of or had witnessed it.

The definition of bribery in this study is based on Act Number 31 Year 1999, concerned with 'The Eradication of Corruption Criminal Action' as cited by Winarto (2014). Although this law addresses corruption, and does not clearly define bribery, the statements satisfy the definition of bribery as identified in earlier reported studies such as

Gordon and Miyake (2001), Lambsdorff and Frank (2010), Donaldson (2001), and Brown (2006). Thus, bribery constitutes “giving or promising something to civil servant or state caretaker in order to make this civil servant or state caretaker to do something or not to do something within their rank but may be assessed as being in violation of their duty” (Winarto 2014, p. iii). Moreover, since this study was concerned with the taxation department, bribery in this context is limited to giving or promising something to a tax employee to entice him or her to reduce tax obligations and/or accelerate services (Azam, Gauthier & Goyette 2009; Rizal 2011).

For the purposes of this study, the type of wrongdoing selected was that of bribery which is the action of obtaining benefits by offering money or another benefit to an authority in order to secure the desired outcome due to its intrinsic merits (Cragg 1999).

There are several reasons for choosing bribery instead of another form of misconduct or wrongdoing. First, bribery in the DGT has attracted great public interest in Indonesia, highlighted by attention on what is commonly referred to as the ‘Gayus’ case.

Following the case of Gayus, from 2008 to 2013, at least six other bribery cases involving various levels of DGT employees from lower level personnel to high ranking officials attracted high media coverage (Yuhariprasetia 2015). Moreover, a more recent case in 2016 involved Handang, a mid-level manager, who allegedly accepted US\$148,500 in bribes from a company in exchange for an unlawful reduction of tax obligations (Setiawan 2016).

As indicated by the above, most of the cases attracting public interest are bribery cases involving DGT employees in different positions and with various functions. Those cases suggest that, regardless of the level, each tax official/employee is an inherent risk in terms of engaging in bribery or other forms of corruption. This was one of the main reasons why we chose DGT employees as the target sample for this study.

Another reason for selecting bribery was based on the Ajzen and Fishbein (1980) argument that any behavioural criteria can be predicted from attitude should be applied to a single action or specific action and not the general behaviour category.

A further reason for focusing on bribery was to address a gap in whistleblowing literature. Most of the studies which focused on a particular wrongdoing were concerned with sexual harassment (i.e. Alagappan & Marican 2014; Bowes-Sperry & O’Leary-Kelly 2005;

Miceli, Near & Dworkin 2013; Sinha 2013). One study focused on students' intention to disclose humiliations, degradation, and abusive rituals forced upon new members of fraternities at several colleges in the United States (Richardson, Wang & Hall 2012).

Therefore, it was important to investigate bribery in particular not only because whistleblowing studies that select this particular wrongdoing are still very few (Miceli, Near & Dworkin 2013), but also because this specific wrongdoing aligns with the organisation's characteristics and interests (Suyatno, Armstrong & Thomas 2015). An organisation's features may lead to different handling of different wrongdoings (Suyatno, Armstrong & Thomas 2015). For example, strongly profit-oriented companies may compromise on the issue of tax evasion, but not on embezzlement since the latter is seen as reducing profit (Victor and Cullen 1988, Wimbush and Shepard 1994 cited in Near & Miceli 1995). In addition, what may be considered as a serious or minor type of misconduct may differ from country to country depending on various cultural and institutional characteristics (Skivenes & Trygstad 2014).

DGT has fraud characteristics different from those of other government institutions in Indonesia, since the latter mostly involves corruption in the procurement or tender processes (Rizal 2011). Much or probably most of the misconduct, which attracts public interest or attention at DGT, involves bribery.

Although grand bribery, like that associated with huge amounts of money, receives most media and public attention (anw/anw 2011; Rizal, J 2013; Rizal, Y 2011), this study also investigated low level bribes paid in free food, free tickets, and tipping which could invite greater misdemeanors if left unchecked. The issue is significant, particularly in high context cultures – countries that Hall (1976) described as collectivist, valuing interpersonal relationships and communicating implicitly (that is, relying heavily on context) – such as Indonesia. It can result in companies being forced by public servants 'to pay to make things happen or even to keep bad things from happening' (Tanzi 1998, p. 584). These payments are reported as increasing the costs of doing business for small businesses by as much as 20 percent of total operating costs (Sjaifudian 1997 cited in Tanzi 1998). More serious types of bribery have also been investigated. For instance, the benefit of political backing and promotion for collusive (unethical) behaviour can be seen by many employees as indicative of an organizational culture of corruption (Fallon & Cooper 2015; Schein 2006). This, in turn, can discourage employees from reporting



wrongdoings (i.e. Cassematis & Wortley 2013; Seifert 2006; Sinha 2013; Stansbury & Victor 2009). Moreover, employees who appear to 'suit' the culture will remain secure in their jobs or will be newly recruited, while those who clash with the prevailing cultural norms may resign or have their employment terminated (Fallon & Cooper 2015). As a case in point, in the case of the Australian Wheat Board, the whistle-blower who questioned the payment of kickbacks was ultimately pushed out of the organization due to his 'questioning' (Fallon & Cooper 2015).

#### **4.7 Preferences of Reporting Channels: A Classification of Recipients**

Many researchers have paid attention to the role of the reporting paths available for whistleblowing, either anonymously or non-anonymously (Kaplan et al. 2012; Near & Miceli 1995) and have investigated internal or external reporting channels (i.e. Callahan & Dworkin 1994; Dworkin & Baucus 1998; Miceli 1992; Park & Blenkinsopp 2009). There is a general agreement that several groups of individuals (i.e. co-workers, friends, family members, neighbour) who cannot take action to correct a problem reported by the whistle-blower are not considered to be a channel for whistleblowing reporting (Miceli 1992).

##### **4.7.1 Anonymous versus Non-anonymous**

One study has shown that the existence of an anonymous channel will decrease the likelihood of reporting through non-anonymous channels (Kaplan & Whitecotton 2001). The preference for reporting channels is also related to perceived retaliation. A negative result from the perspective of a previous non-anonymous whistle-blower reduced participants' non-anonymous reporting intentions; while these negative outcomes did not decrease participants' anonymous reporting intentions (Kaplan et al. 2012).

In terms of anonymity or non-anonymity preferences, to some degree, studies show relative consistency in findings that individuals' intention to report anonymously or non-anonymously depends on their trust in the organization and the seriousness of the misconduct. A recent study in the Indonesian context indicated that anonymous reporting is preferable to non-anonymous (Harsanti, Ghazali & Chariri 2016), especially if the wrongdoing is considered as a serious fraud (Akbar & Yonnedi 2016). It is likely that earlier negative outcomes (either due to retaliation or no punishment being given to the wrongdoer) perceived by participants have reduced participants' non-anonymous

reporting intentions, but these negative outcomes did not reduce participants' (anonymous) reporting intentions (Kaplan et al. 2012). In addition, if respondents believe that there is no likelihood of negative outcomes, there would be no difference between preferences for anonymous or non-anonymous channels (Kaplan et al. 2012).

However, a recent study in the Indonesian context showed that the interaction between the type of reporting channels and perception of retaliation did not affect the intention to report fraud regarding government procurement (Akbar & Yonnedi 2016). Moreover, the existence of an anonymous channel decreases the likelihood of reporting via non-anonymous channels (Kaplan & Schultz 2007). Their study also showed that the quality of an internal audit department did not affect reporting to non-anonymous channels (Kaplan & Schultz 2007).

#### **4.7.2 Internal versus External Reporting Channels**

Park and Blenkinsopp (2009) argued that preference to use internal reporting channels is significantly influenced by respondents' attitude, subjective norms, and perceived behavioural control, 'with the exception of the relations between external whistleblowing and perceived behavioral control [that] was in the predicted direction' but not significant (Park & Blenkinsopp 2009, p. 10).

Internal reporting channels rather than external ones seem to be preferred if the institutions have rigorously implemented internal reporting processes (Barnett 1992; Miceli, Near & Dworkin 2009; Nayir & Herzig 2012; Near & Miceli 1996; Tavakolian 1994). In line with these findings, other studies have indicated that most whistle-blowers first disclose their findings to the internal recipients before reporting misconduct to external ones (Jubb 1999; Miceli & Near 2002).

Also, one study indicated that accountants' intention to whistleblow to external parties is higher than reporting through the internal system if the misconduct is perceived as serious fraud regardless of the availability of a monetary incentive (Andon et al. 2016). Similarly, a study conducted by Zhang, Pany and Reckers (2013) reported that intentions are stronger if a hotline is administered externally. Due to the variation in findings, it can be concluded that preferences regarding external and internal reporting channels, as well as the issue of anonymity or non-anonymity, depend on the respondents' perception of the

seriousness with which their organisation will handle the report, as also indicated from several research (Brown 2006; Zhang, Pany & Reckers 2013)

Interpreting from several studies (Hofstede & Hofstede 2005; Kagitcibasi 1997; Oyserman, Coon & Kimmelmeier 2002; Schwartz 1990; Thomas, Au & Ravlin 2003; Triandis 1995), the subjective norm of collectivism is one of the most important cultural dimensions in Indonesia and perhaps the most influential determinant of preference for external and anonymous whistleblowing.

#### **4.7.3 Combinations of internal, external, anonymous and non-anonymous reporting channels**

Several studies have indicated that individuals' preferences for either internal or external channels, and the use of anonymous or non-anonymous facilities, depend strongly on their perceptions of whether the organization would support them or retaliate against them (i.e. Akbar & Yonnedi 2016; Barnett 1992; Brown 2008; Harsanti, Ghozali & Chariri 2016; Jubb 1999; Miceli, Near & Dworkin 2009; Nayir & Herzig 2012; Near & Miceli 1996; Tavakolian 1994).

To whom and how whistle-blowers disclose misconduct also affects their risk of incurring retaliation (Smith 2014). There is a huge debate among scholars about whom whistle-blowers should report to first (Moberly 2014). Some argue that if they disclose internal organization issues to an external party first, this can be seen as anti-social rather than pro-social behaviour, especially if their intention is to obtain personal benefit (Donkin, Smith & Brown 2008). Giving the opportunity for internal management to handle a report and address misconduct confidentially will minimize the damage to the organization's reputation and all related-cost consequences (Dworkin and Callahan 1991 cited in Moberly 2014). It will also lessen any tension between employer and employee (Callahan, Dworkin & Lewis 2004). Also, if the organization succeeds in resolving the issue, this can boost employees' trust in and loyalty to the organization (Miceli, Near & Dworkin 2009).

A survey conducted among a total of 759 university students; 284 South Korean, 230 Turks, and 245 British indicates that all three groups of nationalities showed a whistleblowing preference for formal, anonymous and internal reporting channels (Park et al. 2008). However, going deeper, significant variations exist among the three samples

(Park et al. 2008). Possible explanations for the variations could be derived from implementations of policy and practice (Park et al. 2008). For instance, the results show the preference for anonymous over identified whistleblowing is relatively weak in Turkey and the United Kingdom, but much stronger in South Korea, suggesting that developing an anonymous reporting channel would be a particularly effective strategy in the latter country (Park et al. 2008). Thus, Park et al. (2008) conclude that other non-cultural explanations including the legal system, labour market, economy of the country and other aspects may promote specific attitudes on the ways to whistleblow, but further research is needed in this area.

However, others believe that external recipients should be prioritized because they are more readily available and have more authority to address misconduct than internal organization recipients (Dworkin & Baucus 1998; Mesmer-Magnus & Viswesvaran 2005), and the ultimate duty of employees is to protect public interests, not the organization's goals (Sinzdak 2008 cited in Moberly 2014). The internal recipients may side with the organization, and consequently, they might not follow up the report seriously or might even attempt to conceal the problem (Dworkin & Baucus 1998).

Employees who initially report directly to external parties seem to experience more retaliation than those who report internally first (Annakin 2011; Dworkin & Baucus 1998; Mclain & Keenan 1999; Miceli 1992; Miceli, Near & Dworkin 2013; Near & Miceli 2008). One study indicated that the order of the reporting process if employees feel dissatisfied is: internal recipient first, law enforcement agencies second, and then news media as the last (Callahan & Collins 1992). If the problem is solved internally, they should not report to an external recipient (Donkin, Smith & Brown 2008; Miceli & Near 1992; Rothschild & Miethe 1999). Studies in Australia and the US have shown that fewer than ten percent of whistle-blowers ever reported misconduct to external recipients (Donkin, Smith & Brown 2008; MSPB 2011). Also, using secondary data from 868 cases from a whistleblower advice line in the UK, Vandekerckhove and Phillips (2017) find similar finding

The above findings are interesting because westerns have low power distance and high individualistic culture (Hofstede & Hofstede 2005), but they still rely on their internal first before reporting to outside channels. By having this assumption, since Indonesian society's cultural dimensions value high power distance and a collectivist culture

(Hofstede & Hofstede 2005), it seems that they would make the internal reporting channel the one most preferred by DGT employees.

Possible reasons are that if an employee discloses to an external source, first, s/he can be seen as being disloyal to the organization or its members (Smith 2014) or ignoring the proper reporting channels (Miceli & Near 1997). Reporting through an external channel first without giving internal recipients and management the chance to handle the problem, can damage an organization's reputation (Donkin, Smith & Brown 2008). In addition, employees who disclose misconduct to an external party have a greater likelihood of experiencing retaliation than those reporting through the internal channel (Brown & Olsen 2008; Mesmer-Magnus & Viswesvaran 2005; Near & Miceli 1986; Rothschild & Miethe 1999) because external parties take longer to handle a report (Smith 2014).

Anonymity is still considered by many whistle-blowers as the most important consideration before taking action (Bosua et al. 2014). Regarding the anonymity issue, studies have indicated that non-anonymous whistle-blowers tend to experience a lower risk of retaliation than anonymous ones (Brown & Olsen 2008), and the latter, if their identity becomes known, will suffer worse retaliation (Miceli & Near 1992). To sum up, the longer or less effective is the report handled by the first recipients, the greater will be the spiralling adverse effects on the whistleblower, and then, consequently the more severe will be the retaliation that they may experience (Smith 2014).

There are several possible reasons why employees choose to report through external rather than internal reporting channels. First, they may think that if they report internally they will not feel satisfied (Callahan & Collins 1992). Second, they believe that their organization is not capable of handling serious misconduct or it is perceived as incapable of providing protection (Truelson 2001). Third, they feel little support from organization (Bosua et al. 2014). Fourth, they may perceive that previous reports submitted by themselves or others have not been taken seriously (Dworkin & Baucus 1998; Miceli, Dozier & Near 1991) or possible retaliation has occurred (Annakin 2011; Dworkin & Baucus 1998; Miceli, Dozier & Near 1991; Rothschild & Miethe 1999). However, studies indicate that most observers of misconduct disclose it internally; even those whistle-blowers who report externally, usually use the internal reporting channel first (Donkin, Smith & Brown 2008; Miceli, Near & Dworkin 2013). The seriousness of wrongdoing

and/or the position of wrongdoers may lead employees to report externally (Bosua et al. 2014).

Moreover, both internal and external reporting channels have their own advantages and drawbacks (Moberly 2014). For instance, some laws offer a reward and more protection to whistle-blowers who disclose misconduct to a party outside the organisation, but this may damage the relationship between whistle-blowers and their employers (Callahan & Collins 1992).

The classification of the recipients of misconduct is complicated (Moberly 2014). Typically, scholars define a reporting channel as either internal or external recipients (Miceli & Near 1992; Park & Blenkinsopp 2009). Park and Blenkinsopp (2009) offer a more detailed definition of internal recipients as ‘the appropriate persons within the organization’, the reporting channels inside of the organization’, ‘upper level of management’ and ‘supervisor’. They define outside recipients as ‘the appropriate authorities outside of the organization’, ‘the reporting channels outside of the organization’, ‘information to outside agencies’, and ‘the public’ (Park & Blenkinsopp 2009).

To further complicate matters, other scholars split the categories into several types, such as government and media (external parties), internal parties such as human resources, legal counsel, department heads, directors (Miceli 1992), and internal fraud investigators (Donkin, Smith & Brown 2008).

From the literature reviewed above, this study drew the following conclusions:

1. Choosing a reporting channel to disclose bribery is a complicated process involving one’s analysis of cost and benefit.
2. There is a taxonomy of recipients. This study referred mainly to findings in Park and Blenkinsopp (2009). Unlike the original study, which investigated only two types of reporting channels: internal and external, this study expanded the preferences to include eight types of reporting channels, namely: 1) external reporting channel anonymously (Graham et al.); 2) external reporting channel non-anonymously (Ewn); 3) internal reporting channel anonymously (Keil et al.); 4) internal reporting channel non-anonymously (Iwn); 5) external and internal reporting channels anonymously (EwaIwn); 6) external and internal reporting channels non-anonymously (EwnIwn);

- 7) external reporting channel anonymously but internal reporting channel non-anonymously (EwaIwn); and 8) external reporting channel non-anonymously but internal reporting channel anonymously (EwnIwa). The premise underlying these eight selected reporting channel preferences is based on Miceli's (1992) study that distinguish two types of reporting channels (internal and external) and pointed to the need to investigate multiple reporting pathways in order to understand their effectiveness in encouraging employees to report (Olsen 2014).
3. National cultural dimensions and loyalty to the organization play important roles in influencing DGT employees' intention to report wrongdoing.
  4. Anonymity is one of the primary considerations when a potential whistle-blower chooses a reporting channel from those available.

As stated in this study's research question, it is very important to know the reasons for respondents' choice of internal or external recipients, anonymously or non-anonymously, or a combination of these. Indeed, these factors affect 'how the whistleblowing process is played out' (Miceli 1992, p. 27). These eight types of reporting channels have been established in this study to provide a categorical schemata for assessing the trade-off that reporting to each type of recipients creates, while trying to balance the various interests of different parties: whistleblowers need to have protection and a possible reward in some cases, and organizations need to maintain control and efficiency, and society requires lawful behaviour and public accountability (Moberly 2014).

To answer the research question regarding the most preferred reporting channels, this study identified and constructed a valued outranking relation, using the PROMETHEE methods. PROMETHEE is Preference Ranking Organization Method for Enrichment Evaluations (Behzadian et al. 2010, p. 168). The underlying premise of this study is that the PROMETHEE method is a parsimonious tool for ranking items in a multi-criteria analysis. To identify the most preferred reporting channels in this study, we used the PROMETHEE method (manual count). PROMETHEE is a method of solving multi-criteria problems to determine the order (priority) (Brans, Vincke & Mareschal 1986). The key issues are simplicity, clarity, and stability (Brans, Vincke & Mareschal 1986). The alleged predominance of criteria used in PROMETHEE is the use of value in outranking relationships (Brans, Vincke & Mareschal 1986). They argue that this is a fairly simple ranking method for concepts and applications compared to other methods

for multi-criteria analysis (Brans, Vincke & Mareschal 1986). As for the steps in the PROMOTHEE method, this study followed Brans, Vincke & Mareschal (1986) paper such as 1) dominance relation; 2) compare actions; 3) calculate a preference value; 4) calculate multi-criteria preference index; and 5) PROMETHEE ranking (PROMETHEE I and PROMETHEE II). Therefore, this study proposed the following hypothesis:

*Hypothesis 9: Internal anonymous whistleblowing is the most preferred reporting channel*

Moreover, in this study, if respondents did not want to report, the next question was an open-ended question intended to elicit their reasons. As suggested by Bjorkelo and Bye (2014), identifying bystanders and their reasons for remaining silent is very important when measuring actual whistleblowing. The findings may distinguish between identified variables that may encourage or discourage individuals from reporting wrongdoing as included in the framework, and possible new variables. Regarding these questions, this study also attempted to intertwine intention and actual whistleblowing, an approach that only few researchers have taken so far (Bjorkelo & Bye 2014).

As a reference, independent and dependent items and scale are presented in Appendix 5 (English version) and Appendix 6 (Indonesian language version).

## **4.8 Control Variables**

### **4.8.1 Demographic factors**

Following previous research, this study gathered information regarding gender (Barnett, Bass & Brown 1996; Barton 1995; Miceli 1992; Rehg et al. 2008), age (Morrow & McElroy 1987), education level (Graham 1986) tenure (Keenan 1990), and position (Miceli & Near 1984).

Gender and educational level among other things were proposed by Miceli and Near (1992), and several studies have sought this demographic information (i.e. Ghani 2013; Barnett, Bass & Brown 1996; Rehg et al. 2008). Meanwhile, tenure and age have been investigated in several studies (i.e. Ghani 2013; Keenan 2000; Morrow & McElroy 1987; Welsch & LaVan 1981). Job position and education level are also considered to be important demographic variables in whistleblowing studies (Miceli & Near 1984). To some degree, the findings regarding demographic factors have been inconsistent.



Research has suggested that gender (Near & Miceli 1985), age (Brennan & Kelly 2007) and working tenure (Miceli & Near 1988) are related to individuals' whistleblowing intentions. With regards to gender, one finding indicates that males and females have different perceptions regarding ethics, beliefs, values, and behaviour (Schminke, Ambrose & Miles 2003), with females appearing to be more ethical than males (Vermeir & Van Kenhove 2008); consequently, females are expected to be more willing to whistleblow (Ahmad, Smith & Ismail 2012). However, conversely, other scholars argue that males rather than females tend to whistleblow (Dworkin & Baucus 1998; Miceli & Near 1988; Sims & Keenan 1998) because males tend to have higher positions in organisations and have more credibility than females (Near & Miceli 1995). Furthermore, females tend to be more afraid of retaliation than do males (Rehg et al. 2008).

Several studies have indicated that age is not a significant variable of whistleblowing intention (Dworkin & Baucus 1998; Keenan 2000; Sims & Keenan 1998). However, other studies have shown that older employees have a better understanding of the authority and control systems in their organisation and have more power to whistleblow compared to the younger staff (Keenan 2000). Due to their greater power, the older employees tend to have less fear of organisation retaliation compared to the junior staff (Lee, Heilmann & Near 2004). Moreover, based on power-dependence theory, an individual who feels less dependent on the organisation is likely to feel more free to speak the truth than someone who depends on the organisation (Emerson 1962).

Similar arguments can be used in regards to position level. Employees who have higher positions in an organisation are more likely to whistleblow than are the staff at lower levels. As suggested by Near and Miceli (1996), empirical research prior to 1996 showed that whistle-blowers tend to be relatively powerful employees; for example, they were supervisors or higher ranking, and more senior.

Finally, in terms of working tenure, senior employees were found to be more likely to whistleblow because they were more likely to occupy high positions and therefore had greater power (Mesmer-Magnus & Viswesvaran 2005; Near & Miceli 1985). Conversely, junior employees tended to have less knowledge about the available reporting channels (Miceli 1992), were less familiar with the way that the organisational culture operated, and were not really concerned about stopping misconduct (Dworkin & Baucus 1998). However, these findings contradict those of other studies indicating that job tenure was

unrelated to whistleblowing intention and was only weakly related to actual disclosure ( $r = .10$ ) (Miceli, Near & Dworkin 2013). A study conducted in Malaysia, for example, also confirmed the latter finding of being unrelated to intention and weakly related to disclosure (Ghani 2013).

Research has shown that education is not a significant variable of whistleblowing intention. In their meta-analysis, Mesmer-Magnus and Viswesvaran (2005) argued that the correlation between the two was zero in three studies on whistleblowing intent and six studies on actual whistleblowing.

Contradictory findings regarding demographic variables are also seen in the Indonesian context. A study on Indonesian auditors indicated that auditor's personal characteristics (gender, age, education, tenure, and position) do not have a significant influence on whistleblowing intention (Kreshastuti & Prastiwi 2014). Another recent study on Indonesian State-Owned Enterprises showed inconsistency: tenure and gender have a significant influence on whistleblowing intention among accounting professionals, while age and professional association membership had no significant influence (Mochkoid & Haryanto 2016).

Overall, this study expected that individuals who are different in demographic variables may have different intention to whistleblow, leading to the following set of hypotheses:

*Hypothesis 10a:*

*DGT employees are more likely to whistleblow if the persons are: (a) male; (b) older; longer working tenure and (c) higher position level in the organisation*

*Hypothesis 10b:*

*That there is no relationship between education level and whistleblowing intention*

#### **4.8.2 Training and Knowledge about Whistleblowing Reporting Channels**

For whistleblowing and ethics training, several studies conducted by Ghani (2013), Frisque and Kolb (2008), and Daniels (2009) indicated that employees who participate in such training are more likely to whistleblow than those who do not attend them. However, unlike the approach taken by these three studies, which treats ethical training as an exogenous variable, this study intended to investigate whether attendance at such training

may significantly influence whistleblowing intention. The reasons were: 1) we did not have confident neither had majority of respondents have sufficient knowledge about training nor had they had training experience. If respondents did not have knowledge about it, they tended to not response or answer the middle column of Likert scale. Moreover, considering whistleblowing was a sensitive issue, respondents would have easily withdrawn from participation if they did not familiar with a variable; 2) Regarding statistical issue, the response rate becomes more crucial since this study used SEM to examine the framework. According to Hair (2009), fifteen responses per parameter is an appropriate ratio for sample size. Hence, we need at least 540 answers given these considerations for measuring thirty-six parameters was deemed appropriate for the application of SEM analysis.

However, regarding employees' knowledge of internal or external whistleblowing reporting systems, this study expected that employees who know how to report misconduct via internal or external reporting channels are more likely to disclose bribery compared those who do not know. Borrowing arguments from literature, those employees who value whistleblowing as a useful tool to stop misconduct and believe that it as an important behaviour, are likely to whistleblow. Several researchers concluded that if individuals have a positive attitude toward whistleblowing, this is because they believe that whistleblowing has positive effects and it is important to act against misconduct (Park & Blenkinsopp 2009).

*Hypothesis 11: That attendance at information sessions or ethics training is positively related to behavioural intention to disclose*

*Hypothesis 12: Knowledge of how to use internal or external reporting channels is positively related to behavioural intention to disclose bribery. Employees who know how to use the internal or external whistleblowing reporting channel tend to disclose bribery than those who do not know*

#### **4.8.3 Actual whistle-blowers vs. Bystanders vs. Non-Observers**

In addition, this study also attempted to investigate the differences in intention to whistleblow among actual whistle-blowers, bystanders, and non-observers. As suggested by Bjorkelo and Bye (2014), scholars need to investigate whether actual whistle-blowers, bystanders, and non-observers have different whistleblowing intention. As indicated by

other scholars, distinct profiles of whistle-blowers, bystanders, and non-observers, have emerged (Miceli & Near 1984). The study indicated that whistle-blowers tend to value whistleblowing as an acceptable behaviour more so than do those who are non-observers or inactive observers; thus, they are more likely to whistleblow (Miceli & Near 1984).

Moreover, this study attempted to investigate intention versus actual whistleblowing behaviour in the Indonesian context. To date, there has been no whistleblowing study in the Indonesian context which has made multiple comparisons of the three groups. Moreover, studies in Indonesia have investigated either intention or actual whistleblowing, but none has made a distinction between actual whistle-blowers, bystanders, and non-observers.

Therefore, this study proposed the following hypothesis:

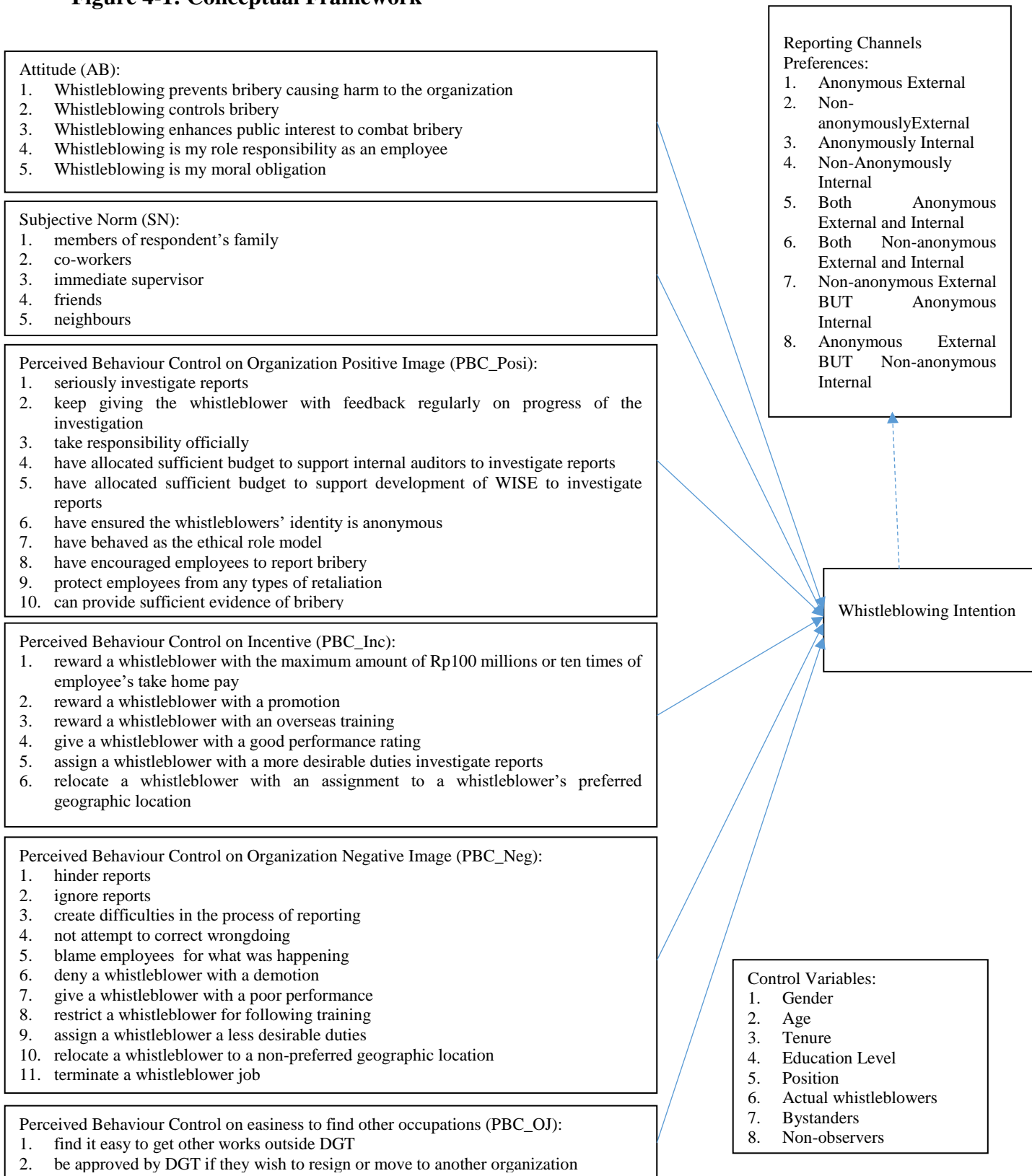
*Hypothesis 13: Actual whistleblowers are more likely to disclose bribery compared to bystanders and non-observers*

#### **4.9 Conceptual Model**

The conceptual model (see Figure 4.1) shows how whistleblowing intentions can be predicted using the TPB. The model also includes the analysis of the preferred channel of reporting, as well as the intention to 'not' report. A framework investigating the main issues is proposed: To what extent do variables such as attitude, subjective norms, and perceived behavioural control influence individuals to report bribery? To what extent do the variables influence individuals in selecting reporting channels and what are the main variables that influence the intention of individuals to report bribery in the DGT? Answers to these questions will be useful in designing regulations and policies to combat bribery (and support whistle-blowers) in the high context culture of Indonesia.

Having justified the selected variables, the conceptual framework for this study is illustrated in Figure 4.1.

**Figure 4-1: Conceptual Framework**

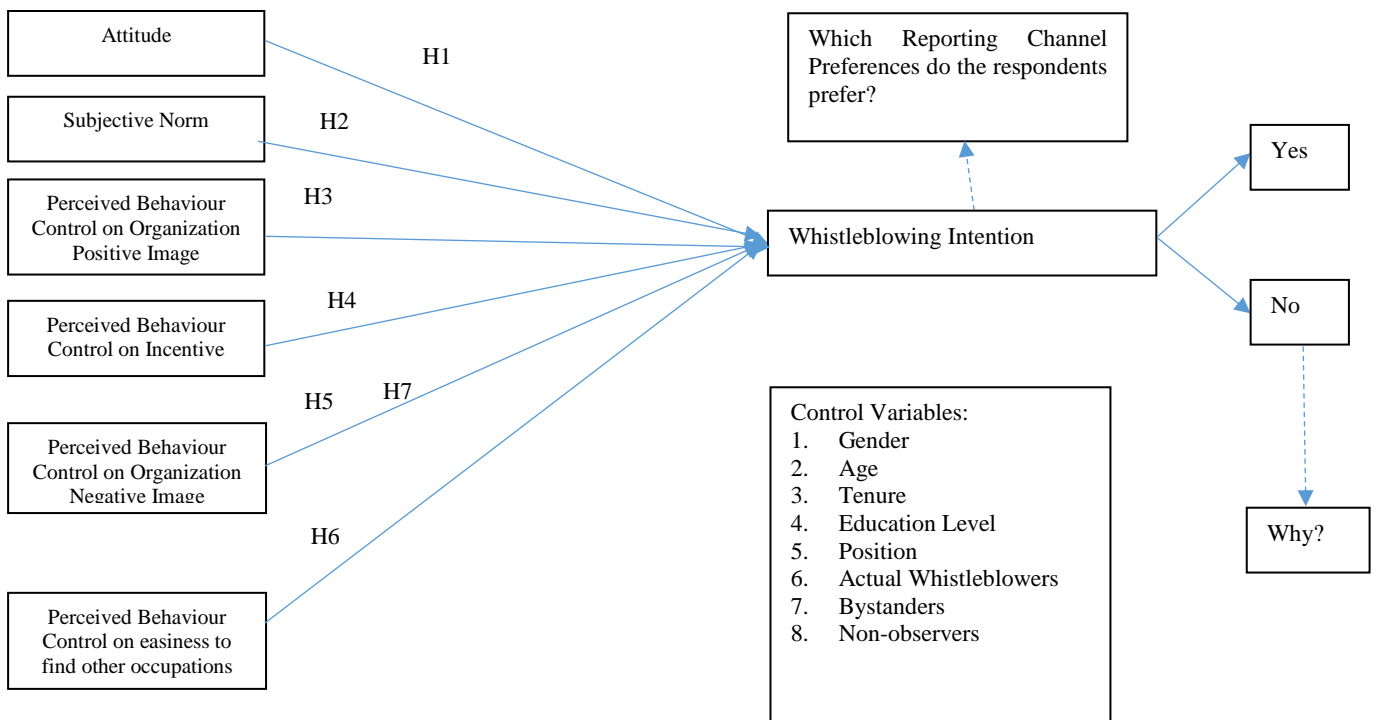


Briefly, Figure 4.1 shows the relationships between the predictive variables considered in Ajzen's (2005) model of planned behaviour and whistleblowing intention, and preferences of reporting channel. The predictive variables in the first model can be grouped into six composite variables,,: attitude, subjective norm, Perceived Behaviour Control on Organization Positive Image, Perceived Behaviour Control on Incentive, Perceived Behaviour Control on Organization Negative Image, and Perceived Behaviour Control on ease of finding other occupations, are posited to influence an individual's whistleblowing intention. It is proposed that these variables have a direct relationship with whistleblowing intention. Also, the respondents' most preferred whistleblowing channels were investigated.

#### 4.10 Theoretical Framework

Figure 4.2 shows the theoretical framework of whistleblowing intention for this study.

**Figure 4-2: Theoretical Framework of Whistleblowing Intention**



#### **4.11 Additional Investigations**

Also, there is a need to conduct an in-depth investigation of whistleblowing from the respondents' responses and to explore new, unique, and/or unexpected explanations in the existing conceptual framework by addressing open-ended in the survey as suggested also by Edwards (2008) in her study.

Several open-ended questions were formulated in order to investigate in depth several phenomena and events. These were as follows:

1. Why do some employees not want to disclose alleged bribery cases in their workplace (Bowden 2014; Brown 2008)?
2. How many employees actually have actually become aware of bribery but did not report it (Brown 2008)?
3. What common types of bribery have occurred in the DGT during the last five years and what was the level/position of the wrongdoers (Bowden 2014)?
4. What cultural dimensions may hamper the implementation of a whistleblowing system in the DGT (Hofstede & Hofstede 2005)?
5. If quality of evidence is important in influencing employees to report bribery, what is it (MSPB 2011)?
6. What amount of financial incentive is considered sufficient enough to attract individuals to disclose alleged bribery? (Bowden 2014).
7. What determinants encourage or discourage employees' intention to disclose alleged bribery in their workplace from the perspective of the authorities in the DGT?





## **CHAPTER 5 - RESEARCH METHOD**

### **5.1 Introduction**

This chapter explains the research method adopted by this study and the methodology used to collect and analyse the research data to answer the research questions. The chapter also presents the justification for the type of methodology chosen. In all, there are nine sections in this chapter. The research process steps taken are founded mainly on two earlier doctoral theses – those of Ahmad (2011) and Ghani (2013).

Following the introduction, the second section presents the research design as well as the research process. Section 3 describes the theoretical framework and hypothesis development. The survey questionnaire, the survey items and the translation process are described in section 4. The fifth section refers to pre-dissertation, which consists of explanation and discussion of the pilot study. Section 6 describes the chosen methodology, including the sampling frame and sample size, as well the justifications for these choices. The seventh section describes the data collection process. The eighth section states the ethical issues of the study research, while section 9 concludes the chapter with a brief summary.

### **5.2 Overview - Research Paradigms**

Studies show that the design of research in human and social sciences begins with the selection of a research topic and a research paradigm (Creswell 2013; Creswell & Clark 2007; Creswell & Miller 2000; Zhou & Creswell 2012). Paradigms are generally recognised scientific achievements that for a particular period of time offer model problems and solutions to a group of practitioners (Kuhn 2012). Basically, paradigms offer a framework of a set of established theories, methods and ways of defining data (Collis & Hussey 2013). Other researchers define a paradigm as a set of fundamental beliefs that deal with most important principles (Guba & Lincoln 1994). It represents an individual's view about the nature of the world by helping define his or her position in the world and identifies the range of possible relationships to parts of that world (Ghani 2013).

The most common research paradigms are divided into two main continuums, namely quantitative (positivist) and qualitative (phenomenological or interpretative) (Bhattacharjee 2012; Creswell 2013; Guba & Lincoln 1994; Veal 2005). The main underlying differences between quantitative and qualitative approaches can be seen in Table 5.1.

**Table 5-1: Qualitative and Quantitative Paradigm Assumptions (Vaishnavi & Kuechler 2004; Veal 2005)**

Basic beliefs	Research Perspective	
	Positivist	Interpretative
Ontology (What is real?)	Single reality; knowable; probabilistic	Multiple realities; social constructed rather than objectively determined
Epistemology (how do we know?)	Objective; detached observer; dispassionate	Subjective – i.e. value and knowledge emerge from researcher participant interaction
Methodology (how do we study?)	Observation; quantitative statistical Involves numerical data, large numbers of participants; seeks to generalise;	Participation; qualitative; hermeneutical; dialectical; non-numerical data; small number of participants; findings typically not generalizable
Axiology (what is of value?)	Truth; universal and beautiful; prediction	Control; creation; progress (i.e. improvement); understanding
Data collection	Survey	In-depth interviews; focus groups; participant observation; textual analysis

### 5.3 Research Design

Research design concerns settling on a framework that specifies the methods and process for collecting and analysing the needed information (Zikmund et al. 2013), which uses a scientific (and art) approach to obtain the most valid findings (Bogt 1993). This study applied a mixed-methods design (Creswell 2013; Veal 2005) with both quantitative (multiple choice form) and qualitative (open-ended form) components. This enables triangulation, whereby a researcher uses more than one research approach in a single study to obtain a more comprehensive understanding of the issues being investigated, and it often uses both qualitative and quantitative approaches in the same research (Veal 2005).

There are four different ways that triangulation can be used in a survey, namely: utilising more than one methodology to gather data, analysing data using more than one approach,

utilising more than one sampling strategy, and utilising different observers, interviewers, and analysts in the one research (Duffy 1987). Although this study emphasized a quantitative analysis, it adopted both methodologies (quantitative and qualitative) for collecting and analysing data (statistics and open-ended questionnaire) to obtain more valid and reliable data. As Veal (2005) noted, the additional method (open-ended questionnaire) can provide richer information to answer the research questions.

There are several reasons for using triangulation or a mixed-methods design. Firstly, a researcher needs to move from quantitative findings to qualitative explanation (through rich description) (Ghani 2013) to obtain a more comprehensive understanding of a research problem than is addressed by either a qualitative or quantitative design alone (Zhou & Creswell 2012). Having the two combination approaches helps to increase the accuracy, quality, reliability, and validity of the gathered data (Babbie 2015; Veal 2005).

Secondly, combining methods improves the strengths and lessens the inherent limitations of the quantitative and qualitative approaches when used alone (Creswell & Clark 2007). On the one hand, a quantitative analysis offers a high generality of findings and replicability of the method (Veal 2005). Since one of the primary objectives of this study is to help government authorities in Indonesia to design whistleblowing policies, the qualitative approach was used (Yoshikawa et al. 2008). Moreover, the merits of questionnaire surveys are as follows: (1) transparency of set procedures; (2) succinct presentation for describing relatively complex information; (3) comparability studies among repeated surveys; and (4) capturing the complexity of gathering a broad range of complication information on a regular basis (Veal 2005). While the quantitative approach can provide generalizations of findings due to a large sample representing the population, it provides a weak understanding of the context or setting; the qualitative approach may compensate for the limitations of the first approach by eliciting and exploring more in-depth comments from respondents regarding the particular issue(s) being investigated (Creswell & Clark 2007). Conversely, the limitation of the qualitative approach in generalizing results may be addressed with a quantitative approach gathering information from a large, representative population sample (Creswell & Clark 2007).

Thirdly, the epistemological assumption underlying mixed methods is that the world, through the lens of social science, can be represented by both numbers and words (a holistic enterprise) and these should be given equal status in developmental science

(Yoshikawa et al. 2008). Yoshikawa et al. (2008, p. 345) argued that ‘although particular disciplines may emphasize particular methods of data collection and analysis, this is no reason to limit a particular program of research in developmental science to a single method’.

In addition, a triangulation or mixed-methods design enables an in-depth study to be conducted of particular issues, problems or objectives at different stages simultaneously of the research process (Todd et al. 2004 cited in Ghani 2013) in order to obtain more detailed and comprehensive information; thus, the researcher may be able to conclude his or her findings in more in-depth (Wiersma and Jurs 2005 cited in Ghani 2013). A mixed-methods approach is also appropriate for studies, including whistleblowing research, which require researchers to investigate individuals’ perceptions (Roininen, Arvola & Lähteenmäki 2006) and experiences in social settings (Creswell & Clark 2007).

Lastly, Scandura and Williams (2000) argued that a mixed-methods design is more appropriate for investigating real-life situations, such as studies of organizational behaviours since the design is strong in realism. Several predominant whistleblowing researchers, such as Miceli, Near and Dworkin (2013) have encouraged researchers to attempt to use a mixed-methods approach in order to obtain more robust conclusions about whistleblowing issues.

Quantitative data gathered from multiple choice questions is analysed using Analysis of Moment Structures (AMOS) as Statistical Package for Structural Equation Modelling (SEM), while the qualitative data gathered from open-ended questions would be analysed using NVivo. AMOS is used for confirmatory analysis (i.e. hypothesis-testing) of multiple variables or multivariate relationships or estimating points and/or indirect interval effects (Byrne 2013). In addition, NVivo software permits the coding of data and the identification of themes (Ramage 2009). Coding was based on categories such as an explanation of employees’ perception of whistle-blower actions, and an explanation of the reasons given by respondents who may agree that whistle-blowers should be punished. The two approaches are in line with the main topic statement, which aims to investigate a research question: “To what extent do the selected variables influence the intention of DGT employees to report bribery cases through several choices of reporting channels”.

In quantitative research, methods of inquiry analyse numeric representations of the world by utilizing survey and questionnaire data (Likert scales questions), which are common used in physiological and behavioural studies (Veal 2005; Yoshikawa et al. 2008). However, the qualitative method is used to collect and interpret non-numeric representations from, for instance, the respondents' written comments (Yoshikawa et al. 2008). Therefore, this study used indirect, open-ended questions as suggested by Veal (2005). Moreover, open-ended questions might be used as an initial step to conduct future grounded theory (Charmaz & Smith 2003).

Findings are interpreted using statistical test results of quantitative data, interpretation of respondents' comments, and similar findings in the literature.

#### **5.4 Literature Review Process**

The first step of the research process was to examine the relevant literature to identify predictive and main variables and to determine the research question and supporting objectives. Literature search engine mainly uses Google Scholar and Academic resources from various academic journals like JSTOR, Blackwell Synergy, and Emerald Full text, all available from the university library.

Using this literature, the next step was to develop a theoretical framework and various hypotheses. Having done this, a questionnaire survey was developed based on validated measurement scales, a set of questions, and concepts from previous studies (Ghani 2013; Fallon & Cooper 2015; Park & Blenkinsopp 2009; Schein 2006). To develop this appropriately, it was necessary to seek feedback on the questionnaire in terms of clarity and content. Consequently, draft versions of the survey were circulated to research supervisors and whistleblowing and ethics scholars as well as to selected DGT employees. The next step was to carry out a pilot study using a small convenient sample of employees of the Indonesian Directorate General of Taxation. A pilot test of the tentative questionnaires served to assess the reliability and face validity of the questionnaires. The purposes of the pilot survey were to examine questionnaire wording and lay out, question sequencing, gain familiarity with respondents, estimate response rate and interview or questionnaire completion time, and to test analysis procedures (Veal 2005, p. 160).

The pilot survey test result indicated that Cronbach's Alpha value for attitude, subjective norm, and perceived behavioural control, and reporting channels were above 0.70. Details of the pilot survey are discussed in sections 5.10.3 to 5.10.6 of this chapter.

## **5.5 Survey Questionnaire Development**

The development of the questionnaire was based on reviews of literature and media articles related to this study, with the objective of identifying appropriate instruments to measure the selected determinants. The main objective of questionnaire development is to capture adequate information to answer the study's research questions (Dunn & Fenwick Huss 2004) and construct the information as an integrated whole (Neuman 2002).

In designing the questionnaire, several components are considered, for instance, the language used, the sequence of the questions, and length of the questionnaire. This study followed suggestions by Veal (2005). In particular, the survey questionnaire should be simple wherever possible and avoid ambiguity, ask only one question at a time, avoid leading questions, and avoid jargon. Moreover, the wording, terminology, and most issues in the questionnaire pose questions relating to whistleblowing practices in the Indonesian Directorate General of Taxation that have been understood clearly by the DGT employees. Hence, the respondents would understand terms such as WISE and rewards, because the questionnaire contents were pitched to the respondents' level of comprehension (Frazer & Lawley 2001). As suggested by Veal (2005), in order to ensure the appropriateness of the questions, a dummy questionnaire survey was sent to several DGT employees to obtain their feedback and suggestions. Other feedback and advice on the design of the questionnaire were obtained from two prominent supervisors at Victoria University as well as from two whistleblowing scholars.

For some questions, this study used filters. A filter is used because some questions request respondents to answer particular questions depending on their answer to a previous question (Veal 2005). Although not rigidly following the sequence from the most important to the least important questions, this study attempted to optimally order the questions from the most important to the least important. It is essential that respondents' possible fatigue levels be minimized (Ghani 2013). Lastly, simple instructions are

constructed to facilitate understanding in order to increase the response rate and to reduce potential measurement error (Sanchez 1992).

### **5.5.1 The Questionnaire**

A covering letter accompanied the questionnaire (Appendix 5 for the English version and Appendix 6 for Indonesian language version). The covering letter clearly explained the purpose of the research and the importance of answering the questionnaire. It was anticipated that the covering letter would encourage a high response rate (Dillman 2007; Singleton and Straits 2005; Bourque and Fiedler 1995 cited in Ghani 2013).

To encourage the respondents to participate and to answer completely and honestly, the covering letter explained the importance of the research in terms of benefit(s) for the employees rather than the organization's interests and guaranteed the confidentiality of individual responses and the anonymity of respondents. Mühlenfeld (2005) and Ong and Weiss (2000) argued that individuals tend to be more honest when giving opinions on sensitive issues if they are guaranteed anonymity. Moreover, due to inherent risks associated with whistleblowing as a sensitive issue research, confidentiality and anonymity lead to more honest responses (Olsen 2014). Moreover, in order to encourage participation in the survey, the letter included positive statements ensuring the respondents that they would be contributing to “enabling the development of a policy that will help whistleblowing in Indonesia.....” (Frohlich 2002). It was anticipated that the mention of Victoria University, the Department of Foreign Affairs and Trade (DFAT), and the Australian Government as the third-party sponsorships and endorsers of the survey, would add to the study's credibility (Dillman, 1978 and Presser et al., 1992 cited in Frohlich (2002)).

### **5.5.2 Questionnaire Design**

Veal (2005) suggested that researchers design a questionnaire slowly and carefully and to keep in mind the objectives of the research. A common trap in many organisations is that a draft of a questionnaire is just circulated for comment and everyone is invited to contribute to the questionnaire design (Veal 2005). However, the survey questionnaire for this study was constructed carefully, adapting items from previous studies (i.e. Ghani 2013; Fallon & Cooper 2015; Park & Blenkinsopp 2009; Schein 2006) which had concepts similar to our framework. When designing the questionnaire, the concepts and

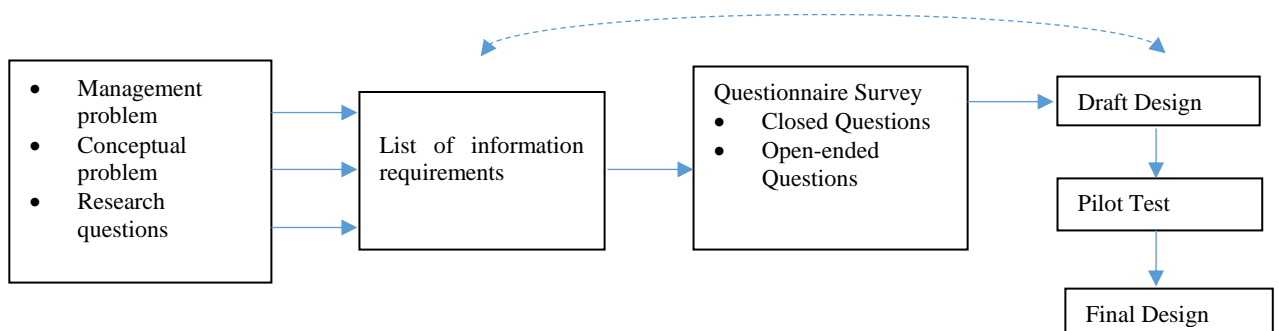
variables involved and their relationships were referred to constantly. A structured questionnaire was developed from existing instruments on whistleblowing and ethics studies to avoid problems of validity and reliability of the measures. As suggested by Veal (2005), each question must be linked to research questions and questionnaires from previous studies are part of the input into the questionnaire design process.

Moreover, two supervisors at Victoria University closely scrutinized the questionnaire to ensure that it aligned with the conceptual framework. Feedback from an expert to use Schein’s six mechanisms to measure organizational culture and leadership style in perceived behavioural control items was heeded. His feedback was in line with several empirical studies (Campbell & G6ritz 2014; Fallon & Cooper 2015; Schein 2010) that were successfully able to measure an important variable in corrupt organizations.

After the questionnaire draft was completed, it was distributed to several governance and law scholars, doctoral students, DGT employees, and several whistleblowing researchers to obtain feedback. During the circulation process, a poster was presented of the conceptual framework showing the aim of the study, research questions, literature gap, and the methodology used in this study, enabling respondents to comment on the questionnaire accordingly.

This study used the questionnaire design process in the Veal (2005) study as can be seen from Figure 5.1 below.

**Figure 5-1: Survey Design Process**





### **5.5.3 The structure of the questionnaire**

The questionnaire used for measuring the different variables in the study was in the main an adaptation and extension of measurements that had already been developed and assessed for validity and reliability in previous studies. This study used a 5-point Likert scale ranging from (1) 'strongly disagree' to (5) 'strongly agree' for the main multiple-choice items in relation to attitude, subjective norms, and perceived behavioural control variables. This scale has been proven to be a reliable and valid method of measuring individuals' opinions and perceptions (Fishbein & Ajzen 2011). On the Likert scale, respondents indicated their level of agreement or disagreement with a particular statement, using a standard set of responses (Veal 2005). The mid-point of this odd-number scale indicates a neutral position regarding the statement (Cavana, Delahaye & Sekaran 2001).

Moreover, for answering the questions, this study used a graphic rather than number scale for several reasons: (1) humans tend to think of quantities as represented by degree or physical extensions; (2) a graphic scale reduces clerical error; and (3) humans tend to find it difficult to remember the meaning of each number when they fill the blank space (Nunally & Bernstein 1978).

Of equal importance is the use of an open-ended questionnaire intended to acquire a better, more in-depth understanding of respondents' opinions regarding particular issues, which cannot be obtained from rigidly constructed closed questions (Haidt & Keltner 1999; Krosnick 1999).

However, like many whistleblowing studies, this study does not use face-to-face interaction with respondents, such as interview, observation, and focus group discussions. There are several reasons for this as explained below.

Firstly, due to the sensitivity of whistleblowing (Patel 2003), this study guaranteed a high degree of confidentiality or anonymity to encourage respondents to participate in the survey via the questionnaire (Woodward 1988). Moreover, rather than attempt to collect rich and personal accounts (Yoshikawa et al. 2008), this study used a closed or pre-coded, self-administered questionnaire intended to elicit a range of responses by inviting respondents to choose the answer that best represented his or her opinion (Veal 2005). However, the questionnaire's open-ended questions gave respondents the

opportunity to expand on their opinions and to introduce issues that were not covered by the survey questions, such as the psychology of attackers who initiate reprisals against whistleblowers and respondents' elaboration of the issue regarding a new job or career, which have been suggested by Martin (2014).

Secondly, in studies related to ethics, including whistleblowing, many respondents tend to avoid giving negative opinions or making embarrassing comments about themselves, their employers, family, and colleagues (Bhattacharjee 2012); thus, they tend to answer untruthfully as they try to provide morally acceptable answers (Nyaw & Ng 1994). These issues are magnified when seeking to investigate whistleblowing in Indonesia given the emphasis on indirect communications, desire for harmony and avoiding the shaming of someone through a negative answer or comment (Hofstede & Hofstede 2005; Rubin 1981).

The most important reason for avoiding face-to-face, telephone, postal survey, observations, or focus group discussions is that employees are more likely to respond to questions and respond more accurately to sensitive inquiries if there is a weak social attendance and they can remain anonymous (Tourangeau et al. 2000 cited in Olsen 2014). Therefore, it can be concluded that 'Assurances of confidentiality and anonymity lead to more honest answers' (Olsen 2014, p. 21). Moreover, the respondents' answers will not be influenced unduly by the researcher (Veal 2005).

The details of scales used for developing the questionnaires are shown in Table 5.2:

**Table 5-2: Survey Instrument**

Questions	Number of items	Section	Types of Questions	Author
Demographic Factors	5	Section A	Close-ended	Bjørkelo et al. (2011)
Whistleblowing Intention (WBI)	1	Section B	Close-ended	<ul style="list-style-type: none"> <li>• Miceli and Near (1985a)</li> <li>• (MacNab et al. 2007)</li> </ul>
Why Not Report	1	Section B	Open-ended	<ul style="list-style-type: none"> <li>• Bowden (2014)</li> <li>• Brown (2008)</li> </ul>
Eight whistleblowing channels they would use	8	Section B	Close-ended	Bjørkelo et al. (2011)
Knowledge about internal and external whistleblowing reporting channel, ethics training	6	Section B	Close-ended	Ghani (2013)
whether respondents had blown the whistle to internal or external regarding suspected bribery- identify actual whistle-blowers, bystanders, or non-observers	2	Section B	Close-ended	Bjørkelo et al. (2011)
Attitude	6 pair *	Section C	Close-ended	Park and Blenkinsopp (2009)
Subjective Norm	6 pair *	Section D	Close-ended	Park and Blenkinsopp (2009)
Perceived Behavioural Controls – Organisational Culture and Leadership	27 pair *	Section E	Close-ended	<ul style="list-style-type: none"> <li>• Park and Blenkinsopp (2009)</li> <li>• Schein (2010)</li> <li>• Fallon and Cooper (2015)</li> </ul>
Sufficiency of financial reward	1	Section E	Open-ended	<ul style="list-style-type: none"> <li>• Bowden (2014)</li> <li>• Brink, Lowe and Victoravich (2013)</li> <li>• Dworkin and Near (1997)</li> <li>• Rapp (2007)</li> </ul>
Perceived Behavioural Controls – Finding another job(s)	2 pair	Section E	Close-ended	Near and Miceli (1986)
Perceived Behavioural Controls – Sufficiency of Evidence	1 pair	Section E		MSPB (2011)
Types of Evidence	7**	Section E		MSPB (2011)
experienced or observed bribery in the past five years	1	Section F		Near et al. (2004)
Types of Bribery, wrongdoer's position, and frequency - seriousness of wrongdoing	13**	Section F		<ul style="list-style-type: none"> <li>• Miceli and Near (1985a)</li> <li>• Bjørkelo et al. (2011)</li> </ul>
Perception on whistle-blower and whether they deserved a punishment	4	Section F	Closed-ended Open-ended	<ul style="list-style-type: none"> <li>• Martin (2014)</li> <li>• Cullen, Victor, and Bronson's (1993)</li> </ul>
Perception on Obligation to disclose misconduct	3	Section F	Closed-ended	Hassink, De Vries and Bollen (2007)

Perception what would happened to them personally, if they had blown the whistle	1	Section F	Open-ended	Near et al. (2004)
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Note: \* One pair question was open-ended question to accommodate possible additional response that had not been identified by us  
 \*\* One question was open-ended question to help possible other response that had not been identified by us

In addition to the survey, the researcher also conducted an online interview with recipients of disclosures. Much research on whistleblowing focuses on organization members (former or current) or the whistle-blowers (Vandekerckhove, Brown & Tsahuridu 2014). However, little research has been conducted on the recipients of complaints, although it may indicate the effectiveness of whistleblowing, the degree of power, and possible retaliation (Vandekerckhove, Brown & Tsahuridu 2014). The researched used a semi-structured interview format because it allows the elicitation of new exploratory ideas from the interviewee (Veal 2005). The details of topics used for developing the interview questions are given in Table 5.3:

**Table 5-3: Interview Instrument**

Questions	Number of items	Number	Reference
Whistle-blower's motivation	3	No. 1, 2, 16	Dozier and Miceli (1985)
Determinants of whistleblowing	4	No. 3, 4, 5, 19	- Pro-organizational Behaviour - Theory of Planned Behaviour
Effectiveness of whistleblowing in DGT	11	No. 6, 7, 8, 9, 10, 11, 12, 13, 15, 18, 19	Schein (2010)
Loyalty	1	No. 15	Vogel (1992)
Cultural dimensions	1	No. 17	(Hofstede & Hofstede 2005)
The number of bribery cases was reported and followed up by the recipient (secondary data)	2	No. 20, 21	

#### 5.5.4 Translation Process

Inspired by Ghani's (2013) doctoral study, as the respondents are Indonesians, and this study adapted the theories, framework, and measurement from a western whistleblowing framework, this study used a back-translation process to 'minimize any possible variance due to cultural and linguistic differences' (Kim and Han 2004 cited in Ghani 2013). Perhaps the most common and highly recommended procedure for validating the translation of a questionnaire is a back-to-back translation (Chapman & Carter 1979). In this procedure, the instrument is rendered into the second language by one translator; the

resulting version is then translated back into the original language by different competent translators or bilingual individuals to respond to the original and translated instruments (Chapman & Carter 1979). 'Items with apparent discrepancies between the two translations are then modified and a second back translation conducted' (Chapman & Carter 1979, p. 72).

Two qualified bilingual translators translated the questionnaire into both English and Indonesian languages. For the preliminary step, one of the translators translated the questionnaire from English to Indonesian, whereas, another translator served as a back translator (translating the questionnaire from Indonesian to English). The next step before conducting the pilot survey, for the content, several Indonesian DGT employees were asked to evaluate the questionnaire draft regarding items, words and phrases to suit the common practices and usage by organizations and employees as suggested by Ghani (2013). Moreover, two supervisors from Victoria University who have expertise in whistleblowing, ethics, leadership, and organizational behaviour research, and two prominent whistleblowing scholars reviewed the survey questionnaire to ensure that all items were aligned with the conceptual framework and addressed the research questions. Then, once again a back-to-back translation process was conducted in Indonesia involving sworn translators before the final version of the survey was produced. Since the back-translation technique may pose the possibility of false interpretation (Wang, Lee & Fetzer 2006), the study employed a decentering approach as suggested by Ghani (2013). A decentering approach is an ongoing process of adjustments in both languages as many as needed until a similar but culturally relevant idea is validated in each language (Sperber, Devellis & Boehlecke 1994). The result is presented in Appendix 6.

## **5.6 Pre-dissertation**

Data collection for the study was conducted in three stages: pilot testing of the survey instrument, distribution of hard-copy survey questionnaire, and online survey.

### **5.6.1 Stage one: General pilot testing**

The study adapted many of the measures previously used by other researchers (Park & Blenkinsopp 2009).

In the initial pilot survey questionnaire and framework development stages, the researcher consulted the (Emeritus) Professor of Psychology at the University of Massachusetts who proposed the Theory of Planned Behaviour. He suggested consulting his website for an explanation of how to apply the theory of planned behaviour and to view a sample questionnaire.

A pilot survey is conducted for several reasons: to test the questionnaire's wording and structure, to ensure the appropriate sequencing of questions, to become familiar with respondents, to estimate the response rate and time required for the completion of the interview or questionnaire, and to test analysis procedures (Veal 2005). Moreover, the pilot test also helps to ensure reliability (Knabe 2012).

The pilot survey included open-ended questions to give participants the opportunity to add, reduce, or change the selected determinants and offer comments and suggestions to possibly improve the contents of the survey instrument before embarking on the main data collection exercise.

Accordingly, three pilot tests were undertaken to refine the survey instrument before the actual survey was conducted with DGT employees. The first draft was evaluated by two research supervisors from Victoria University. The supervisors suggested employing a 5-point Likert scale instead of a 7-point scale consistently across all measurement items in order to reduce potential fatigue of the respondents. According to Dawes (2008), the 5- and 7-point scales produce the same mean score once they are rescaled. Following the suggestions made by the supervisors, several amendments were made to the wording of statements, particularly in the section on organizational culture, in order to avoid ambiguity, leading, and overlapping questions.

Moreover, the expert from Griffith University recommended the inclusion of questions pertaining to actual behaviour, such as what the DGT employees had done (if anything) in response to suspicions or evidence of bribery; why they did or did not disclose, and how they perceived the reporting avenues. Hence, several closed-ended and open questions were included which suited the intended measurements.

The scholar from Sydney University suggested a revision of several questions, such as including in questions on bribery and related issues, a limited amount of time. Otherwise, participants could possibly cover all their years of employment at the DGT. He also

suggested reducing the number of questions since participants might tire of answering them and might not return the responses.

After discussion with the supervisors, several questions were eliminated without violating the conceptual models and still adequately addressing the research questions. For instance, the questions of Marlowe-Crowne Social Desirability Scale from Leite and Beretvas (2005), which refers to a study conducted by Hechanova et al. (2014) to ensure the limitation of social desirability bias, were removed from this study. Other questions were removed because they could be answered using the model or were not really relevant to the research questions. Those removed questions were the ones based on the Richardson, Wang and Hall (2012) research asking respondents to rank bribery behaviours.

Several comments, criticisms and feedback were also obtained from members of the Law and Justice Thesis Writing circle. Respectively, a bilingual individual (English-Indonesian languages) who was also an expert in the Theory of Planned Behaviour and statistics from La Trobe University, translated and suggested slight changes to the original questions. He was a qualified level 3 Interpreter with National Accreditation Authority for Translators and Interpreters (NAATI). The wording of several items had been translated and tailored to suit Indonesian participants. These included clarifications of wording and other suggestions to make the questionnaire shorter. It should be noted that all proposed changes were reviewed by the supervisors.

After the pilot survey questionnaire had been amended, a second pilot test was conducted among fourteen Indonesian DGT employees currently studying in several universities in Australia. These participants had varied backgrounds in terms of age, academic qualifications, and employment experiences. The aim of this second pilot test was to obtain feedback regarding their understanding of the research instruments and whether the instruments were practical and appropriate for Indonesian DGT employees.

In general, the participants considered the research instrument was acceptable, suitable for Indonesian DGT employees, and easy to understand. Their main concerns were that the researcher had to ensure that all respondents' identities were kept confidential (anonymous) because if one identity was revealed or could be traced, there could be possible retaliation. One participant was adamant that the survey should not be conducted via email or online because of the possibility that participants' IP addresses could be

identified. Responding to his security concern, the researcher ensured that there would be no unanticipated risks associated with an individual's participation. All information provided by participants would be in strict confidence and all responses would be presented only in aggregate form, and no individual responses would be reported. Of the fourteen pilot test questionnaires distributed, only two respondents answered the questionnaire. One indicated that the questions were very clear and no further change to the questionnaire was required. He only reminded us to be more aware that since the questions contained very sensitive issues that might harm respondents' careers, care should be taken when administering the main survey.

In addition, the conceptual framework and questionnaire draft were also blindly reviewed by experts in relation to the academic paper that was submitted to the 2015 European Business Ethics Network (EBEN) Research Conference and Australian and New Zealand Academy of Management (ANZAM) Annual Conference 2015. No significant changes were proposed by experts during the paper application examinations.

During the presentation at the EBEN conference, one scholar argued that more trustworthy and richer responses would have been obtained if this study had used a qualitative rather than quantitative method. The quantitative could be used as a descriptive analysis. He compared it with his study in Vietnam. However, it had taken him four years to establish rapport and trust between himself and the respondents. In response to his arguments, since this research involved a sensitive issue and there were very few similar studies in Indonesia, we chose to avoid face-to-face interactions with the respondents. Feedback from the DGT employees in the first pilot survey also indicated that safeguarding anonymity was a main consideration. Most of them argued that it would be very difficult to persuade respondents to be interviewed. They indicated that most employees would not feel secure, comfortable, and secure enough to be interviewed. It seemed that they felt afraid of if their identity would be exposed. Moreover, since many Indonesians have a high-context language and culture, it would be very hard to interpret their responses and body language. For instance, if an interviewer asks a sensitive question, then the respondent may give a misleading answer (Rubin 1981).

During the presentation at ANZAM conference, several suggestions, criticisms, and comments were obtained. Some of these included suggestions to expand the literature accommodating several motivational theories not only the Theory of Planned Behaviour



and Pro-Organizational Behaviour, to expand the contribution of the knowledge, and to apply qualitative approach as well as referring to Edwards (2008) paper. In her paper, the author suggested that whistleblowing research scholars should employ 'semi-structured interviews and diary methods to gain a deeper, more comprehensive understanding of the psychological processes underlying decision-making, and to examine the temporal sequences of events and employees' reactions over time' (Edwards 2008, p. 2). Several comments and criticisms were accepted. However, especially regarding the last comment about the qualitative approach, an open-ended semi-structured questionnaire survey was conducted during the fieldwork, but no interviews or diary methods were used since many DGT respondents rejected those proposed methods.

The final draft of the questionnaire and related supporting documents were reviewed by the Victoria University Ethics Committee and a VU Statistician. Based on the latter's feedback, several further changes were made: clarifications in wording, elimination of redundant questions, and shortening of several questions, to ensure that the questions were accurate and the variables were reliable.

After the survey, had been amended, the third and final pilot test was conducted among 13 Indonesian DGT employees in Jakarta. For this pilot study, two DGT colleagues were asked to distribute 20 copies of the questionnaire to their colleagues, and then collect their responses. We did not directly distribute the questionnaire and interact with participants. Prior to that, permission was sought from the facilitator-in-charge after explaining the purpose and importance of the pilot study stage and ensuring the anonymity of the participants. Thirteen completed research instruments were returned by the facilitator-in-charge to us at the end of the third week of the fieldwork. In general, there were no significant problems about the contents of the research instrument or with its usability. Although open-ended questions and the comment section were provided, no respondent had taken the opportunity to provide comments. All the instruments were considered as suitable for the context and purposes of this study.

### **5.6.2 Ethical considerations**

Since the research for this study involved the use of humans as participants, ethical approval was required from either the Victoria University Human Research Ethics Committee (VUHREC) or the Low Risk Human Research Ethics Committee (LRHREC),

as appropriate. Researchers must ensure that the research project adheres to all ethics principles and meets the relevant legal requirements. The HREC must be satisfied that the research project is ethical and lawful before granting approval.

The conduct of this study followed the guidelines provided by the Victoria University Ethics Committee (see <https://www.vu.edu.au/research/researcher-support/conducting-research/human-research-ethics/hrec-application-approval-process> and <https://www.nhmrc.gov.au/guidelines-publications/e72>). Since this research was categorized as “high risk”, an ethics clearance from the Committee had to be obtained before the researcher could commence primary data collection.

The ethical considerations in terms of confidentiality, anonymity of the research participants, and questionnaire draft had been fully observed, reviewed, and addressed before the real survey was conducted, and involved each document and stage of the methodology being approved by the Ethics Committee. The research, including the informed consent form and the participant’s information sheet as well as a sample of the questionnaire was approved by the Victoria University Human Research Ethics Committee in December 2015 (HRE No. 15-262) (Appendix 1).

### **5.6.3 Validity and Reliability**

“Content validity refers to the extent to which a measure represents all facets of a given construct” (Knabe 2012, p. 119). As explained in the previous section, to establish content validity, we sought feedback from the groups of experts who reviewed the pilot instrument. These content experts comprised academics from around Australia and overseas who were experts in psychology, theory of planned behaviour, ethics theories, whistleblowing research, and other relevant fields.

After the pilot tests were conducted, the questions were revised as needed to eliminate ambiguity or provide clarification. Based on feedback from pilot study participants and experts as well as the supervisors’ reviews, we reduced the size of the questionnaire, but still accommodated Ajzen’s (2006) model to be tested. The main elements of Ajzen’s concept (Attitude toward Behaviour, Subjective Norms, Perceived Behavioural Control, and Intention) were all analysed in SPSS using Cronbach’s Alpha.

#### **5.6.4 Pilot Survey Intention to Report Bribery and Preferences of Reporting Channels**

Many researchers have paid attention to the role of the reporting paths on whistleblowing either anonymously or non-anonymously (Kaplan et al. 2012; Near & Miceli 1995) and addressed either internal or external reporting channels (i.e. Callahan & Dworkin 1994; Dworkin & Baucus 1998; Park & Blenkinsopp 2009).

In the pilot survey test result, the Cronbach's Alpha value for Intention to use the Preferences of Reporting Channels was .917. According to Nunally and Bernstein (1978) and Churchill, Brown and Suter (2001), an alpha value of .70 or above is acceptable.

#### **5.6.5 Pilot Survey-Behavioural Intent**

Intention to disclose bribery in the workplace was addressed by giving a "Yes" or "No" answer following the MacNab et al. (2007) study and in response to the whistleblowing research expert from Griffith University who suggested that actual whistleblowing behaviour should be identified. For the respondents who answered "No", an open-ended question was provided to obtain the respondents' reasons. After that, regardless of the answer to the previous question, respondents were asked to evaluate the eight possible reporting channels available.

#### **5.6.6 Pilot Survey-Attitude, Subjective Norm, and Perceived Behavioural Control**

The independent variables in this study were attitude, subjective norm, and perceived behavioural control. Questions relating to the three main variables were adopted from the Park and Blenkinsopp (2009) study. Moreover, respondents had the opportunity to add another possible response for each, which might not have been identified by the researcher.

In the pilot survey test result, the Cronbach's Alpha values for attitude, subjective norm, and perceived behavioural control were .877, .884, and .733 respectively.

### **5.7 Sampling**

An element is "a single member of the population" (Sekaran 2006, p. 265). To test the proposed hypotheses, a hard-copy questionnaire survey was conducted. All DGT employees from selected offices in Jakarta had an opportunity to participate in the survey since this study needed to obtain responses from actual whistle-blowers and bystanders.

Bjorkelo and Bye (2014) also suggested utilising a large sample in order to obtain a sufficient number of silent observers and actual whistle-blowers. If this study focused on investigating only a particular group of employees, there would be a strong possibility bystanders and actual whistle-blowers would not be included. For instance, if we proposed to investigate supervisors only, the possibility of them being identified would be much higher than for respondents in general. As Olsen (2014) argued if respondents are required to personally identify themselves as whistle-blowers, this may significantly reduce the response rate. Olsen's argument was supported by a finding from the pilot survey conducted prior to this study in which one respondent said that many employees might be reluctant to participate in this study because the design of the questionnaire contains psychological and legal consequences by directly asking respondents whether they have disclosed misconduct.

### **5.8 Sample Size Considerations for SEM Analysis**

A large sample size in order to obtain stable parameter estimation is needed when utilizing SEM analysis (Kline 2015). A minimum satisfactory sample size is from 100 to 150 responses if the model is not complicated (Kline 2015; Schumacker & Lomax 2004). Also, other scholars suggest that for goodness-of-fit indices to be performed satisfactorily, a minimum of 100 responses is needed (Quintana & Maxwell 1999). Others argue that SEM requires at least 200 respondents (Weston & Gore Jr 2006).

A relatively recent research recommended that a range of sample size from 30 to 460 cases is sufficient for SEM (Wolf et al. 2013). Other scholars argue that to confirm an adequate sample size and to assess significance, a study needs a minimum of ten times as many cases as parameters (Kline 2015), which is considered optimal (Halinski & Feldt 1970). Given a population of around 32,000 employees based on the Indonesian DGT website (<http://www.pajak.go.id>) in 2012, Veal (2005) argues that for population below 50,000, the minimum representative sample is 384 for a confident interval level of  $\pm 5\%$ . Meanwhile, according to Hair (2009), fifteen responses per parameter is an appropriate ratio for sample size. Hence, given these considerations, a sample size of 641 respondents for measuring thirty-six parameters was deemed appropriate for the application of SEM analysis.

## 5.9 Obtaining Information Procedure

To encourage tax employees' participation and to understand the tax department environment, we established a rapport with several DGT employees for around one year in 2015, then a formal request letter signed by Law and Justice college, Victoria University for permission to conduct research in DGT was sent to the appropriate authority (the Compliance Office and the Directorate of Tax Dissemination, Service, and Public Relation) (Appendix 2). Another formal letter signed by the College of Law and Justice at Victoria University requesting permission to conduct research in DGT was sent to the Secretariat General of Ministry of Finance, the Republic of Indonesia (Appendix 3).

During the early weeks of fieldwork in Jakarta, the researcher obtained full support from a senior official at Secretariat General of MoF who contacted a high-ranking official at DGT to request research support on the study. As indicated by the Suryadarma, Pomeroy and Tanuwidjaja (2011) study, the level of government interest in research very much depends on the high ranking officials. Moreover, as indicated by the DGT website (<http://www.pajak.go.id>), since the Director General of Taxation's circular letter number SE-23/PJ/2012 was issued on 25 April 2012, the DGT has welcomed and encouraged researchers, scholars, and the public to conduct research at the DGT (n.a. 2012a).

The researcher requested that the Director of Compliance Office and the Directorate of Tax Dissemination, Service, and Public Relation give us time to present the objective and significance of this study for DGT to DGT high officials and employees at the DGT head office. It was anticipated that this strategy would ensure greater support for the research and encourage a higher participation rate from DGT employees. The main aim of involving high-ranking DGT officials in this study was to obtain their support and endorsement. Culturally, providing this kind of support was very important to any researcher because many Indonesians value a high-power distance culture as an important element of their business and daily relationships (Hofstede & Hofstede 2005). Unfortunately, there was no response to this request. Only several meetings with middle-ranking officials and staff from the Internal Compliance and Resource Transformation Apparatus and the Compliance Office and the Directorate of Tax Dissemination, Service, and Public Relation, were conducted.

Based on the discussions with the tax officials, due to the complicated bureaucratic procedures associated with obtaining consent for the research, the researcher used two approaches: a hard-copy survey and an on-line survey. In addition, based on information from several officials at the DGT head office, the DGT has an online system, namely Human Resources Information Systems, Finance and Assets (*Sistem Informasi Kepegawaian, Keuangan, dan Aktiva/SIKKA*), which was used for communicating internal human resource affairs to all DGT employees in all DGT offices in Indonesia. Hence, it was the best tool for reaching all DGT employees. Since this system was under the management of the DGT Human Resources Division (DGT HRD), we needed permission to use SIKKA for online survey distribution.

However, during the fieldwork from January to mid-April 2016, the researcher realised that an online survey as a means of reaching all DGT employees could not be conducted due to several barriers: regulations, the complicated and time-consuming bureaucratic process, and the consent procedures. In addition, our request to link the survey address with the DGT's centralised online system (SIKKA) was rejected by DGT's HRD. Moreover, according to DGT regulations, every research application had to be treated individually. It was still possible to distribute the survey online to each DGT office, but a separate application was required for each one. This means that if any researcher wishes to conduct research among personnel in all DGT offices (around 500), the research request application has to be sent separately to each DGT office, and each office has the authority to approve or reject any research proposal without having to explain why they rejected it and without setting a time limit for their reply.

After discussions with several authorities and experts at the DGT head office and considering that most bribery cases that have attracted public attention have occurred in Jakarta, the researcher conducted data collection in two stages. In the first stage, we distributed hard-copy questionnaires to specific DGT offices in Jakarta. Thus, in this first step, this study had to reduce the respondents to twenty Tax Services Offices (Large, Middle, and Specific Taxpayers) in Jakarta with a total of 2,165 employees. It was impossible to conduct a hard-copy questionnaire survey of the entire population of DGT employees in the Jakarta region (numbering over 10,000) due to the expense involved in printing and copying the questionnaire. Hence, for the second step, to reach the remaining employees, we attempted to conduct an online survey of

employees in the remaining DGT offices in Jakarta (around 79 offices) from April to August 2016. For this second stage, a low response rate was expected given the evidence from previous studies (Couper 2000; Fricker & Schonlau 2002; Groves 2004; Jin 2011; Sheehan 2001).

### **5.10 First Stage Research - Hard-Copy Questionnaire Distribution**

Then, a letter requesting consent to conduct research at 20 DGT offices (hard-copy) in Jakarta and 79 offices by on-line survey was officially sent to the Director of Tax Dissemination, Service, and Public Relation in January 2016 and in April 2016 respectively.

The plan to conduct an online survey at national level by attaching the Qualtrics link address to the DGT social media and online system, which is known as “SIKKA” was rejected because the online system is for internal communication only and cannot be used for external research. The tax administrator took six weeks to decide to reject the proposal. Apart from “SIKKA”, the DGT have several social media channels (Facebook, Twitter, WhatsApp, internal website and others) to facilitate communication between organization and employees, and among employees. We requested permission to conduct an online survey by means other than “SIKKA” because the intention was for the questionnaire to be accessed by the majority of employees and go viral, but there was no response from the DGT head office on this matter. After the third week of the fieldwork, we had intended to conduct research by distributing the hard copies of the questionnaire to several DGT offices in the Jakarta region. The researcher prepared 2,165 hard copies for distribution to 20 offices. The main problem was based on the regulation whereby the Directorate of Tax Dissemination, Service, and Public Relation did not have any authority to approve or reject research proposals. The Directorate of Tax Dissemination, Service, and Public Relation’s task was to facilitate only, but the responsibility for granting consent resided with each individual DGT office.

The most difficult obstacle was that each DGT office had the authority to reject any research proposal without having to give a reason for their decision. Lack of transparency and accountability made it difficult for us to obtain consent from all offices. Moreover, there was no time limit on when each DGT office would respond to the research request. Tax offices were initially contacted via formal letter, emails, and telephone to arrange

dates for distributing and collecting questionnaires. To expedite the process, we gave a sample of the questionnaire to every selected office. The fastest response time was 33 days and the longest was 75 days. Of the 20 requests to conduct research at DGT offices, two were rejected. The researcher had already anticipated the difficulties that would arise when attempting to conduct research in Indonesia. Mollet (2011) indicated that where societies are often pluralistic, cultural background and security become important issues. Such is the case in Indonesia where researchers find it difficult to obtain letters of consent from Indonesian authorities, which may force the research to be postponed.

Despite having a total lack of control over accessing respondents for this study, the support provided by officials at the Directorate of Tax Dissemination, Service, and Public Relation and the heads of the DGT offices encouraged participation from their own employees. To protect participants' identities, the researcher placed ballot boxes located in an accessible spot in each office. These boxes were temporarily sealed containers, with a narrow slot in the top large enough for a returned questionnaire but which prevented anyone else, either other DGT employees or us as the researcher, from accessing the questionnaire until the close of the survey period. Each side of the box displayed an invitation to participate in the survey, and the logos of Victoria University and the Indonesian Ministry of Finance. Fowler Jr (2013) suggested that researchers improve the look of their surveys so that they appear professional, in order to increase the rate of participation. Hence, the researcher obtained letters of consent from The Directorate of Tax Dissemination, Service, and Public Relation, a written assurance from Victoria University, and the sealed ballot boxes that guaranteed the confidentiality of information and the anonymity of the respondents. It was anticipated that these measures would minimise the problem of non-response bias. The researcher allowed approximately three weeks for employees to complete the questionnaires before collecting the responses. In the meantime, the researcher sent several survey reminders to DGT contact persons in each office to remind employees about the importance of their participation in the survey. It was hoped that this, also, would increase response rates, minimise bias in the data, and reduce the need to approach many respondents directly.

During the fieldwork, the researcher conducted online interviews with official complaint recipients from KITSDA. Respondents appeared to require about six months to completely answer the questionnaire (Appendix 7). In the meantime, the researcher sent



several survey reminders to a KITSDA contact person and related employees to remind them about the importance of completing the online interview. However, completion of the interview process still needed around six months.

### **5.11 Second Stage Research – Online Survey Administration**

Again, steps similar to those taken for the first stage of the data collection process, were taken to obtain consent. Due to previous experience with the time it took to obtain research consent, and that most of the bribery tax cases occurred in Jakarta, the researcher asked for permission to conduct an online survey of all personnel in offices in Jakarta. The letter applying for research permission was sent to the Directorate of Tax Dissemination, Service, and Public Relation for further process. Of the 79 offices, only 29 responded and three of these rejected the application outright. Similar to the first stage of the research, the fastest response took 32 days, and the longest was 108 days. We gave the DGT employees access to the survey via Qualtrics from 12 April 2016 until 31 August 2016 (around four months), and reminder letters were sent to all the DGT offices that had agreed to participate in the research. However, by the end of the second data collection stage, only five DGT employees had responded. The result was surprisingly far below expectations. As indicated by Manfreda et al. cited in Jin (2011), a previous study showed that the lowest response rate from an internet survey was around 6%. Another quite recent study showed that the lowest survey response rate using Facebook was 2.2% (Levine 2011 cited in Alshaikh et al. 2014), but this study could have the lowest at 0.1%. Since the number of internet survey responses was insignificant, the five responses were excluded from further analysis.

### **5.12 Preliminary Analysis**

#### **5.12.1 Response Rates**

In the second stage of the data collection process, a total of 2,165 questionnaires were sent to selected DGT offices. Of these, 703 questionnaires were returned. However, only 641 questionnaires were usable for statistical analysis of SEM with AMOS in this study (a 29% response rate). Sixty-two questionnaires, especially regarding framework construct questions, were returned to the researcher incomplete. These surveys could not be analysed.

Despite our extreme care taken to administer the survey in such a way that rate of responses would be maximised, the low response rates from Indonesian respondents were expected and not considered as unusual. Similarly, many studies conducted in a developing country, such as Malaysia, consistently show that respondents are very reluctant to participate in whistleblowing surveys (Ahmad 2011; Cooper et al. 2009; Jusoh & Zainuddin 2008; Jusoh & Parnell 2008; Lai 2008; Salleh & Dali 2009; Smith, Abdullah & Razak 2008). All identified studies showed that the response rate range was between 12% and 23%. In addition, according to information obtained from a DGT employee, a low response rate was common in studies involving the DGT. He said that the DGT had no well-developed research culture. Many employees were not aware of the importance of participating in such surveys and they still regarded it as an additional burden. Moreover, Smith (2014) indicated that a low response rate (less than 25%) is common in accounting research.

To check whether there is any difference among DGT employees' intention to whistleblow regarding demographic variables, whistleblowing and ethics training attendance, and knowledge about whistleblowing reporting channels, the chi-squared test was used. The chi-squared test determines whether there is a significant difference between the expected frequencies and the observed frequencies in one or more categories (Yates 1934).

### **5.12.2 Screening of Data**

The screening of data includes determining the accuracy of the collected data by concentrating on the treatment of any missing data and outliers, as well as an assessment of data normality (Tabachnick, Fidell & Osterlind 2001). The purpose of screening data is to ensure that data are correctly entered and conform to the normality assumption (Hair et al. 2006). Missing data occurs when respondents fail to complete one or more questions in a survey. First, from 703 responses returned, only 641 were usable since 62 responses were incomplete (blank) for the primary variables in the model and could not be substituted by using the treatment of missing data, such as Expected Maximisation (EM), like-wise deletion or mean substitution. Thus, 62 responses were discarded. Then, the rest of 641 responses were screened again. In this study, the screening of the 641 responses indicated that the missing data was less than 5% (minimal). As for the treatment of missing data, following the suggestion from Graham et al. (1997), this study employed

EM. The next step was to detect outliers because these could affect the data normality, which may distort statistical results (Tabachnick, Fidell & Osterlind 2001). The outlier and normality tests are discussed in detail below.

### **5.12.3 Outliers and Normality Issues**

As suggested by Kline (2015), before analysing in SEM, an original raw data file should be screened for potential problems such as distributional assumptions for continuous outcomes. Assessment of data normality was conducted by obtaining the skewness and kurtosis values (Hair et al. 1998).

The assumptions of normality were not met for the first attempt, as the data contained a relatively large number of outliers (Appendix 17). The data containing outliers were also identified (see Appendix 18). So that, the first attempt was to eliminate large outliers. However, after removing the outliers by 100 respondents with only 541 remaining, the assumption of normality still could not be obtained (Appendix 19). As the best approach, if all respondents containing outliers were removed (over 400), the number of the remaining samples would not represent the population in the study. Therefore, eliminating outliers was not a reasonable choice for this study.

According to Schumacker and Lomax (2004), if data are ordinal or interval-shaped and have the form of a multivariate normal model, then when estimated for the Maximum Likelihood (ML), the standard error and chi-square test will yield an accurate and powerful (robust) value. However, if the model is not normally distributed (skewed or pointed), then the estimation of ML, the standard error, and chi-square test yields a value that will not be accurate. This indicates that the variance of a variable can be very different from the values indicated by the base model, and the effects of interactions will result in a wrong estimate.

The data presented in this study failed the normality assumption underlying multiple regression models, and so applying a linear regression model only would produce either a biased estimate of the coefficients or a biased estimate for the standard errors. A common issue that continues to emerge in the literature is how normality affects SEM analysis that uses MLE as a method of statistical calculation (Wong 2007). Although MLE is sensitive to non-normality, several scholars argue that if the condition of data does not extremely deviate from normality, this should not interfere with the analysis

(Wong 2007). For instance, Kline (1998) cited in Wong (2007) suggests that researchers use 3.0 and 10.0 as compromised cut-off points for univariate skewness and kurtosis. However, this study still failed to comply with the compromised cut-off points. Moreover, the data violated the assumption about homoscedasticity (constant variance) among the errors, and in that case, a problem of heteroscedasticity was present, which was a greater concern than the previous issue. However, Pindyck (1998) argued that heteroscedasticity and autocorrelation symptoms do not affect the validity of a model, which means that the model is not biased and is consistent.

Thus, other methods that researchers can apply to non-normal data in SEM are asymptotic distribution free (Shadfar & Malekmohammadi), generalized least square (GLS), weighted least square (WLS) and Satorra and Bentler's adjusted  $\chi^2$  (S-B $\chi^2$ ), Bayesian estimation (Wong 2007), and resampling (bootstrapping) (Burez & Poel 2009; Efron & Tibshirani 1994; Farvaresh & Sepehri 2011; Wahono, Herman & Ahmad 2014; Wright & Field 2009; Yap et al. 2014).

In order to deal with these anomalies, following suggestions from several scholars, the researcher preferred to employ bootstrapping.

#### **5.12.4 Bootstrapping**

Following a suggestion by Hair et al. (2010), outliers should be retained to ensure generalisability to the entire population unless verifiable proof indicates that they are indeed aberrant and not representative of any observations in the population. In addition, for sample sizes of 200 or above, the researcher can be less concerned about non-normal variables except when the homoscedasticity assumption is violated (Hair et al. 2010).

Many statisticians suggest transforming the data until they are normal but these transformations often do not correct the problems and bring with them their own unique set of issues, such as if the square roots of all the values are taken, the means of the two agencies are nearly equivalent (Wright & Field 2009). Lomax (1989) recommended techniques that free researchers from normal distribution and weighted procedure assumptions by using several techniques including ADF, WLS, GLS and bootstrapping. However, GLS seems to be suitable for small size samples and WLS tends to inflate RMSEA value leading to inaccurate parameter estimation (Olsson et al. 2000). ADF is preferred for a time series data (Neill & Leigh 2007).

Other scholars suggest utilizing a bootstrap method (Wright & Field 2009) to avoid difficult mathematical calculations and construct 95% confidence intervals (Efron & Tibshirani 1994). After the method was first introduced to statistical sciences in 1979 and computer technologies were updated, the use of bootstrapping became widespread because it provides methodological reasoning for inferential (sample based) statistics (Efron 1979, 1992). Moreover, MacKinnon, Lockwood and Williams (2004) consider that bootstrapping is the best re-sampling method overall to accurately reach bias-corrected confidence limits.

The bootstrap method is based roughly on the law of large numbers, which says, in short, that with enough data, the empirical distribution will be a good approximation of the true distribution (Orloff & Bloom 2014). The bootstrap method is a re-sampling technique that is relatively simple but has a good level of accuracy by reducing the standard error of population parameters under the condition requiring both acceptable confidence intervals and a confidence level (i.e.,  $p=.05$ ) of the regression coefficient (Choi 2016; Mansyur et al. 2011). A confidence coefficient represents confidence limit; in practice, 90 %, 95 %, and 99 % intervals are commonly used, with 95 % as the most preferable (NIST n.y.)

Moreover, in complicated problems and complex structures (censoring, missing values, cardinal and ordinal scales, discrete and continuous variates, etc.) which make it difficult to smooth in the  $t$  space, the bootstrap is able to make an improvement in every way: it has smaller bias, smaller standard deviation, and smaller negative correlation with  $R$ ; it is impressive to see how much information this simple idea, combined with massive computation, can extract from a situation that is hopelessly beyond traditional theoretical solutions (Efron & Gong 1983).

An application of research and statistical techniques is often limited by small sample sizes or type II error (Choi 2016; Edington 2012) or even when sample size is considered large as in this study, a normal distribution of the sample is often assumed for the analysis (Edington 2012). Efron and Tibshirani (1994) argued that bootstrapping can assist to overcome these analytical restrictions, such as if data is small sample size or it is not in a normal distribution (Davison & Hinkley 1997; Ferawati 2010; Hu & Wang 2010). In addition, bootstrapping often provides a very high accuracy of bootstrap approximations with smaller biases and smaller errors in the coverage probabilities of confidence intervals

(Horowitz 2001). In line with the previous author, another advantage of bootstrapping is in comparing bootstrap distribution with the theoretical distribution; the first follows the latter rather closely, showing that the value of the variance or bias is closer to the actual value.

Statistical procedures for bootstrapping were derived from several preliminary studies (Efron & Tibshirani 1986; Efron & Tibshirani 1994; Hartigan 1971; Hartigan 1969, 1975). Supporting the using of bootstrap, one scholar conducted a comparison using non-independent variates sampled from mixed-normal populations, indicating that the bootstrap has substantially better control of Type I error rates under some mixed normal conditions (Rasmussen 1988). Besides, resampling using bootstrap is a very elegant, yet simple concept to apply (Ferawati 2010). Bootstrapping can be used also for skewed distributions (Diciccio & Efron 1996).

Thus, given all its advantages and its appropriateness for the data of this study, we applied the bootstrapping method.

A critical value is a point on the test distribution that is compared to the test statistic to determine whether or not to reject the null hypothesis (Minitab@17Support n.y.). If the absolute value of the test statistic is greater than the critical value, statistically it is significant and the null hypothesis is rejected (Minitab@17Support n.y.). Later, this study used the modification indices to obtain values for goodness of fit.

Bootstrapping adjusts that the confidence interval does not include/cross zero, and the slope is highly significant showing that the bootstrap (and robust methods in general) can be used to overcome problems in data sets that researchers commonly face when needing to conduct regression analyses (Wright & Field 2009). The process involved many random samples being drawn from the full sample and the standard errors estimations being computed for each. Then, an average of all the bootstrap samples was computed showing that bootstrap reduced the impact of any particular case and could help with heteroscedasticity (Newsom 2012).

### **5.13 Structural Equation Modelling (SEM)**

SEM is a collection of statistical techniques that allow a set of relations between one or more independent variables (IVs), either continuous or discrete, and one or more dependent variables (DVs), either continuous or discrete, to be examined (Bollen 1989;

Ullman, JB 2006, p. 35) after accounting for measurement error (Bollen 1989). In addition, Ullman, (2006) and Shadfar and Malekmohammadi (2013) explain that both independent and dependent variables can be in the form of measured variables (directly observed), or latent variables (unobserved, not directly observed) and can run multivariate statistics simultaneously and accurately (Hershberger 2003; Maruyama 1997).

SEM is also referred to as causal modelling, causal analysis, simultaneous equation modelling, analysis of covariance structures, and the specifics of SEM that are different from other statistical techniques are it is used to measure path analysis or CFA (Ullman 2006). The use of SEM is also beneficial in behavioural and social sciences research (Sharma 1995). Researchers can use SEM to model observed variables, latent variables (i.e., the underlying, unobserved construct as measured by multiple observed variables), or some combination of the two. Several benefits of using SEM technique is that it can test at least one a priori, theoretical model, and unlike many other statistical techniques, SEM can check the entire theoretical model in one analysis (Shadfar & Malekmohammadi 2013). In addition, Shadfar and Malekmohammadi (2013) state that SEM is developed and intended to conduct analyses similar to multiple regressions, but in a more powerful way which takes into account the modeling of interactions, nonlinearities, correlated independents, measurement error, correlated error terms, multiple latent independents each measured by multiple indicators, and one or more latent dependents also each with multiple indicators. Thus, SEM can investigate complex theoretical models (Martens & Haase 2006). Following Ghani (2013) study, this study also employed Structural Equation Modelling (SEM).

#### **5.14 Goodness-of-fit (GOF)**

The measurement the model for this study, is extended from the Theory of Planned Behaviour of intention to report bribery in the workplace. Figure 6.1 presents the model constructs, indicator variables and interrelationships in the model. Paswan (2009) cited in Shadfar and Malekmohammadi (2013) argued that the validity of model should be assessed as satisfactory before proceeding to the structural model [in SEM].

In general, the the measurement of model validity by Confirmatory Factor Analysis (CFA) can be conducted using two broad approaches (Shadfar & Malekmohammadi 2013): by examining Goodness-of-fit (GOF) indices and evaluating the construct validity

and reliability of the specified measurement model (Paswan 2009 cited in Shadfar & Malekmohammadi 2013).

Hair et al. (2006, p. 708) defined goodness-of-fit (GOF) as a ‘measure indicating how well a specified model reproduces the covariance matrix among the indicator variables’. Ghani (2013, p. 112) concluded that GOF addresses how well the observed data fits a hypothesised model. The most common fit index is represented by the chi-square ( $\chi^2$ ) statistic and is associated with an acceptable value, which is the p-value. The chi-square ( $\chi^2$ ) statistic is a measure of exact fit which is a strict test of model fit. If the p-value is greater than 0.05, the data is not significantly different from the hypothesised model. Taken together with chi-square, degrees of freedom represent the amount of mathematical information available to estimate model parameters.

However, several scholars believe that models representing the close fit of GOF are still acceptable and have suggested utilizing several assessments in SEM (Bentler 1990; Byrne 2016; Kline 2015). A summary of the Goodness-of-Fit Indices for this study is given in Table 5.4 below.

**Table 5-4: Summary of the Goodness-of-Fit Indices for this Study**

Name and Abbreviation	Acceptable Value
Chi-square ( $\chi^2$ )	$p > .05$ (Hinkin 1995)
Root-Mean-Square Error of Approximation (RMSEA)	$RMSEA \leq .05$ (Browne & Cudeck 1993; Kline 2015)
Goodness-of-Fit Index (GFI)	$GFI \geq .90$ (Hair et al. 2010; Kline 2015)
Adjusted Goodness-of-Fit Index (AGFI)	$AGFI \geq .80$ (Muenjohn & Armstrong 2008)
CMIN/DF	$CMIN/DF \leq 2.00$ (Ullman 2006)
Tucker Lewis Index (TLI)	$TLI \geq .90$ (Hair et al. 2010)
Comparative Fit Index (CFI)	$CFI \geq .90$ (Bentler 1990; Kline 2015)
Normed Fit Index (NFI)	$NFI \geq .90$ (Kline 2015)
Relative Fit Index (RFI)	RFI close to 1 indicates a good fit (Shadfar & Malekmohammadi 2013)
Incremental Fit Index	$IFI \geq .95$ (Newsom 2012)

### 5.15 Qualitative Analysis

Qualitative analysis was applied to data collected from the open-ended survey questions. The process was from the specific-to-general approach leads to a general conclusion by first presenting detailed support of that conclusion. For qualitative analysis, the following procedures were conducted: “1) total impression – from chaos to themes; 2) identifying



and sorting meaning units – from themes to codes; 3) condensation – from code to meaning; 4) synthesizing – from condensation to descriptions and concepts” (Malterud 2012, p. 795). In order to categorize data and to conduct a thematic analysis, NVivo, a computer software program, was used (Parker 2005 cited in Holm, Torkelson & Bäckström 2016).

The main purposes to conduct qualitative analysis were to investigate the main reasons beyond the respondents’ perception on whistleblowers to know: 1) the respondents’ attitude toward whistleblowers’ action, 2) how much money considered as sufficient, and 3) why respondents not want to report bribery. As ever discussed in our previous study (Suyatno, Armstrong & Thomas 2017), key words were identified from each respondent’s responses and then interpreted. The next step was analysis of the key words using Nvivo to identify their word frequency. However, it should be borne in mind that though NVivo’s function is to sort information, it does not substitute for researchers interpretation of the data (Auld et al. 2007). Since most of respondents provided short, clear, and concise sentences, as well as responding in simple language, there were few difficulties in interpreting their responses. For instance, from the Nvivo analysis, as can be seen from Figure 6.10, the three most repeated key words were ‘*takut*’ (afraid), “*bukti*” (evidence), and “*melaporkan*” (reporting). “Reporting” here is used in the context of reporting preference to the direct supervisor and this is very consistent with a high context risk-averse culture. Other words that have similar meaning with “*takut*”, such as “*resiko*” and “*beresiko*” meaning risk, also appeared quite often. Knowing which words are most repeated can assist researchers to identify themes and concepts (Bergin 2011).

Then each group was divided into themes (first, second and final themes). For instance, first group – key words frequently appeared like afraid, risks were grouped as aspect. The words, like ‘not my business’ is categorized as second aspect and so on. Those aspects were categorized as first theme. The next step was to group the words with similar meaning and put them in each categorization, for instance four identified aspects were bribery should not be reported, reported is not an individual employee’s responsibility, unsure of wrongdoing, and reported to internal only as second theme. Then, finally the conclusion was made (see Figure 6-10). Similar steps were also conducted for respondents’ perception of whistle-blowers and financial incentives and reason not to report as can be seen in Figure 6-3, 6-4 and 6-8.

## 5.16 Analysis Plan

Various statistical techniques were used in this study to test the stated hypotheses. Specifically, statistical analysis software, AMOS 22 and SPSS version 23.0 were employed. For qualitative analysis, NVivo software was employed.

Ahmad (2011) argued that the SPSS software is a tool that offers a wide variety of statistical methods for analysing data. At univariate level, the researcher mainly used SPSS to compute each study variables (descriptive statistics), including mean, standard deviation, frequencies and percentage where appropriate and will be provided in table form. First, it was used to determine the accuracy of data entry, missing data, and the distributions of the variables with respect to normality. Then, it was used to present the profiles of the study's respondents and analysis of variables.

Since this study conducted a partial replication and expansion of the Park and Blenkinsopp (2009) study, similar statistical analyses were conducted, such as a standard multiple regression was used to estimate the extent to which each of the study variables influenced DGT employees whistleblowing intentions to disclose allegedly bribery while controlling for the influences of the other variables included in the regression model. The following equation illustrates the full regression models that are used to predict DGT employees' whistleblowing intentions and their preference of reporting channels. However, unlike the Park and Blenkinsopp (2009) study, this study used different statistical analysis (SEM-AMOS) and included several other analyses (qualitative and secondary data). The next analysis involved a two-stage approach of Structural Equation Modelling (SEM) as suggested by several scholars (Ghani 2013; Anderson & Gerbing 1988; Gerbing & Hamilton 1996; Kaplan 2008; Webster & Fisher 2001) by employing AMOS 22.0. Stage 1 involved confirmatory factor analysis (CFA) to specify the framework model. In stage2, the structural model was analysed in order to test the hypothesised relationships. During this stage, assessment of fit and model modification was conducted to identify the best fit model. For qualitative analysis, NVivo 8 was used to analyse open-ended questionnaire data. Finally, the quantitative results and qualitative findings were synthesized.

## CHAPTER 6 - ANALYSIS AND RESULTS

### 6.1 Introduction

This chapter describes the analyses and results for this study. The first section is an introduction, and then, an overview of the data analysis process is given in the second section. Section 6.3 explains methods used to obtain information, and this is followed by the preliminary analysis of the data in section 6.4. A general explanation of Structural Equation Modelling (SEM) is given in section 6.6. In this section, the two-stage analysis (measurement and structural model, respectively) is explained. The testing of the hypotheses is described also. Section 6.7 presents the qualitative analysis. An analysis of quantitative and qualitative data and the synthesis of both findings (quantitative and qualitative) are discussed in section 6.8. Finally, a short summary concludes this chapter.

### 6.2 Overview of Analyses and Results

Figure 6.1 illustrates an overview of the analyses methods employed in this study. Two types of analyses (quantitative and qualitative) were conducted. This study compares a functionalist (quantitative) versus a hermeneutic (qualitative) approach to investigating factors that may influence individuals to report or not in regard to suspected bribery actions. Reporting of the quantitative data analysis was divided into preliminary analysis and structural equation modelling (SEM). This study used SEM (Ghani 2013; Anderson & Gerbing 1988; Gerbing & Hamilton 1996; Kaplan 2008; Webster & Fisher 2001) by utilizing AMOS 22. Step 1, due to non-normal distribution, outliers and heteroscedasticity issues, bootstrapping was conducted to specify a measurement model. Step 2, the structural model was developed to test the hypothesised relationships. In this step, assessments of fit and model modification were conducted to identify the best-fit model. For qualitative analysis, NVivo 8 was used to analyse open-ended questionnaire data. Lastly, the quantitative results and qualitative findings were synthesized.

### 6.3 Descriptive Analysis

Three types of data for descriptive analysis were provided. It begins with characteristics of the study's respondents, their response rate in general and finally, comparisons of their internal whistleblowing intentions across demographic and situational variables.

#### Demographic Profile

Table 6.1 displays the profile of respondents. All information is presented in both actual figures and percentages to facilitate interpretation.

**Table 6-1: Demographic Profile**

Characteristics		Frequency	Percentage (round figure)
Gender	Male	459	72
	Female	182	28
Age	18 to ≤ 24 years	103	16
	>24 to ≤34 years	263	41
	>34 to ≤44 years	217	34
	>44 to ≤54 years	54	8
	>54 years	4	1
Education	Secondary School	15	2
	Diploma Degree	191	30
	Undergraduate Degree	318	50
	Master Degree	113	17
	Others	4	1
Tenure	<1 year	10	2
	1< 5 years	151	24
	>5≤ 10 years	157	24
	>10≤ 15 years	126	20
	>15≤ 20 years	117	18
	>20≤ 25 years	66	10
	>25≤ 30 years	9	1
	>30 years	4	1
Position	Staff	514	80
	Echelon IV	52	8
	Echelon III and above	4	1
	Functional	71	11

Source: Calculated from the survey data

From Table 6.1, it can be concluded that most of the respondents are male (around 70%), between 24 and 44 years old, and 74% have been with the organisation (DGT) for more than 5 years. In addition, approximately 80% of respondents are staff and 20% varies from middle to high rank officials as well as functional positions. In terms of education level, the majority (50%) had an undergraduate degree, followed by Diploma (30%) and Master (17%) degree respectively.

#### **6.4 Whistleblowing Intention**

Around 80% (510 of 641) of respondents indicated that if they observed bribery, they would disclose it. On the other hand, 131 (approximately 20%) said that they did not want to disclose bribery in the future.

When the respondents were asked their opinion about a mandatory reporting system (mandatory whistleblowing), the majority 232 (35%) agreed, 58 (9%) strongly agreed, 192 (29%) neither agreed nor disagree, and 177 (27%) either disagreed or strongly disagreed. Although the findings in this study are less optimistic, they are in line with current survey results revealing that 78% respondents feel personally obliged to report corruption (TI 2017).

However, the majority of respondents (409) believed that whistleblowing behaviour should be a deliberate and voluntary disclosure. Two hundred and seventy-four respondents neither agreed nor disagreed with the statement that employees who note misconduct in their workplace but do not disclose it to an authority deserve punishment. One hundred and one participants disagreed or strongly disagreed with the statement, and 127 believed that bystanders who do not expose misconduct should be punished.

#### **6.5 Measurement Model and Qualitative Analysis**

A 'measurement model is a specification of the measurement theory that shows how constructs are operationalized by a set of measured items' (Saxena 2011, p. 105). To test the validity and reliability of the model, this study used confirmatory factor analysis (CFA) (Ghani 2013). CFA can identify which variable belongs to which factor (Hair et al. 2006). In addition, CFA can be used to identify the exact relationship between variables and factors as well as relationship between variables (Salisbury et al. 2001 cited in Saxena 2011). Due to the complication of the model and the need for parsimony, we analysed factor loading, condition number, determinant of sample covariance matrix, bootstrap, and estimated standardized path coefficients procedures for every measurement model (attitude, subjective norm, and perceived behavioural controls) separately. The procedures allowed us to examine whether the proposed model separately fit well with the data set. After the CFA had been conducted, the hypotheses were tested. This model is a report of a research study about Indonesian DGT employees' intention to report bribery cases in their workplace and the determinants influencing their intentions

to whistleblow. Following the literature, a survey was created, reviewed and pilot tested for reliability. The survey measured key constructs of the Theory of Planned Behaviour were mainly based on previous studies (Park & Blenkinsopp 2009; Schein 2010).

Different from the original study (Park & Blenkinsopp 2009), this study used Schein's(2010) model to measure Perceived Behavioural Control. Since there were 29 paired questions, this study used factor analysis to seek underlying unobservable (latent) variables that are reflected in the observed variables (manifest variables). A principal axis factor analysis with varimax rotation of the 29 paired items resulted in four factors and accounted for 86% of the variance with main factor loadings greater than .68 and no significant cross-loadings. KMO and Bartlett's Test were 0.961 and sig. 0.000 respectively. Based on an anti-image correlation table, the Measure of Sampling Adequacy results for all items were above 0.05. The items, mean responses and Cronbach Alpha values for the four scales are shown in (Appendix 9), and a factor analysis showing a clear four-factor solution is shown in (Appendix 10).



**Table 6-2: GOFI Values of the Latent Variables (Before Modification Indices)**

Goodness of fit index	Criteria	Obtained value	Remarks
Chi-square ( $\chi^2$ )	<5	2,101.048	Not Fit
Significant Probability	$\geq 0.05$	0.000	Not Fit
RMSEA	$\leq 0.08$	0.06	Fit
GFI	$\geq 0.90$	0.805	Marginal Fit
AGFI	$\geq 0.80$	0.779	Not Fit
CMIN / DF	$\leq 2.00$	2.914	Not Fit
TLI	$\geq 0.90$	0.422	Not Fit
CFI	$\geq 0.90$	0.466	Not Fit
NFI	$\geq 0.90$	0.375	Not Fit
RFI	$\geq 0.90$	0.324	Not Fit
IFI	$\geq 0.90$	0.478	Not Fit

Notes: RMSEA: Root-Mean-Square Error of Approximation; GFI: Goodness-of-Fit Index; AGFI: Adjusted Goodness-of-Fit Index; CMIN/DF: the minimum discrepancy/ degrees of freedom; TLI: Tucker Lewis Index; CFI: Comparative Fit Index; NFI: Normed Fit Index; RFI: Relative Fit Index; IFI: Incremental Fit Index

Source: Calculated from the survey data

Like other studies, this study was no exception, in that it is rare that a model fits well at first. Based on the results of the testing above, it was noted that nine of eleven conditions did not meet the criteria for a good fit, one met a marginal fit, and only RMSEA value had a good fit. Thus, model modifications were required to obtain a better-fitting model. “AMOS allows for the usage of modification indices to generate the expected reduction in the overall model fit chi-square for each possible path that can be added to the model” (n.a. 2012b, p. 39).

Before conducting SEM, this study investigated each item under attitude, subjective norm, perceived behavioural control (PBC) Organization Culture and Leadership Positive Image, PBC Organization Incentives, PBC Organization Culture and Leadership Negative Image, and PBC ease of finding another job outside DGT. Following several procedures from (Park & Blenkinsopp 2009), items, their means and the Cronbach alpha value for each factor were also reported.

### **6.5.1 Stage 1 – Measurement Model (Confirmatory Factor Analysis/CFA)**

Using AMOS 22.0, the purpose of conducting CFA was to examine the unidimensionality, validity and reliability of the six latent constructs in this study, namely, attitude, subjective norm, perceived behavioural control (PBC) organization positive image, PBC organization incentive, PBC organization negative image and PBC



ease to find another (job) outside DGT. In this study, we ran the CFA separately for every measurement model (Awang 2012b).

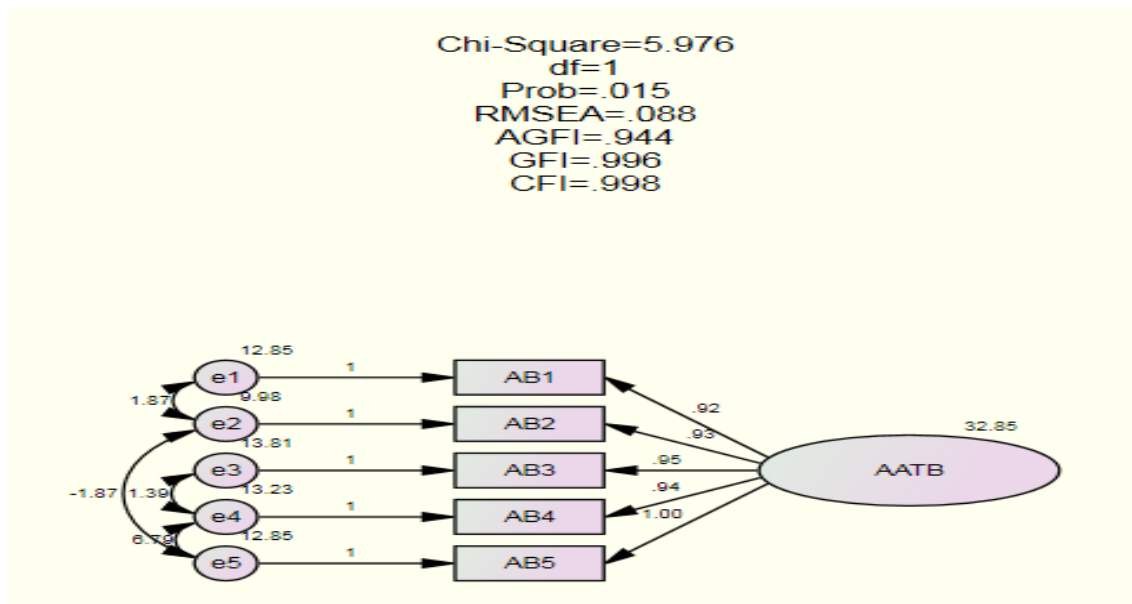
### 6.5.1.1 CFA-Attitude

Attitudes toward whistleblowing were measured by seeking the respondent’s level of agreement (or not) with five statements regarding the salient consequences of an employee’s whistleblowing of bribery in a DGT organization. In addition, the respondents were asked to evaluate the importance of those consequences. The responses to each statement given under the first question were multiplied by each evaluation of the five consequences respectively and summed for the mean of the sample.

Then, we performed Confirmatory Factor Analysis (CFA) for all latent constructs involved in the study before modelling their inter-relationship in a structural model (SEM).

The attitude constructs consisted of five items. Overall, results from CFA indicated that most items fitted the data adequately (Table 6.3).

**Figure 6-2: A CFA Measurement Model of Attitude**



Source: Calculated from the survey data

**Table 6-3: CFA Model Fit Indices for Attitude**

Goodness-of-Fit Indices	Criteria	Obtained value	Remarks
Chi-square	<5	5.976	Not Fit
Significant Probability	$\geq 0.05$	0.015	Not Fit
RMSEA	$\leq 0.08$	0.088	Not Fit
GFI	$\geq 0.90$	0.996	Fit
AGFI	$\geq 0.80$	0.944	Fit
CMIN / DF	$\leq 2.00$	5.976	Not Fit
TLI	$\geq 0.90$	0.981	Fit
CFI	$\geq 0.90$	0.998	Fit
NFI	$\geq 0.90$	0.998	Fit
RFI	$\geq 0.90$	0.977	Fit
IFI	$\geq 0.90$	0.998	Fit

Notes: RMSEA: Root-Mean-Square Error of Approximation; GFI: Goodness-of-Fit Index; AGFI: Adjusted Goodness-of-Fit Index; CMIN/DF: the minimum discrepancy/ degrees of freedom; TLI: Tucker Lewis Index; CFI: Comparative Fit Index; NFI: Normed Fit Index; RFI: Relative Fit Index; IFI: Incremental Fit Index

Source: Calculated from the survey data

Results indicated that only four indices (Chi-square, significant probability, RMSEA, and CMIN/DF) did not meet the criteria for a good condition fit. The other seven indices fitted the data adequately.

Given the complexity of SEM, it is not uncommon to find that the fit of a proposed model is poor (Hooper, Coughlan & Mullen). It was noticed that all the modification indices were rather close and were at this stage much smaller than before. An examination of modification indices might proceed after this stage, but as suggested by Steiger (2013), researchers should stop capitalizing on chance in a certain stage, otherwise the result may reach a point of diminishing returns.

However, as can be seen in Figure 6.2, all items had a factor loading above minimum requirement (0.6) (Awang 2012b), thus attitude was assumed to meet the uni-dimensionality as well as validity assessments. This means that all items represented attitude. If R<sup>2</sup> is less than 0.4, it should be deleted from the measurement model (Awang 2012a). Further assessment by reviewing the determinant of the covariance matrix assumptions was conducted to detect multicollinearity and singularity.

‘Multicollinearity, or near-linear dependence, is a statistical phenomenon in which two or more predictor variables in a multiple regression model are highly correlated’ (Joshi, Kulkarni & Deshpande 2012, p. 1). Studies often find that a multiple regression model fit the data well but none of the determinants has a statistically significant value (Joshi,

Kulkarni & Deshpande 2012). Scholars suggest that in order to diagnose multicollinearity and singularity, eigenvalue (Belsley & Kuh; Silvey 1969), and condition number (Park 2003) can be used. The condition number for a predictor is defined as a ratio of the highest and smallest eigenvalues (Mason & Perreault Jr 1991). If the condition number exceeds 1,000, the variables studied have multicollinearity (Montgomery, Peck & Vining 2015). In addition, the multicollinearity and singularity assumptions can be detected by the determinant of the covariance matrix which requires values that are far from zero (Raykov & Marcoulides 2012).

As calculated, condition number, eigenvalues, and determinant of sample covariance matrix are as follows:

Sample Covariance (Group number 1)  
Condition number = 27.642  
Eigenvalues  
163.183 17.633 13.317 9.820 5.903  
Determinant of sample covariance matrix = 2,221,480.639

Since the determinant of sample covariance matrix = 2,221,480.639 was far from zero, there was no indication of multicollinearity and singularity problems regarding the items.

The reliability of attitude was assessed by Cronbach's alpha. Those statements, their means and the Cronbach's alpha value are reported in Appendix 11.

Cronbach's alpha for attitude was .937, and thus meets the benchmark of .70. According to Nunally and Bernstein (1978) and Churchill, Brown and Suter (2001), an alpha value of .70 or above is acceptable.

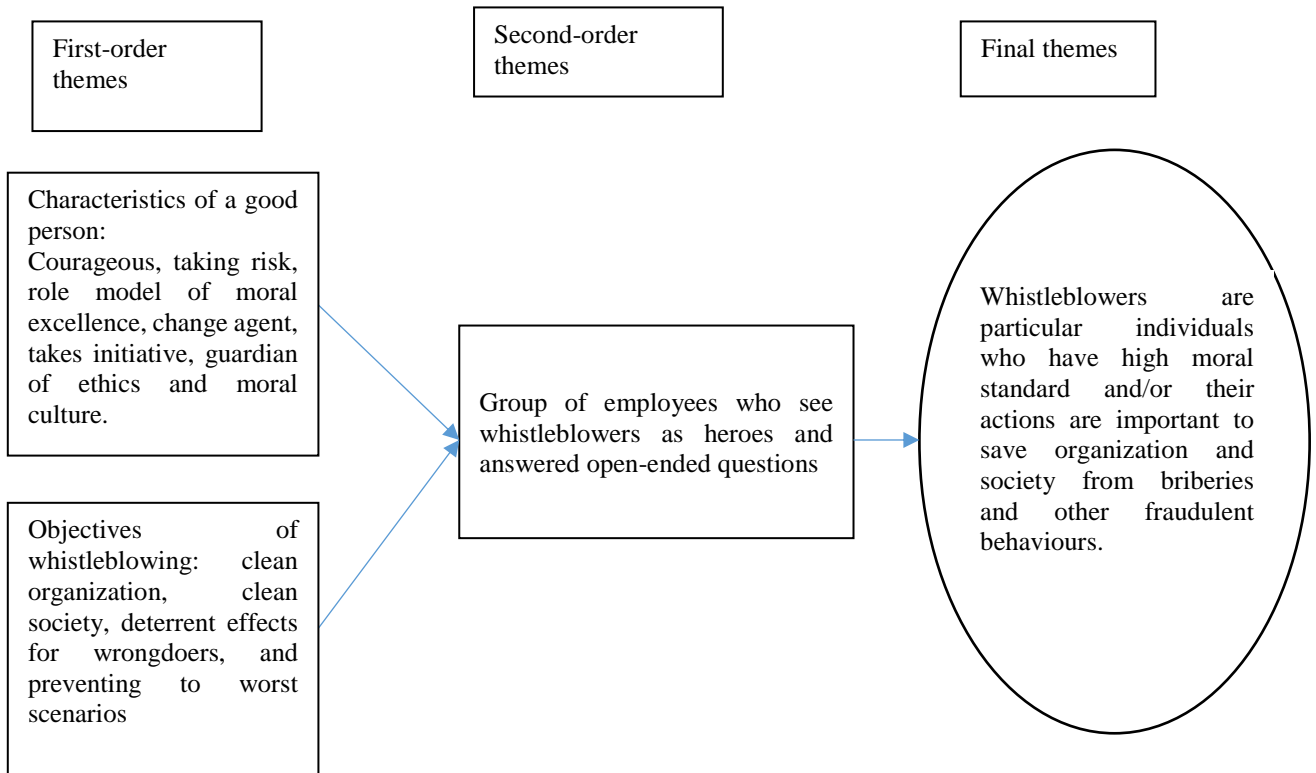
The overall means of the items of outcomes as well as their evaluation were higher than 3.90 on average, indicating that the respondents agreed that whistleblowing behaviour had positive effects and therefore it was important.

In sum, various model fit indices indicated that CFA for attitude reasonably fitted with the present data set. Therefore, we retained all items for the further structural model.

To investigate in more in-depth the findings above, a qualitative analysis was conducted, in particular to discover the reasons for respondents having a positive attitude toward whistleblowing since the majority of respondents thought that a whistle-blower was a hero (around 55%) (See figure 6.3). The second largest group perceived that a whistle-

blower was an ordinary person because whistleblowing behaviour was everyone’s moral obligation as an employee and/or as a member of society (see Figure: 6.4).

**Figure 6-3: Data Structure and Emergent Themes from the Respondents Perceptions on Whistleblower as a Hero**



Of the 355 (55%) respondents who believed that a whistle-blower is a hero, 259 gave their reasons. NVivo analysis revealed the two most-repeated words. The first was “*berani*” or “courage” representing a worthy human characteristic to go after what one wants even in the presence of self-doubt and threats. The second was “*menyelamatkan*” or “to save”, meaning that whistleblowing is intended to prevent and protect the organization and society from bribery consequences.

In more detail, the 259 respondents who answered the open-ended questions and valued the whistle-blower as a “Hero”, can be classified into two main groups.

The first group, 159 (61%) participants, emphasized that whistle-blowers are individuals with high moral and ethical standards, which differentiate them from others. Several praiseworthy characteristics were mentioned, such as: courage, high integrity, honesty, risk-taker, role model, initiative, brave, moral excellence, promoter for benefiting broader public interests.

The following statements drawn from responses to open-ended questions illustrate respondents' positive opinions of whistle-blowers:

*“(Whistle-blower) is a brave employee because (he or she) takes risks of revilement and humiliation for the benefit of the State and institutions”*

*“Because whistle-blower has the big courage to speak the truth”*

*“Because it (whistleblowing behaviour) needs the courage to do it. Many people prefer to keep quiet about organization misconduct, only few disclose it for fear of its consequences”*

*“(Whistle-blower) taking personal risk for broader interests”*

*“Whistle-blower is a hero because he dares to be honest as a change”*

*“Because a whistle-blower dares to defend the truth although he or she puts his or her own safety, success, and career in jeopardy”*

However, it should be kept in mind that not all respondents who valued whistle-blowers as heroes would automatically disclose bribery if they themselves were aware of it. The majority of responses indicated that there was risk and danger associated with whistle-blowers. Interestingly, one respondent said that “heroes” (whistle-blowers) usually died. A second group, of near one hundred respondents (39%) indicated that whistle-blowers are heroes because they have worked to save the country, organization, and/or community interests. In line with Dworkin and Callahan (1991) study, this group of respondents implied that whistle-blowers could prevent harm to an organization, control corruption, and enhance public interests.

The following are statements consistent with this preliminary finding:

*“As a hero because his action could prevent fraudulent behaviour and eradicate corruption in Indonesia”*

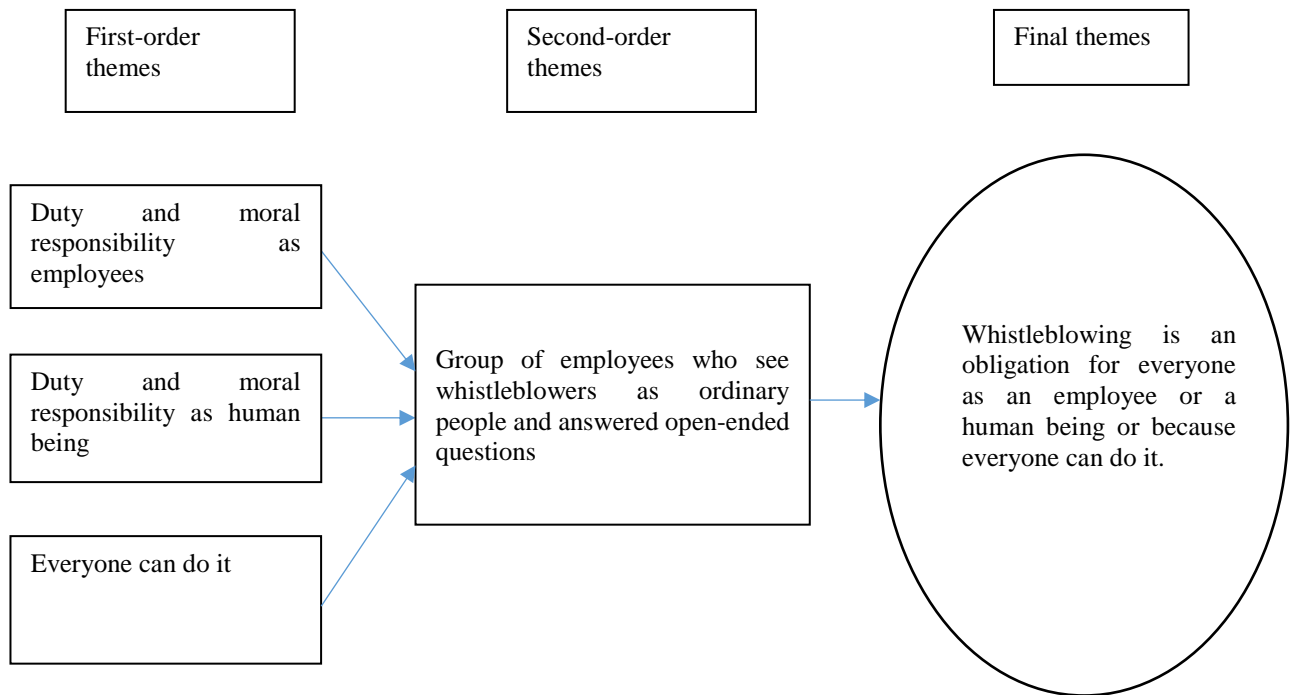
*“Whistle-blower could reveal bribery and since his action has benefited to the country, he is a hero”*

*“Help to achieve organization goals”*

*“Because his action can save the organization if his intention is pure to do so”*

*“Would have the deterrent effect to other wrongdoers”*

**Figure 6-4: Data Structure and Emergent Themes from the Respondents Perceptions of Whistleblower as an Ordinary Person**



Of the 284 respondents who believed that a whistle-blower is an ordinary person, 164 gave their reasons. The majority (around 36%) of participants believed that disclosing bribery was a person’s moral obligation. This belief is reflected in the following statements in response to the open-ended questions:

*“Ordinary people because whistleblowing behaviour is an individual’s moral responsibility”.*

*“In my opinion, a whistle-blower is an ordinary person because his action is our moral obligation to keep maintaining our integrity. It is a common task. Not something that an extraordinary”*

*“It is a duty of everyone to behave honestly”*

Another large group (30%) of respondents took a somewhat duty-based (narrower) perspective that whistleblowing behaviour was an obligation of any employee of the DGT. This belief is reflected in the following responses to the open-ended questions:

*“This is a part of the DGT institutional value that must be implemented. Implementing it should not be seen as an extra-ordinary thing”*

*“This is a responsibility for each employee to have a role in preventing threats that may ruin organization reputation”*

*“He is an ordinary person because as an employee, we are obliged to report on things that are not in accordance with applicable law and any behaviour that can harm the state and damage the image of DGT”*

Some 3% indicated that whistleblowing was a voluntary action; 8% said that it was not a special behaviour, while the rest remaining (some 26%) gave varying responses that mainly appeared to question the motives of the whistle-blowers.

Very few (only 11 respondents) believed that a whistle-blower was either a traitor or trouble maker. Surprisingly, although they disapproved of whistle-blowers, six claimed that they would report bribery if they were aware of it; while the other five said that they would not disclose it. Of the six who still would report bribery, they valued a financial incentive as an important or very important determinant. The findings indicated that whistleblowing was a complex decision that required careful consideration of the benefits and drawbacks of speaking out (Suyatno, Armstrong & Thomas 2017), and it may conflict with one’s beliefs about what is right and wrong.

The findings overall showed that most respondents (94% of 641) believed that whistle-blowers should be protected, or not be punished. Only 6% believed that whistle-blowers should be punished but only if several conditions were met. For instance, a whistle-blower deserves punishment if his or her report was a defamation (libel or slander), false, or unsupported by strong evidence. Others said that if a whistle-blower was also a justice collaborator, he or she should receive a lighter punishment.

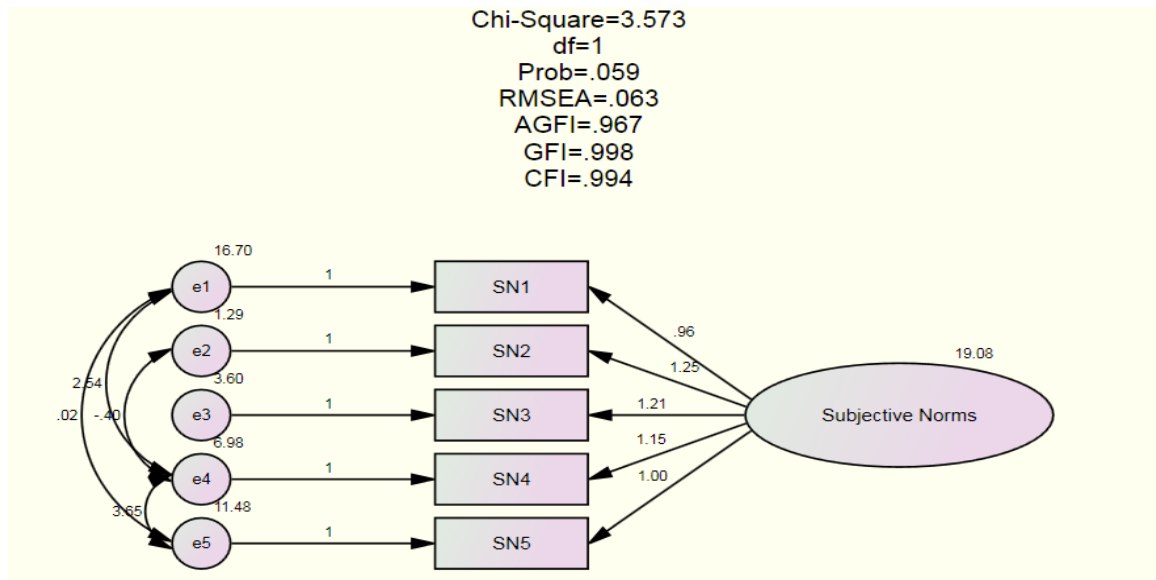
Findings showed that around 410 (64% of 641) respondents believed that they would be rewarded if they disclosed bribery to their organisation now.

#### **6.5.1.2 CFA-Subjective Norm**

Subjective norms were measured by two questions. The first measured normative beliefs, which are a person’s thoughts about the likelihood that important referent persons would approve or disapprove of a respondent’s reporting of wrongdoing in an organisation. Then, the respondent’s motivations to comply with the expectations of the referents were measured. We conducted Confirmatory Factor Analysis (CFA) for all latent constructs in

the study before modelling their inter-relationship in a structural model (SEM). The subjective norm construct had five paired items. Overall, results from CFA indicated that most items fit the data adequately (Table 6.4).

**Figure 6-5: A CFA Measurement Model of Subjective Norm**



Source: Calculated from the survey data

**Table 6-4: CFA Model Fit Indices for Subjective Norm**

Goodness of fit index	Criteria	Obtained value	Remarks
Chi-square	<5	3.573	Fit
Significant Probability	$\geq 0.05$	0.059	Fit
RMSEA	$\leq 0.08$	0.063	Fit
GFI	$\geq 0.90$	0.998	Fit
AGFI	$\geq 0.80$	0.967	Fit
CMIN / DF	$\leq 2.00$	3.573	Not Fit
TLI	$\geq 0.90$	0.937	Fit
CFI	$\geq 0.90$	0.994	Fit
NFI	$\geq 0.90$	0.991	Fit
RFI	$\geq 0.90$	0.915	Fit
IFI	$\geq 0.90$	0.994	Fit

Notes: RMSEA: Root-Mean-Square Error of Approximation; GFI: Goodness-of-Fit Index; AGFI: Adjusted Goodness-of-Fit Index; CMIN/DF: the minimum discrepancy/ degrees of freedom; TLI: Tucker Lewis Index; CFI: Comparative Fit Index; NFI: Normed Fit Index; RFI: Relative Fit Index; IFI: Incremental Fit Index

Source: Calculated from the survey data

After making substantial modification indices (see Table 6.4), results indicated that only CMIN/DF did not meet the criteria. As can be seen in Figure 6.5, all items had a factor loading above minimum requirement (0.6) (Awang 2012b). Thus, the subjective norm



was assumed to meet the uni-dimensionality as well as validity assessments. This means that all items represented the subjective norm.

Further assessment by reviewing the determinant of the covariance matrix assumptions was conducted to detect multicollinearity and singularity.

As calculated, condition number, eigenvalues, and determinant of sample covariance matrix are as follows:

Sample Covariance (Group number 1)  
Condition number = 53.943  
Eigenvalues  
128.852 15.050 8.819 4.542 2.389  
Determinant of sample covariance matrix = 185,554.775

Since the condition number =53.943 was less than 1,000 (Montgomery, Peck & Vining 2015)and the determinant of sample covariance matrix = 185,554.775 was far from zero (Raykov & Marcoulides 2012), both conditions indicated that there were no multicollinearity and singularity problems in the analysed data.

The reliability of the subjective norm was assessed by Cronbach's alpha. Those statements, their means and the Cronbach's alpha value were reported in Appendix 12.

The Cronbach's alpha of subjective norm was .911 thereby meeting the benchmark of .70. According to Nunally and Bernstein (1978) and Churchill, Brown and Suter (2001), an alpha value of .70 or above is acceptable.

Moreover, the mean of the normative beliefs in the first question was highest (3.53, s.d. =.838) for members of respondent's family, and lowest (3.28, s.d. =.839) for co-workers.

The mean of the respondent's motivations in the second question was highest (3.73, s.d. =.863) for members of respondent's family, compared with 3.17 (s.d. =.940) for neighbours as the lowest.

Then, qualitative analysis was conducted.

Consistent with Hofstede and Hofstede (2005), this study found that DGT employees tended toward a high-power distance and collectivist culture and the majority employees expected superordinates and colleagues to take care of them in return for esteem, obedience and support. In addition, the responses identified in section 6.5.5 of this chapter showed that of 131 respondents who claimed that they did not want to report, 18 respondents (around 14%) claimed that they preferred to report to their direct supervisor

or via internal reporting channels. This indicated that not all respondents who did not want to report had a negative image of their organization. They would still disclose bribery, but to their supervisor first. Studies have shown that many whistle-blowers disclose misconduct to front-line managers first (Donkin, Smith & Brown 2008; Mazerolle & Brown 2008).

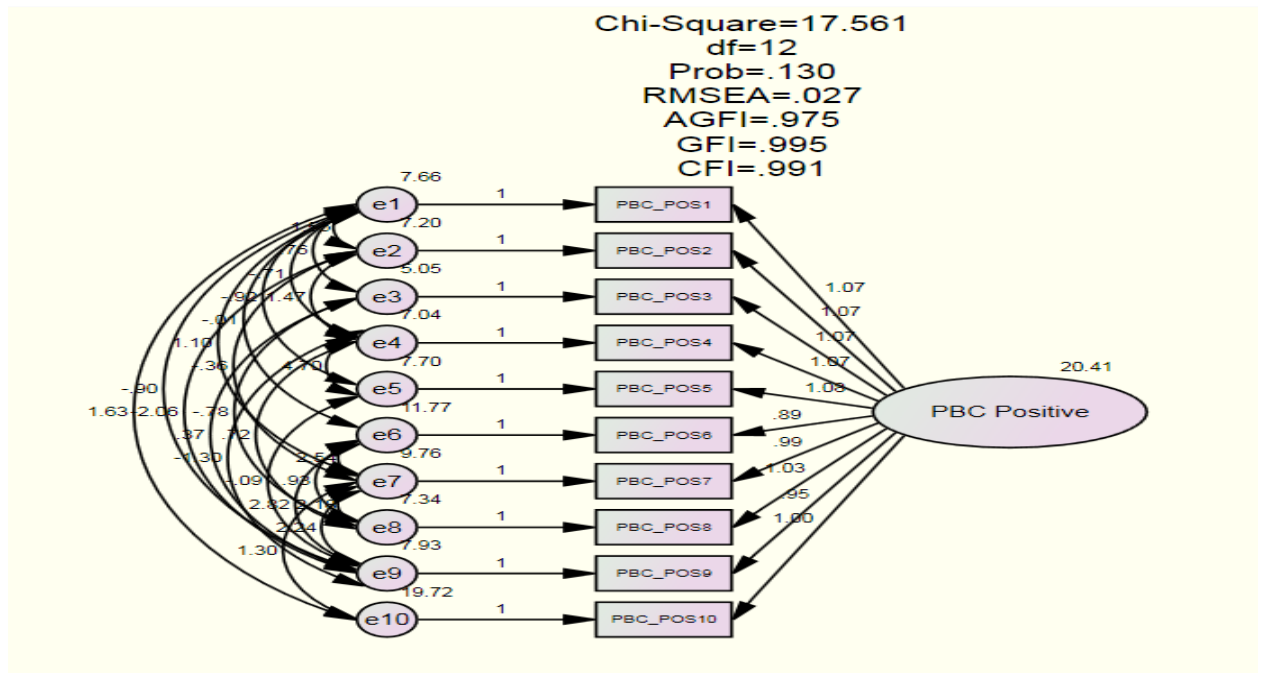
### **6.5.1.3 CFA-Perceived Behavioural Control on Organization Positive Image (PBC\_Pos)**

Perceived Behavioural Control Organizational Culture and Leadership Positive Image was measured using twenty items, ten items for control factors and another ten items for the perceived power. The ten control factor items are statements concerning beliefs or perceptions about the ease of reporting and the support one would receive in the process of whistleblowing, and the consequences of an employee's whistleblowing.

We then conducted Confirmatory Factor Analysis (CFA) for all latent constructs involved in the study before modelling their inter-relationship in a structural model (SEM).

The PBC\_Pos construct consisted of ten paired items. Overall, results from CFA indicated that most items CFA fitted the data adequately (Table 6.5).

**Figure 6-6: A CFA Measurement Model of Perceived Behavioural Control Organization Positive Image**



Source: Calculated from the survey data

**Table 6-5: CFA Model Fit Indices for Perceived Behavioural Control Organization Positive Image**

Goodness of fit index	Criteria	Obtained value	Remarks
Chi-square	<5	17.561	Not Fit
Significant Probability	$\geq 0.05$	0.130	Fit
RMSEA	$\leq 0.08$	0.027	Fit
GFI	$\geq 0.90$	0.995	Fit
AGFI	$\geq 0.80$	0.975	Fit
CMIN / DF	$\leq 2.00$	1.463	Fit
TLI	$\geq 0.90$	0.966	Fit
CFI	$\geq 0.90$	0.991	Fit
NFI	$\geq 0.90$	0.973	Fit
RFI	$\geq 0.90$	0.901	Fit
IFI	$\geq 0.90$	0.991	Fit

Notes: RMSEA: Root-Mean-Square Error of Approximation; GFI: Goodness-of-Fit Index; AGFI: Adjusted Goodness-of-Fit Index; CMIN/DF: the minimum discrepancy/ degrees of freedom; TLI: Tucker Lewis Index; CFI: Comparative Fit Index; NFI: Normed Fit Index; RFI: Relative Fit Index; IFI: Incremental Fit Index

Source: Calculated from the survey data

After conducting substantial modification indices (see Table 6.5), results indicated that the CFA mostly fitted the data adequately, while only Chi-square did not meet the criteria. As can be seen in Figure 6.6, all items had a factor loading above the minimum

requirement (0.6) (Awang 2012b); thus PBC\_Pos1 was assumed to meet the uni-dimensionality as well as validity criteria.

Further, the determinant of the covariance matrix assumptions was reviewed to detect multicollinearity and singularity.

As calculated, condition number, eigenvalues, and determinant of sample covariance matrix are as follows:

Sample Covariances (Group number 1)  
Condition number = 99.116  
Eigenvalues  
226.576 19.383 15.921 10.722 8.819 7.725 5.862 5.097 4.521 2.286  
Determinant of sample covariance matrix = 15,769,454,495.090

Since the condition number =99.116 was less than 1,000 (Montgomery, Peck & Vining 2015)and the determinant of sample covariance matrix = 15,769,454,495.090 was far from zero (Raykov & Marcoulides 2012), both conditions indicated that there were no multicollinearity and singularity problems in the analysed data.

The perceived behavioural control Organizational Culture and Leadership Positive Image (PBC\_Pos1) was calculated by multiplying each control factor by the perceived power of each control factor and summing the results across ten control factors (Appendix 13).

The reliability of PBC\_pos1 was assessed using Cronbach's alpha. Those statements, their means and the Cronbach's alpha value are reported in Appendix 13.

The Cronbach's alpha of PBC\_Pos1 was .949, and thus, met the benchmark of .70. According to Nunally and Bernstein (1978) and Churchill, Brown and Suter (2001), an alpha value of .70 or above is acceptable.

As shown in Appendix 13, the range of values for perceived behavioural control was relatively narrow from 3.71 for "allocate a sufficient budget to support the development of WISE to investigate my report", and "ensure my identity as a whistleblower is anonymous" to 3.87 for "protect me from any types of retaliation", and there were few differences also in evaluated importance among the ten items, varying from 4.04 for both "allocate a sufficient budget to support the development of WISE to investigate my report" and "provide sufficient evidence" to 4.32 for "protect me from any types of retaliation".

Overall, it can be said that most respondents believed and trusted that their organization and leaders would support whistle-blowers.

Another important finding emerged from the open-ended question regarding evidence. The majority (86%) of respondents claimed that they would disclose bribery if they had sufficient evidence.

Based on the analysis, the five highest ranks of the quality of evidence were: (1) documents (written order, letter, memo) indicating bribery occurred; (2) detailed information (what, who, when, where, why, and how), such as a verbal instruction from supervisors to alter tax analysis results; and (3) a witness; (4) bribery involvement (as a justice collaborator); and (5) emails or other electronic evidence, such as recorded meetings, instructions.

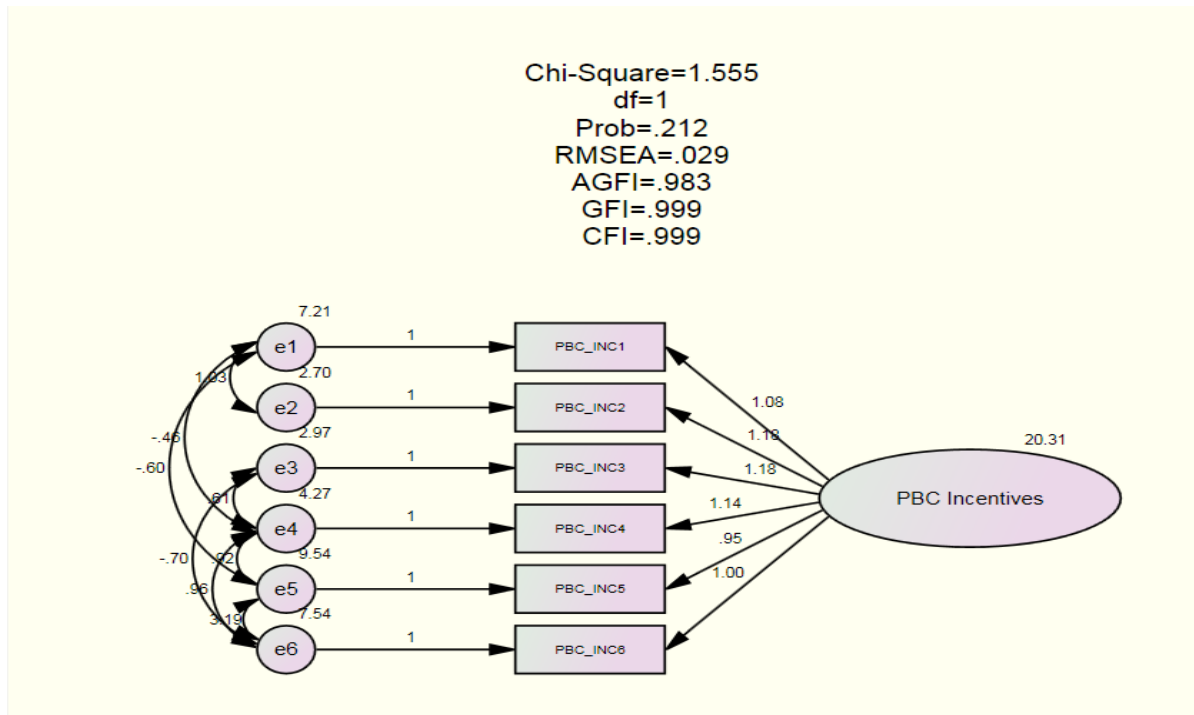
#### **6.5.1.4 CFA-Perceived Behavioural Control on Organization Incentives (PBC\_Inc)**

Perceived behavioural control Organization Incentive was measured using twelve items, six items for control factors and another six items for the perceived power. The six control factor items were statements concerning beliefs or perceptions about possible rewards for whistleblowing to be given by the DGT as well as the consequences of an employee's whistleblowing.

We then conducted Confirmatory Factor Analysis (CFA) for all latent constructs involved in the study before modelling their inter-relationship in a structural model (SEM).

The PBC\_Inc construct consisted of six paired items. Overall, results from CFA indicated that most items fit the data adequately (Table 6.6).

**Figure 6-7: A CFA Measurement Model of Perceived Behavioural Control Organization Incentive**



Source: Calculated from the survey data

**Table 6-6: CFA Model Fit Indices for Perceived Behavioural Control Organization Incentives**

Goodness of fit index	Criteria	Obtained value	Remarks
Chi-square	<5	1.555	Fit
Significant Probability	≥0.05	0.212	Fit
RMSEA	≤0.08	0.029	Fit
GFI	≥0.90	0.999	Fit
AGFI	≥0.80	0.983	Fit
CMIN / DF	≤2.00	1.555	Fit
TLI	≥0.90	0.981	Fit
CFI	≥0.90	0.999	Fit
NFI	≥0.90	0.996	Fit
RFI	≥0.90	0.947	Fit
IFI	≥0.90	0.999	Fit

Notes: RMSEA: Root-Mean-Square Error of Approximation; GFI: Goodness-of-Fit Index; AGFI: Adjusted Goodness-of-Fit Index; CMIN/DF: the minimum discrepancy/ degrees of freedom; TLI: Tucker Lewis Index; CFI: Comparative Fit Index; NFI: Normed Fit Index; RFI: Relative Fit Index; IFI: Incremental Fit Index

Source: Calculated from the survey data

After making substantial modification indices (see Table 6.6), results indicated that the CFA fit the data adequately. As can be seen in Figure 6.7, all items had a factor loading

above the minimum requirement (0.6) (Awang 2012b); thus PBC\_Inc was assumed to meet the uni-dimensionality as well as validity assessments. It means that all items represented the subjective norm.

Besides fit indices, further assessment by reviewing the determinant of the covariance matrix assumptions was conducted to detect multicollinearity and singularity.

As calculated, condition number, eigenvalues, and determinant of sample covariance matrix are as follows:

Sample Covariance (Group number 1)  
Condition number = 60.401  
Eigenvalues  
151.769 10.284 6.348 5.235 2.958 2.513  
Determinant of sample covariance matrix = 385,520.400

Since the condition number =60.401 was less than 1,000 (Montgomery, Peck & Vining 2015) and the determinant of sample covariance matrix = 385,520.400 was far from zero (Raykov & Marcoulides 2012), both conditions indicated that there was no multicollinearity and singularity problems in the analysed data.

The perceived behavioural control Organizational Incentive (PBC\_Inc) was calculated by multiplying each control factor by the perceived power of each control factor and summing the results across ten control factors (Appendix 14).

The reliability of PBC\_Inc was assessed using Cronbach's alpha. These statements, their means and the Cronbach's alpha value were reported in Appendix 14.

The Cronbach's alpha of PBC\_Posi was .948, thereby meeting the benchmark of .70. According to Nunally and Bernstein (1978) and Churchill, Brown and Suter (2001), an alpha value of .70 or above is acceptable.

As shown in Appendix 14, the range of values for perceived behavioural control relatively varied from 3.06 for "offer me an assignment to more desirable duties" to 3.41 for "offer me a good performance rating", and there were few differences also in the evaluated importance among the ten items varying from 3.44 for "offer me an assignment to more desirable duties" to 3.65 for "offer me an assignment to my preferred geographic location".

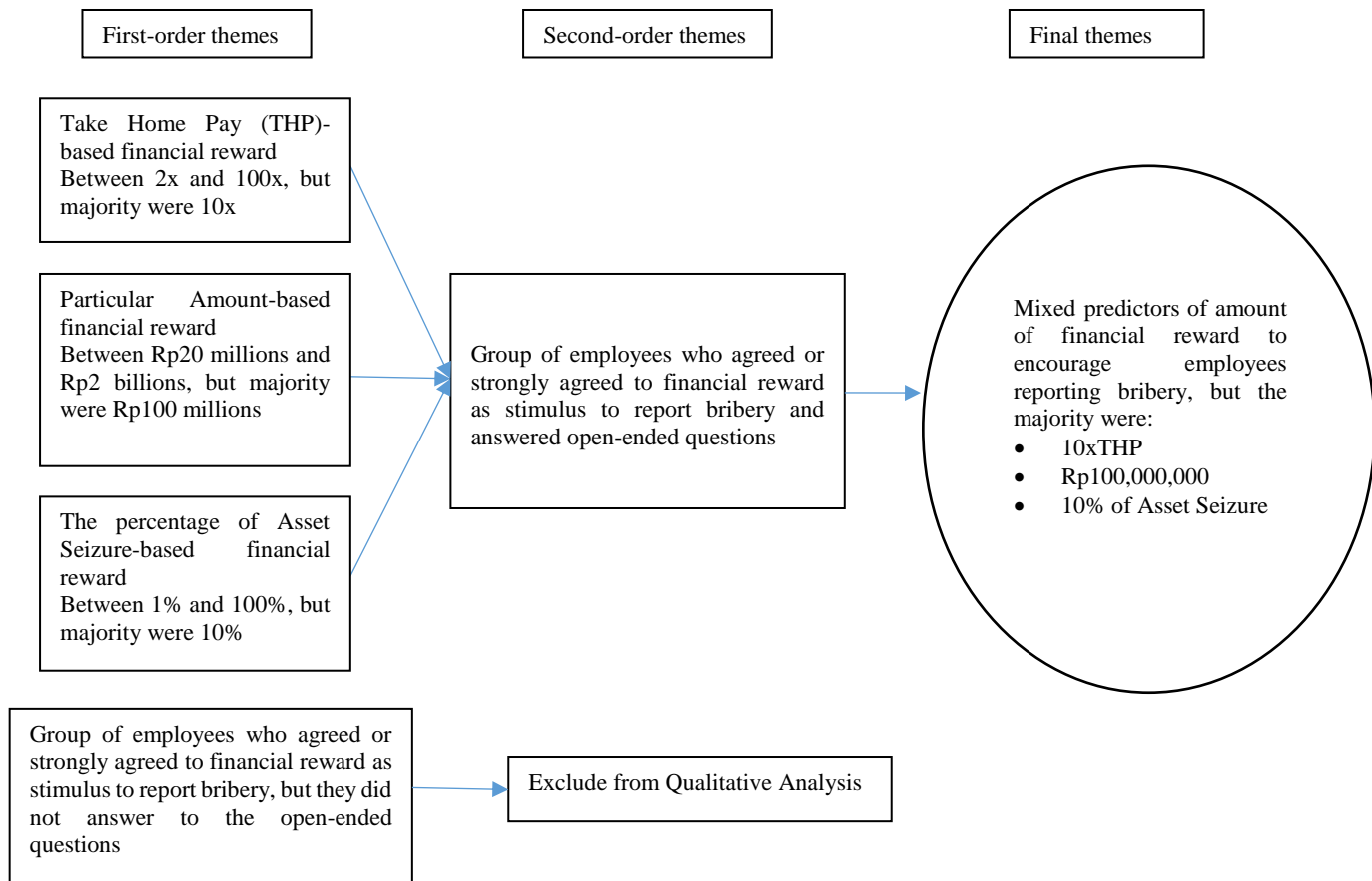
Then, qualitative analysis was conducted. The findings in this study indicated that most respondents valued material or immaterial incentives as a supporting determinant to encourage them to report bribery. As can be seen in Appendix 14, from six evaluated questions, the respondents valued preferred re-location to another office as the most important reward, followed by a good performance rating. Monetary incentive ranked number four below an overseas training incentive. The result indicates that preferred re-location to another office as the most important reward in this study comes as no surprise. Previous research shows that, generally, career and financial reward are important for Indonesians, but family is above all those previous considerations (e.g. Hofstede-Insights n.y.; SBS 2018; Sumartono 2018).

Although, a financial incentive was not the most important determinant compared to other types of rewards, this study valued it as an important factor if it was used as a complementary element of the whole whistleblowing protection scheme.

Moreover, we sought to understand the employees' opinion regarding the amount of financial reward that would be "adequate" enough to encourage them to disclose bribery, and whether they believed that this incentive was important. Thus, a qualitative analysis was conducted. Some scholars (i.e. Bowden 2014; Dworkin & Near 1997; Miceli & Near 1985a) suggested that adequate financial incentives are extrinsic motivational factors that encourage employees to report on misconduct. This study attempted to go beyond just knowing whether or not a financial incentive was important. If it was considered important, we sought to determine how much money was considered to be "adequate". Figure 6.8 indicates their responses.



**Figure 6-8: Data Structure and Emergent Themes from the Respondents Perceptions on Financial Incentives**



From the NVivo analysis, the three most repeated numbers were: “10” (percentage of asset seizure), “10x” (Take Home Pay), and “Rp100.000.000” (specific amount of money).

In more detail, 157 respondents who answered the open-ended questions and valued financial reward as an important stimulus for reporting bribery, can be classified into three main groups. The first group, the majority (67 respondents or around 43% of 157), reported the percentage of asset seizure as the basis for financial reward calculation. Most of them (29 of 67) argued that ten percent of asset seizure was sufficient. However, not all said that financial incentive alone was sufficient to encourage them to report bribery and some answers overlapped other themes. This view is supported by these statements from respondents:

*“Financial incentive is important only if a whistleblower is an anonymous (confidential) and he or she is known only by officers/leader/parties that are appointed. The identity of a whistleblower must be protected from the accused person and other employees. The amount of incentive is between 10% and 20%”*

*“10% of asset seizure”*

*“Incentive is 10% of asset seizure”*

*“10x of take home pay or 10% of asset seizure depending on which one is higher”*

The second group, 37%, argued take home pay (THP) as the basis for financial reward calculation. The majority of this group (62%) believed that ten times of THP was a sufficient amount. However, not all said that a financial incentive alone was sufficient to encourage them reporting bribery and some answers overlapped had overlapping themes. The following statements drawn from responses to open-ended questions illustrate their answers:

*“I think that whistle-blower should be given maximum of 10 times of take home pay. However, the more important is preventive action rather than reporting”*

*“10 times of take home pay”*

*“Important, 10xTHP of the whistle-blower”*

*“Incentive is 10xTHP if it is proven”*

The third group, the minority (16.5%), valued a specific amount of money as the basis for financial reward calculation. Most of this group (65%) argued that a-Rp100,000,000.00 (one hundred rupiahs) or equivalent to around US\$7,509.20 or AUS\$9,796.55 was a sufficient amount. However, some answers had overlapping themes. The following statements drawn from responses to open-ended questions illustrate their opinions regarding the amount of monetary reward:

*“100 million rupiahs”*

*“100,000,000 is enough”*

*“Rp100 millions or 5% of asset seizure”*

*“At least Rp100 million or 10 times of take home pay”*

The proven effectiveness of the financial incentives system for whistle-blowers, mostly based on the US False Claims Act, 31 USC (FCA) has attracted a few researchers to consider financial reward worthy of inclusion in a global model (Faunce et al. 2014). Regarding this study, it shows that the majority (more than 50%) of respondents valued financial rewards as one of determinants encouraging employees to report bribery.

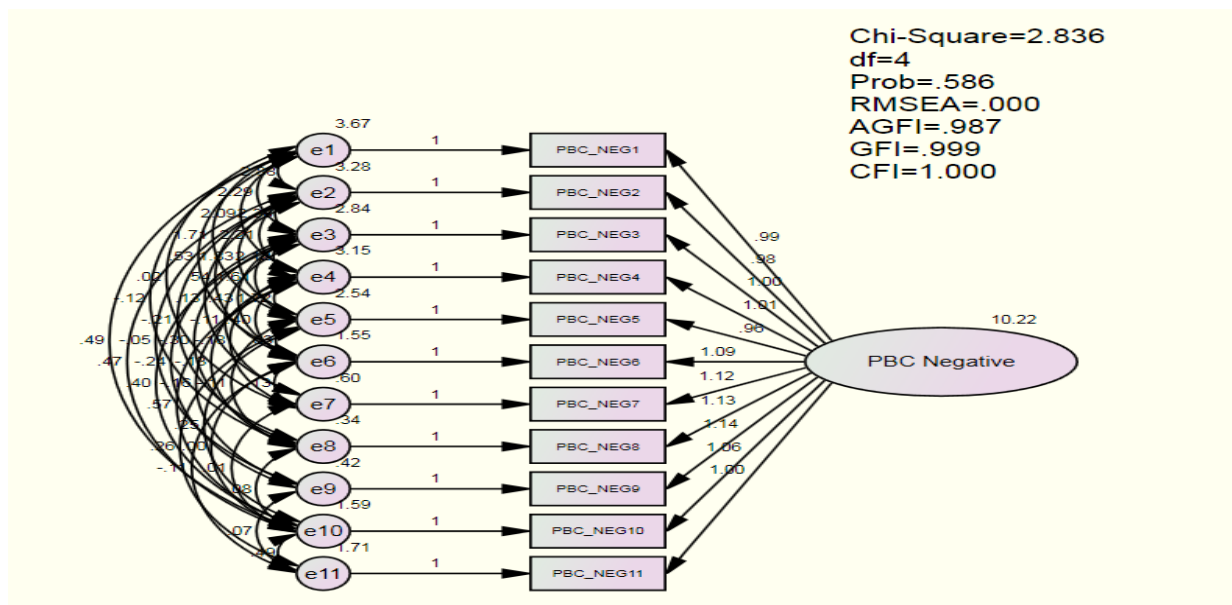
### 6.5.1.5 CFA-Perceived Behavioural Control on Organization Negative Image (PBC\_Neg)

Perceived behavioural control Organizational Culture and Leadership Negative Image was measured using twenty-two items, eleven items for control factors and another eleven items for the perceived power. The eleven control factor items were statements concerning beliefs or perceptions about subsequent difficulties or retaliation to be faced after whistleblowing, as well as the consequences of an employee’s whistleblowing.

Then, we performed Confirmatory Factor Analysis (CFA) for all latent constructs in the study before modelling their inter-relationship in a structural model (SEM).

The PBC\_Neg construct consisted of eleven paired items. Overall, results from CFA indicated that most items CFA fit the data adequately (Table 6.7).

**Figure 6-9: A CFA Measurement Model of Perceived Behavioural Control Organization Negative Image**



Source: Calculated from the survey data

**Table 6-7: CFA Model Fit Indices for Perceived Behavioural Control Organization Negative Image**

Goodness of fit index	Criteria	Obtained value	Remarks
Chi-square	<5	2.836	Fit
Significant Probability	$\geq 0.05$	0.586	Fit
RMSEA	$\leq 0.08$	0.0001	Fit
GFI	$\geq 0.90$	0.999	Fit
AGFI	$\geq 0.80$	0.987	Fit
CMIN / DF	$\leq 2.00$	0.709	Fit
TLI	$\geq 0.90$	1.020	Fit
CFI	$\geq 0.90$	1.000	Fit
NFI	$\geq 0.90$	0.997	Fit
RFI	$\geq 0.90$	0.955	Fit
IFI	$\geq 0.90$	1.001	Fit

Notes: RMSEA: Root-Mean-Square Error of Approximation; GFI: Goodness-of-Fit Index; AGFI: Adjusted Goodness-of-Fit Index; CMIN/DF: the minimum discrepancy/ degrees of freedom; TLI: Tucker Lewis Index; CFI: Comparative Fit Index; NFI: Normed Fit Index; RFI: Relative Fit Index; IFI: Incremental Fit Index

Source: Calculated from the survey data

After making substantial modification of indices (see Table 6.7), results indicated that the CFA fit the data adequately. As can be seen in Figure 6.9, all items had a factor loading above minimum requirement (0.6) (Awang 2012b). Thus, PBC\_Neg was assumed to meet the uni-dimensionality as well as validity assessments. It means that all items represented the subjective norm.

Besides fit indices, reviewing further review was conducted of the determinant of the covariance matrix assumptions in order to detect multicollinearity and singularity.

As calculated, condition number, eigenvalues, and determinant of sample covariance matrix are as follows:

Sample Covariances (Group number 1)

Condition number = 398.260

Eigenvalues

129.344 6.698 1.972 1.543 1.335 1.007 .863 .787 .579 .430 .325

Determinant of sample covariance matrix = 194.872

Since the condition number = 398.260 was less than 1,000 (Montgomery, Peck & Vining 2015) and the determinant of sample covariance matrix = 194.872 was far from zero (Raykov & Marcoulides 2012), both conditions indicated that there was no multicollinearity and singularity problems in the analysed data.

The perceived behavioural control Organizational Negative Image (PBC\_Neg) was calculated by multiplying each control factor by the perceived power of each control factor and summing the results across ten control factors (Appendix 15).

The reliability of PBC\_Neg was assessed using Cronbach's alpha. Those statements, their means and the Cronbach's alpha value are reported in Appendix 15.

The Cronbach's alpha of PBC\_Neg was .935, thereby meeting the benchmark of .70. According to Nunally and Bernstein (1978) and Churchill, Brown and Suter (2001), an alpha value of .70 or above is acceptable.

As shown in Appendix 15, the range of values for perceived behavioural control was relatively narrow and low from 2.12 for "terminate a whistle-blower's job" to 2.23 for "hinder reporting". Since all belief in control factors were below 3, this indicated that the respondents believed there was a low possibility that the DGT would take unpleasant actions as a result of whistleblowing. The respondents gave the same value of 3.66 for "a restriction to follow training" and "an assignment or reassign less desirable or less important duties". While they gave value of 3.89 for "blame employees for what was happening". All values for control factors were above 3.50, indicating that the respondents would not disclose bribery if the DGT was likely to take retaliatory or other punitive actions.

Then, qualitative analysis was conducted.

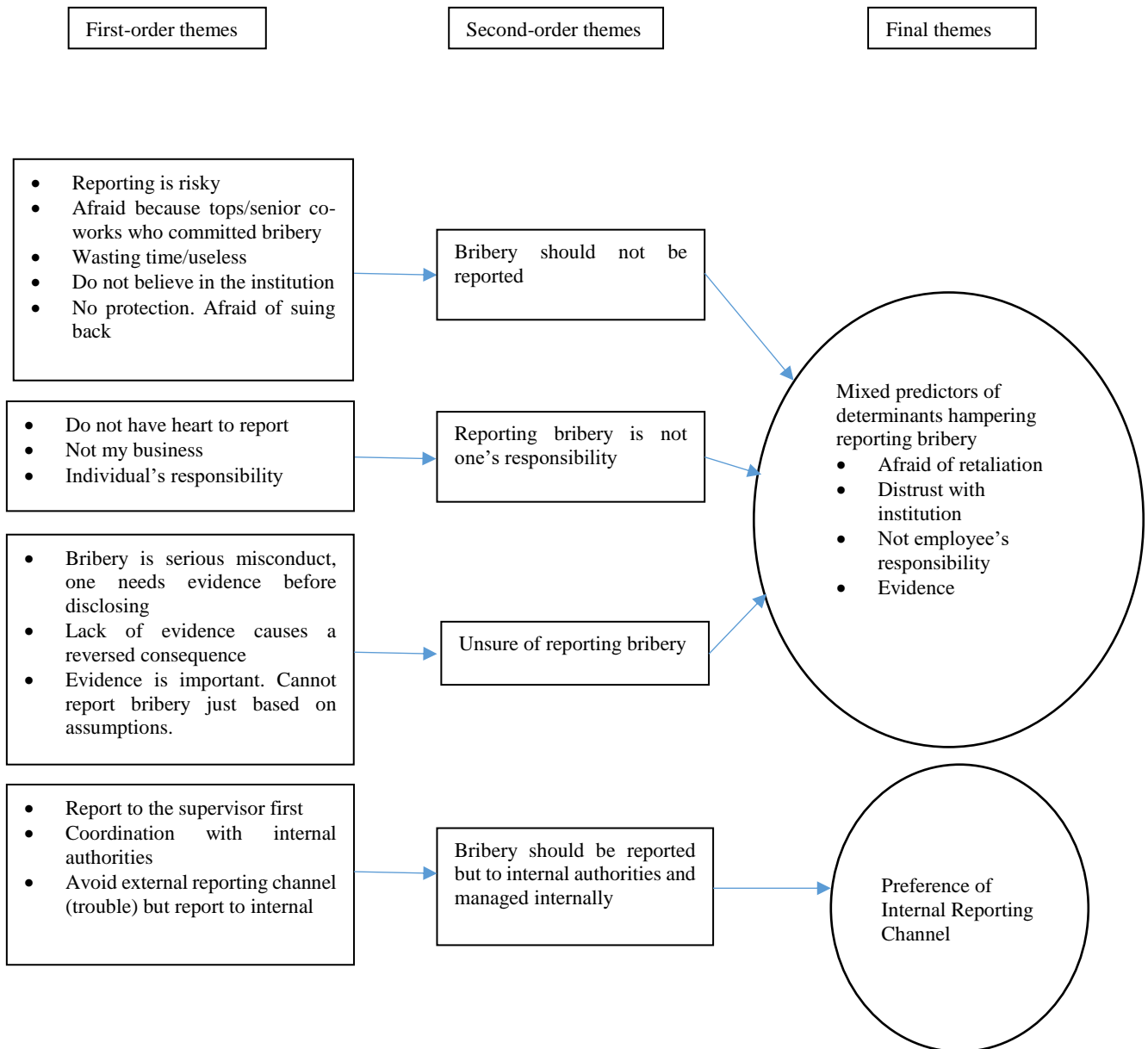
The respondents' reasons for not reporting bribery were crucial. If the authority could identify it, they might be able to eliminate it. Thus, a qualitative analysis was conducted to analyse respondents' statements as follows.

In the first theme of open-ended questions, the questions "If you saw bribery occur in your workplace, would you report it to the authority(ies)? If your answer is "NO", why not?" was constructed to understand respondents' reasons for not reporting bribery.

As explained in Chapter 5, this study needed to investigate "something" new, unique, and/or unexpected beyond the close-ended questionnaire. As suggested by Williams (2002), a conceptual framework should be seen as having an enabling role, not a limiting one; it functions as a guide rather than a limitation to understanding a phenomenon.

In this section, themes emerging from data (Figure 6.10) are discussed in relation to the main research questions.

**Figure 6-10: Data Structure and Emergent Themes from the Respondents who would not want to Report**



Preliminary findings were drawn from the qualitative responses to open-ended questions in the hard-copy questionnaire, which focused mainly on investigating respondents' reasons for not reporting bribery. Some of the analysis and findings of the "Not Report section" of this study have been published in Suyatno, Armstrong and Thomas (2017). Of the 641 completed surveys, 510 (around 80%) respondents said they would report to

the authorities if they saw bribery occurring in the workplace, but 131 (around 20%) did not want to report it. Surprisingly, although a majority said that they intended to disclose bribery if they saw it in the future, of the 90 (13% of 641) individuals who had seen bribery occur in their current workplace during the last five years, only 18 individuals claimed that they had ever reported bribery or other fraudulent behaviours through internal reporting channels (WISE) and/or external reporting channels in the last five years.

Of the 131 respondents who claimed that they would not report bribery, 70 (59%) gave reasons for not reporting. As suggested by Bjorkelo and Bye (2014), identifying bystanders' reasons for remaining silent is very important in determining actual whistleblowing.

Key words were identified from each respondent's responses and then interpreted. The next step was the analysis of the key words using NVivo to identify their frequency. However, it should be kept in mind that although the function of NVivo is to sort information, it is not a substitute for the researcher's interpretation of the data (Auld et al. 2007). Since most of the respondents provided short, clear, and concise sentences, as well as responding in simple language, there were few difficulties in interpreting their responses. From the NVivo analysis, the three most repeated key words were "*takut*" (afraid), "*bukti*" (evidence), and "*melaporkan*" (to report). "To report" here is used in the context of respondents' preference for reporting to their direct supervisor instead of reporting recipients, which is very consistent with a highly risk-averse culture. Other words that have similar meanings to "*takut*", such as "*resiko*" and "*beresiko*" meaning risk, also appeared quite often. Knowing which words are most repeated can assist researchers to identify themes and concepts (Bergin 2011).

The 70 respondents who did not want to report can be classified into four main groups. The first group, 30 respondents (43%) as the majority, did not want to report because they feared the consequences of retaliation and/or they did not believe in the existing system. For example, they had low trust in the institution, as they believed that there was no protection of anonymity.

The following statements drawn from responses to open-ended questions illustrate the general lack of protection for whistle-blowers and consequent low trust and confidence in the system:

*“Reporting it is very risky for my position. I would argue that committing bribery is the risk taken by each individual”*

*“First, I am afraid of the threats that could befall me; Second, I do not believe in the institution/ authorities”*

*“Wasting time and yet no clear follow-up [in terms of] standard operating procedure*

*“Current system cannot protect whistle-blowers. Accused person may fight back by suing me for defamation. The existing system requires obvious identity of the reporters and provide evidence. Moreover, whistle-blowers are often seen as persons who damage institution’s reputation”*

These responses confirm findings from a previous study by Brown (2008) that revealed the two main antecedents of not wanting to report wrongdoing are fear of retaliation and the belief that the report would not be followed up seriously.

In addition, based on interviews conducted with the officials at the Internal Compliance and Transformation of Human Resources (KITSDA) at the DGT, the main factors that prevented employees from disclosing misconduct were as follows: reported part(ies) intimidation, fear of being shunned by his or her co-workers or supervisors ; he or she colludes in or derives benefits from illegal practices; and/or (3) not trusting that the organisation will follow up the report with any seriousness.

In addition, the officials also mentioned that the culture or attitude of ignorance which leads to apathy or not wanting to be an officious bystander were other cultural dimensions preventing whistleblowing.

A second group of some 18 respondents (26%) claimed that they preferred to report to their direct supervisor or via internal reporting channels. Several responses illustrating these perspectives include:

*“Not report to the authorities for the first attempt, but report it to the direct supervisor or warn suspected person(s) who are involved bribery”*

*“First, investigate and coordinate with internal compliance people and the head office to determine next steps”*



*“I just reported to the internal and avoid ER (External Reporting Channel). Because ER may lead a risk to reverse prosecution. It is still OK to report bribery through ER but anonymously”*

*“The authorities (police) should be avoided, I would make my report to Internal Compliance Unit (KITSDA)”*

*“I would report bribery to the internal channel”*

These statements indicate that respondents trusted internal reporting channels more than external ones. They also demonstrate that a structured authority relationship is still acceptable for Indonesians who are considered to be high power distance societies (Hofstede & Hofstede 2005).

However, 16 respondents (22%) said that they would report bribery but they needed more salient evidence before doing so. There is a significant direct relationship between intention to report and salient evidence identified in this chapter. This finding is further explained by considering the following statements from respondents:

*“...because if only see but not supported by salient evidence, our report will be useless”*

*“.....We cannot report only with our assumptions, it must be supported by strong evidence”*

*“.... Bribery case is very rare. If there is any, we actually don't know if it happens. We need (strong) evidence and another witness. When accusing somebody, plaintiff must have 2 witnesses and 2 evidences (if not mistaken as regulated on criminal law)”*

*“To report bribery must be accompanied by a clear physical evidence, because I think that a bribery is a serious crime so that it could affect a person life”*

*“It is not easy to report bribery. Strong evidence is required and if we don't have it and reckless to report, a reversed consequence may fall upon us. We may be reported back on charging of defamation”*

These responses are generally supported by the majority (585) of respondents who claimed that they would report bribery if they had salient evidence. This reinforces the point in relation to bribery as a serious type of wrongdoing, adequate and convincing of

evidence is needed (Brown 2008; Mesmer-Magnus & Viswesvaran 2005; Miceli & Near 1985a, 2002; Miceli et al. 2012; Near & Miceli 1985).

A minority of respondents (0.8%) claimed that they did not want to report bribery because they did not have the heart to report or for other reasons such as ignorance and indifference. The following are several statements consistent with this preliminary finding:

*“My principle in work is worship. Thus, I prefer not to report because everybody has his or her own affairs, so let them/the persons take responsibility of his own deeds. I still perform my work as good as possible”*

*“I don’t have a heart to report. It would be very sad if one has to deal with the “Corruption Eradication Commission”*

*“It is “not my business”*

Of the 131 respondents who did not want to disclose bribery, 19 were in functional level positions (tax auditors) and 9 were in echelon IV positions. While the majority (75%), was staff. In addition, 27 (17% of 131) claimed that they noted bribery in their workplace during the last five years. Six of them had reported bribery through an internal channel during the last five years, but they did not want to report similar cases in the future. Unfortunately, no one gave any reasons for this. Based on previous studies, two possible reasons could be that they felt they’d been poorly treated (Dussuyer, Armstrong & Smith 2015) and/or their report had not been followed up seriously (Bowden 2014). One preferred to report to his or her supervisor instead of through other available reporting channels. Another 21 (13% of 131) respondents claimed that they had been aware of bribery in their workplace during the last five years, but they did not report.

Of those 21 respondents, one indicated that he did not report because it was just petty bribery. Five said that they did not report because they were afraid of retaliation and/or did not trust the existing systems and authorities. Taken together, all these cases indicate that whistleblowing is a complex decision that requires careful consideration of the benefits and disadvantages of speaking out.

Moreover, based on a recent report from Transparency International, four main reasons for not reporting corruption in Indonesia were: 1) People are afraid of the consequences

(38%); People do not know where to report it (14%); Nothing will be done / It would not make a difference (12%); and People do not know how to report it (12%) (Transparency International 2017). Moreover, only 12% of respondents believed that reporting corruption was the most effective thing that an ordinary person could do to help combat corruption in Indonesia; while, 23% pessimistically felt that ordinary people are powerless to do anything (TI 2017). The majority (33%) of respondents believe that the most effective way to combat corruption is by refusing to pay bribes (TI 2017).

In terms of seriousness of the bribery, Appendix 44 and 45 indicated that the majority of bribery cases at the DGT were instances of grand bribery (Rp100 millions or above) committed by DGT employees in positions ranging from lower level staff to high ranking officials.

From online interviews with KITSDA persons, the data revealed that in 2015, there were 100 bribery cases (around 30% of all cases) formally reported through the system (WISE). Moreover, until April 2016, KITSDA had received 29 (around 26 of all cases) reports regarding bribery (Appendix 7 questions number 21). More than 85% were valid and could be followed up by KITSDA (Appendix 7, question number 21).

However, as explained, often the reports could not be handled usually because whistleblowers did not provide sufficient evidence or information, and the whistleblowers' identities were unknown. Another reason was that the cases were beyond KITSDA's authority.

Since this study used a triangulation method, in addition to information and data obtained from internal DGT sources, secondary data obtained from other sources was also included. As can be seen in Appendix 46, the 2011-2013 Stakeholders' Satisfactory Surveys conducted through collaboration between MoF and third parties, indicated that the number of taxpayers giving additional payments or favours to DGT employees reached a peak in 2011 (19 respondents), then, plummeted to around 30% in 2012 (12 respondents). The number increased slightly in 2013 (13 respondents). Moreover, the respondents assumed that the level of DGT employees who accepted bribes ranged from direct contacts and decision makers, to all levels. Unfortunately, from 2013 onward, a questionnaire seeking the public's perception of corruption has been excluded from the Satisfactory Surveys for

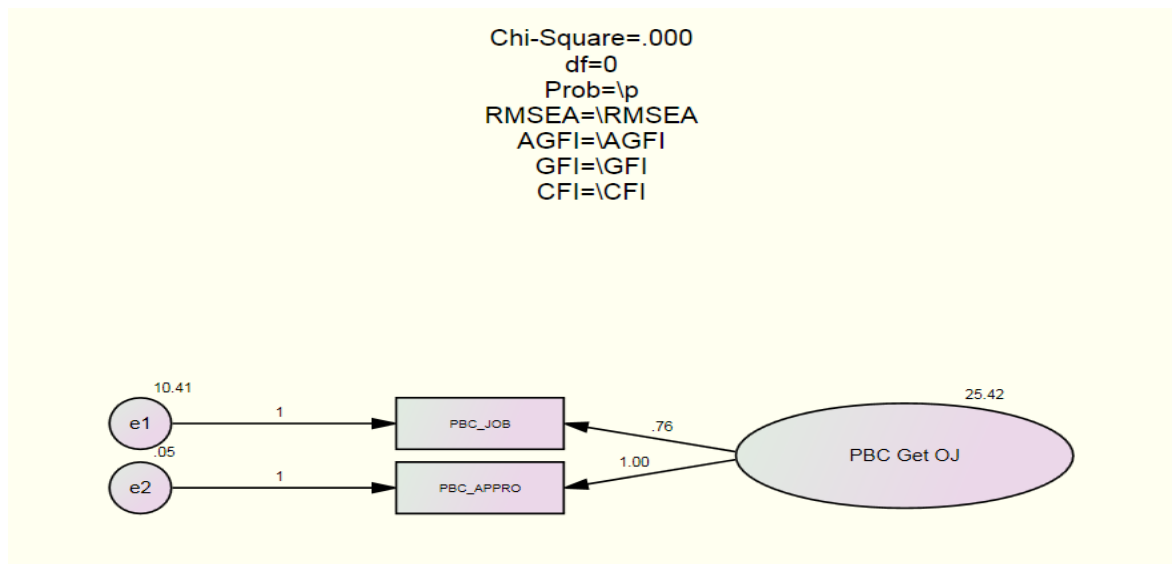
MoF. The findings are in line with a recent survey conducted by Transparency International revealing that the majority of respondents (77%) believed that most or some tax officials in Indonesia are involved in corruption. Only 9% thought that the DGT was free of corruption (TI 2017).

**6.5.1.6 CFA-Perceived Behavioural Control on Easiness to Find another job(s) outside DGT (PBC\_OJ)**

Perceived behavioural control regarding the ease of finding another (jobs) outside the DGT was measured using four items: two items for control factors and two items for the perceived power. The two control factor items were statements concerning beliefs or perceptions about the ease of finding another job(s) outside DGT and its relationship with willingness to whistleblow on bribery as well as the consequences of an employee’s whistleblowing.

We then conducted Confirmatory Factor Analysis (CFA) for all latent constructs in the study before modelling their inter-relationship in a structural model (SEM).The PBC\_OJ construct consisted of two paired items. Overall, results from CFA indicate that most items fit the data adequately (Table 6.8).

**Figure 6-11: A CFA Measurement Model of Perceived Behavioural Control Ease to Find Another(Jobs) Outside DGT**



Source: Calculated from the survey data

**Table 6-8: CFA Model Fit Indices for Perceived Behavioural Control Ease to Find Another(Jobs) Outside DGT**

Goodness of fit index	Criteria	Obtained value	Remarks
Chi-square	<5	0.000	Fit
Significant Probability	$\geq 0.05$	1.000	Fit
RMSEA	$\leq 0.08$	0.000	Fit
GFI	$\geq 0.90$	1.000	Fit
AGFI	$\geq 0.80$	1.000	Fit
CMIN / DF	$\leq 2.00$	1.000	Fit
TLI	$\geq 0.90$	1.000	Fit
CFI	$\geq 0.90$	1.000	Fit
NFI	$\geq 0.90$	1.000	Fit
RFI	$\geq 0.90$	1.000	Fit
IFI	$\geq 0.90$	1.000	Fit

Notes: RMSEA: Root-Mean-Square Error of Approximation; GFI: Goodness-of-Fit Index; AGFI: Adjusted Goodness-of-Fit Index; CMIN/DF: the minimum discrepancy/ degrees of freedom; TLI: Tucker Lewis Index; CFI: Comparative Fit Index; NFI: Normed Fit Index; RFI: Relative Fit Index; IFI: Incremental Fit Index

Source: Calculated from the survey data

After making substantial modification indices (see Table 6.8), results indicated that the CFA fit the data adequately. As can be seen in figure 6.11, all items had a factor loading above the minimum requirement (0.6) (Awang 2012b). Thus PBC\_OJ was assumed to meet the uni-dimensionality as well as validity criteria, indicating that all items represented PBC\_OJ.

Further assessment by reviewing the determinant of the covariance matrix assumptions was conducted to detect multicollinearity and singularity.

As calculated, condition number, eigenvalues, and determinant of sample covariance matrix are as follows:

Condition number = 7.490

Eigenvalues

44.630 5.958

Determinant of sample covariance matrix = 265,921

Since the condition number =7.490 was less than 1,000 (Montgomery, Peck & Vining 2015) and the determinant of sample covariance matrix = 265,921 was far from zero (Raykov & Marcoulides 2012), both conditions indicated that there were no multicollinearity and singularity problems in the analysed data.

The perceived behavioural control ease of finding another job(s) outside the DGT (PBC\_OJ) was calculated by multiplying each control factor by the perceived power of each control factor and summing the results for the two control factors (Appendix 16).

The reliability of PBC\_OJ was assessed using Cronbach's alpha. Those statements, their means, and the Cronbach's alpha value are reported in Appendix 16.

The Cronbach's alpha of PBC\_OJ was .746, and is therefore slightly above the benchmark of .70. According to Nunally and Bernstein (1978) and Churchill, Brown and Suter (2001), an alpha value of .70 or above is acceptable.

As shown in Appendix 16, the range of values for perceived behavioural control was relatively narrow and relatively low below 3.50 both for belief in control factors and evaluation of control factors. The results indicated that the respondents valued ease of finding another job(s) outside DGT and the ease of obtaining consent from authorities at the DGT to quit their jobs at the DGT as less important.

The finding contradicts the power-dependency theory. As previous studies have indicated, the perception of availability of employment alternatives may encourage employees to whistleblow on misconduct since they feel able to find another job(s) relatively easily in case their current employer retaliates severely (Miceli & Near 1985b; Near & Miceli 1986).

Then, qualitative analysis was conducted. Rather than resigning and looking for another job outside DGT, many respondents claimed that the most desirable reward they wanted was a relocation closer to home or to a preferred geographical location if all other conditions, such as protection and organisational support were fulfilled. The following responses highlight this point:

*"I would like to be given a placement/move closer to family"*

*"Placed to a desired location"*

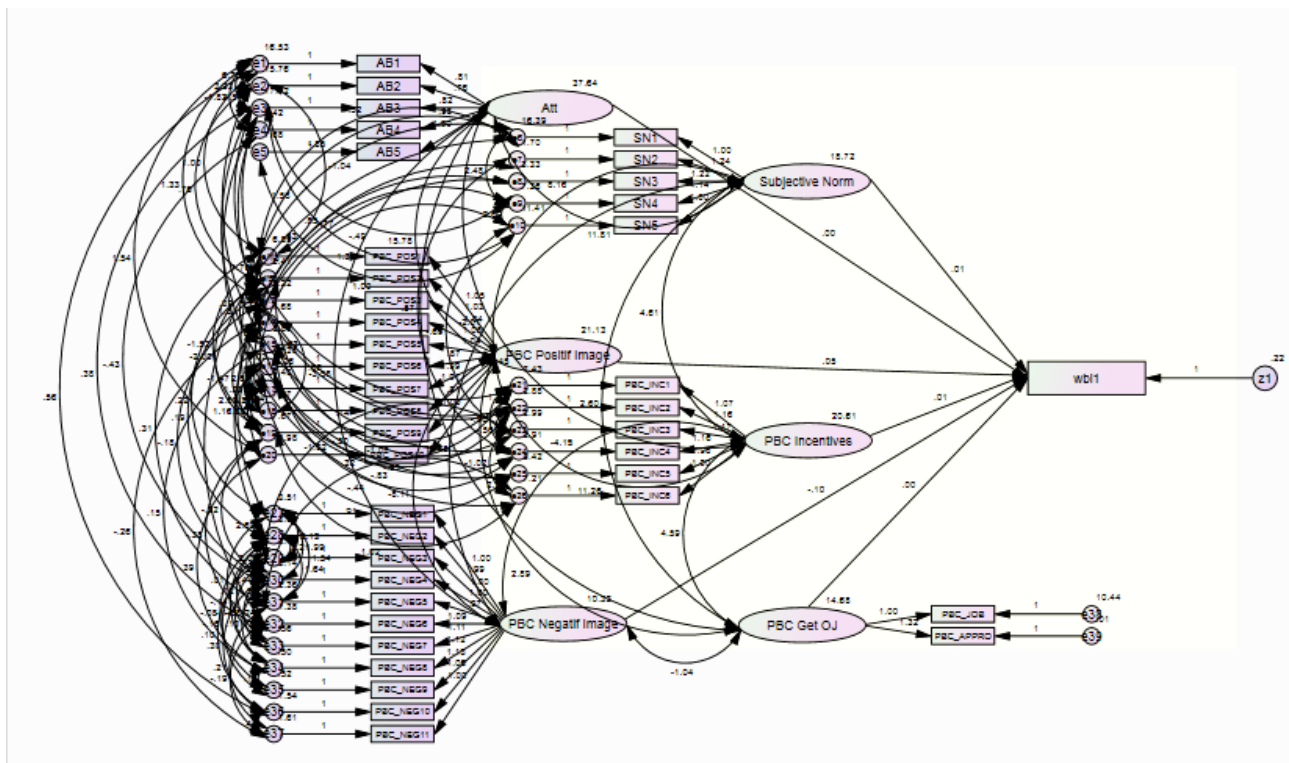
*"Placed to my home base until retirement (even if I am only being a staff)"*

### 6.5.2 Stage 2 – Analysis and Results of Structural Model-Performance of the Models

After conducting CFA for all latent constructs for every measurement model separately, it can be seen from section 6.6.1. to 6.6.6., all items met validity and reliability tests, and thus they were retained for further analysis.

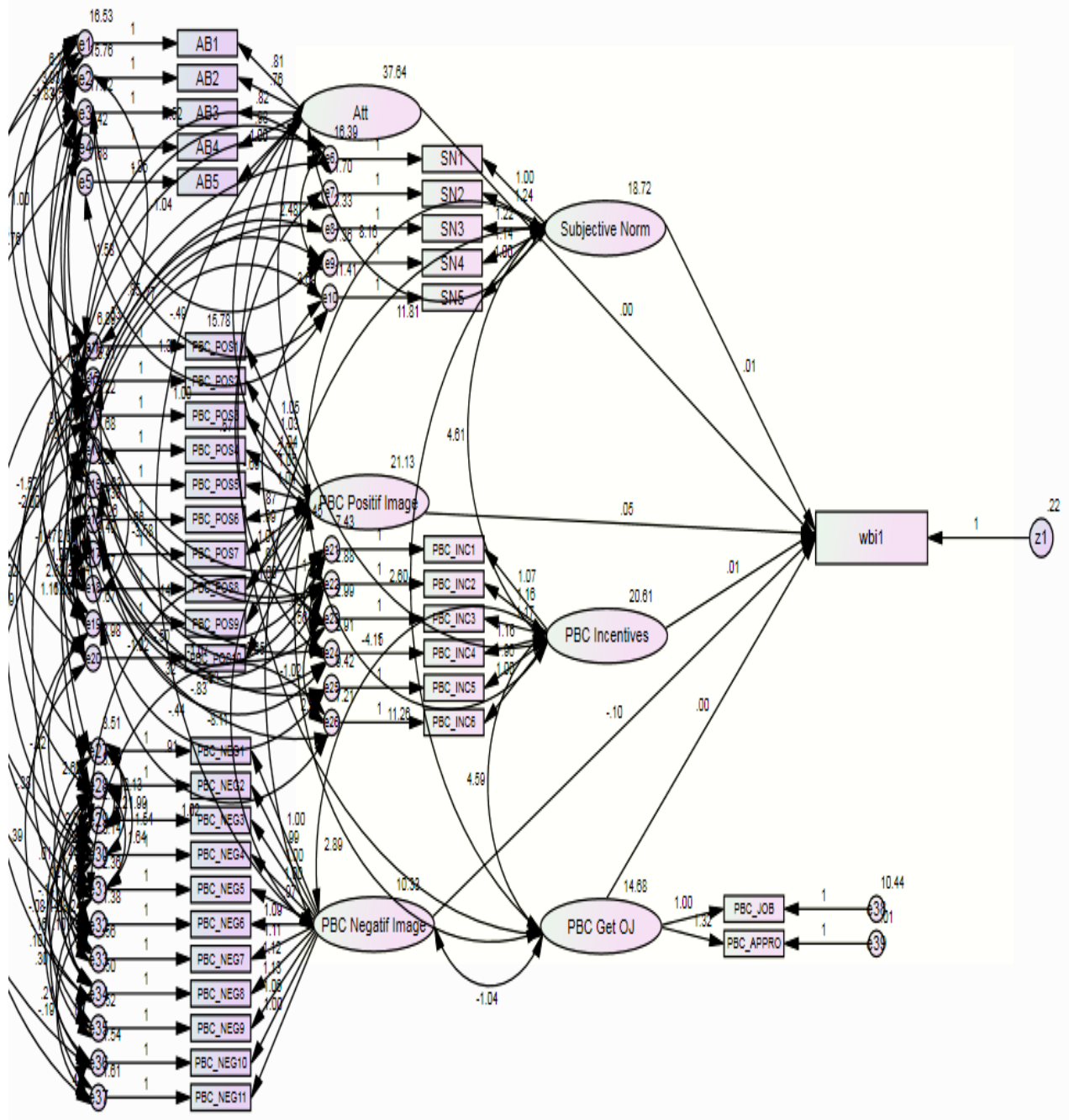
The next step was to test the hypothesized relationships in the structural model. All hypotheses were tested using the structural model. In doing so, the best-fit model was identified by using goodness-of-fit indices, as explained.

**Figure 6-12: Structural Model of Whistleblowing Intention under Planned Behaviour Theory**



Since the AMOS image in Figure 6.12 was too small, we attempted to enlarge it as can be seen in Figure 6.13. However, consequently, the image cannot be displayed in full.

**Figure 6-13: Structural Model of Whistleblowing Intention under Planned Behaviour Theory (bigger display)**





**Table 6-9: Model Fit Indices for Structural Model**

Goodness of fit index	Criteria	Obtained value	Remarks
Chi-square	<5	1,210.224	Not Fit
Significant Probability	$\geq 0.05$	0.000	Not Fit
RMSEA	$\leq 0.08$	0.038	Fit
GFI	$\geq 0.90$	0.912	Fit
AGFI	$\geq 0.80$	0.885	Fit
CMIN / DF	$\leq 2.00$	1.943	Fit
TLI	$\geq 0.90$	0.979	Fit
CFI	$\geq 0.90$	0.983	Fit
NFI	$\geq 0.90$	0.966	Fit
RFI	$\geq 0.90$	0.958	Fit
IFI	$\geq 0.90$	0.983	Fit

Notes: RMSEA: Root-Mean-Square Error of Approximation; GFI: Goodness-of-Fit Index; AGFI: Adjusted Goodness-of-Fit Index; CMIN/DF: the minimum discrepancy/ degrees of freedom; TLI: Tucker Lewis Index; CFI: Comparative Fit Index; NFI: Normed Fit Index; RFI: Relative Fit Index; IFI: Incremental Fit Index

Source: Calculated from the survey data

After making substantial modification indices (see Table 6.9), in general, results indicated that the overall model fit indices of the framework were consistent with the hypothesized relationships. The majority of fit indices met the recommended values (Table 5.4). However, only Chi-square and significant probability values did not meet the criteria.

Given the complexity of SEM, it is not uncommon to find that the fit of a proposed model is poor (Hooper, Coughlan & Mullen). It was noticed that all the modification indices were rather close and were at this stage much smaller than before. An examination of modification indices might be continued from this stage, but as suggested by Steiger (2013), researchers should stop capitalizing on chance at a particular stage. Otherwise, the results may reach a point of diminishing returns.

Moreover, as can be seen in Figures 6.12 and 6.13, all items had a factor loading above the minimum requirement (0.6) (Awang 2012b). Thus, the TPB model was assumed to meet the uni-dimensionality as well as validity assessments, meaning that all items represented the model.

Further assessment by reviewing the determinant of the covariance matrix assumptions was conducted to detect multicollinearity and singularity.

As calculated, condition number, eigenvalues, and determinant of sample covariance matrix are as follows:

Sample Covariances (Group number 1)

Condition number = 225.8666

Eigenvalues

431.582 138.820 108.125 78.159 54.673 40.039 19.471 17.694 16.390 14.710  
13.672 11.046 9.897 9.758 8.329 7.865 7.181 6.704 6.107 5.681 5.420 5.293  
4.828 4.577 4.236 3.718 2.741 2.358 2.163 1.984 1.814 1.331 1.240 .927 .797  
.727 .536 .401 .307 .191

Determinant of sample covariance matrix =

823022457455914000000000000000.000

Since the condition number =225.8666 was less than 1,000 (Montgomery, Peck & Vining 2015) and the determinant of sample covariance matrix = 823,022,457,455,914,000,000,000,000,000.000 was far from zero (Raykov & Marcoulides 2012), both conditions indicated that there was no indication of multicollinearity and singularity problems on the analysed data. Thus, it can be said that the measurement model meets the multiple fit indices, as reported above.

We then continued to test the hypothesis.

Table 6.10 shows the outputs containing the average parameter estimations of bootstrapping various samples. The difference between normal estimation (based on maximum likelihood) and estimation based on bootstrapping is displayed in the Bias column. The hypothesis performance using the bootstrapping method, can be seen from percentile confidence interval (Table 6.10) and corrected confidence interval (Table 6.11).

**Table 6-10: Percentile Confidence Interval (Critical Value) TPB Model**

Parameter	SE	SE-SE	Mean	Bias	SE-Bias
WBI <--- Attitude	.004	.000	.002	.000	.000
WBI <--- Subjective Norm	.005	.000	.008	.000	.000
WBI <--- PBC Positive Image	.006	.000	.048	.000	.000
WBI <--- PBC Incentives	.004	.000	.013	.000	.000
WBI <--- PBC Negative Image	.009	.000	-.103	-.001	.000
WBI <--- PBC Get OJ	.005	.000	-.001	.000	.000

Source: Calculated from the survey data

**Table 6-11: Corrected Confidence Interval Model-TPB Model**

Parameter	Estimate	Lower	Upper	P
WBI <--- Attitude	.002	-.009	.005	.559
WBI <--- Subjective Norm	.008	.000	.017	.094
WBI <--- PBC Positive Image	.048	.038	.059	.003
WBI <--- PBC Incentives	.014	.008	.020	.002
WBI <--- PBC Negative Image	-.103	-.117	-.088	.004
WBI <--- PBC Get OJ	-.001	-.008	.008	.955

Note: WBI = whistleblowing intention

Source: Calculated from the survey data

**Table 6-12: Results of Hypotheses Testing: Direct Relationships**

Hypothesis Path	Critical Values (default)	Critical Value (corrected after bootstrapping)	Supported	Remarks
	Mean/SE Criteria >1.96 (5% significant level)	P should be below 0.05		
WBI <--- Attitude	0.50	.559	No.	Based on the two methods: the percentile confidence interval and bias corrected confidence interval, results indicated the similar conclusion.
WBI <--- Subjective Norm	1.60	.094	No.	
WBI <--- PBC Positive Image	8.0	.003	Yes.	
WBI <--- PBC Incentives	3.25	.002	Yes.	
WBI <--- PBC Negative Image	-11.44	.004	Yes. (negative direction)	
WBI <--- PBC Get OJ	-0.20	.955	No.	

$$WBI = 0.002Attitude + 0.008SN + 0.048PBC\_POS + 0.014PBC\_INC - 0.103PBC\_NEG - 0.001PBC\_OJ$$

As can be seen in Table 6.13 below, the explanatory power of the six determinants was very strong. Based on regression analysis of whistleblowing intention, the independent variables explained 94.2 percent of the variance, with PBC\_Pos, PBC\_Neg, and PBC\_Incentive being significant. However, the other three determinants (attitude, subjective norm, and PBC\_OJ) were not significant.

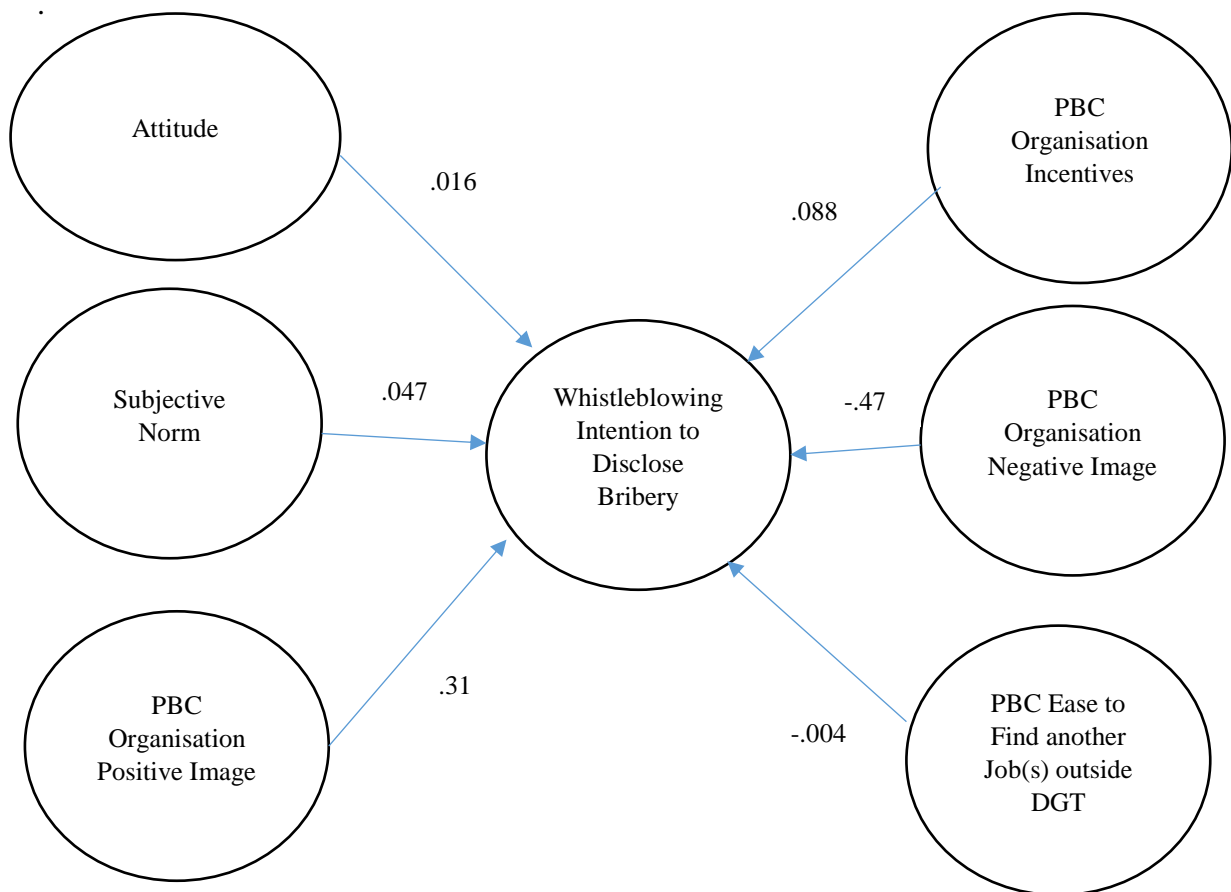
Attitude, Subjective Norm, and Perceived Behavioural Control (PBC) ease of finding another job(s) outside the DGT contributed 1.6 percent, 4.7 percent, and -0.4 respectively, but none was significant. Perceived Behavioural Control (PBC) Organisation Positive Image, PBC Incentive, and PBC Organisation Negative Image contributed 31.6 percent, 8.8 percent, and 47.1 percent respectively. The three variables were significant predictors in the regression model. Moreover, PBC Organisation Negative Image was clearly the most important variable (in the negative direction) for whistleblowing intention.

**Table 6-13: Standardized Total Effects**

WBI	Attitude	Subjective Norm	PBC Positive Image	PBC Incentives	PBC Negative Image	PBC Get OJ
	.016	.047	.316	.088	-.471	-.004

Results are shown in Figure 6.14

**Figure 6-14: Final Model**



### 6.5.3 Examination of Reporting Channel Preferences

This study determined the preferences to the eight types reporting channels. For the steps of the PROMOTHEE method, this study followed Brans, Vincke & Mareschal (1986) paper. Based on data calculation, the net flow of PROMOTHEE II was determined (Table 6.14).

**Table 6-14: Net Flow of PROMOTHEE II**

Net Flow		Ranks	Remarks
Ewa	<b>0.17</b>	<b>3</b>	Accepted
Ewn	-0.30	8	Rejected
Iwa	<b>0.47</b>	<b>1</b>	Accepted
Iwn	-0.01	4	Rejected
EWaIWa	<b>0.23</b>	<b>2</b>	Accepted
EWnIWn	-0.22	6	Rejected
EWaIWn	-0.08	5	Rejected
EWnIWa	-0.25	7	Rejected

Notes: 1) Ewa: External whistleblowing reporting channel anonymously; 2) Ewn: External whistleblowing reporting channel non-anonymously; 3) Iwa; Internal whistleblowing reporting channel anonymously; 4) Iwn: Internal whistleblowing reporting channel non-anonymously; 5) EwaIwa: External and Internal whistleblowing reporting channels anonymously; 6) EwnIwn: External and Internal whistleblowing reporting channels non-anonymously; 7) EwaIwn: External whistleblowing reporting channel anonymously BUT Internal whistleblowing reporting channel non-anonymously; and 8) EwnIwa: External whistleblowing reporting channel non-anonymously BUT Internal whistleblowing reporting channel anonymously.

Source: Calculated from the survey data

Based on PROMETHEE calculations, the most preferred whistleblowing reporting channel selected by the respondents was Iwa. The second reporting channel option was EwaIwa, and the third was Ewa. Thus, these three types of reporting channel preferences were recommended to be accepted.

### 6.5.4 Demographic Factors, Training and Knowledge about Whistleblowing

Cross-tab and Chi-Square Test of Independence were conducted to determine whether different demographic factors, training, and knowledge about whistleblowing variables of DGT employees differed significantly in terms of their impact on the intention to disclose bribery. To check whether the demographic, training, and knowledge about whistleblowing channels will affect TPB variables, this study used t-test, one-way analysis of variance, and Levene's test. Runkel (2013) argued that "a t-test is commonly used to determine whether the mean of a population significantly differs from

a specific value (called the hypothesized mean) or from the mean of another population”. The ANOVA is used to investigate if there are any statistically significant differences among the means of three or more unrelated variables (Laerd Statistics n.y.).

For multiple categories, Lund and Lund (2013) argued that “Levene's test may also be used as a main test for answering a stand-alone question of whether two sub-samples in a given population have equal or different variances”. Therefore, the t-test and Levene’s test provided evidence that the responses of those surveyed are mostly typical of the target population. Based on t-test and Lavene’s analyses, the comparison between demographic factors, situational variables, and TPB variables revealed that majority of demographic factors and situational variables were not significant different.

Details of the analysis results are given below.

#### **6.5.4.1 Demographic Factors**

With regards to their whistleblowing intentions, demographic groups appeared not to correlate with a DGT employees’ decision to whistleblow.

Firstly, the cross-tab and chi-square test revealed that there was no significant difference between males and females regarding whistleblowing intention (Appendix 20 and 21). This finding contradictsthose of previous studies showing that males rather than females tend to whistleblow (Dworkin & Baucus 1998; Miceli & Near 1988; Sims & Keenan 1998).

Secondly, in general, the cross-tab and chi-square test revealed that there was no significant difference among different age groups regarding whistleblowing intention to disclose bribery (Appendix 22 and 23). The finding contradicts those of several studies showing that older employees have a better understanding of the authority and control systems in their organisation and therefore are more empowered to whistleblow compared with the young staff (Keenan 2000). However, other studies have found that age is not a significant variable of whistleblowing intention (Dworkin & Baucus 1998; Keenan 2000; Sims & Keenan 1998).

Thirdly, overall, the cross-tab and chi-square tests revealed that there was no significant difference among different education levels regarding whistleblowing intention to

disclose bribery (Appendix 24 and 25). Mesmer-Magnus and Viswesvaran (2005) support the findings in this study.

Fourthly, overall, the cross-tab and chi-square test revealed that there was a significant difference among different groups regarding the influence of job tenure on whistleblowing intention to disclose bribery (Appendix 26 and 27). Findings in this study indicated that younger employees (working tenure between 1 and 10 years) were more likely to whistleblow than are their senior counterparts (working tenure more than 15 years) (Appendix 28 and 29). However, this finding contradicted those of previous studies. As the literature indicates, senior employees are more likely to whistleblow because they generally occupy high position levels of power (Mesmer-Magnus & Viswesvaran 2005; Near & Miceli 1985). Other studies have indicated that job tenure was unrelated to whistleblowing intention and was only weakly related to actual disclosure (Miceli, Near & Dworkin 2013). A study in the Malaysia context also confirmed the previous findings (Ghani 2013).

Finally, the cross-tab and chi-square test revealed that there was a significant difference among different groups depending on their position or level in the organisation (Appendix 30 and 31). Findings from this study showed that lower-level employees are more likely to disclose bribery than are those in functional position (Appendix 32 and 33). Findings in this study did not show any differences between low and higher ranked officials. As suggested by (Near & Miceli 1996), whistle-blowers tend to be relatively powerful employees, such as supervisors or more senior, high ranking employees.

#### **6.5.4.2 Training and Knowledge about Whistleblowing Reporting Channels**

Surprisingly, this study found that there was no significant difference among all groups regarding enabler factors (training and knowledge about whistleblowing reporting channels).

Firstly, this study found that there was no significant difference in whistleblowing intention between those who had and those who had not attended whistleblowing information sessions (Appendix 38 and 39). Secondly, the cross-tab and chi-square test revealed that there was no significant difference between employees who had knowledge about internal whistleblowing and those who did not (Appendix 40 and 41).

Thirdly, this study also revealed that there was no significant difference between employees who had knowledge about EW and those who did not (Appendix 42 and 43).

Finally, this study found no significant difference in whistleblowing intention between employees who had attended ethics training sessions and those who had not (Appendix 44 and 45).

Overall, this study's findings were not consistent with those of previous studies regarding training, such as studies by Ghani (2013), Frisque and Kolb (2008), and Daniels (2009) which indicated that employees who participate in such training are more likely to whistleblow than those who had no such training.

Regarding knowledge of employees about internal or external whistleblowing reporting systems, this study's findings contradicted those of a previous study (Park & Blenkinsopp 2009).

#### **6.5.4.3 Whistleblowing Propensity among Groups (Actual Whistle-blowers versus Bystanders versus Non-Observers)**

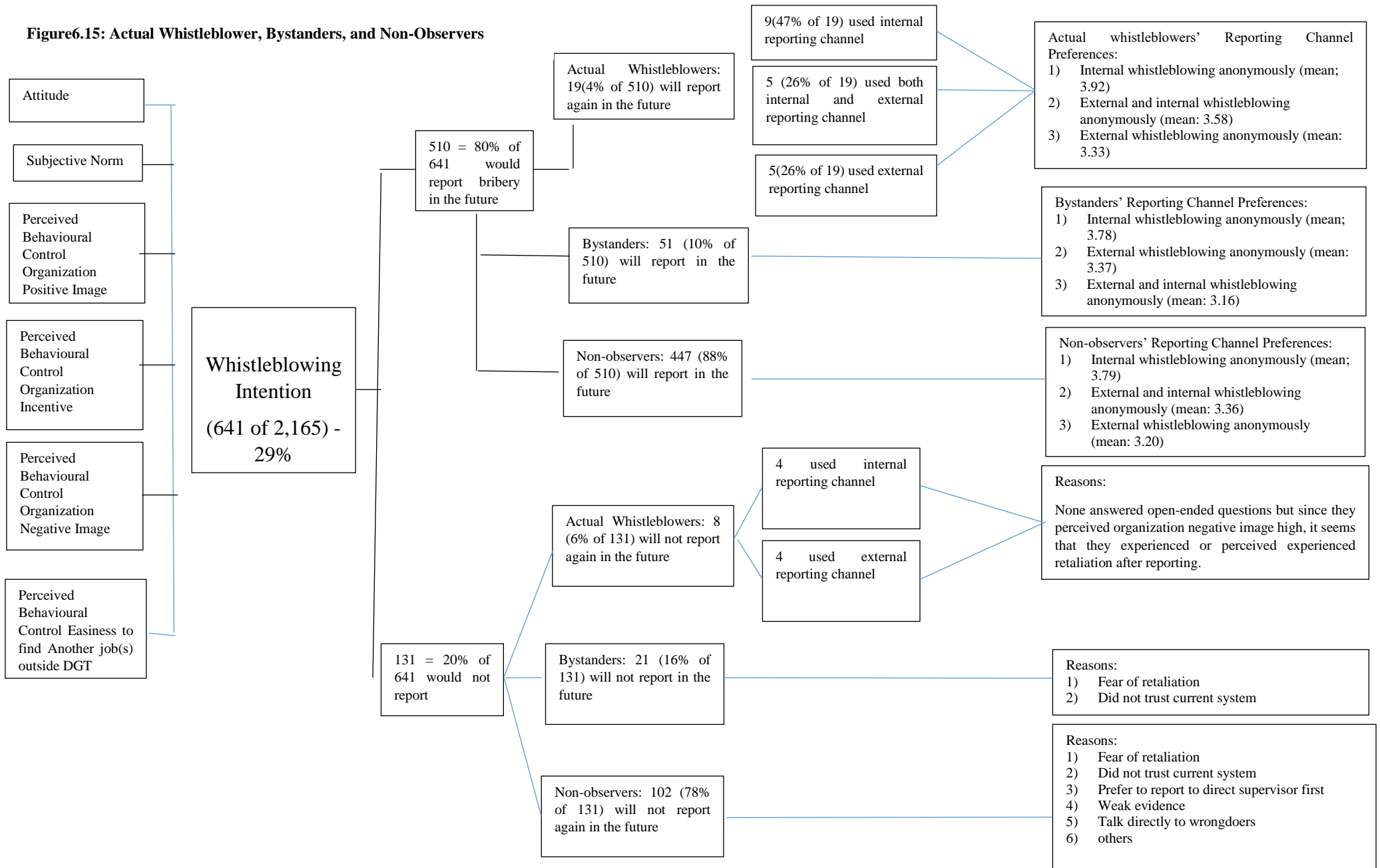
Surprisingly, this study did not find any differences among the three groups (actual whistle-blowers, bystanders, and non-observers) regarding whistleblowing intention, attitude toward whistleblowing intention, and perceived behavioural control organization positive image (Appendices 34 and 35).

The findings contradicted those of a study indicating that whistle-blowers tend to view whistleblowing as an acceptable behaviour compared to those of non-observers or inactive observers (Miceli & Near 1984).

The profile of the three groups can be seen in Figure 6.15. All proposed hypotheses are depicted in Table 6.15.



**Figure 6.15: Actual Whistleblower, Bystanders, and Non-Observers**



**Table 6-15: List of Hypotheses**

No	Research Questions		Hypotheses	Result
1	To what extent do selected predictors (attitude, subjective norm, perceived behavioural control of organizational culture and leadership, and perceived behavioural control to find another job(s) outside DGT) influence the intention of the DGT employees to engage in whistleblowing in relation to bribery cases?	H1	That attitude toward whistleblowing is positively related to intention to disclose	Not Supported
		H2	That support from important individuals is positively associated with intention to disclose bribery	Not Supported
		H3	That perceptions of organization support of whistleblowing are positively associate with behavioural to disclose bribery they know	Supported
		H4	That expectations of rewards or incentives from the organization are positively related to disclosure	Supported
		H5	That perceptions of lack of support are negatively related to behavioural intention to disclose	Supported
		H6	That perceptions of ease in obtaining another job(s) outside DGT, are positively related to disclosure of bribery	Not Supported
2	What is the most important determinant to be considered if seeking to know the enabler or disabler of whistleblowing behaviour?	H7	That perceive behavioural control is positively related to intention to disclose bribery. The main determinant influencing DGT employees to disclose bribery in their workplace is PBC_Neg (negative way)	Supported
3	Does the model fit Theory of Planned Behaviour?	H8	The proposed models drawn from the Theory of Planned Behaviour are confirmed by the present data	Generally supported*
4	What is the most preferred reporting channel?	H9	Internal anonymous whistleblowing is the most preferred reporting channel	Supported
5	What are demographic characteristics of persons who are likely to whistleblow?	H10a	DGT employees are more likely to whistleblow if the persons are: (a) male; (b) older; longer working tenure and (c) higher position level in the organisation	Not supported**
7	Is there any difference in whistleblowing intention toward bribery among different education level?	H10b	That there is no relationship between education level and whistleblowing intention	Supported
10	Is there any difference in whistleblowing intention toward bribery between employees who attend internal whistleblowing dissemination or ethics trainings and those who do not?	H11	That attendance at information sessions or ethics training is positively related to behavioural intention to disclose	Not supported
11	Is there any difference in whistleblowing intention between employees who know how to report to internal or external whistleblowing channels and those who do not?	H12	Knowledge of how to use internal or external reporting channels is positively related to behavioural intention to disclose bribery. Employees who know how to use the internal or external whistleblowing reporting channel tend to disclose bribery than those who do not know	Not supported
12	Is there any difference in whistleblowing intention toward bribery among actual whistle-blowers, bystanders, and non-observers?	H13	Actual whistle-blowers are more likely to disclose bribery compared to bystanders and non-observers	Not supported

\*= The proposed model did not fit well with the present data set.

\*\* = gender and age are insignificant, while working tenure is significant but it contradicts with literature, and position level is significant but it does not fit with literature.

## CHAPTER 7 - DISCUSSION

### 7.1 Introduction

This chapter is divided into fourteen sections. Following this first section, sections 7.2 to 7.13 discuss the findings derived from Chapter 6. Next, sections 7.14 to 7.16 provide theoretical, methodological and managerial implications of the study. Finally, section 7.17 concludes the chapter.

This study proposed three research objectives, which are: to investigate the selected predictors' influence on the intention of DGT employees to engage in whistleblowing in relation to bribery; to assess how the selected variables influence the intention of the DGT employees to report or not report bribery cases through internal or external reporting channels either anonymously or non-anonymously; and to identify the main factors that actually influence the intention of the DGT employees to engage or not engage in whistleblowing in relation to bribery. The predictive variables chosen for this study were attitude, subjective norm, perceived behaviour controls of positive organisation image, incentives, organization negative image and ease of finding another job(s) outside the DGT. To fulfil the study objectives, a theoretical framework was developed, based on the theories of planned behaviour (Ajzen 1991) and cultural dimensions (Hofstede & Hofstede 2005). The theoretical framework was used to test twelve hypotheses in order to answer the research questions.

### 7.2 Discussion of the Findings

#### 7.2.1 Direct Relationships

**Table 7-1: Hypotheses and Summary of Results for Direct Relationships**

	Hypotheses	Result
H1	That attitude toward whistleblowing is positively related to intention to disclose	Not Supported
H2	That support from important individuals is positively associated with intention to disclose bribery	Not Supported
H3	That perceptions of organization support of whistleblowing are positively associate with behavioural to disclose bribery they know	Supported

H4	That expectations of rewards or incentives from the organization are positively related to disclosure	Supported
H5	Perceptions of lack of support is negatively related to behavioural intention to disclose	Supported
H6	That perceptions of ease in obtaining another job(s) outside DGT, are positively related to disclosure of bribery	Not Supported
H7	That perceive behavioural control is positively related to intention to disclose bribery. The main determinant influencing DGT employees to disclose bribery in their workplace is PBC_Neg (negative way)	Supported
H8	The proposed models drawn from the Theory of Planned Behaviour are confirmed by the present data	Supported*
H9	Internal anonymous whistleblowing is the most preferred reporting channel	Supported
H10a	DGT employees are more likely to whistleblow if the persons are: (a) male; (b) older; longer working tenure and (c) higher position level in the organisation	Not supported**
H10b	That there is no relationship between education level and whistleblowing intention	Supported
H11	That attendance at information sessions or ethics training is positively related to behavioural intention to disclose	Not supported
H12	Knowledge of how to use internal or external reporting channels is positively related to behavioural intention to disclose bribery. Employees who know how to use the internal or external whistleblowing reporting channel tend to disclose bribery than those who do not know	Not supported
H13	Actual whistle-blowers are more likely to disclose bribery compared to bystanders and non-observers	Not supported

Note:

\*= The proposed model did not fit well with the present data set.

\*\* = gender and age are insignificant while working tenure is significant but it contradicts with literature, and position level is significant but it does not fit with literature

### 7.2.2 Whistleblowing Intention

This study found that around 94% of 641 respondents believed that whistle-blowers should be protected, or not be punished. These findings were a very critical statistic because they showed overwhelming employee support for whistle-blowers and for protecting them. It also sends a strong message to DGT leaders that they need to take a stand that involves some backbone when it comes to protecting whistle-blowers. The need to improve faith in the DGT organisation was one of the possible reasons. This would be a good starting point since most of the respondents trusted their organisation.

Cameron et al. (2005) showed that unexpectedly, in Indonesia, which is perceived by many as a country with a high level of corruption, the tendency to engage in and the

willingness to punish corrupt behaviour is not much different from Australia. The researchers have concluded that recent democratization and increased freedom of the press in Indonesia may explain this finding, at least in the short term (Cameron et al. 2005). Details of each variable and its association with whistleblowing intention are given below.

Table 7.1 shows the hypotheses and a summary of the results for the direct relationships. In total, thirteen hypotheses were tested. Findings from this study supported only six of the hypothesised relationships. Table 7.2 indicates that the most preferred reporting channel was the Internal Whistleblowing Anonymously. Table 7.1 summarizes the results of a possible significant difference between the means in two or more unrelated groups of control variables (demographic, situational factors, and actual whistle-blowers, bystanders, and observers).

The following sections discuss the results of all the direct hypothesised relationships and control variables.

### **7.2.3 Attitude and Whistleblowing Intention**

As discussed in Chapter 2, attitude refers to an individual's response, favourably or unfavourably, to a particular object, person, entity, event, or behaviour (Ajzen 2005).

Attitude is expected to predict who will have an intention (Ajzen, Icek 1991) to whistleblow after observing wrongdoing. As indicated in the Miceli, Parmelee and Near (1984) study, attitude appears to be one of the most important factors determining internal whistleblowing. Also, Ajzen's (1991) TPB suggested that attitude was an important determinant of whistleblowing intention (Ellis & Arieli 1999; Park & Blenkinsopp 2009).

*Hypothesis 1: That attitude toward whistleblowing is positively related to intention to disclose*

Contrary to expectation, hypothesis 1 was rejected because attitude did not affect the DGT employees' intention to whistleblow on bribery.

Appendix 11 shows that the overall means of the items of outcomes as well as their evaluation were higher than 3.50 on average, indicating that the respondents more or less agreed that whistleblowing had positive effects, and they were important. Moreover, qualitative analyses also supported the finding that the majority of DGT employees

believed that reporting bribery was their role and responsibility as well as their moral obligation.

However, when it came to intention, the positive attitude did not automatically drive DGT employees to whistleblow. Park and Blenkinsopp (2009) justify the non-significant relationship between attitude and whistleblowing intention by explaining that a positive attitude towards whistleblowing (individuals think it is morally right and necessary) does not necessarily mean that everyone will disclose wrongdoing when the time comes to do so. The insignificant relationship between attitude and whistleblowing intention indicated that attitude did not influence DGT employees to whistleblow.

While the literature (i.e. Buckley et al. 2010; Chiu 2003; Ellis & Arieli 1999; Lavena 2014a; Miceli & Near 1985a, 1989; Miceli & Near 2002; Miceli, Roach & Near 1988; Near, Dworkin & Miceli 1993; Park & Blenkinsopp 2009; Sims & Keenan 1998; Trevino & Victor 1992; Vadera, Aguilera & Caza 2009; Victor, Trevino & Shapiro 1993; Zhang, Chiu & Wei 2009) suggests that attitude might be a significant predictor of the tendency to whistleblow, the finding in this study was not consistent with this prediction. The insignificant relationship between attitude and whistleblowing intention indicates that attitude among DGT employees has no effect on their whistleblowing intention. Therefore, this study suggests that culture might, at least partially, explain the insignificant relationship.

Generally, Indonesians are concerned with high power distance and collectivist culture dimensions (Hofstede & Hofstede 2005). Unquestioning obedience to authority figures like super-ordinates and older people, a lack of critical thinking, and a reticence to express one's opinion or disagreement with conventional beliefs, all may influence many Indonesians to believe that their own thoughts or opinions are unimportant. This attitude may be rooted in an old cultural value as many Indonesians have an 'inferiority' mentality (Koentjaraningrat 1988) characterised by a sense of the inequality of people, a lack of self-confidence, and an inferiority complex (Koentjaraningrat 1988). These characteristics of Indonesians have persisted as a result of Indonesia's long history of colonial rule under the Dutch and are also the result of a series of failures, 'which the Indonesian people have experienced from independence up to the present day' (Koentjaraningrat 1988, p. 128).

In addition, the Indonesians tend to have a conformist attitude and peasant mentality (Koentjaraningrat 1988), and consequently, tend to avoid conflict (Hofstede & Hofstede 2005). Although many DGT employees might agree that whistleblowing is necessary, they tend to believe that their attitudes, thoughts, and opinions are not important. As indicated by Koentjaraningrat (1988), Indonesian civil servants' peasant mentality regarding work is deeply rooted in the need for survival. As identified by Hofstede-Insights (n.y.), generally Indonesians have a pragmatic culture. In societies with a pragmatic orientation, Indonesians tend to believe that truth depends very much on situation, context and time (Hofstede-Insights n.y.). An ability to adapt situation, context and time is often considered as a crucial strategy in achieving results for many Indonesians (Hofstede-Insights n.y.).

Consequently, although they might disagree with something, Indonesians are likely to accept or at least ignore a situation, as long as they are able to achieve what is necessary in order to survive (Koentjaraningrat 1988). Moreover, it seemed that consideration of the cost and benefits to the whistle-blower explains the insignificant relationship.

Regarding the implied meanings derived from responses to open-ended questions, the majority of responses indicated that there was risk and danger associated with whistleblowers. Individuals who encouraged whistleblowing often suffered some form of retaliation.

The following statements (bold and underlined) drawn from responses to open-ended questions indicate their opinions regarding the risk associated with whistleblowing:

*“(Whistle-blower) is a brave employee because (he or she) **takes risks of revilement and humiliation** for the benefit of the State and institutions”*

*“Because whistle-blower has **the big courage** to speak the truth”*

*“Because it (whistleblowing behaviour) needs **the courage** to do it. Many people **prefer to keep quiet** about organization misconduct, only few disclose it for fear of its consequences”*

*“(Whistle-blower) **taking personal risk** for broader interests”*

*“Because a whistle-blower dares to defend the truth although he or she puts his or her **own safety, success, and career in jeopardy**”*

#### 7.2.4 Subjective Norm and Whistleblowing Intention

Following Ajzen's (1991, p. 188) definition, this study defined subjective norm as 'perceived social pressure to perform or not to perform the behaviour'.

Among other variables, Park and Blenkinsopp (2009) argued that subjective norm was the most essential element in determining one's decision to disclose misconduct in a South Korean Police department. Studies in an Indonesian context show some inconsistency. For instance, a finding at DGT is that the absence or presence of support from a supervisor does not influence employees' intention to report wrongdoing (Budiriyanto & Gugup Kismono 2013), while other studies show that, for accounting students, subjective norms influence individuals' intention to whistleblow (Sulistomo & Prastiwi 2011) and this is the case for internal auditors at BPKP (Banda & Mahfud Sholihin 2012).

*H2: That support from important individuals is positively associated with intention to disclose bribery*

Similar to attitude, surprisingly, hypothesis 2 was rejected because the subjective norm did not affect the DGT employees' intention to whistleblow on bribery.

Appendix 12 shows that the respondents valued members of their family (mean: 3.73, s.d.: 0.863), co-workers (mean: 3.56, s.d.: 0.833), and immediate supervisor (mean: 3.59, s.d.: 0.821) higher than 3.50 on average, indicating that the respondents more or less agree those three groups of persons are important. Moreover, qualitative analyses also supported the findings that the majority of DGT employees believed that the important persons would support their actions to whistleblow, and several of them preferred to report to their supervisor first before going further through a formal reporting channel.

The insignificant relationship between subjective norm and whistleblowing intention indicated that subjective norm did not influence DGT employees to whistleblow. This study suggests that cost and benefit analysis might, at least partially, explain the insignificant relationship. As can be seen from PBC organisation positive image, PBC organisation negative image, and PBC incentives, those three factors were seen as the most important determinants of DGT employees' intention to whistleblow.

Although the finding in this study indicated that direct supervisors were the important parties in the reporting chain, the respondents seemed not to be convinced that their direct



supervisors could protect them, especially if the suspected bribe-takers were in a higher position. As can be seen in Table 6.1., around 80% of respondents were in lower-level positions. Hence, their direct supervisors were only at echelon IV (the lowest position in the managerial rank). Several studies have confirmed this finding. As suggested by scholars (Donkin, Smith & Brown 2008; Mazerolle & Brown 2008), the front-line managers are crucial key players because many whistle-blowers disclose misconduct to them first. However, this poses a dilemma, especially when the employee reports someone who is in a higher position than the report recipient because a direct supervisor is usually on the lowest level of the management hierarchy (Keenan 2002b). The more power the recipient has within an organization, and if he or she agrees with the report, the greater the possibility that the report will be more effective (Miceli 1992; Miceli & Near 2002; Near & Miceli 1995). Miceli (1992) argue that powerful recipient would be able to protect whistle-blower from reprisal. These two premises satisfy Brown's (2008) argument that the two main determinants that prevent reporting are: 1) fear of retaliation; and 2) perception that there is no follow-up on the report.

Another plausible explanation for the insignificant relationship between subjective norm and whistleblowing intention might be the influence of the collectivist view on the issue of possible retaliation not only against the whistle-blower but also against his or her family members. A crucial statement from one of the respondents supports this perspective:

*“.... if a whistle-blower reports it non-anonymously, so he is a very brave guy because the impact of his action may put himself and his family members at risk of being collateral damage, including the bad stigma from the working environment....”*

Again, support from influential persons was necessary, but it was not sufficient. Although the groups (i.e. co-workers, friends, family members, neighbours) were important for the respondents, those groups were powerless to take actions to correct the problem reported by the whistle-blower (Miceli 1992). The findings in this study confirmed that individuals would react differently to different behaviour. For instance, for a mundane activity such as choosing infant food formula, individuals may follow the purchasing behaviour of other people (Ramayah et al. 2004) because there is low risk in doing so. However, there is a high risk and danger associated with whistle-blowers. An individual cannot be

expected to engage in whistleblowing if, by doing so, this places him or her or their loved ones in jeopardy (Hoffman & McNulty 2011).

### **7.2.5 Perceived Behavioural Control (PBC)**

As discussed in Chapter 2, perceived behavioural control (PBC) is not based on actual control, but the subjective perception of an individual's belief of how easy or difficult the execution of the intended behaviour could be (Ajzen & Madden 1986).

In this recent study, as explained in section 4.4.3.1, PBC was divided into four factors, namely: (1) PBC of Organization Positive Image; (2) PBC of Organization Incentive; (3) PBC of Organization Negative Image; and (4) PBC of Ease of finding another Job Outside DGT (Appendices 9 and 10).

Detail explanations are as follows:

### **7.2.6 PBC Organization Positive Image and Whistleblowing Intention**

The inclusion of organization positive image in this study was based on a proposition from previous research (Fallon & Cooper 2015; Schein 2010). Those studies showed that an organisation's support of whistleblowing intention is crucial.

This study found that the related hypothesis was supported.

*H3: That perceptions of organization support of whistleblowing are positively associate with behavioural to disclose bribery they know*

Findings showed that the majority claimed that they would be encouraged to whistleblow if the leaders/the organization support them to do it. All items means under PBC organization positive image showed above 4 (agree-strongly agree) (Appendix 13). The three most important items were: protection from any types of retaliation (mean: 4.32, s.d.: 0.703); (2) ensure anonymity (mean: 4.24, s.d.: 0.740); and the leader as a role model (mean: 4.23, s.d.: 0.679). The finding of a significant relationship between organization positive image and whistleblowing intention in this study are supported by many empirical studies.

For instance, variables such as perceived protection from retaliation and ease of the reporting process and seriousness of investigation (Brown 2008; Keil et al. 2010), open and supportive of whistleblowing (Mesmer-Magnus & Viswesvaran 2005; Miceli, Roach

& Near 1988), management responsiveness (Dozier & Miceli 1985; Keenan 1990; Keil et al. 2010; Miceli 1992; Miceli & Near 1985a), guaranteed anonymity (Keil et al. 2010), and having sufficient evidence (MSPB 2011) have significantly showed positive relationship with an intention to whistleblow after observing wrongdoing.

Moreover, anonymity is important for DGT employees. This firmly embedded Indonesian value is intended to avoid conflict and conceal true intentions. Generally, many Indonesians avoid conflict and attempt to keep human relationship harmony (Hofstede & Hofstede 2005). Moreover, many Indonesians have an attitude of conflict avoidance because in a face-to-face situation people tend to behave positively, but in fact, they often dislike each other (Koentjaraningrat 1988; Lubis, Dardjowidjojo & Lamoureux 1979).

Particular attention should be paid to the leader as a role model item which was considered as one of the three important variables in PBC organization positive image. A possible explanation could be derived from the cultural dimension. Indonesians tend to trust their superiors to lead them (Hofstede & Hofstede 2005). If leaders behave ethically, the employees tend to behave ethically as well. The leaders' daily behaviours observed by employees convey a much stronger message than formal ethical speeches or teaching and coaching mechanisms (Schein 2010).

Aplausible argument to support this finding is that the more power a recipient has within an organization, and if he or she agrees with the report, the more likely it is that the report will be effective (Miceli 1992; Miceli & Near 2002; Near & Miceli 1995). Moreover, Miceli (1992) argue that a powerful recipient would be able to protect a whistleblower from reprisal.

The more supportive is an ethical workplace culture regarding whistleblowing, the greater is employee willingness to disclose misconduct (Kaptein 2011).

Improving faith and trust in the DGT organization was one of the possible reasons. Findings in this study showed that around 410 (64% of 641) respondents believed that they would be rewarded if they disclosed bribery to their organisation.

In this study, the significant direct relationship between organisation positive image and whistleblowing intention could further be explained by considering the following statements from KITSDA officials:

*“Leaders and organization support for whistleblowing implementation in DGT were sufficient. The internal DGT whistleblowing system (WBS) was even connected to the MoF Whistleblowing System (WISE)”*

*“If the reported employee is the Director General of Taxes, in order to keep the process more objective and independent, KITSDA will assign the case files to the Inspectorate of Investigation, the Inspectorate General, MoF”*

*“The leader never asked us to stop investigation or prevent the followed-up of the reports”*

From the above statements, this study has reason to conclude that an organisation’s positive image is a significant determinant of whistleblowing intention. Further, the majority of DGT employees trusted their leaders and organisation.

In addition, since most respondents’ value evidence as one of the most important factors in their intention to report bribery, there is a need for increased transparency and accountability in the workplace, and documentation of employee activities. If a social norm of transparency can be established, individuals can be much more objective and effective in supervising each other. Lack of genuine transparency may exacerbate corruption-related problems (Kolstad & Wiig 2009). Not restricted to internal parties, the DGT should broaden the right to apply for disclosure of government information since access to open information is a requirement of administrating legally and effectively (Zhiyuan 2016). Moreover, Brink, Lowe and Victoravich (2013) concluded that the employees tend to use internal reporting channels before reporting through the external, but this depends on the strength of evidence supporting the claim. A less pessimistic finding emerged from a recent survey, which stated that 56% of respondents (public) would report a case of corruption even if he or she has to spend a day in court to give evidence (TI 2017).

To sum up, transparency may prevent the abuse of power and increase the credibility of a department (Zhiyuan 2016).

### **7.2.7 PBC Organization Incentive and Whistleblowing Intention**

While disclosure of serious misconduct is the obligation of all employees, financial and non-financial rewards could encourage them to do it.

US laws have the most experience with financial reward (Dworkin & Brown 2013; Faunce et al. 2014). Several studies indicate that US financial incentives (“qui tam”) is an effective tool to combat government corruption (Callahan, Dworkin & Lewis 2003; Carson, Verdu & Wokutch 2008). The success of the qui tam model has been included in US whistleblowing legislation offering whistle-blowers financial incentives of 10-30% of the monetary sanctions collected by the US SEC or other authorities as long as the reports were addressed to the correct authorities (Fasterling 2014). Scholars argue that the False Claim Act is the most effective anti-corruption law in the United States (Lewis, Devine & Harpur 2014).

*H4: That expectations of rewards or incentives from the organization are positively related to disclosure*

The findings in this study indicated that the majority of respondents valued material or immaterial incentives as a supporting determinant to encourage them to report bribery. As can be seen in Appendix 14, from six questions, the respondents valued preferred geographic location as the most important reward, followed by good performance rating. Monetary incentive ranked number four below an overseas training incentive.

The preference a relocation closer to home or preferred geographical location as reward over other types of rewards among DGT employees in this study might be influenced by Indonesian culture, especially traditional Javanese culture that as the biggest tribe in Indonesia. Sumartono (2018) suggested that Javanese have a strong philosophical base “*Mangan ora mangan sing penting kumpul*”, meaning that togetherness is above everything. In addition, Javanese are generally famous for the slowness, behaving carefully, loving to make gathering, low temper but easily offended when they feel treated improperly (Sumartono 2018).

The finding in this study is also in line with another study. Although in general, Indonesians value status and visible symbols of success as important to be achieved, but it is not always material gain that brings motivation (Hofstede-Insights n.y.). Thus, the result in this study comes as no surprise.

Although the DGT employees consider that financial reward is an important extrinsic factor to motivate them in whistleblowing, as a collectivist society, which ‘there is a high preference for a strongly defined social framework in which individuals are expected to conform to the ideals of the society and the in-groups to which they belong’ (Hofstede-

Insights n.y.), it is visible clearly that many respondents seem to be ready to be sacrificed their career in order to keep closing and maintaining the harmony of their family. Thus, this family loyalty is a crucial value in the Indonesians' society. It should be born in mind that 'family' in Indonesians' concept is not only his or her 'nucleus' family, but also extended family, including but not limited to parents, grand-parents, siblings, and often parents' relatives (Hofstede-Insights n.y.). There is an obligation for Indonesian children to take care of parents and give them support in their agedness, as are their parents committed to them all their growing lives (Hofstede-Insights n.y.).

There is a famous adage in Indonesia, "You can get another spouse but not another mother or father" (Hofstede-Insights n.y.). Moreover, it gives also them a deep sense of security since if they can harmonize themselves with their extended family and surrounding society, their lives will be secure (SBS 2018). In future, they expect that their children and extended family would give them support in their old age, so they need not die of hunger.

To sum up, generally, career and financial reward are important for DGT employees, but family is above all those previous considerations.

Although financial incentive was not the most important determinant compared to other types of rewards, this study valued it as an important factor if it was used as a complementary element of the whole whistleblowing protection scheme.

In addition, as literature would suggest, humans often have other motives (intrinsic or extrinsic) beyond mere altruism for the broader community, when they whistleblow (Dozier & Miceli 1985). For instance, in the context of whistleblowing, individuals may be motivated to disclose wrongdoing given the opportunity to obtain financial and other personal benefits (Bowden 2014).

By investigating the amount of financial reward at least it becomes a prima facie case for examining how much (amount) money is considered as being sufficient as a core feature to develop the existing regulations. However, it should be kept in mind that financial incentive improves compliance only if the bribery is mitigated (Iskandar & Wuenscher 2012).

Based on the respondents' statements, the respondents considered the adoption of three features for the reward scheme: 10% of asset seizure, 10 times the value of their Take Home Pay, or Rp100 million (US\$7,504.69) depending on which one was highest.

However, the findings should be treated carefully and cannot be taken for granted. As indicated in Table 6.13, incentives contributed only 8.8% to the whole explanatory power of the regression model, much lower than organisation positive image (31.6%) and organisation negative image (-47.1%). This indicates that incentives cannot be treated as a stand-alone variable, instead it is a complementary determinant.

This could be a cultural signal that the disclosure of misconduct is valued by the organisation. Moreover, incentives need to be one element of a wider approach that includes a suite of considerations such as an ethical environment, supportive culture and values, as well as appropriate regulations (that protect against retaliation, for example), policies, procedures and other intrinsic and extrinsic attributes.

### **7.2.8 PBC Organization Negative Image and Whistleblowing Intention**

The main reason for selecting perceived cost of acting/retaliation is mainly derived from several recent studies conducted by Brown (2008), Cassematis and Wortley (2013), and literature review from Bowden's (2014) book, which reveal that two predominant reasons for not reporting wrongdoing in organisations are: fear of retaliation (lose their jobs or other retaliation forms); and (2) belief that the report will not be investigated seriously. The findings are consistent with several legislation reviews and empirical cross-cultural studies (i.e. Borrie 1996; Fatoki 2013; Hwang et al. 2014; Keenan 2000; Keenan 2002a, 2007; Lowry et al. 2012; MacNab et al. 2007; Park & Blenkinsopp 2009; Park et al. 2008; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003; Vandekerckhove & Lewis 2012).

However, studies in the Indonesian context indicate that no relationship was found between fear of retaliation and individuals' intention to whistleblow (Bagustianto 2015; Septiyanti, Sholihin & Acc 2013).

*H5: Perception of lack of support is negatively related to behavioural intention to disclose*

In the case of this study, there is a significant relationship between PBC Organization Negative Image and whistleblowing intention. In general, the respondents evaluated eleven items above 3.50, indicating that those were important factors preventing the respondents from whistleblowing. Appendix 15 shows that the three most important items preventing respondents from whistleblowing were: leaders blaming employees for the

occurrence of the bribery (mean: 3.89, s.d.: 1.076), difficulties in the reporting process (mean: 3.86, s.d.: 1.066), and a report being ignored (mean: 3.85, s.d.:1.044).

The significant relationship confirms the findings of previous studies indicating that fear of retaliation is more important than the belief that one has helped to stop misconduct (Miceli 1992; Rothschild & Miethe 1999).

Several crucial statements support these beliefs:

*“Monetary incentive is important, but the more important is if the institution is able to protect whistle-blowers, pay attention to their career and improve training for whistle-blowers. (The institution) also needs to reward the whistle-blowers with placement to the desired geographical area in order to minimize the risk of retaliation from the home unit”*

*“The amount of incentive offered is not important, but how serious the organization follows up the report is important. Moreover, the organization should be able to protect and guarantee anonymity of the whistleblowers are more important. Because basically many employees want to make this institution better, but unfortunately many of the existing leaders are still the old players (of corruption) so they seem to nullify the reports. On the other hand, the new leaders pretend to be blind because an allowance gap exists and they are already in the comfort zone”*

*“I think that an incentive scheme is important, but the more important is the protection for whistle-blowers and law enforcement to the wrongdoers”*

From the above findings, especially those presented in Table 6.13, this study concluded that although the majority of respondents had a positive image of their organisation; however, if the organisation was seen to retaliate or prevent employees from disclosing bribery, this would lead to a negative image and reduce the influence of incentives offered to whistleblowers. As mentioned, this determinant aligns with many previous studies.

### **7.2.9 PBC Easiness to Find another Job(s) outside DGT and Whistleblowing Intention**

It has been suggested that the perception of availability and ease of securing employment alternatives may determine whether or not employees decide to whistleblow on misconduct in the event that their current employer retaliates strongly against them



(Miceli & Near 1985b; Near & Miceli 1986). Based on the theory of power dependence relations, an employee's decision to perform a particular action is highly influenced by his or her degree of dependence on the organisation and the availability of other resources (Emerson 1962).

*H6: That perceptions of ease in obtaining another job(s) outside DGT, are positively related to disclosure of bribery*

The finding in this study did not support this prediction. The insignificant relationship between perceived behavioural control on the ease of finding another job(s) outside the DGT and whistleblowing intention indicates that employees' misgivings about moving to another job has no effect on their intention to whistleblow on bribery. Appendix 16 shows that the average means of the items of outcomes as well as their evaluation were lower than 3.50, indicating that the respondents more or less agree that the ease of finding another job(s) outside DGT had positive effects but these were not important. Rather than choosing to find another job(s), many respondents claimed that the most important reward they wanted was a relocation closer to home or preferred geographical location as long as all other conditions, such as protection and organization support, were met.

The following responses highlight this point:

*"I would like to be given a placement/move closer to family"*

*"Placed to a desired location"*

*"Placed to my home base until retirement (even if I am only be a staff)"*

Therefore, this study suggests that culture might, at least partially, explain the insignificant relationship. As indicated by Koentjaraningrat (1988) and Labolo (2013), the majority Indonesians are 'safety players'. A person who is a safety player values works only until he or she can achieve what is necessary to survive, but he 'does not feel motivated to improve his situation' (Koentjaraningrat 1988, p. 112). Moreover, where a culture of conformity prevails and is acceptable, Indonesians tend to avoid being conspicuous because society tends to criticise rather than praise their achievements (Koentjaraningrat 1988). This is an underlying reason why people may accept a dictatorship for a long time although they disagree with it, 'as long as economic shocks are not too large' (Guriev & Treisman 2015). Living just 'enough' does not bother many Indonesians.

### **7.2.10 The most important determinant influencing DGT employees' intention to disclose bribery**

As indicated by Brown (2008), Cassematis and Wortley (2013), and literature review presented by Bowden (2014), fear of retaliation and organization un-seriousness to follow up a report are two predominant reasons for not reporting wrongdoing in organisations. Moreover, feeling of retaliation may overcome feeling of organization support (Miceli 1992; Rothschild & Miethe 1999).

*H7: That perceive behavioural control is positively related to intention to disclose bribery. The main determinant influencing DGT employees to disclose bribery in their workplace is PBC\_Neg (negative way)*

Findings showed that if compared to all determinants (attitude, subjective norm, perceived behavioural control organization positive image, perceived organization negative image, and perceived easiness to find another job(s)), perceived organizational negative image was considered as the most important determinant to influence (in negative direction) the respondents to whistleblow.

Possible explanations can be found from previous studies that human being tends to tend to focus on what went wrong (Tugend 2012). There were physiological as well as psychological reasons for the tendency to value negativity stronger than positivity. Humans tend to remember and store their bad memories or even other people bad experiences rather than the good ones (Baumeister et al. 2001, p. 323).

“Many good events can overcome the psychological effects of a single bad one. When equal measures of good and bad are present, however, the psychological effects of bad ones outweigh those of the good ones. This may in fact be a general principle or law of psychological phenomena, possibly reflecting the innate predispositions of the psyche or at least reflecting the almost inevitable adaptation of each individual to the exigencies of daily life.”

Moreover, psychologically, several scholars deliberately designed their perceived behavioural control survey in a negative fashion, as respondents appear to find it easier to gauge difficulty rather than ease of whistleblowing (Park & Blenkinsopp 2009).

In line with above findings, as several studies reveal the feeling of perceived retaliation is more important than the perceived feeling of having assisted to halt misconduct (Miceli 1992; Rothschild & Miethe 1999). In addition, since the dependent variable of this study

was intention to report bribery (serious type of misconduct), many respondents felt reluctant to disclose, especially if the suspects had higher position.

The following quotes drawn from responses to open-ended questions illustrate that the employees feared to disclose bribery if the suspects had high position:

*“Afraid because tops/senior co-works who committed bribery, if I report, it means I look for trouble for myself. See, the very high rank official like the Minister ' Sudirman Said ' has faced complicated situations when he reported!!”*

*“If a wrongdoer is my boss or senior employees, I feel afraid to report them”*

### **7.2.11 Performance of the Model**

A study indicates that the Theory of Planned Behaviour fits a parsimonious theoretical framework for predicting whistleblowing intentions (Park & Blenkinsopp 2009).

*H8: The proposed models drawn from the Theory of Planned Behaviour are confirmed by the present data*

Findings showed that the overall model fit indices indicate the model is consistent with the hypothesized relationships. Most of the fit indices were above the recommended values. Also; the results confirmed that the three perceived behavioural controls (organization positive image and organization incentives) towards whistleblowing behaviour had significant and positive impact on the intention to whistleblow. However, other three determinants (attitude, subjective norms, and ease to find another job(s) outside DGT) did not affect DGT employees' intention to disclose bribery. In addition, perceived behavioural control organisation negative image had significant and negative impact on the the intention to whistleblow. Findings in this study indicated that perceived behavioural control (PBC) organisation positive image, PBC incentive, and PBC negative image weakened the effect of attitude and subjective norm toward intention to report bribery. Personal cost-benefit considerations represented by three PBC variables above would motive the DGT employees' intention to disclose bribery, and those outweighed their attitude and subjective norm.

Overall, the results were consistent with the Theory of Planned Behaviour (Ajzen 1991). As illustrated, even for mundane activity, such as driving to supermarket, which can usually be executed or not at one's will, but it may be ruined by a broken car (an uncontrollable situation) (Ajzen & Madden 1986).

To sum up, the respondents believed that no matter their attitude, how big support from important persons, and how easiness to find another job(s) outside, those factors could not effectively halt bribery. Only, organization and the high rank leaders actions could make the report succeed to stop bribery. Apparently, the presented arguments for the itis because the latter group have power to impose discipline for ethical violations, carefully select and promote morally-sound applicants and protect and prevent retaliation against whistle-blowers, Moreover, only top management can create the ethical atmosphere.

As suggested by ACFE (n.y. , p. 1) ‘whatever tone management sets will have a trickle-down effect on employees of the company’. If the managers promote ethical and integrity values, employees will be more inclined to uphold those same values (ACFE n.y. ). However, if top-leader appears unconcerned with ethics and focuses on achieving company’s targets only, employees will be more prone to commit fraud because they feel ethics is not important within the organization (ACFE n.y. ). Moreover, leaders’ behaviour and actions will be followed by their employees (ACFE n.y. ).

#### **7.2.12 Reporting Channel**

Many researchers have paid attention to the role of the reporting paths on whistleblowing either anonymously or non-anonymously (Kaplan et al. 2012; Near, & Miceli 1995) and either addressed to internal or external reporting channels (i.e. Callahan & Dworkin 1994; Dworkin & Baucus 1998; Park & Blenkinsopp 2009). A single study shows that the existence of an anonymous channel will decrease the likelihood of reporting to non-anonymous channels (Kaplan & Whitecotton 2001). The preference for reporting channels is also related to perceived retaliation. A negative result from the perspective of a previous non-anonymous whistle-blower reduced participants' non-anonymous reporting intentions, while these negative outcomes did not lower participants' anonymous reporting intentions(Kaplan et al. 2012). Park and Blenkinsopp (2009) argue that preference to use internal reporting channels is significantly influenced by respondents’ attitude, subjective norm, and perceived behavioural control, ‘with the exception of the relations between external whistleblowing and perceived behavioural control which was in the predicted direction’ but not significant (Park & Blenkinsopp 2009, p. 10).

This study conducted a partial replication and expansion of the Park and Blenkinsopp (2009). However, unlike the original study, which only offered two type of reporting channels either internally or externally, this study expands the preferences to the eight combinations of types of reporting channels. This approach attempted to follow Olsen's (2014) suggestion to investigate multiple reporting pathways in relation to understand those effectiveness in encouraging employees to report.

*H9: Internal anonymous whistleblowing is the most preferred reporting channel*

Findings showed that internal anonymous whistleblowing is the most preferred reporting channel, followed by internal and external anonymous whistleblowing, and external anonymous whistleblowing consecutively.

Possible explanation is that although overall DGT employees trusted their organization and leaders, but they still felt insecure if they had to report bribery revealing their identity. This finding was supported by another result in this study showing that perceived behavioural control on organization negative image was the most influential variable, and it would overcome other determinants if it happened. Moreover, it is rooted in Indonesians' minds to avoid conflict (Hofstede & Hofstede 2005) and conceal their true intentions (Koentjaraningrat 1988). Many Indonesians behave positively in a face-to-face interaction, but in fact they often conceal their hatred (Koentjaraningrat 1988). Moreover, it seems that one old study is still relevant at least with this study's findings (Lubis, Dardjowidjojo & Lamoureux 1979). In face-to-face interactions, many Indonesians tend to conceal their true feelings, thoughts, and desires for fear of harsh consequences, although they may reveal their disagreement behind (Lubis, Dardjowidjojo & Lamoureux 1979). Similar finding has been found in a study comparison among students in Turkey, South Korea and the UK with some variations in details (Park et al. 2008). Result showed that anonymous reporting channel was the strongest preference among South Korean students compared to their counterparts from Turkey and the UK (Park et al. 2008). Borrowing the finding from Park et al. (2008) study, it seems that like the South Koreans, developing an anonymous reporting channel would be a particularly effective strategy in the DGT.

In addition, as indicated by a qualitative research in the US context, despite security being important for whistle-blowers, anonymity is still the most important consideration to whistleblow (Bosua et al. 2014).

The importance of anonymity seems to contradict with other determinants in this study such as perceived organizational incentives as explained in section 7.7 in this Chapter. One study in Indonesia attempts to examine the importance of financial incentive to attract individuals to disclose misconduct shows that in case of perceived retaliation, respondents cannot be encouraged by financial reward, but anonymous channel (Sholihin 2013). Same study also concludes that reward will be effective to encourage ones to whistleblow if respondents do not perceived retaliation (Sholihin 2013).

The following are important quotes, captured from the open-ended questionnaire with DGT employees, which support the above argument:

*“No incentive does not matter. Most important thing is that the reporter's identity keeps anonymous and the wrongdoer is punished”*

*“An incentive is important only if an anonymous whistle-blower's identity is known only by the employees who reports and the officer/leader/recipient who manages the report and the authority must keep the identity of whistle-blower confidential, especially from the reported party and other employees”*

*“The problem is, when a whistle-blower is awarded or appreciated, his or her identity is not anonymous anymore, and it may lead dissent feeling from his or her colleagues”*

*“(Financial reward) is not important. Do not let the identity of whistle-blower known because of the reward. This can make the whistle-blower threatened”*

*“(The most important thing) remains anonymous, protected from retaliation”*

*“Many people are afraid to report misconduct because they are afraid if their identity revealed that leads to threats. (Some people) do not want to deal with the investigator. (Others) do not know if they can disclose misconduct anonymously. However, often, whistle-blowers' identity can be known due to the reported person guessing, gossips, or unhidden rewards”*

*“No, I prefer to report anonymously, thus all types of rewards are contradict with the principle of anonymity”*

While, when the condition meets between internal and external reporting channel only, majority respondents seem to prefer internal reporting channel first then to external channel

Two crucial quotes from DGT employees support this perspective:

*“Report to internal reporting channel first”*

*“Outside authorities (i.e. police) were avoided, I prefer to report to KITSDA (internal reporting recipient) first”*

The responses above are supported by some studies. Many employees will report misconduct initially to their supervisors, managers, or special officers (Dworkin & Baucus 1998; Mclain & Keenan 1999; Miceli, Near & Dworkin 2013; Miceli & Near 1992; Near & Miceli 2008) because reporting to outside could be seen as breaking the proper set of reporting channels order (Dworkin & Baucus 1998; Miceli & Near 1997) or expression of disloyalty to the organization (Smith 2014).

### **7.2.13 Demographic characteristics**

In order to explain differences in reporting, the majority of studies (Miceli, Near & Dworkin 2013; Near & Miceli 1996) have predominantly focused on the decision-making process, personal characteristics and situational variables, and any interaction between them that influence the choice (Olsen 2014). From the individuals' characteristics, research showed that employees are more likely to disclose misconduct if they have more power (Miceli & Near 1984); certain attitudes and beliefs (Brabeck 1984; Donkin, Smith & Brown 2008; Miceli, Dozier & Near 1991); and certain characters (Miceli et al. 2012; Miceli et al. 2001). Despite the individual characteristics above, there were no difference between whistle-blowers and bystanders (Olsen 2014). Reporting is shaped not merely by attitudes or individual's personalities, but mainly by interactions among organization members, the circumstances, and the working environment (Olsen 2014). This is in line with a meta-analysis research among several whistleblowing studies conducted by (Mesmer-Magnus & Viswesvaran 2005), indicating that situational or environmental variables were the most consistent variables than other factors such as individuals' characteristics, thus in term of research methods, researchers should focus on contextual factors (Olsen 2014).

Besides, studies showed that environmental factors (i.e. situational and organizational factors associated with reporting) were stronger relationship to disclose misconduct than employees' characteristics or demographic factors (Miceli, Near & Dworkin 2013; Wortley, Cassematis & Donkin 2008). Thus demographic, characteristics and attitudinal variables are unreliable identifiers of potential whistle-blowers (Wortley, Cassematis & Donkin 2008). That is the main reason that this study used the model focusing on environmental factors rather than demographic variables.

However, although demographic factors are not used as independent variables in this study, we still investigated whether the different demographic factors among DGT employees also indicate their differences in whistleblowing intention as justified in section 4.7.1.

*Hypothesis 10a:*

*DGT employees are more likely to whistleblow if the persons are: (a) male; (b) older; longer working tenure and (c) higher position level in the organisation*

*Hypothesis 10b:*

*That there is no relationship between education level and whistleblowing intention*

The current study acknowledged that three demographic variables (gender, age, education level) were found to have no significant relationships in examining the DGT employees' whistleblowing intentions. While the other two (working tenure and position level) had significant difference.

Working tenure findings indicated that the younger employees, the more likely they whistleblow. This finding contradicts with previous literature indicating senior employees are more likely to whistleblow because they have more power and perceive to be more able to control situations (Near & Miceli 1996). Unfortunately, there is no single study in Indonesia that particularly investigates this phenomenon. However, a study from indicating that young people tend to be more risk takers than their older counterparts (Sharland 2006).

Regarding position level, this study found that staffs were more likely to whistleblow than functionalists. While, by Near and Miceli (1996) argue that empirical research prior to 1996 showed some tendency of whistle-blowers to be supervisors or higher rank, and more senior. This finding neither confirms nor contradicts those in previous literature. It



seems that at least in this study, an intention to whistleblow does not depend on position, but mainly on job characteristics. Functionalists (i.e. tax auditors) have more opportunity to meet directly with taxpayers than with the staffs. Hence, there is the opportunity for “taxpayers” to offer bribes to tax auditors in order to reduce their tax obligations. This “win-win” situation may help to explain why functionalists are less likely to whistleblow. As indicated by a study in Indonesia, before deciding whether or not to become involved in corruption, potential wrongdoers have either consciously or subconsciously calculated the costs and benefits, or considered the opportunities that may exist (Prabowo 2014). If systems, norms, roles, and regulations are perceived as weak (limited control and absent accountability), potential offenders may take risks to engage in actions that are corrupt (Prabowo 2014) .

To sum up, the findings of this study are in line with those of previous research, indicating that often demographic factors are not significant, contradict each other, or have only a weak association with whistleblowing intention (Ahmad, Smith & Ismail 2012; Barnett, Cochran & Taylor 1993; Mesmer-Magnus & Viswesvaran 2005; Rothschild & Miethe 1999; Rothwell & Baldwin 2007; Sims & Keenan 1998; Singer, Mitchell & Turner 1998). Other studies also conclude that demographic variables provide weak and conflicting results regarding individuals’ whistleblowing actions (Brennan & Kelly 2007). Moreover, Park, Rehg and Lee (2005) in the South Korean context, and Ahmad, Smith and Ismail (2012) in the Malaysian context, argue that demographic variables made no significant difference to whistleblowing intentions. It can be seen that similar results apply to the Indonesian DGT context. Generally, demographic factors are not accurate predictors of an individual’s behavioural intentions. Thus, demographic characteristics and attitudinal variables are unreliable as identifiers of potential whistle-blowers (Wortley, Cassematis & Donkin 2008).

Only employment tenure and position level indicate that the variables influence the whistleblowing intention of DGT employees. Possible reasons are that employees with higher position levels are perceived to be relatively powerful employees (Near & Miceli 1996).

Finally, similar arguments are consistent regarding working tenure. Senior employees are more likely to whistleblow because they are likely to occupy positions that have higher levels of power (Mesmer-Magnus & Viswesvaran 2005; Near & Miceli 1985).

#### **7.2.14 Training and Knowledge about Whistleblowing Reporting Channels**

*H11: That attendance at information sessions or ethics training is positively related to behavioural intention to disclose*

*H12: Knowledge of how to use internal or external reporting channels is positively related to behavioural intention to disclose bribery. Employees who know how to use the internal or external whistleblowing reporting channel tend to disclose bribery than those who do not know*

As can be seen in section 6.9.2, this study found that regardless of whether or not DGT employees ever attended whistleblowing training or had knowledge about internal and external whistleblowing reporting channels, there was no difference among the three groups.

Possible explanations of the findings rely on cost and benefit analysis. As indicated in Chapter 6, only perceived behaviour control (PBC) organisation positive image, PBC incentives, and PBC organisation negative image were significant in influencing DGT employees to disclose bribery. As explained by Miceli, Near and Dworkin (2013), the human thinking process is affected by his or her cost and benefit calculation. Moreover, DGT employees strongly base their calculation of the anticipated outcome on indirect information about the behaviour, experiences of other people or other factors (Ajzen 2005; Ajzen & Madden 1986). If they believe that the organisation and leaders support whistleblowing behaviour and give whistle-blowers an incentive to report, they are more likely to disclose known instances of bribery. However, conversely, if DGT employees believe that there will be retaliation against whistle-blowers, they tend to not to report bribery.

#### **7.2.15 Whistleblowing Propensity among Groups (Actual Whistle-blowers versus Bystanders versus Non-Observers)**

Within the literature on whistle-blowers, the bystanders, and non-observers have distinct profiles (Miceli & Near 1984). Whistle-blowers are more likely to disclose misconduct than are the other two groups (Miceli & Near 1984).

*H13: Actual whistleblowers are more likely to disclose bribery compared to bystanders and non-observers*

Surprisingly, this study did not find any significant difference among three groups (actual whistle-blowers, bystanders, and non-observers) in relation to whistleblowing intention.

More in-depth analysis was conducted, especially for actual whistle-blowers and bystanders. Of the ninety-nine respondents who claimed to have noticed bribery during the last five years, twenty-seven were actual whistle-blowers and seventy-two were bystanders. Of twenty-seven actual whistle-blowers, eight respondents (33%) said that they would no longer disclose bribery in the future, while the other nineteen respondents claimed that they would report bribery again if they became aware of it. From the group who claimed that they would report again if they noted bribery in the future, nine disclosed bribery through an internal reporting channel, five used both channels, and five used an external one. From the group who no longer intended to lodge reports in future, four said that they had reported bribery through an internal reporting channel, and the other four said that s/he had used both internal and external reporting channels. Unfortunately, none of them gave their reasons for no longer intending to report. This means that they would be bystanders in the future. This group may have changed their intention to report in the future due to an unpleasant experience after reporting or a perception of unpleasantness in their work environment. They may have valued PBC Leadership and Organizational Culture negative image high. Vice versa, those respondents seem to give low score on PBC Leadership and Organizational Culture negative. Apparently, the presented arguments for negative perceptions stick longer than good ones can be found from Baumeister et al. (2001) study. That is the reason why an individual is more motivated to avoid bad occasions than to pursue good ones (Baumeister et al. 2001). Again, human's perception plays important in selecting what experiences, impressions, or stereotyping need to be kept (Baumeister et al. 2001). Those bad ones are quicker to form and more resistant to disconfirmation than good ones (Baumeister et al. 2001). Baumeister et al. (2001) concluded in their study that hardly any exceptions good can out-weight bad be found. To sum up, 'these findings suggest that bad is stronger than good, as a general principle across a broad range of psychological phenomena' (Baumeister et al. 2001, p. 323).

Moreover, as explained by Miceli, Near and Dworkin (2013) who developed the theory of pro-social organizational behaviour (POB) in whistleblowing study, the human thinking process is influenced by one's experiences and his or her calculations of costs and benefits.

The change in intention also occurred in bystanders. Of the 72 bystanders, 51 claimed that they would disclose bribery in the future, but 21 others consistently said that they would not report misconduct in the future. Mostly, their reasons were the fear of retaliation or distrust of the current system.

The following statements from some of the 21 bystanders support this perspective:

*“Justice collaborator is punished, while criminals are protected”*

*“(Reporting is) just a wasting time and SOP for following up the report is not clear yet”*

*“Report means put yourself in trouble and it is complicated”*

*“The existing system is not yet able to protect a whistle-blower. There is a possibility that the reported parties will sue the whistle-blower for a defamation. The current system cannot protect anonymity of the whistle-blower because the identity of the whistle-blowers must be informed to the recipients, and the burden of providing evidence lies on the whistle-blower. Moreover, whistle-blowers may be considered as betrayals of the institution”*

*“Do not want to get involved. Ever thought to report secretly but never done”*

Since the findings indicate that there is no difference in whistleblowing among the three groups, attention should be given to bystanders' responses, especially those who claimed that they would disclose bribery in the future. Thus, the findings in this study should be treated carefully. For instance, although the bystanders in this study seemed to have the same intention to report bribery as the actual whistle-blowers and non-observers, in reality, the first group might refrain from taking action if they truly detect misconduct. Findings indicate that 510 of 641 respondents (around 80%) had the intention to report bribery. There is a possibility that the bystanders' responses were influenced by social desirability, to respond based on social and legal expectations where, in Indonesia and many other countries, reporting serious misconduct (i.e. bribery) is mandated by

regulations and considered as a good social deed, especially after President Suharto resigned in 1998 (Crouch 2010). A study by Wortley, Cassematis and Donkin (2008) gives the possible explanation that the non-reporter group seemed to only give an excuse, but they did not consider whistleblowing as important.

As for this study, Indonesian culture could provide some insights. Researchers agree that Indonesian has a collectivist culture (Hofstede & Hofstede 2005). Collectivism tends to consider good relationships among group members or society as a very important value; thus, individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty (Hofstede & Hofstede 2005). In line with the Hofstede and Hofstede (2005) study, Indonesian society is mostly dominated by prevailing Javanese culture (Misbach 2013; Worang 2013) which has strong collectivist culture characteristics. Javanese people tend to avoid conflict, maintain harmony among members, and avoid hurting others, because poor behaviour often produces negative reactions (Misbach 2013). “They do not like to speak up straightforwardly; there is even a tendency that they like to lie, to protect the feelings of others” (Misbach 2013, p. 12).



## CHAPTER 8- CONCLUSIONS AND IMPLICATIONS

### 8.1 Introduction

This chapter provides a summary of the overall study and discusses the implications and contributions of this research to both theoretical disciplines and practical application. The chapter is organized into six major sections. The first section provides an introduction. The second section is the conclusion. The third section discusses the theoretical implications of this research for its immediate disciplines as well as other relevant management disciplines. Sections 8.4 and 8.5 discuss the limitations of this research and indicate opportunities for future researchers to investigate both actual and intended whistleblowing. The last section provides recommendations for practitioners, particularly DGT decision makers responsible for whistleblowing policies in DGT.

### 8.2 Conclusion

This study has contributed to an understanding of whistleblowing intention and reporting channel preferences, as well as in a small way opening the door for the introduction of intention versus actual whistleblowing behaviour in the Indonesian context. By considering several consistent predictive variables, this study has advanced insights into individuals' whistleblowing intentions and the preferred reporting channel.

In this study, findings showed that the perceived behavioural controls (organization positive image and organization incentives) related to whistleblowing behaviour had a significant and positive impact on the intention to whistleblow. However, other determinants (attitude, subjective norms, and ease of finding another job(s) outside DGT) did not appear to influence DGT employees' intention to disclose bribery. In addition, perceived behavioural control organisation negative image had a significant and negative impact on the intention to whistleblow. Overall, the results were consistent with the Theory of Planned Behaviour (Ajzen 1991). As illustrated, even for a mundane activity such as driving to the supermarket, which can usually be executed easily at will, the fulfilment of the intention may be thwarted by a vehicle breakdown (an uncontrollable situation) (Ajzen & Madden 1986).

The key influencing factors are deeply rooted in traditional cultures, such as high power distance and collectivist cultural dimensions (Hofstede & Hofstede 2005), *ewuh-pakewuh* (Worang 2013), conformity, peasant mentality, and *nrima* (Koentjaraningrat 1988), as well as hypocrisy (Lubis, Dardjowidjojo & Lamoureux 1979).

Moreover, the most preferred reporting channels were identified. In general, this study did not find any significant difference among demographic factors, actual whistleblowers, bystanders, and non-observers in relation to whistleblowing intention. It can be concluded that research on whistleblowing should aim for explanatory complexity (Loyens & Maesschalck 2014). Loyens & Maesschalck believe that the real world is much more complex than symmetrical explanation for whistleblowing decision-making; different causal pathways could lead to either reporting or remaining silent (Loyens & Maesschalck 2014). Causal complexity thus indicates that in social sciences, no single causal condition is either sufficient or necessary to explain the finding (Ragin 1999), a condition known as ‘multiple conjectural causation’ (Rihoux 2006, p. 682). For instance, if respondents believe that fear of retaliation is the most important determinant preventing them from disclosing misconduct, then, simply establishing more protection measures and guaranteeing of anonymity would not automatically improve the reporting rate (Loyens & Maesschalck 2014). ‘A challenge is dynamically complex when cause and effect are interdependent and far apart in space and time, such challenges cannot successfully be addressed piece by piece, but only seeing the system as a whole’ (Kahane 2010, p. 5).

### **8.3 Implications of the Study**

This study has contributed in several ways to a further understanding of whistleblowing in Indonesia. Thus, the theoretical, methodological and managerial implications are discussed in the following sub-sections.

### **8.4 Theoretical Implications**

First, the selection of specific wrongdoing, bribery, has made this study genuine, unique and different from other whistleblowing studies in Indonesia and other countries. Arguably, very few whistleblowing studies have attempted to measure individuals’ intention to report bribery. The type of wrongdoing also influences an organisation’s reaction to the fraudulent actions because it relates to organisational characteristics and



objectives (Near & Miceli 1995). This study indicated that bribery was perceived to be the common enemy of DGT employees and the majority had the intention to whistleblow if they noticed its occurrence. This finding is consistent with those of other studies across the globe, indicating that perceived seriousness of the wrongdoing has been positively related to whistleblowing (Mesmer-Magnus & Viswesvaran 2005; Miceli & Near 1985a; MSPB 2011; Rothschild & Miethe 1999; Singer, Mitchell & Turner 1998; Victor, Trevino & Shapiro 1993; Wortley, Cassematis & Donkin 2008). It can be concluded that human beings, regardless of their culture or race, share the same basic psychological and cognitive thoughts in terms of serious wrongdoing.

Second, this study provides new insights into whistleblowing research in a non-Western context. Study of the antecedents to whistleblowing intention in Indonesia, in the form of an intercultural standpoint, enrich and broaden interpretation of whistleblowing literature (Park et al. 2008) since such studies are relatively few in Eastern regions (Zhang, Chiu & Wei 2009). Different socio-economic influences may affect individuals from one country to another having different perceptions of ethics (Chen 2001; Chiu & Erdener 2003; Chiu 1999; Vogel 1992). Also, historically, Indonesians have been notorious for tolerating a culture of corruption (Arifianto 2001). The findings of this study indicated that respondents believed that no matter what their attitude, how big was the support from important persons (i.e. family member, direct supervisors, co-workers, friends, and neighbour), how easy it would be for them find another job(s) outside the DGT, those factors could not effectively protect them from any retaliation. Only the organisation and high-ranking leaders' actions could make a report succeed and provide whistle-blowers with sufficient protection. The finding is in line with a study in Indonesia arguing that supervisor support does not significantly influence employees to whistleblow (Budiriyanto & Gugup Kismono 2013). This also gives new insight into Indonesian cultural phenomena since attitude alone cannot drive DGT employees to whistleblow.

A plausible explanation for this very pragmatic approach might be the influence of traditional cultural values, such as high power distance and collectivist cultural dimensions (Hofstede & Hofstede 2005), *ewuh-pakewuh* (uneasiness) (Worang 2013), conformity, peasant mentality and *nrima* (to submit) (Koentjaraningrat 1988) as well as hypocrisy (Lubis, Dardjowidjojo & Lamoureux 1979) which may lead to cost and benefit calculation before employees decide whether or not to whistleblow. Moreover, the

consideration of bribery as a serious crime and one that is often perceived as involving high-level public officials, contribute to the DGT employees' cost and benefit calculation before making decision to report.

Third, this study's findings confirmed those of other whistleblowing studies involving an Indonesian government department (DGT). This study indicated that fear of retaliation influenced one's intention to whistleblow. Many previous studies have confirmed this finding (i.e. Bowden 2014; Brown 2008; Hwang et al. 2014; Keenan 2000; Keenan 2002a, 2007; Lowry et al. 2012; MacNab et al. 2007; Park & Blenkinsopp 2009; Park et al. 2008; Sims & Keenan 1999; Tavakoli, Keenan & Cranjak-Karanovic 2003). Moreover, perceived behavioural control organization negative image was considered as the most influential determinant of whistleblowing intention (in a negative direction). Although the findings supported previous literature outside Indonesia, they are inconsistent with those of several studies in Indonesia which indicated that no relationship was found between fear of retaliation and individuals' intention to whistleblow (Bagustianto 2015; Septiyanti, Sholihin & Acc 2013).

Four, following Bjorkelo and Bye (2014), Loyens and Maesschalck (2014), and Vandekerckhove, Brown and Tsahuridu (2014) calls, this study uses Theory of Planned Behaviour (TPB) to address the gap between intention and actual whistleblowing research. Findings in this study indicated that only three perceived behavioural controls (organization positive image, organization negative image and organization incentives) towards whistleblowing behaviour had a significant impact on the intention to whistleblow. Moreover, perceived behavioural control organisation negative image was the most significant determinant and it had a negative impact on the the intention to whistleblow. Other determinants (attitude, subjective norms, and ease of finding another job(s) outside DGT) were not significant. Overall, the results were consistent with the theory of Planned Behaviour (Ajzen 1991). As explained in the literature, an individual's intention depends on his or her self-efficacy and perceived wider environmental factors that promote or hamper performance (Ajzen 2005; Foy et al. 2007), which is assumed to reflect past experience (Ajzen 2005) and/or anticipated outcome from indirect information about the behaviour, experiences of other people or other factors (Ajzen 2005; Ajzen & Madden 1986).

Several antecedents were added in this study, such as financial and non-financial rewards and perception of having sufficient evidence. Findings indicated that financial reward was considered as the fourth most important factor to encourage DGT employees to disclose bribery. This finding is partly in line with those of previous studies (Andon et al. 2016; Bowden 2014) indicating that financial incentives may encourage employees to disclose misconduct. However, the most important incentive for DGT employees was placement to preferred location, followed by good performance rating, and overseas training. These identified variables have not been investigated in other whistleblowing studies. Moreover, this study also enriched literature by identifying the amount of money that could be considered as "sufficient" to encourage employees to report bribery.

In term of the effect of a perception of having evidence of misconduct, this study expanded literature by investigating types of evidence considered as "sufficient". Finding in this study indicated that the respondents tended to disclose bribery if they perceived having sufficient evidence. The finding confirmed previous studies showing that a high rate of reporting, particularly for serious types of wrongdoing, is highly related to the quality of evidence held by whistle-blowers (MSPB 2011) because they need accuracy before making a decision to report or not report (Near, Janet P & Miceli 1996). In regard with TPB, perceived having sufficient evidence can be associated with opportunities and resources (Ajzen 1991). The extent that an individual has the required opportunities and resources, and intends to perform whistleblowing behaviour, he or she should feel to succeed in doing so, and then, he or she tends to whistleblow.

Moreover, this study explored in greater depth the types of evidence that were considered to be sufficient". The finding regarding type of evidence enriched whistleblowing literature since, to date, no study has investigated this issue.

In addition, by utilizing Schein's six mechanisms to investigate DGT employees 'perceived behavioural control, this study employed salient belief in the framework. As suggested by Bjorkelo and Bye (2014), employing salient belief in the framework instead of a single belief is important because one's belief tends to hold positive and negative views about reporting organisational misbehaviour as well as evaluation of the benefits versus costs of whistleblowing (Keil et al. 2010; Miceli, Near & Dworkin 2013). Arguably, this study was the first in whistleblowing literature to apply Schein's six mechanisms. The findings of this study indicated that perceived organization negative

image was the most important (in a negative direction) in influencing the respondents' intention to whistleblow.

This study is perhaps the first study in an Indonesian context to investigate three parties, namely the actual whistle-blower, as well as bystanders and non-observers. Although this study did not find any difference in whistleblowing intention among these three groups, the findings contributed to whistleblowing literature and the interpretation of the intention and actual behaviour in the DGT context.

Fifthly, this study enriched whistleblowing literature in the Indonesian context by investigating role and responsibility, and moral obligation. This found that, overall, the respondents positively valued role and responsibility, and moral obligation as important. However, those variables did not affect the respondents' intention to disclose bribery. The findings differ from those of a previous study conducted in a U.S. federal government department, demonstrating that a federal employee with a positive attitude towards whistleblowing is more likely to formally whistleblow (Lavena 2014b). It seemed that the DGT respondents considered the cost and benefit associated with their actions, rather than acting according to their beliefs. If they perceived that the situation was not under their control, they would not whistleblow.

This study enriched whistleblowing literature in the Indonesian context by investigating the most preferred reporting paths. Findings indicated that DGT employees ranked anonymous internal reporting channels as their highest preference, followed by anonymous internal and external reporting channels and anonymous external reporting channel consecutively. Not one whistleblowing study in Indonesia has ever investigated this issue. The findings are consistent with previous studies in other countries that the order of reporting process is: internal recipient first, law enforcement agencies second, and then news media as the last (Callahan & Collins 1992). Similar results can be found from whistleblowing research comparing students in United Kingdom, Turkey and Korea. Students in those three countries tend to prefer formal, anonymous and internal reporting channel of whistleblowing (Park et al. 2008). Moreover, anonymity is still considered as one of the most important considerations when taking action (Bosua et al. 2014).

Finally, this study contributed to the whistleblowing literature in the Indonesian context by including, as one of the variables, the perceived ease of finding another job(s) outside the DGT. This variable has not been examined in Indonesian whistleblowing studies.

However, the finding showed that it did not significantly influence DGT employees' intention to disclose bribery. Living for and accepting just 'enough' does not bother many Indonesians. This finding differs from other studies (Miceli & Near 1985b; Near & Miceli 1986). It seems that the Indonesians' peasant mentality that considers work as being only for survival, not for achieving a better quality of life, has played important role causing the perceived ease of finding another job(s) outside DGT as an unimportant variable (Koentjaraningrat 1988). On the other hand, western people tend to value individual achievement as their main goal of life (Hofstede & Hofstede 2005).

### **8.5 Methodological Implications**

First, this study applied a mixed-methods approach, in which quantitative results were supported by qualitative data from employees who completed an open-ended questionnaire as well as from KITSDA employees' online interviews. This has provided a new approach for studies on whistleblowing, especially in Indonesia. This approach was inspired by Ghani's (2013) doctoral thesis in the Malaysian context, but this study did not employ face-to-face focus group interviews due to several problems mentioned in Chapter 5. Unlike most of the studies on whistleblowing in Indonesia, that applied either qualitative or quantitative analysis, this study strengthened its quantitative findings with a qualitative investigation. Although qualitative investigations are difficult, especially for sensitive topics like whistleblowing (Bjorkelo & Bye 2014; Miceli 1992; Patel 2003), a carefully designed (online) interview (Krueger & Casey 2002) and open-ended questionnaire can provide researchers with a better understanding of how individuals feel and think about a certain situation.

Second, in order to ensure that results from this study generated valid information, data regarding reported bribery and, also, information about the types of bribery was collected from the DGT internal whistleblowing system (WISE). As well, secondary data from surveys conducted by third parties (data from Ministry of Finance) and TII that focused on taxpayers' point of view were used to validate this study's findings (TI 2017). All information from those other sources confirmed that bribery still exists in DGT.

Third, unlike Ghani (2013) study which only focused on supervisors, this study expanded the focus to all employees. The reasons were as follows:

1. Everyone has an obligation to report misconduct (Whistleblowing Management at the Ministry of Finance 2010).
2. Wrongdoing at the DGT involved employees in all positions from lower-level staff to high-ranking officials as indicated in Chapter 4.
3. Findings of this study suggested that lower-level staff also have the opportunity to identify wrongdoing. Data showed that 75% respondents who claimed that they were aware of bribery were lower-level employees.
4. This approach also accommodated the VU Ethics Committee Members and DGT employees' request during the pilot survey to not specify groups or position level as well as office addresses to prevent the authorities at DGT from tracing the identity of the respondents.

Four, simple and direct questions were used to eliminate potential bias. In addition, this study avoided the use of scenarios for several reasons: (1) scenario analysis is very time-consuming and potentially can reduce response rates; (2) scenario analysis requires suitable participants/experts, and in practice this could not be an easy task to fulfil; (3) data and information from different sources have to be gathered and interpreted which makes designing scenario even more time-consuming; and (4) it is difficult to design free-bias scenarios; majority focused on black and white (Mietzner & Reger 2005).

Another methodological implication is the translation process adopted by this study, as discussed in Chapter 5. This translation process was considered because the respondents are Indonesians and no previous research has been conducted using the chosen measure adapted from Park and Blenkinsopp (2009) study. Hence, by administering a proper back-to-back translation procedure, translation errors are minimised (Ghani 2013) as is the ambiguity arising from various cultural and linguistic differences (Cha, Kim & Erlen 2007).

Sixth, although originally this study adapted Park and Blenkinsopp (2009) study, unlike its predecessor, this study applied a structural equation model (SEM) to test its hypotheses. This approach follows suggestion from Near, Heilmann and Lee (2004), MacNab and Worthley (2008), Kaptein (2011), and Ghani (2013). Near, Heilmann and Lee (2004) argued that SEM is an appropriate instrument for testing mixed variables

(latent and observed variables) when studying whistleblowing behaviour to run multivariate statistics simultaneously and accurately (Maruyama 1997). In addition, SEM is suggested for future whistleblowing studies since it measures error variances, which increases the accuracy of relations between factors in a hypothesised model (Kaptein 2011).

Seven, since normality assumptions were not met and the data contained a relatively large number of outliers as explained in Chapter 6, this study used bootstrapping. An application of research and statistical techniques is often limited by normal distribution assumptions (Edington 2012). Bootstrapping can assist to overcome these analytical restrictions (Davison & Hinkley 1997; Ferawati 2010; Hu & Wang 2010). Several scholars recommended using the bootstrap method as an alternative test to multiple regression analysis (Ghani 2013; Baron & Kenny 1986; Sobel 1982). This could be the first whistleblowing research in Indonesia to use the bootstrapping approach.

Eight, to identify the most preferred reporting channels, this study used the PROMETHEE methods. The underlying premise of this study is that the PROMETHEE methods are a parsimonious tool for ranking items in multi-criteria analysis. PROMETHEE methods are popular because ‘their main features are simplicity, clearness and stability’ (Brans, Vincke & Mareschal 1986, p. 228). This could be the first whistleblowing research to use PROMETHEE methods to rank respondents’ choices of the available reporting channels.

In conclusion, future studies on whistleblowing in Indonesia and other countries can replicate the methodological approach taken in the present study.

## **8.6 Limitations of the Study**

1. Self-reported bias might occur. Social-desirability bias (SDB) has been found to affect the measurement of attitudes (i.e. Fisher 1993), and self-reported behaviours due to the unwillingness of respondents to express honest opinions regarding sensitive topics as they want to impress others or protect their individual reputation (i.e. Levy 1981; Maccoby & Maccoby 1954; Peltier & Walsh 1990; Robinette 1991; Simon & Simon 1974; Zerbe & Paulhus 1987). SDB might occur when a respondent wants to convey a positive image of him/herself in order to fit with social norms and standards (Zerbe & Paulhus 1987) or gives the answer that

s/he thinks the researcher wants to hear rather than an honest and accurate answer (Codó 2008). This means that there is a possibility that several respondents might not be very honest when giving opinions, as they want to be seen as compliant and trustworthy employees of their organisation.

2. Following a suggestion from Podsakoff et al. (2003) and other researchers, several pre-emptive procedures were taken to reduce bias. Respondents were guaranteed full anonymity (Brewer & Selden 1998; Vandekerckhove et al. 2014) and confidentiality of the responses; moreover, several reversed items were included to mitigate SDB. In addition, although self-reported surveys may be inherently flawed, this approach is still considered as the most practicable way of collecting primary data (Miceli & Near 1984). Answering the recommendations of the authors, this study also used official data of whistleblowing reports from DGT as well as secondary data derived from taxpayers' opinions in order to obtain independent measures of critical variables (Miceli & Near 1984).
3. There was a low response rate (around 30%), which limited the conclusions that could be drawn from the study. This may be partly because DGT employees were very busy achieving the government's high tax target or they were simply not interested in being involved in the research. An employee who does not want to participate will simply not share his or her opinion via a survey (Miceli & Near 1984). Several DGT informants explained that many DGT employees just were not interested in being involved in research. One possible reason could be that they did not feel that the research findings and recommendations would benefit their personal career and DGT working environment. However, the overall responses of 641 employees were considered satisfactory as they were received from across the DGT and were in sufficient numbers to enable analyses.
4. The application of the Theory of Planned Behaviour and the Likert scales had several weaknesses. As indicated by Knabe (2012), respondents can feel that they are faced with redundant questions which are designed to obtain different types of answers. For example, some respondents were not able to distinguish between questions to measure "belief" and "evaluation"; thus, some of them tended to give same answer for those two types of questions (i.e. tick "agree" for both belief and question). Moreover, particularly for this study, respondents tended to give same or similar score for similar questions. Many respondents gave strongly agree for



the group of questions under the same determinant. For instance, they tend to give same score for “hinder reports” vs. “ignore reports” vs. “create difficulties in the process of reporting” and so on. Before conducting the fieldwork, we had attempted to mitigate this expected issue by requesting access to DGT and a specific time where we could explain this study. However, until the end of the fieldwork, DGT did not give any opportunity for us as the researcher to explain how respondents could deal with the questionnaire.

## **8.7 Directions for Future Research**

First, future researchers might want to adopt a longitudinal investigation comparing respondent attitudes before and after a whistleblowing experience, utilising Planned Behaviour Theory (Bjorkelo & Bye 2014; Olsen 2014; Vandekerckhove, Brown & Tsahuridu 2014). This study furthers our knowledge about whistleblowing behaviour by investigating whether there was any difference among actual whistle-blowers, bystanders, and non-observers in relation to attitude, subjective norm, perceived behavioural control, and whistleblowing intention. As suggested by several scholars, in order to address the gap between intention and actual whistleblowing research as indicated by (Mesmer-Magnus & Viswesvaran 2005) in their meta-data analysis, Bjorkelo and Bye (2014) recommend the best approach is to use longitudinal research. However, realizing that a longitudinal study for whistleblowing is extremely difficult due to anonymity issues (Mesmer-Magnus & Viswesvaran 2005; Miceli, Near & Dworkin 2013) and following our reasoning presented in Chapter 5 (pilot study, ethics review, and fieldwork), this study accepted Bjorkelo and Bye (2014) suggestions to use PBT and generate a large number of respondents.

Second, this study has concluded that individuals who did not want to report bribery through a formal reporting channel do not necessarily intend to remain silent. This study found that several respondents who had observed bribery in their organization preferred to report to their direct supervisors or to reprimand misbehaving colleagues. Like whistleblowing, their actions showed forms of resistance to organizational misbehaviour. Future research should therefore move beyond the classic whistleblowing/silence dichotomy by incorporating other forms of resistance responses such as reporting to supervisors, reprimanding, gossiping about misbehaviour with other staff members, sabotage, foot-dragging, and work-avoidance strategies (Loyens & Maesschalck 2014).

This could be obtained in exploratory, qualitative research that enriches and provides in-depth explanations of other types of resistance to organizational misconduct than the whistleblowing or keeping silent dichotomy (Loyens & Maesschalck 2014).

Third, there is a need to expand the number of respondents involved. As suggested by Olsen (2014, p. 200), ‘the larger the sample size, the greater the certainty that their responses reflect the views of the whole population’. Initially, we had attempted to involve all DGT employees (around 32,000 individuals) in the survey; however, due to several barriers explained in Chapter 5, a smaller number of DGT employees were selected from several offices in the Jakarta region. Having experienced such obstructions, we urgently call for a collaborative, complementary and coordinated research conducted by internal DGT researchers with a full mandate and support from the highest official (the Director General of Taxation or the Minister of Finance). This may be a more effective and efficient strategy enabling researchers to obtain full access to a broader range of employees, facilitate research, and integrate datasets. A strong research design involving a large-scale sample of respondents and longitudinal research is important to policy makers because it may provide a more conclusive answer to why bystanders do not report misconduct they know of, and may point to the most effective strategies to attract this group of employees (Olsen 2014).

Fourth, future research might also consider utilising Marlowe-Crowne Social Desirability Scale, referring to the Hechanova et al. (2014) research in order to eliminate potential respondents’ bias response. This adds to the reliability of the findings, and helps to explain the existing whistleblowing phenomenon related to the intentions of the DGT employees. The main reason for utilising the Marlowe-Crowne Social Desirability Scale is that there are several questionable findings, such as why bystanders had same whistleblowing intention compared to actual whistle-blowers and non-observers as explained in 7.12 of this chapter, which is not consistent with previous results.

Fifth, as indicated by Edwards’(2008) study, focusing merely on the individual and contextual predictors of the decision to whistleblow seems to be insufficient because in most cases, the ‘decision’ to disclose misconduct is not a singular event but the result of a series of choices and trade-offs. Instead, future researchers should turn their attention to examining the nature of the decision-making process (Edwards 2008). Researchers may use semi-structured interviews and diary methods to gain a more in-depth and

comprehensive understanding of the psychological processes underlying decision-making, and to examine the chronological sequences of events and individuals' reactions over time (Edwards 2008). However, based on our experience conducting research in DGT as indicated in Chapter 5, we are pessimistic that such study could be conducted. The only research that could be undertaken successfully would be that which receives full support from the DGT's highest and high-ranking officials.

Finally, besides utilizing Planned Behaviour Theory in determining factors that may influence individuals to disclose misconduct, future research needs to integrate other determinants that influence individuals' whistleblowing intentions. The possible additional determinants are individualisms-collectivism (IC) and power distance since the relationship between these two cultural dimensions and whistleblowing intention reveal 'somewhat consistent findings regarding their effect on whistleblowing' (Vandekerckhove et al. 2014, p. 52). As for deeper explanation of high power distance and collectivism, it seems that all identified culture values (i.e. high-power distance, collectivist, *ewuh-pakewuh*, *nrima*, conformity and peasant mentality) boil down to calculating the cost and benefit to employees when deciding whether to whistleblow, or not. However, now, our limited knowledge about such phenomena does not allow us to offer accurate identification of the culture. Thus, we encourage that future scholars conduct more in-depth anthropological, sociological, and psychological research to determine the various dominant cultural values that might encourage or discourage Indonesians to whistleblow. Only then can we precisely know the strengths and disadvantages of the cultural dimensions. The relationships among independent variables in this study and whistleblowing intention indicate that culture might, at least partially, explain the relationship.

## **8.8 Recommendations**

Findings in this study indicated that perceived retaliation seemed to be the main important determinant that prevents DGT employees from disclosing bribery in their workplace. Although in general, DGT employees seemed to value their organisation positively and believed that whistle-blowers would be supported by their organisation, if the organisation has a perceived negative image, this would override all current positive perceptions. Thus, top management should retain their employees' trust and avoid any actions that could be seen by employees as adding to an organization's negative image.

In addition, based on qualitative analysis, the words most frequently repeated in regards to unwillingness to report were “fear of retaliation” (“*takut*”). As suggested by Ham et al. (2009), researchers should pay special attention to the words that most respondents frequently use, rather than to those that are rarely or infrequently articulated.

Below, we summarize the proposed strategy in the model depicted in Figure 8.1. As can be seen in the model, all suggestions are connected to each other, indicating that in the real world, things are much more complex than symmetrical explanation for whistleblowing decision-making; different causal pathways could lead to either reporting or keeping silent (Loyens & Maesschalck 2014). No single causal condition is either sufficient or necessary to explain the real world (Ragin 1999). For instance, if respondents believe that retaliation is the most important factor deterring them from disclosing misconduct, then, simply implementing more protections and guaranteeing of anonymity would not automatically improve the reporting rate (Loyens & Maesschalck 2014). The items are shown in varying sizes to illustrate their relative importance based on response rates. As noted earlier, however, none is a stand-alone item, despite its relative size.

**Figure 8-1: Recommendations - Promoting Whistleblowing Culture**



Detail explanations of Figure 8.1 are given below.

First, the key players are the organisation's senior leaders. These leaders need to "walk the talk" (role model) in terms of good governance values. As suggested by Kahane (2010), leaders or change agents need to integrate love (the drive to unity) and power (the drive to self-realization). In this case, leaders or agents of change need to participate in organisational change. They should deliver and internalise intent without too much emphasis on content (Kahane 2010). They need to be either active or passive depending on the level of organization change. On one level, they are active and attentive, like moving around at the front of the room, encouraging employees to participate, and helping to synthesise and advance the content of the work (Kahane 2010). On the other level, leaders or agent of change is inactive and inattentive, present only to the emerging self-realization of the whole of the group and their next step (Kahane 2010). To show the leaders' seriousness about combating corruption, an organisation's protection scheme should include the following from Transparency International (2013):

- a. Protection from retribution – employees shall be protected from all forms of retaliation, disadvantage or discrimination at the workplace linked to or resulting from whistleblowing. This includes all types of harm, including dismissal, probation and other job sanctions; punitive transfers; harassment; reduced duties or hours; withholding of promotions or training; loss of status and benefits; and threats of such actions.
- b. Anonymity – full protection shall be granted to whistle-blowers who have disclosed information anonymously and who subsequently have been identified without their explicit consent.
- c. Burden of proof on the employer – to avoid sanctions or penalties, an employer must clearly and convincingly demonstrate that any measures taken against an employee were in no sense connected with, or motivated by, a whistle-blower's disclosure.
- d. Knowingly false disclosures not protected – an individual who makes a disclosure demonstrated to be knowingly false is subject to possible employment/professional sanctions and civil liabilities.
- e. Those wrongly accused shall be compensated through all appropriate measures.

- f. Right to refuse participation in wrongdoing – employees and workers have the right to refuse to participate in corrupt, illegal or fraudulent acts. They are legally protected from any form of retribution or discrimination if they exercise this right.
- g. Preservation of rights – any private rule or agreement is invalid if it obstructs whistle-blower protections and rights. For instance, whistle-blower rights shall override employee “loyalty” oaths and confidentiality/nondisclosure agreements.

Second, a glass case strategy should be used to promote transparency. The DGT should invite stakeholders from outside DGT to be more actively involved in monitoring DGT activities. Several studies have confirmed that this strategy (glass cage) can promote transparency by constantly exposing the organisation’s activities to the stakeholder's critical gaze. This may effectively pressure managements and employees to conduct business more ethically (Gabriel 2008). On the inside, DGT employees should be encouraged to routinely report adverse incidents to their supervisors or management (Erwin & Ramsay 2015), without blame being placed on the reporter, in order to create culture of openness and learning from mistakes replacing the more common culture of concealing mistakes (Martin & Rifkin 2004) and the ‘keep the boss happy’ culture (Worang 2013). Employees can overcome the fear of making mistakes, and then step forward to learn from it and grow (Kahane 2010).

Third is proper documentation. The documentation of business processes is imperative for responsibility and accountability. Also, documentation is important for evidence. Previous research showed that a high rate of reporting, particularly for serious types of wrongdoing, is highly related to the quality of evidence held by whistle-blowers (MSPB 2011). It indicates that whistle-blowers need accurate information about the misconduct before making a decision to report or not report (Near & Miceli 1996). Findings in this study confirmed previous research. The majority (86%) of DGT employees claimed that they would disclose if they had sufficient evidence of bribery. The five most important types of evidence are: (1) documents (written order, letter, memo) that can be used as an evident that someone (usually the high rank official or supervisor) has against the regulations, rules, and policies; (2) knowing information in detail (what, who, when, where, why, and how) although without supporting document, such as a verbal instruction from supervisors to alter tax analysis results; and (3) witnessing the bribery; (4) being

directly involved in the bribery; and (5) emails or other electronic evidence, such as recorded meeting, instructions.

The DGT should require that all officials and supervisors to document their actions. If officials and supervisors do not implement a proper documentation protocol, employees should have the right to refuse participation in the business process. The employees are legally protected from any form of retribution or discrimination if they exercise this right (Transparency International 2013).

To ensure and review the document as well as to monitor business process, the DGT should make use of information technology and the Three Lines of Defence model to detect tax review irregularities. The success of the Indonesian Tax Amnesty Program in 2016 can be used to widen the tax base. In terms of audit purposes, the new tax base is more effectively based on risk assessment. Then, information technology should be used as an early detection tool of tax avoidance red flags, in particular among the wealthy. More parties (i.e. operational managers, internal control, risk management, compliance, and the internal and external auditors) should be involved in the process of tax assessment and reviews to make the technology more useful to detect possible unlawful assessment conducted by the DGT's internal employees. The Three Lines of Defence Model based on the European Confederation of Institutes of Internal Auditing (ECIIA)/Federation of European Risk Management Associations (FERMA) Guidance on the 8th EU Company Law Directive, article 41, below can be adopted by the DGT.



Figure 8-2: Three Lines of Defence Model (FERMA 2011, p. 7)



Fourth, attention should be paid to the taxpayers because bribery usually involves two parties, both of whom benefit from the misconduct. An internal control system to identify and determine suspected taxpayers is needed because it provides a more comprehensive means of addressing bribery than does a compliance program (Deming 2012). Borrowing the idea from Deming (2012), several approaches, such as: 1) due diligence of taxpayers, extended ‘to all third parties involved in tax controversy and discretionary tax issues, including lawyers, accountants, and other tax advisers’ (Cameron & Tillen 2005, p. 441); 2) monitoring taxpayers in high risk areas; 3) monitoring taxpayers payments; and 4) accessing taxpayers’ bank accounts (Setiaji & Jakarta Bureau 2017), could be included in an internal control program.

The fifth is that the whistleblowing values and norms should be promoted to all DGT employees. Findings in this study, secondary data from third parties’ survey, and news items in the mass media indicated that everyone in the DGT, as well as taxpayers, can potentially be either a wrongdoer or a whistle-blower. Following a recommendation from Brown and Wheeler (2008), all employees could be potential whistle-blowers. A simple anti-corruption tagline can be used to internalize whistleblowing values. For instance, a slogan such as “Every rupiah paid by the taxpayer counts”. If you see wrongdoing, report immediately to Helpdesk at + (62)21-5250208, 5251509. Together, we make corruption history” can be included as a footer in DGT official letters, in fliers, SIKKA, and DGT website. These anti-corruption strategies will establish DGT employees and taxpayers’ awareness of the importance of fighting against corruption.

Sixth is a need to disseminate information about the available external whistleblowing channels and to build a working relationship with external agencies (i.e. anti-corruption body and ombudsman). There is a need to disseminate knowledge about external whistleblowing reporting channels (i.e. anti-corruption body and ombudsman) since many DGT employees did not know how to disclose misconduct through external reporting channels. Thus, the DGT needs to work with those integrity agencies. As suggested by Brown and Wheeler (2008) and (TI 2017), internal integrity systems often cannot be expected to resolve all issues satisfactorily, all of the time, without external help. This is especially so if the problem is very serious like bribery or other severe criminal behaviours. This in line with the analysis presented in Chapter 3, which showed

that the DGT has limited authority to protect whistle-blowers and to investigate perpetrators in corruption cases.

In addition, as indicated in Chapter 3, several protection schemes in the national laws (Eradication of the Criminal Act of Corruption 1999; Witness and Victims Protection Law 2006) which include protection of witness' anonymity, severe punishment for whistleblowers retaliators, tokens of gratitude, either in the form of certificates or money as high as 0.002 of confiscated assets (*Public Contribution Procedures and Reward for Their Contribution on Corruption Eradication and Prevention* 2000), should be regularly disseminated to all DGT employees. These messages are not intended for wrongdoers or potential wrongdoers because they would not be deterred by penalties (Lambsdorff 2007). The messages are for justice collaborators (Nixson et al. 2013) (those who act upfront or after having conducted a corrupt transaction) (Lambsdorff 2007, p. 332), and for actual and potential whistle-blowers to show them that the organization and the Indonesian government seriously combat bribery.

Seventh, in terms of extrinsic reward, if the report is reliable and proven, the DGT could implement policies to enable whistle-blowers to choose among several possible rewards, such as: 1) re-location according to the respondent's preference; 2) a good performance rating; 3) offer of overseas training, and 4) a monetary incentive. Especially in terms of a financial reward, for the first step, the DGT could consider adopting three main reward schemes, such as 10% of asset seizure, ten times of THP, or Rp100 million depending on which one is higher. By investigating the amount of financial reward at least, it becomes a *prima facie* case for considering the amount of money that is considered as sufficient as a core feature to develop the existing regulations. The advantage of including such a scheme more specifically in the regulations and policies is that the scheme represents a powerful enforcement mechanism in whistleblowing laws and shows the seriousness of the DGT to give genuine support to whistle-blowers in order to decrease fraudulent practices.

Eight, training can foster awareness and disapproval of bribery. Findings in this study indicated that the majority of DGT employees trusted the internal reporting channel's recipients (KITSDA). However, top management should not rely wholly on the educational backgrounds of their employees as a mechanism for fostering confidence to whistleblow. As posited by several scholars (Ghani 2013; Miceli & Near 1994b), ethics

training should be provided to strengthen employees' willingness to disclose bribery and encourage whistleblowing. This is confirmed by the findings of this study: whistleblowing policies put in place by the DGT could strengthen employees' positive attitude toward whistleblowing via an effective internal reporting channel and ethical training programs.

Lastly, although direct supervisors do not play an important role in encouraging the majority of respondents to whistleblow, several employees who did not want to report bribery through a preferred reporting channel were likely to report bribery to their supervisors first. Like whistleblowing, their actions showed some form of resistance to organizational misbehaviour. Thus, direct supervisors can be used as facilitators, mentors or consultants of whistleblowing.



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## APPENDICES

### Appendix 1: Victoria University Ethics Approval

#### Quest Ethics Notification - Application Process Finalised - Application Approved

quest.noreply@vu.edu.au

Thu 17/12/2015 4:31 PM

To: anona.armstrong@vu.edu.au <anona.armstrong@vu.edu.au>;

Cc: Bitra Suyatno <bitra.suyatno@live.vu.edu.au>; Keith.Thomas@vu.edu.au <Keith.Thomas@vu.edu.au>;

Dear PROF ANONA ARMSTRONG,

Your ethics application has been formally reviewed and finalised.

- 
- » Application ID: HRE15-262
  - » Chief Investigator: PROF ANONA ARMSTRONG
  - » Other Investigators: DR KEITH THOMAS, MR Bitra Suyatno
  - » Application Title: Identifying The Predictors of Employees Intention to report Bribery Using Planned Behaviour Theory: A Case Study of an Indonesian Government Department
  - » Form Version: 13-07

The application has been accepted and deemed to meet the requirements of the National Health and Medical Research Council (NHMRC) 'National Statement on Ethical Conduct in Human Research (2007)' by the Victoria University Human Research Ethics Committee. Approval has been granted for two (2) years from the approval date; 16/12/2015.

Continued approval of this research project by the Victoria University Human Research Ethics Committee (VUHREC) is conditional upon the provision of a report within 12 months of the above approval date or upon the completion of the project (if earlier). A report proforma may be downloaded from the Office for Research website at: <http://research.vu.edu.au/hrec.php>.

Please note that the Human Research Ethics Committee must be informed of the following: any changes to the approved research protocol, project timelines, any serious events or adverse and/or unforeseen events that may affect continued ethical acceptability of the project. In these unlikely events, researchers must immediately cease all data collection until the Committee has approved the changes. Researchers are also reminded of the need to notify the approving HREC of changes to personnel in research projects via a request for a minor amendment. It should also be noted that it is the Chief Investigators' responsibility to ensure the research project is conducted in line with the recommendations outlined in the National Health and Medical Research Council (NHMRC) 'National Statement on Ethical Conduct in Human Research (2007).'

On behalf of the Committee, I wish you all the best for the conduct of the project.

Secretary, Human Research Ethics Committee  
Phone: 9919 4781 or 9919 4461  
Email: [researchethics@vu.edu.au](mailto:researchethics@vu.edu.au)

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This is an automated email from an unattended email address. Do not reply to this address.

## Appendix 2: Victoria University Letter for Permission to Conduct Survey in DGT



Governance Research Program  
College of Law and Justice  
Queen St Campus  
295 Queen Street  
PO BOX 14428 MELBOURNE  
VICTORIA 8001 AUSTRALIA  
PHONE +61 9919 6155  
18 December 2015

Mr Mekar Satria Utama, SE, MPA  
Director of Tax Dissemination, Service, and Public Relation,  
Directorate General of Taxation, the Ministry of Finance  
Jakarta.

Dear Mr Mekar,

Reference: Bitra Suyatno

Student ID : s4491186  
Program : Doctor of Business Administration (DBA)  
University : College of Law and Justice, Victoria University, Melbourne, Australia.

Bitra Suyatno is conducting research into corporate governance in Directorate General of Taxation (DGT) in fulfilment of his doctoral degree program. His research is focused on the relationship between attitude, subjective norm, perceived behavioral control and those impact on employees' intention to report bribery in their workplace. He would like also to investigate whether behavioral intention to whistleblow then leads to performing the actual reporting behavior in bribery allegation cases. Moreover, employees' preferences of reporting channels, either anonymously or non-anonymously, will be investigated.

The purpose of his study is to facilitate opportunities for whistleblowing of bribery practices in the Indonesian Directorate General of Taxation. He expects that the result of the research will contribute to policy decision-making, especially in the Government of the Republic of Indonesia Ministry of Finance and DGT with all their related parties, and to academic theory.

In the methodology he will conduct an online confidential survey using Qualtrics program and also collect documents that are relevant to the research. He needs to send a survey link address to all existing employees at DGT. The research activity will be conducted in compliance with the ethics application approved by the Victoria University Ethics Committee. Bitra plans to conduct a fieldwork in Indonesia from January to March 2016.

I am writing to request you to provide him with any assistance and support he may need, and invite you, and any other parties who may be interested, to take the opportunity to participate in the research. Bitra also needs your assistance to disseminate cover letters addressed to all DGT employees in order to encourage their participation in the survey.

Thank you for your help and support. Please contact me if you need any further information (Tel.6139919 6155; anona.armstrong@vu.edu.au).

Yours sincerely,



Professor Anona Armstrong AM  
Director of Research  
College of Law & Justice



### Appendix 3: Victoria University Letter for Getting to Conduct Survey in DGT



Governance Research Program  
College of Law and Justice  
Queen St Campus  
295 Queen Street  
PO BOX 14428 MELBOURNE  
VICTORIA 8001 AUSTRALIA  
PHONE +61 9919 6155  
18 December 2015

Dr Hadiyanto, SH, LL.M  
The Secretary General  
The Ministry of Finance  
Jakarta.

Dear Dr Hadiyanto,

Reference: Bitra Suyatno

Student ID : s4491186  
Program : Doctor of Business Administration (DBA)  
University : College of Law and Justice, Victoria University, Melbourne, Australia.

Bitra Suyatno is conducting research into corporate governance in the Directorate General of Taxation (DGT) in fulfilment of his doctoral degree program. His research is focused on the relationship between attitude, subjective norm, perceived behavioral control and those impact on employees' intention to report bribery in their workplace. He would like also to investigate whether behavioral intention to whistleblow then leads to performing the actual reporting behavior in bribery allegation cases. Moreover, employees' preferences of reporting channels, either anonymously or non-anonymously, will be investigated.

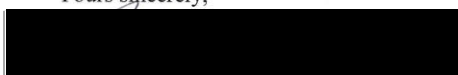
The purpose of his study is to facilitate opportunities for whistleblowing of bribery practices in the Indonesian Directorate General of Taxation. He expects that the result of the research will contribute to policy decision-making, especially in the Government of the Republic of Indonesia Ministry of Finance and DGT with all their related parties, and to academic theory.

In the methodology he will conduct an online confidential survey using Qualtrics program and also collect documents that are relevant to the research. He needs to send a survey link address to all existing employees at DGT. The research activity will be conducted in compliance with the ethics application approved by the Victoria University Ethics Committee. Bitra plans to conduct a fieldwork in Indonesia from January to March 2016.

I am writing to request you to provide him with any assistance and support, such as but not limited to provide a cover letter addressed to the Director of Tax Dissemination, Service, and Public Relation requesting an approval for Bitra Suyatno to conduct research in DGT and access to all existing DGT employees email address.

Thank you for your help and support. Please contact me if you need any further information (Tel.6139919 6155; anona.armstrong@vu.edu.au).

Yours sincerely,



Professor Anona Armstrong AM  
Director of Research  
College of Law & Justice

## Appendix 4: Victoria University Letter for Permission to Conduct Second Round Survey in DGT



Jakarta, 12 April 2016

Nomor: 02/BS-VU/THESIS/2016

Hal: Permohonan Ijin Penelitian Lanjutan untuk 79 unit kerja dan pejabat DJP di wilayah DKI Jakarta

Yth. Direktur Penyuluhan, Pelayanan, dan Hubungan Masyarakat (P2 Humas), Direktorat Jenderal Pajak

di tempat

Sebagai tindak lanjut atas surat kami nomor: 01/BS-VU/THESIS/2016 tanggal 23 Januari 2016 hal Permohonan Ijin Penelitian, bersama ini dapat kami sampaikan hal-hal sebagai berikut:

1. Kami sedang melakukan survei untuk mengidentifikasi faktor-faktor yang mempengaruhi niat responden (pegawai pajak) untuk menggunakan saluran pelaporan (*whistleblowing system*) terkait dugaan terjadinya penyuapan di lingkungan Direktorat Jenderal Pajak (DJP) pada 18 unit kerja (KPP WP Besar, KPP Madya, KPP Khusus, Direktorat KITSDA, dan Bagian Kepegawaian). Dari 20 permohonan ijin penelitian yang diajukan, 18 unit kerja bersedia menjadi tempat penelitian dan 2 KPP menolak.
2. Sesuai dengan surat permohonan ijin penelitian yang telah kami sampaikan, pada awalnya kami berencana melakukan survei online tingkat Nasional untuk seluruh pegawai DJP (sekitar 37.900 orang) di sekitar 500 kantor pajak di seluruh Indonesia. Berdasarkan penjelasan pegawai di Direktorat KITSDA dan P2 Humas, media komunikasi online yang dapat menjangkau seluruh pegawai DJP adalah Sistem Informasi Keuangan, Kepegawaian dan Aset (SIKKA). Untuk itu, kami telah menghubungi Bagian Kepegawaian DJP selaku administrator SIKKA guna meminta ijin untuk menempelkan link survei penelitian online kami di SIKKA. Namun permohonan untuk menggunakan SIKKA sebagai media penyebaran kuesioner online dimaksud ditolak mengingat SIKKA hanya diperuntukan bagi kalangan internal, sehingga tidak bisa digunakan untuk kepentingan peneliti dari luar DJP.
3. Selain itu kami melihat terdapat kendala peraturan Surat Edaran Direktur Jenderal Pajak Nomor: SE-23/PJ/2012 tanggal 25 April 2012 tentang Pemberian Izin Penelitian (Riset) dan/atau Praktik Kerja Lapangan di Lingkungan Direktorat Jenderal Pajak yang intinya menyatakan bahwa pemberian ijin penelitian yang dikeluarkan oleh Direktur P2 Humas tergantung dari kesediaan masing-masing pimpinan unit kerja yang akan menjadi tempat penelitian. Hal ini terlihat pada dimintakannya persetujuan untuk menjadi tempat penelitian dari P2 Humas kepada pimpinan masing-masing unit kerja (Lembar Persetujuan Menjadi Lokasi Penelitian).
4. Dari sisi waktu proses perijinan, kami terkendala lamanya proses dimaksud. Berdasarkan pengalaman kami di lapangan, memproses ijin penelitian untuk 20 unit kerja di wilayah DKI Jakarta terhitung dari surat diterima *front office* Kantor Pusat DJP sampai tanggal ijin penelitian dikeluarkan diperlukan rentang waktu antara 33 s.d. 75 hari kalender. Berdasarkan hal tersebut, kami mengasumsikan untuk pengurusan perijinan penelitian untuk unit kerja DJP di luar DKI Jakarta akan membutuhkan waktu yang lebih lama.
5. Dengan kendala tersebut pada butir 2, 3, dan 4 di atas, kami berencana mempersempit rencana awal lokasi penelitian dari tingkat Nasional hanya menjadi di seluruh unit kerja dan pejabat DJP di wilayah DKI Jakarta. Selain itu, alasan untuk mempersempit lokasi penelitian di wilayah DKI Jakarta tersebut adalah:

- a. Kasus-kasus korupsi dan/atau penyuapan di lingkungan DJP yang diberitakan oleh media yang menjadi isu besar di masyarakat, sebagian besar terjadi di wilayah DKI Jakarta. Hal ini sesuai dengan tematik penelitian kami;
  - b. Secara manajemen risiko, wajib pajak besar baik perusahaan maupun perorangan yang ditangani oleh unit kerja DJP banyak berlokasi di wilayah DKI Jakarta sehingga apabila terjadi kasus korupsi dan/atau suap yang melibatkan oknum DJP di wilayah tersebut dan kemudian terekspos tentunya akan memiliki dampak buruk terhadap reputasi DJP secara masif.
6. Guna memperoleh data penelitian yang lebih komprehensif, kami bermaksud menambah lokasi penelitian di wilayah DKI Jakarta, diluar 20 unit kerja yang telah terpilih sebelumnya seperti tersebut pada butir 1 di atas. Dimana dari 20 unit kerja tersebut, 2 KPP menolok untuk menjadi lokasi penelitian dan 18 lainnya bersedia menjadi tempat penelitian. Dari 18 unit kerja yang bersedia menjadi lokasi penelitian, 1 KPP meminta penelitian dilakukan secara online dengan menempelkan link laman survei online kami di portal internal mereka. Sedangkan 17 unit kerja lainnya menerima penyebaran kuesioner melalui *hard copy*. Berbeda dengan 17 unit kerja sebelumnya tersebut, penelitian di 79 unit kerja dan jabatan ini rencananya akan kami lakukan melalui mekanisme penyebaran kuesioner secara online.
7. Pemilihan menggunakan survei online didasarkan pada:
- a. efisiensi biaya dan waktu pelaksanaan terutama untuk jumlah lokasi penelitian yang banyak dan tersebar di beberapa tempat. Karena keterbatasan sumber daya, dana, dan waktu, dengan rata-rata 130 pegawai pada setiap unit kerja (lebih dari 9.000 pegawai di unit kerja yang akan diteliti), tidak memungkinkan bagi kami untuk menyebarkan kuesioner *hard copy* ke seluruh responden (pejabat dan pegawai) di 79 unit kerja dan jabatan yang ada di wilayah DKI Jakarta;
  - b. kenyamanan dan keamanan bagi responden. Dengan survei online, sepanjang terdapat *devices* (komputer, laptop, *smart phone*) dan akses internet yang memadai, responden dapat mengisi kuesioner dimanapun berada dan waktu yang nyaman (hari libur, malam hari, waktu istirahat) tanpa harus mengganggu kesibukan kerja. Selain itu, survei online kami berbasis Qualtrics memberikan fasilitas *anonym* sehingga keamanan identitas responden terjamin. Diharapkan hal ini akan mendorong partisipasi lebih banyak responden dan memberikan jawaban yang jujur. Hal ini sangat diperlukan mengingat penelitian terkait isu sensitif seperti *whistleblowing* dan *bribery* memerlukan kondisi dan situasi yang menjamin kerahasiaan dan keamanan responden;
  - c. kapabilitas SDM DJP di bidang Informasi dan Teknologi (IT) yang memadai. Berdasarkan informasi yang kami peroleh dari beberapa media, dimana pada kesempatan event di DJP tanggal 29 Maret 2016 Presiden Joko Widodo menyatakan kekagumannya terkait 18.900 dari 37.900 pegawai pajak berusia produktif dan jago IT. Maka hal ini memperkuat asumsi kami bahwa prospek penelitian berbasis IT terutama di DJP saat ini cukup menjanjikan; dan
  - d. survei online dimungkinkan di DJP. Adanya 1 KPP yang meminta penelitian dilakukan secara online dengan menempelkan link laman survei online kami di portal internal mereka memberikan harapan bahwa penelitian berbasis survei online dapat dilakukan di unit kerja DJP sepanjang disetujui oleh pimpinan unit kerja tersebut.
8. Dari sisi manfaat, penelitian yang kami lakukan nantinya diharapkan akan dapat memberikan kontribusi bagi DJP antara lain dari sisi:
- a. Mensukseskan program *Whistleblowing System*:



- 1) Membantu DJP dalam mengidentifikasi faktor pendukung dan penghambat niat pegawai melaporkan dugaan kasus suap melalui pilihan jalur pelaporan yang tersedia;
- 2) Membantu DJP dalam mengidentifikasi persepsi respondent atas efektivitas penerapan whistleblowing system dan budaya organisasi; dan
- 3) Membantu DJP mengidentifikasi persepsi responden terhadap whistleblower.

Diharapkan hasil penelitian nantinya akan dapat digunakan untuk menyempurnakan peraturan, kebijakan, dan pelaksanaan *whistleblowing system* di DJP pada khususnya dan Kementerian Keuangan pada umumnya. Diharapkan dengan strategi *whistleblowing* yang tepat, dapat mendorong pencegahan tindakan fraud di lingkungan kerja, terciptanya *good governance* di lingkungan DJP dan meningkatnya kepercayaan masyarakat terhadap DJP yang pada akhirnya akan meningkatkan kesadaran dan kepatuhan masyarakat dalam membayar pajak.

b. Penghematan Anggaran Penelitian:

Mengingat penelitian ini didanai sepenuhnya oleh *Australia Awards* selaku sponsor dan dari peneliti pribadi maka penelitian ini diharapkan akan dapat menghemat alokasi anggaran untuk rencana penelitian serupa di lingkungan DJP.

c. Pengembangan Penelitian:

Penelitian ini diharapkan dapat menjadi salah satu masukan untuk pengembangan penelitian sejenis di lingkungan DJP dan lembaga-lembaga pemerintah lainnya yang memiliki karakteristik penerimaan negara dengan risiko penyuapan seperti di Direktorat Jenderal Bea dan Cukai, Penerimaan Negara Bukan Pajak, Pemerintah Daerah, dan perijinan.

9. Namun demikian, mengingat berdasarkan beberapa *literature*, survei online memiliki *respond rate* yang rendah (6-10%) dibandingkan melalui penyebaran kuesioner secara *hard copy* (30-40%), maka kami sangat mengharapkan bantuan Bapak, para pejabat di DJP, dan para pimpinan unit kerja untuk mendukung penelitian ini dalam bentuk antara lain memberikan izin penelitian, ikut mengisi kuesioner, dan mendorong dari para pejabat dan pegawai DJP untuk berpartisipasi aktif mengisi kuesioner online tersebut.
10. Selanjutnya, kami mohon bantuan P2 Humas untuk dapat memproses permohonan izin penelitian kami ke 79 unit kerja dan pejabat DJP di wilayah DKI Jakarta sesuai daftar permohonan terlampir.
11. Sebagai pertimbangan Bapak, terlampir kami sampaikan kembali copy surat keterangan dari Direktur Program *Law and Justice*, *Victoria University*, proposal penelitian, lembar kesediaan untuk menyampaikan hasil penelitian bermaterai. Surat asli dari dokumen dimaksud telah kami sampaikan kepada Bapak dalam lampiran surat kami sebelumnya nomor: 01/BS-VU/THESIS/2016. Selain itu, kami sampaikan lembar konfirmasi untuk 79 unit kerja dan pejabat beserta lembar kuesioner yang sudah kami sempurnakan sesuai hasil masukan dari responden dan *literature*.
12. Kami informasikan bagi unit kerja dan pejabat yang bersedia untuk menjadi tempat penelitian dan responden dapat mengakses laman survei online kami di alamat <https://goo.gl/079JvZ> atau [https://vuau.qualtrics.com/SE/?SID=SV\\_6fdpi533WmqHJ0V](https://vuau.qualtrics.com/SE/?SID=SV_6fdpi533WmqHJ0V)  
Mohon kiranya link alamat survei dimaksud dapat dimasukkan ke dalam portal internal (misalnya dengan jendela *pop-up*) di masing-masing unit kerja sehingga menjadi pengingat sekaligus dapat diakses oleh para pejabat dan pegawai yang ingin berpartisipasi pada survei ini. Laman survei online ini dapat diakses sampai tanggal **31 Agustus 2016**.

13. Mengingat keterbatasan waktu yang diberikan Victoria University dan *Australia Awards* (pihak sponsor) bagi kami untuk melakukan penelitian di Indonesia (*fieldwork*) sampai tanggal 17 April 2016 (setelah perpanjangan ijin dari tanggal 31 Maret 2016), maka korespondensi dan komunikasi kami selanjutnya dengan P2 Humas akan dilakukan melalui email (bitra.suyatno@live.vu.edu.au, bitra2008@gmail.com, dan izinriset.kpdjp@gmail.com), whatsapp, sms, telephone dengan Bapak Ary Festanto dan Ibu Dwi selaku PIC ijin riset selama ini atau dengan pegawai lain yang Bapak tunjuk.

Demikian permohonan ijin penelitian ini kami sampaikan, atas perhatian dan kerja sama Bapak, kami mengucapkan terima kasih.

Hormat kami,



Bitra Suyatno  
NIM s4491186

Tembusan Yth:

1. Menteri Keuangan;
2. Direktur Jenderal Pajak;
3. Sekretaris Jenderal Kementerian Keuangan;
4. Sekretaris Direktorat Jenderal Pajak;
5. Kepala Biro Komunikasi dan Layanan Informasi, Sekretariat Jenderal Kementerian Keuangan;
6. Kepala Biro Sumber Daya Manusia, Sekretariat Jenderal Kementerian Keuangan;
7. Prof Anona Armstrong AM (Pembimbing Utama), Victoria University; dan
8. Dr Keith Thomas BM (Pembimbing Kedua), Victoria University.

## Appendix 5: Questionnaire (English Version)



### INFORMATION TO PARTICIPANTS INVOLVED IN RESEARCH

You are invited to participate

You are invited to participate in a research project entitled Identifying Predictors of Employees' Intention to report Bribery Using Planned Behaviour Theory: A Case Study in an Indonesian Government Department.

This project is being conducted by a student researcher Bitra Suyatno as part of a Doctor of Business Administration (DBA) study at Victoria University under the supervision of Professor Anona Armstrong AM from College of Law and Justice.

#### Project explanation

The aim of this study is to assist in determining the factors which facilitate or inhibit disclosure of whistleblowing to prevent misconduct in the Indonesian Directorate General of Taxation (DGT) by investigating the correlation among the selected variables. These variables include attitude; (2) Subjective norm; and (3) perceived behavioural control, and (4) employees' intention to disclose bribery through available reporting channels either anonymously or non-anonymously. The study mainly referred to Park and Blenkinsopp (2009) study titled "Whistleblowing as planned behaviour—A survey of South Korean police officers". There are some modifying from Park and Blenkinsopp (2009) paper, such as under variable perceived of behavioural control, our study utilizes organisational culture based on Schein's six mechanisms, perceived of easiness/difficulties to get other employments outside DGT, and perceived of having evidence. Those new adding sub-variables match with Indonesian context with heavily relies on high power distance. Moreover, different from Park and Blenkinsopp (2009) study, which limited only two possible reporting channels, our study utilize eight possible reporting options: anonymous, non-anonymous, external and internal, as well as not to report. Our study also focuses on investigating employees' intention to disclose bribery as the type of wrongdoing.

Due to the characteristics of tax crimes, the impacts of particular types of wrongdoing cause state revenue losses of trillions of rupiahs. The proposed study focuses on bribery, which is described as giving or receiving something of value to reduce tax obligations and/or to accelerate service. However, because of the difficulties and sensitive issues involved in directly observing actual whistleblowing as well as confidentiality of and access restriction to whistle-blowers, this study investigates individuals' intentions to disclose bribery. Theory of Planned Behaviour is used to measure the intention. Data is collected by email survey. A Likert scale will be used to measure employees' responses, and AMOS is appropriate to analyse multivariate relationships among variables. The anticipated outcome is the identification of the factors that may encourage or hamper individuals in reporting bribery. These finding may be useful to design effective whistleblowing policies and regulations to combat bribery. The study will also seek to clarify the inconsistency noted in previous studies and this would be the first study to examine bribery as the wrongdoing type in relation to whistleblowing in an Indonesian context.

What will I be asked to do?

The researcher would like to invite participants' views and thoughts on whistleblowing related to bribery at the Indonesian government organization. There are six sections to the survey, which should take approximately 25 to 35 minutes to complete. Participants are requested to complete **ALL** sections and items in the survey.

What will I gain from participating?

The outcome of this research is expected to help with the development of whistleblowing policy and regulation in Indonesia. This is participants' opportunity to express their opinion and contribute to creating more ethical, honest, and fairer workplace environment.

How will the information I give be used?

The information collected from this survey will be published in a thesis, journal articles, conferences, and books. However, all comments and responses are anonymous and will be kept confidential at all times. As the results will be discussed and explained in aggregate formats, individual information will be kept confidential.

What are the potential risks of participating in this project?

There are no anticipated risks in participants' participation since the system guarantees not to trace respondents' identity. Since the survey is anonymous and confidential, no personal data will be available and informed to the participants. At no stage is participants' name and office address required in any of the responses.

How will this project be conducted?

This research is undertaken using a survey questionnaire which will be distributed on-line Qualtric. Participants' participation in this study is voluntary. The procedure for data collection for this study will be carried in one phase. A self-administered questionnaire is used to collect quantitative data in the survey. A self-administered questionnaire is a questionnaire that is filled in by the respondents rather than by a researcher (Zikmund 2003 cited in Ab Ghani 2013). For the questionnaire, the researcher plans to use Web-based survey by utilizing Qualtric. Using the letters from authorities at DGT, the link to access the questionnaire will be presented. Employees are able to access and fill the survey by enter the link.

Who is conducting the study?

1. Prof Anona Armstrong AM, Principal Supervisor, Director, Research and Research Training at College of Law and Justice, Victoria University. Phone number: +61 3 9919 6155 or email address: anona.armstrong@vu.edu.au.
2. Dr Keith Thomas, Associate Supervisor, Senior Lecturer at College of Business, Victoria University. Phone number: +61 3 9919 1954 or email address: keith.thomas@vu.edu.au.
3. Bitra Suyatno, Doctor of Business Administration (DBA) student at College of Law and Justice, Victoria University. Phone number: +628128750518, +61 449089119 or email addresses: bitra.suyatno@live.vu.edu.au or bitra2008@gmail.com

Any queries about your participation in this project may be directed to the Chief Investigator listed above.

If you have any queries or complaints about the way you have been treated, you may contact Professor Armstrong (613 9919 6155) Dr. Thomas, or the Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email researchethics@vu.edu.au or phone (613) 9919 4781 or 4461.

## **CONSENT FORM FOR PARTICIPANTS INVOLVED IN RESEARCH**

### **INFORMATION TO PARTICIPANTS:**

I would like to invite your views and thoughts on whistleblowing related to bribery at the Indonesian government organization.

The main objectives of this research are twofold. The first objective is to determine factors that may influence public service employees' intention to report bribery cases. The second one is to identify respondents' preferences towards available channels when reporting bribery cases either anonymously or non-anonymously (openly). The outcome of this research is expected to help with the development of whistleblowing policy and regulation in Indonesia. This is your opportunity to express your opinion and contribute to creating more ethical, honest, and fairer workplace environment.

This research is undertaken using a survey questionnaire which will be distributed on-line (Qualtric). The provider is the industry-leading providers of Online Survey Software. There are no anticipated risks in your participation since the system guarantees not to trace respondents' identity. Your participation in this study is voluntary. The information collected from this survey will be published in a thesis and journal articles. However, all comments and responses are anonymous and will be kept confidential at all times. As the results will be discussed and explained in aggregate formats, individual information will be kept confidential. If you wish to at any time discontinue this survey please do so, as you reserve the right to discontinue at any time without penalty. Your agreement to fill out this survey constitutes your informed consent as to the objectives of the survey and how the information will be utilized. Since the survey is anonymous and confidential, no personal data will be available and informed to the participants. At no stage is your name required in any of the responses.

There are six sections to the survey, which should take approximately 25 to 35 minutes to complete. Please make sure to complete **ALL** sections and items in the survey.

Your participation in this survey is greatly appreciated. To submit the completed survey, please click the "send" button.

### **CERTIFICATION BY SUBJECT**

I, of

Certify that I am at least 18 years old\* and that I am voluntarily giving my consent to participate in the study:

**Identifying Predictors of Employees' Intention to report Bribery Using Planned Behaviour Theory: A Case Study in an Indonesian Government Department**, conducted Mr. Bitra SUYATNO of Victoria University.



I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, have been fully explained to me by Mr. Bitra SUYATNO and that I freely give my consent to participate by

- Completing a survey questionnaire

I certify that I have had the opportunity to have any questions answered as honestly as possible and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardize me in any way.

I have been informed that the information I provide will be kept confidential.

By clicking “send”, I have given consent to the researcher (Bitra Suyatno) to conduct analysis according to the information I have provided in this survey.

Any queries about your participation in this project may be directed to the researcher Mr. Bitra SUYATNO

+628128750518 or +61 449089119 or bitra.suyatno@live.vu.edu.au or bitra2008@gmail.com

This study has been approved by Victoria University Human Research Ethics Committee, funded by Department of Foreign Affairs and Trade, Australian Government and Victoria University, and supported by the Directorate General of Taxation particularly and the Ministry of Finance of the Republic of Indonesia generally.

If you have any queries or complaints about the way you have been treated, you may contact the Supervisors of the project, Prof Anona Armstrong (anona.armstrong@vu.edu.au) and Dr. Keith Thomas (keith.thomas@vu.edu.au) or the Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email Researchethics@vu.edu.au or phone (03) 9919 4781 or 4461.

## Definitions

1. “Anonymous” means (of a person) not identified by name; of unknown name
2. “Aware of” means knowing that something exists, or having knowledge or experience of a particular thing.
3. “Bribery” means the actions of giving or promising something to a tax department employee in order to make him or her reduce tax obligations and/or accelerate services.
4. “External Reporting Channels” refers to whistleblowing reporting channels, which are provided by the Corruption Eradication Commissions or Ombudsman or Police or General Attorney or other authorities, outside of MoF’s WISE. Reporting bribery to or dealing with mass media or journalists or public is not considered as reporting channel types in this study.
5. “Hero” means a person who is admired for having done something very brave or having achieved something great.
6. “Help” Disclose means an action attempted to stop something illegal that is happening, especially in a government department or a company.
7. “Internal Reporting Channel” refers to the Whistleblowing System (WISE) based on Minister of Finance’s Rule Number: 103/PMK.09/2010, Director General of Taxation’s Rule Number PER-22/PJ/2011 and other related internal regulations and policies.
8. “Non-anonymously” means that a person discloses his or her identity to the authority when reporting.
9. “Ordinary person” means a member of the public, who does not have position power.
10. “Perception” means the way you think about or understand someone or something.
11. “Report that discloses my identity” means that a discloser provides his or her true identity to the authority (ies) when reporting bribery practice.
12. “Traitor” means a person who is not loyal or stops being loyal to their own organization, group, colleagues, etc.
13. “Trouble Maker” means a person who causes difficulties, distress, worry, etc., for others, especially one who does so habitually as a matter of hatred.
14. “Whistleblowing” means disclosure by organization members (former or current) of illegal, immoral or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action
15. “Whistle-blower” is a person who conducts whistleblowing.
16. Wrongdoings are any illegal, immoral or illegitimate practices under the control of their employers, to persons or organizations.

SECTION A: DEMOGRAPHIC DETAILS

This part of the questionnaire is designed to collect demographic information about you. Please respond to each question as indicated. **No stage is your name and your office address required in any of the responses.**

1. Please indicate your gender (Please tick one box)

No	Gender	Answer
1.	Male	
2.	Female	

2. What is your age? \_\_\_\_\_ (Please tick one)

No	Age	Answer
1.	Under 18	
2.	18 to $\leq$ 24 years	
3.	$>24$ to $\leq$ 34 years	
4.	$>34$ to $\leq$ 44 years	
5.	$>44$ to $\leq$ 54 years	
6.	$>54$ years	

3. What is your highest obtained educational level? (Please tick one)

No	Education Level	Answer
1.	Some grade school	
2.	High School degree	
3.	Diploma degree	
4.	Undergraduate degree	
5.	Master degree	
6.	Doctoral degree	
7.	Other (Please specify : _____)	

4. How long have you been working for DGT? (Please tick one)

No	Tenure	Answer
1.	$< 1$ year	
2.	1 to $\leq$ 5 years	
3.	$>5$ to $\leq$ 10 years	
4.	$>10$ to $\leq$ 15 years	

5.	> 15 to ≤ 20 years	
6.	>20 to ≤ 25 years	
7.	>25 to ≤ 30 years	
8.	> 30 years	

5. What is your current position? (Please tick one)

No	Position	Answer
1.	Staff	
2.	Echelon IV	
3.	Echelon III	
4.	Echelon II and above	
5.	Functional (Please specify : _____)	

**SECTION B: PREFERENCES OF REPORTING CHANNELS**

1. If you saw bribery occur in your workplace, would you report it to the authority(ies)?

Yes	No

If your answer is "NO", why not?

2. If your answer is either “YES” or “NO”, would you please value the following statements?

If you saw bribery occurred in your workplace, would you do the following?” Please tick the column that best represent your response

No	Statements	Strongly Disagree	Disagree	Neither disagree nor agree	Agree	Strongly Agree
		1	2	3	4	5
A	Use External Reporting Channel (ER):					
1.	Report bribery <b><u>anonymously</u></b> to appropriate authorities (i.e. corruption eradication commission/ombudsman/police/prosecutor)					
2.	Report bribery <b><u>non-anonymously</u></b> to appropriate authorities (i.e. corruption eradication commission /ombudsman/police/prosecutor)					
B	Use Internal Reporting Channel (IR) - Whistleblowing System/WISE:					
3.	Report bribery <b><u>anonymously</u></b>					
4.	Report bribery <b><u>non-anonymously</u></b>					
C	Use Both ER and IR:					
5.	Report bribery to the appropriate authorities (i.e. corruption eradication commission /ombudsman/police/prosecutor) <b><u>AND</u></b> to WISE <b><u>anonymously</u></b>					
6.	Report bribery to the appropriate authorities (i.e. corruption eradication commission /ombudsman/police/prosecutor) <b><u>AND</u></b> to WISE <b><u>non-anonymously</u></b>					
7.	Report bribery to the appropriate authorities (i.e. corruption eradication commission /ombudsman/police/prosecutor) <b><u>anonymously</u></b> , <b>BUT</b> report bribery to WISE <b><u>non-anonymously</u></b>					
8.	Report bribery to the appropriate authorities (i.e. corruption eradication commission /ombudsman/police/prosecutor) <b><u>non-anonymously</u></b> , <b>BUT</b> report bribery to WISE <b><u>anonymously</u></b>					

3. Does your organization disseminate how to utilize Whistleblowing System (WISE)and its related regulations, such as Minister of Finance’s Rule Number: 103/PMK.09/2010, Director General of Taxation’s Rule Number PER-22/PJ/2011 (Please tick one)

1.	Yes	
2.	No	

4. Have you attended a WISE information dissemination program in the last five years (Please tick one)

1.	Yes	
2.	No	

5. Do you know how to report bribery or other fraudulent behaviours through the Internal Whistleblowing System (WISE)? (Please tick one)

1.	Yes	
2.	No	

6. Have you ever reported bribery or other fraudulent behaviours through WISE in the last five years? (Please tick one)

1.	Yes	
2.	No	

7. Do you know how to report bribery case or other types of wrongdoings utilizing external reporting channels such as to corruption eradication commission /ombudsman/police/prosecutor or public (media) (Please tick one)

1.	Yes	
2.	No	

8. Have you ever reported bribery case or other types of wrongdoings utilizing external reporting channels such as to corruption eradication commission /ombudsman/police/prosecutor or public (media) in the last five years? (Please tick one)

1.	Yes	
2.	No	

9. Does your institution offer ethics courses/training in the last five years? (Please tick one)

1.	Yes	
2.	No	

10. Have you completed the ethics courses/training in the last five years? (Please tick one)

1.	Yes	
2.	No	

SECTION C: ATTITUDE

No	Do you believe that whistleblowing would .....	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
		1	2	3	4	5
1.	prevent bribery causing harm to the organization					
2.	control bribery					
3.	enhance public interest to combat bribery					
4.	be my role responsibility as an employee					
5.	be my moral obligation					
6.	Other ..... (please specify)					

No	If you reported bribery, how important is whistleblowing to .....	Strongly Not Important	Not Important	Neither Not Important nor Important	Important	Strongly Important
		1	2	3	4	5
1.	prevent bribery causing harm to the organization					
2.	control bribery					
3.	enhance public interest to combat bribery					
4.	meet my role responsibility as an employee					
5.	meet my moral obligation					
6.	Other ..... (please specify)					

SECTION D: SUBJECTIVE NORM

No	“What are the following persons proud of your action to report bribery?”	Strongly Not Proud	Not Proud	Neither Not Proud nor Proud	Proud	Strongly Proud
		1	2	3	4	5
1.	members of respondent’s family					
2.	co-workers					
3.	immediate supervisor					
4.	friends					
5.	neighbours					
6.	Other ..... (please specify)					

No	“How much do you care the following persons would approve or disapprove of your action to report bribery?”	Strongly not important	Not Important	Neither Not Important nor Important	Strongly Important
		1	2	3	4
1.	members of respondent’s family				
2.	co-workers				
3.	immediate supervisor				
4.	friends				
5.	neighbours				
6.	Other ..... (please specify)				



SECTION E: PERCEIVED BEHAVIOURAL CONTROL

ORGANISATIONAL CULTURE

(Fill with each statement) in relation to bribery cases

No	I expect the leaders in my department will.....	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
		1	2	3	4	5
1.	seriously investigate reports					
2.	keep giving the whistle-blower with feedback regularly on progress of the investigation					
3.	take responsibility officially					
4.	have allocated sufficient budget to support internal auditors to investigate reports					
5.	have allocated sufficient budget to support development of WISE to investigate reports					
6.	have ensured the whistle-blowers' identity is anonymous					
7.	have behaved as the ethical role model					
8.	have encouraged employees to report bribery					
9.	protect employees from any types of retaliation					
10.	reward a whistle-blower with the maximum amount of Rp100 millions or ten times of employee's take home pay					
11.	reward a whistle-blower with a promotion					
12.	reward a whistle-blower with an overseas training					
13.	give a whistle-blower with a good performance rating					
14.	assign a whistle-blower with more desirable duties					
15.	relocate a whistle-blower with an assignment to a whistle-blower's preferred geographic location					
16.	hinder reports					
17.	ignore reports					
18.	create difficulties in the process of reporting					
19.	not attempt to correct wrongdoing					

20.	blame employees for what was happening					
21.	deny a whistle-blower with a demotion					
22.	give a whistle-blower with a poor performance					
23.	restrict a whistle-blower for following training					
24.	assign a whistle-blower a less desirable duties					
25.	relocate a whistle-blower to a non-preferred geographic location					
26.	terminate a whistle-blower job					
27.	Other ..... (please specify)					

No	I will be <b>encouraged</b> to whistleblow if the leaders .....	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
		1	2	3	4	5
1.	investigate my reports seriously					
2.	keep giving me with feedback regularly on progress of the investigation					
3.	take responsibility for what was happening					
4.	allocate a sufficient budget to support internal auditors to investigate my report					
5.	allocate a sufficient budget to support the development of WISE to investigate my report					
6.	ensure my identity as a whistle-blower is anonymous					
7.	show behaviour as a role model					
8.	encourage me to report bribery practices					
9.	protect me from any types of retaliation					
10.	reward of amount of Rp100 millions or ten times of my take home pay					
11.	promise me with a promotion					
12.	offer me with an oversea training					
13.	offer me with a good performance rating					
14.	offer me with an assignment to more desirable duties					

15.	offer me with an assignment to my preferred geographic location					
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No	I will be <b>discouraged</b> to whistleblow if the leaders show predisposition to .....	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
		1	2	3	4	5
1.	hinder reporting					
2.	ignore reporting					
3.	create difficulties to be faced in the process of reporting					
4.	not correct wrongdoing					
5.	blame employees for what was happening					

No	I will be <b>discouraged</b> to whistleblow if the leaders threaten a whistle-blower with .....	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
		1	2	3	4	5
1.	a denial of a promotion					
2.	a poor performance					
3.	a restriction to follow training					
4.	an assignment or reassign less desirable or less important duties					
5.	a relocation to non-preferred geographic location					
6.	a termination of job					
7.	a support to suspected wrongdoer when he or she threatens me to take legal action					
8.	Other ..... (please specify)					

If you think that the monetary incentive is important to encourage employees to whistleblow, how much is the sufficient reward? Or How much percentage of assets seizure is considered as sufficient reward?

PERCEIVED EASINESS/HARDNESS TO FIND OTHER WORKS OUTSIDE DGT

No	I expect, DGT employees who blow the whistle will .....	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
		1	2	3	4	5
1.	find it easy to get other works outside DGT					
2.	be approved by DGT if they wish to resign or move to another organization					

No	I will be <b>encouraged</b> to whistleblow if it is .....	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
		1	2	3	4	5
1.	easy to find other works outside DGT					
2.	easy to obtain DGT approval to any employee who wants to resign or move to another organization					

PERCEIVED HAVING OF QUALITY OF EVIDENCE

(Fill with each statement) in relation to bribery cases

No	I expect, the leaders will .....if I <b><u>can provide sufficient evidence</u></b> of bribery	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
		1	2	3	4	5
1.	investigate my report seriously					

No	I will be <b><u>encouraged</u></b> to whistleblow if ..... sufficient evidence of bribery	Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly Agree
		1	2	3	4	5
1.	I have					

If you think that the quality of evidence you have is important for you to report or not to report, what type of evidence is important to be provided before reporting bribery case? Please rank from the most important to the least important.

No	Type of Evidence	Response
1.	Involving directly to the bribery	
2.	Witnessing the bribery	
3.	There is someone else who can act as a witness beside me	
4.	Knowing information in detail (what, who, when, where, why, and how) although without supporting document, such as a verbal instruction from supervisors to alter tax analysis results	
5.	Documents (written order, letter, memo) that are against the regulations, rules, and policies	

6.	Emails or other electronic evidence, such as recorded meeting, instructions	
7.	Other ..... (please specify)	

**SECTION F: SUPPLEMENTARY QUESTIONS**

1. Have you ever noted bribery occurred in your current workplace during the last five years?  
Please tick the box that best represents your response

Yes	No

2. Please respond to all statements in the table below. What type of payments or favours you are aware of and how often did it occur during the last five years? (Tick all that apply)

No	Types of Payments or Favours	Scale				
		Never	Once	Twice	Three times	More than three times
1.	Huge money (Rp100 millions or above)					
2.	Tip					
3.	Discount					
4.	Gift					
5.	Bonus					
6.	Free Ticket					
7.	Free Food					
8.	Free Trip					
9.	Political Backing					
10.	Stock Options					
11.	Secret Commission					
12.	Promotion (rise of position/rank)					
13.	Other ..... (please specify)					

3. What level (position) of wrongdoer in your organization did bribery that you were aware of and how often he or she committed bribery during the last five years? Please tick the box(es) that best represents your response (tick all that apply)

No	Position	Scale				
		Never	Once	Twice	Three times	More than three times
1.	Staff					
2.	Echelon IV					
3.	Echelon III					
4.	Echelon II and above					
5.	Functional Position ..... (please specify)					

4. Do you think a whistle-blower who reports bribery in the workplace is a ..... (tick one only).

Hero	Ordinary Person	Traitor	Trouble Maker

Please give your reason(s) why you choose “hero” or “ordinary person” or “traitor” or “trouble maker”

5. Do you believe a whistle-blower deserves to be punished?

Yes	No

If your answer is “yes”, why?



6. Please indicate your degree of agreement or disagreement with following statement

No	Statements	Strongly Disagree	Disagree	Neither Disagree nor	Agree	Strongly Agree
		1	2	3	4	5
1	DGT must impose duties on each employee to report suspected bribery practices					
2	An employee who is “aware of” suspected bribery in their workplace but does not report it to internal or external reporting channels must be punished					
3	The duties to report suspected bribery practices in DGT is voluntary					

7. What would you expect happening to you if you report bribery in your department now?

No	Occur	Answer
1.	Rewarded/appreciated	
2.	Punished	
3.	Ignored	
4.	Other ..... (please specify)	

COMMENTS: (If you would like to add further comments on aspects which related to the questionnaire)

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## Appendix 6: Questionnaire (Bahasa Version)



### INFORMASI BAGI PARA PESERTA YANG TERLIBAT DI DALAM RISET

Anda diundang untuk berpartisipasi

Anda diundang untuk berpartisipasi di dalam sebuah proyek riset yang berjudul Mengidentifikasi Prediktor Niat Karyawan untuk Melaporkan Penyuapan dengan Menggunakan Teori Perilaku Terencana: Sebuah Studi Kasus di Sebuah Departemen Pemerintah Indonesia.

Proyek ini sedang dilaksanakan oleh seorang mahasiswa periset Bitra Suyatno sebagai bagian dari suatu studi Doktor Administrasi Bisnis (DBA) di Universitas Victoria di bawah pengawasan Profesor Anona Armstrong AM dari College of Law and Justice.

Penjelasan proyek

Tujuan dari studi ini adalah untuk membantu dalam menentukan faktor-faktor yang memfasilitasi atau menghambat pengungkapan pelaporan pelanggaran untuk mencegah perbuatan tercela di Direktorat Jenderal Perpajakan (DJP) Indonesia dengan menyelidiki korelasi antara variabel-variabel yang dipilih. Variabel-variabel ini meliputi (1) sikap; (2) norma subyektif; (3) kendali perilaku yang dirasakan, dan (4) niat karyawan untuk mengungkapkan penyusapan melalui saluran-saluran pelaporan yang tersedia secara anonim atau non-anonim. Studi ini terutama merujuk pada studi Park dan Blenkinsopp (2009) yang berjudul "*Whistleblowing as planned behaviour—A survey of South Korean police officers*" ("Pelaporan pelanggaran sebagai perilaku terencana – Sebuah survei mengenai petugas kepolisian Korea Selatan"). Ada beberapa perubahan dari makalah Park dan Blenkinsopp (2009), seperti untuk variabel kendali perilaku yang dirasakan, studi kami menggunakan budaya organisasi atas dasar enam mekanisme Schein, kemudahan/kesulitan yang dirasakan untuk mendapatkan pekerjaan lain di luar DJP, dan pemilikan bukti yang dirasakan. Semua sub-variabel tambahan baru tersebut sesuai dengan konteks Indonesia yang sangat mengandalkan jarak kekuasaan tinggi. Selain itu, berbeda dengan studi Park dan Blenkinsopp (2009), yang hanya membatasi dua kemungkinan saluran pelaporan, studi kami menggunakan delapan kemungkinan opsi pelaporan: anonim, non-anonim, eksternal dan internal, dan juga tidak melaporkan. Studi kami juga berfokus untuk menyelidiki niat karyawan untuk mengungkapkan penyusapan sebagai jenis pelanggaran.

Karena karakteristik-karakteristik kejahatan pajak, dampak jenis-jenis tertentu pelanggaran menyebabkan negara kehilangan pendapatan triliunan rupiah. Studi yang diusulkan berfokus pada penyusapan, yang diuraikan sebagai memberikan atau menerima sesuatu yang bernilai untuk mengurangi kewajiban pajak dan/atau mempercepat layanan. Akan tetapi, karena adanya kesulitan dan persoalan yang sensitif dalam mengamati secara langsung pelaporan pelanggaran yang terjadi dan juga kerahasiaan dan keterbatasan akses menuju para pelapor pelanggaran, studi ini menyelidiki niat para individu untuk mengungkapkan penyusapan. Teori Perilaku Terencana digunakan untuk mengukur niat tersebut. Data dikumpulkan melalui survei email. Skala Likert akan digunakan untuk mengukur respons karyawan, dan AMOS cocok untuk menganalisis hubungan multivariat antara variabel-variabel. Hasil yang diharapkan adalah pengidentifikasian faktor-faktor yang dapat mendorong atau menghambat individu dalam melaporkan penyusapan. Temuan ini mungkin berguna untuk merancang kebijakan-kebijakan dan peraturan-peraturan pelaporan pelanggaran yang efektif untuk memberantas penyusapan. Studi ini juga akan berusaha untuk menjelaskan inkonsistensi yang tercatat di dalam studi-studi sebelumnya dan ini akan merupakan studi pertama yang memeriksa penyusapan sebagai jenis pelanggaran sehubungan dengan pelaporan pelanggaran dalam konteks Indonesia.

Apa yang diminta untuk saya lakukan?

Periset ingin mengetahui pandangan dan pikiran para peserta mengenai pelaporan pelanggaran yang terkait dengan penyuaipan di organisasi pemerintah Indonesia. Ada enam bagian yang akan disurvei, yang memerlukan waktu kira-kira 25 sampai 35 menit untuk diisi. Peserta diminta untuk mengisi **SEMUA** bagian dan item di dalam survei.

Apa yang akan saya peroleh dengan berpartisipasi?

Hasil riset ini diharapkan akan membantu pembuatan kebijakan dan peraturan pelaporan pelanggaran di Indonesia. Ini merupakan kesempatan bagi para peserta untuk mengungkapkan pendapat mereka dan berkontribusi untuk menciptakan lingkungan tempat kerja yang lebih etis, jujur, dan adil.

Bagaimana informasi yang saya berikan akan digunakan?

Informasi yang dikumpulkan dari survei ini akan diterbitkan di dalam sebuah tesis, artikel-artikel jurnal, konferensi-konferensi dan buku-buku. Akan tetapi, semua komentar dan respons adalah anonim dan akan dirahasiakan setiap saat. Karena hasilnya akan dibahas dan dijelaskan dalam format-format secara menyeluruh, masing-masing informasi akan terjaga kerahasiaannya.

Apa kemungkinan risikonya berpartisipasi di dalam proyek ini?

Tidak ada risiko yang terantisipasi dalam partisipasi peserta karena sistemnya menjamin tidak akan ada pelacakan identitas responden. Karena survei bersifat anonim dan rahasia, tidak ada data pribadi yang akan dapat diperoleh dan diberitahukan kepada para peserta. Nama dan alamat kantor peserta tidak diperlukan dalam respons apa pun dan tahap mana pun.

Bagaimana proyek ini akan dilakukan?

Riset ini digunakan dengan menggunakan kuesioner survei yang akan dibagikan secara on-line (Qualtric). Partisipasi peserta di dalam studi ini bersifat sukarela. Prosedur pengumpulan data untuk studi ini akan dilakukan dalam satu tahap. Kuesioner swakelola digunakan untuk menghimpun data kuantitatif di dalam survei. Kuesioner swakelola adalah kuesioner yang diisi oleh responden dan bukan oleh periset (Zikmund 2003 cited in Ab Ghani 2013). Untuk kuesioner, periset berencana menggunakan survei berbasis Web dengan menggunakan Qualtric. Dengan menggunakan surat dari para pihak yang berwenang di DJP, tautan untuk mengakses kuesioner akan diberikan. Karyawan dapat mengakses dan mengisi survei dengan memasuki tautan tersebut.

Siapa yang sedang melakukan studi ini?

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2. Dr Keith Thomas, Associate Supervisor, Dosen Senior di College of Business, Victoria University. Nomor telepon: +61 3 9919 1954 atau alamat email: keith.thomas@vu.edu.au.
3. Bitra Suyatno, mahasiswa Doktor Administrasi Bisnis (DBA) di College of Law and Justice, Victoria University. Nomor telepon: +628128750518, +61 449089119 atau alamat email: bitra.suyatno@live.vu.edu.au atau bitra2008@gmail.com

Pertanyaan apa pun mengenai partisipasi Anda di dalam proyek ini dapat ditujukan kepada Peneliti Kepala yang tercantum di atas. Apabila Anda memiliki pertanyaan atau keluhan apa pun mengenai cara Anda diperlakukan, Anda dapat menghubungi Profesor Armstrong (613 9919 6155) Dr. Thomas, atau Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email researchethics@vu.edu.au atau telepon (613) 9919 4781 atau 4461.

## **BENTUK PERSETUJUAN BAGI PARA PESERTA YANG TERLIBAT DI DALAM RISET**

### **INFORMASI BAGI PESERTA:**

Saya ingin mengetahui pandangan dan pikiran Anda mengenai pelaporan pelanggaran yang terkait dengan penyuapan di organisasi pemerintah Indonesia.

Tujuan utama riset ini ada dua. Tujuan yang pertama adalah menentukan faktor-faktor yang dapat mempengaruhi niat para karyawan pelayanan public untuk mengidentifikasi pilihan responden terhadap saluran yang tersedia ketika melaporkan kasus penyuapan baik secara anonim maupun non-anonim (terbuka). Hasil riset ini diharapkan akan membantu pembuatan kebijakan dan peraturan pelaporan pelanggaran di Indonesia. Ini merupakan kesempatan bagi Anda untuk mengungkapkan pendapat Anda dan berkontribusi menciptakan lingkungan tempat kerja yang lebih etis, jujur, dan adil.

Riset ini dilakukan dengan menggunakan suatu kuesioner survei yang akan didistribusikan secara on-line (Qualtric). Penyediannya adalah penyedia Perangkat Lunak Survei Online yang terkemuka di industri tersebut. Tidak ada risiko yang terantisipasi dalam partisipasi peserta karena sistemnya menjamin tidak akan ada pelacakan identitas responden. Partisipasi Anda di dalam studi ini bersifat sukarela. Informasi yang dikumpulkan dari survei ini akan diterbitkan di dalam sebuah tesis, artikel-artikel jurnal. Akan tetapi, semua komentar dan respons adalah anonim dan akan dirahasiakan setiap saat. Karena hasilnya akan dibahas dan dijelaskan dalam format-format secara menyeluruh, masing-masing informasi akan terjaga kerahasiaannya. Apabila Anda ingin menghentikan survei ini kapan pun silakan untuk berbuat demikian, karena Anda berhak berhenti kapan saja tanpa hukuman. Persetujuan Anda untuk mengisi survei ini merupakan persetujuan yang dibuat setelah Anda mengetahui tujuan survei dan bagaimana informasinya akan digunakan. Karena survei bersifat anonim dan rahasia, tidak ada data pribadi yang akan tersedia dan diberitahukan kepada para peserta. Nama Anda tidak diperlukan dalam respons dan tahap apa pun.

Ada enam bagian survei, yang akan memerlukan waktu kira-kira 25 sampai 35 menit untuk diisi. Harap pastikan untuk mengisi **SEMUA** bagian dan item di dalam survei.

Partisipasi Anda di dalam survei ini sangat dihargai. Untuk menyerahkan survei yang telah diisi, harap klik tombol “kirim”.

### **PERNYATAAN OLEH SUBYEK**

Saya, dari

Menyatakan bahwa saya telah berusia sekurang-kurangnya 18 tahun\* dan bahwa saya dengan sukarela memberikan persetujuan saya untuk berpartisipasi di dalam studi:

Mengidentifikasi Prediktor Niat Karyawan untuk Melaporkan Penyuapan dengan Menggunakan Teori Perilaku Terencana: Sebuah Studi Kasus di Sebuah Departemen Pemerintah Indonesia, yang dilakukan oleh Mr. Bitra SUYATNO dari Victoria University.

Saya menyatakan bahwa semua tujuan studi, bersama dengan risiko dan perlindungan apa pun yang terkait dengan setiap prosedur yang akan dilakukan di dalam riset ini, telah dijelaskan sepenuhnya kepada saya oleh Mr. Bitra SUYATNO dan bahwa saya memberikan persetujuan saya dengan bebas untuk berpartisipasi dengan

- Mengisi kuesioner survei

Saya menyatakan bahwa saya sudah memiliki kesempatan untuk membuat pertanyaan apa pun dijawab sejujur mungkin dan bahwa saya memahami bahwa saya dapat menarik diri dari studi ini kapan pun dan bahwa penarikan diri ini tidak akan membahayakan saya dengan cara apa pun.

Saya telah diberitahu bahwa informasi yang saya berikan akan dijaga kerahasiaannya.

Dengan mengklik “send” (“kirim”), saya telah memberikan persetujuan kepada periset (Bitra Suyatno) untuk melakukan analisis sesuai dengan informasi yang telah saya berikan di dalam survei ini.

Pertanyaan apa pun tentang partisipasi Anda di dalam proyek ini dapat ditujukan kepada periset Mr. Bitra SUYATNO

+628128750518 atau +61 449089119 atau  
bitra.suyatno@live.vu.edu.au atau bitra2008@gmail.com

Studi ini telah disetujui oleh Komite Etika Riset Manusia Universitas Victoria, yang didanai oleh Departemen Urusan Luar Negeri dan Perdagangan, Pemerintah Australia dan Universitas Victoria, dan didukung oleh Direktorat Jenderal Perpajakan khususnya dan Kementerian Keuangan Republik Indonesia umumnya.

Apabila Anda memiliki pertanyaan atau keluhan apa pun mengenai cara Anda diperlakukan, Anda dapat menghubungi para Supervisor proyek, Prof Anona Armstrong (anona.armstrong@vu.edu.au) dan Dr. Keith Thomas (keith.thomas@vu.edu.au) atau Sekretaris Etika, Komite Etika Riset Manusia Universitas Victoria, Kantor Riset, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email Researchethics@vu.edu.au atau telepon (03) 9919 4781 atau 4461.

## Definisi

1. “Anonim” berarti (mengenai seseorang) yang namanya tidak disebutkan; yang namanya tidak diketahui.
2. “Sadari” berarti mengetahui bahwa sesuatu ada, atau memiliki pengetahuan atau pengalaman mengenai suatu hal tertentu.
3. “Penyuapan” berarti tindakan memberikan atau menjanjikan sesuatu kepada seorang karyawan departemen pajak untuk membuatnya mengurangi kewajiban pajak dan/atau mempercepat layanan.
4. “Saluran Pelaporan Eksternal” merujuk pada saluran pelaporan pelanggaran, yang diberikan oleh Komisi Pemberantasan Korupsi atau Ombudsman atau Polisi atau Jaksa Agung atau pihak-pihak berwenang lainnya, di luar Sistem Pelaporan Pelanggaran Kementerian Keuangan. Melaporkan penyuapan kepada atau berurusan dengan media massa atau wartawan atau publik tidak dianggap sebagai jenis saluran pelaporan di dalam studi ini.
5. “Pahlawan” berarti seseorang yang dikagumi karena telah melakukan sesuatu yang sangat berani atau telah mencapai sesuatu yang luar biasa.
6. “Membantu Mengungkapkan” berarti suatu tindakan yang diusahakan untuk menghentikan sesuatu yang sedang terjadi tidak sesuai dengan hukum, khususnya di suatu departemen pemerintah atau perusahaan.
7. “Saluran Pelaporan Internal” merujuk pada Sistem Pelaporan Pelanggaran (WISE) atas dasar Peraturan Menteri Keuangan Nomor: 103/PMK.09/2010, Peraturan Direktur Jenderal Perpajakan Nomor PER-22/PJ/2011 dan semua peraturan dan kebijakan internal lainnya yang terkait.
8. “Secara tidak anonim” berarti bahwa seseorang mengungkapkan identitasnya kepada pihak berwenang ketika melaporkan.
9. “Orang biasa” berarti seorang anggota masyarakat, yang tidak memiliki kekuasaan jabatan.
10. “Persepsi” berarti cara Anda berpikir tentang atau memahami seseorang atau sesuatu.
11. “Laporan yang mengungkapkan identitas saya” berarti seorang pengungkap memberikan identitas aslinya kepada pihak(-pihak) berwenang ketika melaporkan praktik penyuapan.
12. “Pengkhianat” berarti seseorang yang tidak setia atau berhenti menjadi setia kepada organisasi, kelompok, kolega, dsb, mereka sendiri.
13. “Pembuat Kesulitan” berarti seseorang yang menyebabkan kesulitan, kesusahan, kekhawatiran, dsb, kepada orang lain, khususnya orang yang biasa berbuat demikian sebagai masalah kebencian.
14. “Pelaporan pelanggaran” berarti pengungkapan oleh (mantan) anggota organisasi tentang praktik-praktik yang tidak sesuai dengan hukum, tidak bermoral atau tidak sah di bawah

kendali karyawan mereka, terhadap orang atau organisasi yang mungkin dapat mempengaruhi tindakan.

15. “Pelapor pelanggaran” adalah orang yang melakukan pelaporan pelanggaran.
16. Pelanggaran adalah praktik-praktik apa pun yang tidak sesuai dengan hukum, tidak bermoral atau tidak sah di bawah kendali karyawan mereka, terhadap orang atau organisasi.

## BAGIAN A: DATA DEMOGRAFIS

Bagian kuesioner ini dirancang untuk mengumpulkan informasi demografis tentang diri Anda. Harap jawab masing-masing pertanyaan sebagaimana yang diminta. **Nama Anda dan alamat kantor Anda tidak diperlukan dalam respons apa pun dan tahap mana pun.**

1. Harap sebutkan jenis kelamin Anda (Harap centang satu kotak)

No.	Jenis Kelamin	Jawaban
1.	Pria	
2.	Wanita	

2. Berapa umur Anda? \_\_\_\_\_ (Harap centang satu)

No.	Umur	Jawaban
1.	Di bawah 18 tahun	
2.	18 to $\leq$ 24 tahun	
3.	$>24$ to $\leq$ 34 tahun	
4.	$>34$ to $\leq$ 44 tahun	
5.	$>44$ to $\leq$ 54 tahun	
6.	$>54$ tahun	

3. Apa tingkat pendidikan tertinggi yang Anda peroleh? (Harap centang satu)

No.	Tingkat Pendidikan	Jawaban
1.	Lulus sekolah dasar	
2.	Lulus sekolah menengah	
3.	Diploma	
4.	Sarjana	
5.	Sarjana utama	
6.	Doktor	
7.	Lainnya (Harap sebutkan : _____)	

4. Seberapa lama Anda telah bekerja di DJP? (Harap centang satu)

No.	Masa Jabatan	Jawaban
1.	$< 1$ tahun	
2.	1 to $\leq 5$ tahun	
3.	$>5$ to $\leq 10$ tahun	
4.	$>10$ to $\leq 15$ tahun	



5.	> 15 to ≤ 20 tahun	
6.	>20 to ≤ 25 tahun	
7.	>25 to ≤ 30 tahun	
8.	> 30 tahun	

5. Apa jabatan Anda sekarang ini? (Harap centang satu)

No.	Jabatan	Jawaban
1.	Staf	
2.	Eselon IV	
3.	Eselon III	
4.	Eselon II dan lebih tinggi	
5.	Fungsional (Harap sebutkan : _____)	

**BAGIAN B: PILIHAN SALURAN PELAPORAN**

11. Jika Anda melihat penyuapan terjadi di tempat kerja Anda, apakah Anda akan melaporkannya kepada pihak berwenang?

Ya	Tidak

Jika jawaban Anda “TIDAK”, mengapa tidak?

12. Jika jawaban Anda “YA” atau “TIDAK”, mohon kesediaan Anda untuk menilai pernyataan-pernyataan berikut ini?

Jika Anda melihat penyuapan terjadi di tempat kerja Anda, apakah Anda akan melakukan hal-hal berikut ini?" Harap centang kolom yang paling baik menggambarkan respons Anda

No	Pernyataan	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak	Setuju	Sangat Setuju
		1	2	3	4	5
A	Menggunakan Saluran Pelaporan Eksternal (ER):					
1.	Melaporkan penyuapan <b><u>secara anonim</u></b> kepada pihak berwenang yang sesuai (yaitu komisi pemberantasan korupsi/ombudsman/polisi/jaksa)					
2.	Melaporkan penyuapan <b><u>secara tidak anonim</u></b> kepada pihak berwenang yang sesuai (i. yaitu komisi pemberantasan korupsi/ombudsman/polisi/jaksa)					
B	Menggunakan Saluran Pelaporan Internal (IR) – Sistem Pelaporan Pelanggaran/WISE:					
3.	Melaporkan penyuapan <b><u>secara anonim</u></b>					
4.	Melaporkan penyuapan <b><u>secara tidak anonim</u></b>					
C	Menggunakan ER dan IR:					
5.	Melaporkan penyuapan kepada pihak berwenang yang sesuai (yaitu komisi pemberantasan korupsi/ombudsman/polisi/jaksa) <b><u>DAN</u></b> kepada WISE <b><u>secara anonim</u></b>					
6.	Melaporkan penyuapan kepada pihak berwenang yang sesuai (yaitu komisi pemberantasan korupsi/ombudsman/polisi/jaksa) <b><u>DAN</u></b> kepada WISE <b><u>secara tidak anonim</u></b>					
7.	Melaporkan penyuapan kepada pihak berwenang yang sesuai (yaitu komisi pemberantasan korupsi/ombudsman/polisi/jaksa) <b><u>secara anonim</u></b> , <b><u>TETAPI</u></b> melaporkan penyuapan kepada WISE <b><u>secara tidak anonim</u></b>					
8.	Melaporkan penyuapan kepada pihak berwenang yang sesuai (yaitu komisi pemberantasan korupsi/ombudsman/polisi/jaksa) <b><u>secara tidak anonim</u></b> , <b><u>TETAPI</u></b> melaporkan penyuapan kepada WISE <b><u>secara anonim</u></b>					

13. Apakah organisasi Anda menyebarkan cara menggunakan Sistem Pelaporan Pelanggaran (WISE) dan peraturan-peraturan terkaitnya, seperti peraturan Menteri Keuangan Nomor: 103/PMK.09/2010, Peraturan Direktur Jenderal Perpajakan Nomor PER-22/PJ/2011? (Harap centang satu)

1.	Ya	
2.	Tidak	

14. Pernahkah Anda menghadiri program penyebaran informasi WISE dalam lima tahun yang terakhir? (Harap centang satu)

1.	Ya	
2.	Tidak	

15. Apakah Anda tahu cara melaporkan penyuaipan atau perilaku curang lainnya melalui Sistem Pelaporan Pelanggaran Internal (WISE)? (Harap centang satu)

1.	Ya	
2.	Tidak	

16. Pernahkah Anda melaporkan penyuaipan atau perilaku curang lainnya melalui WISE dalam lima tahun yang terakhir? (Harap centang satu)

1.	Ya	
2.	Tidak	

17. Apakah Anda mengetahui cara melaporkan kasus penyuaipan atau jenis lain pelanggaran dengan menggunakan saluran pelaporan eksternal seperti kepada komisi pemberantasan korupsi/ombudsman/polisi/jaksa atau publik (media)? (Harap centang satu)

1.	Ya	
2.	Tidak	

18. Pernahkah Anda melaporkan kasus penyuaipan atau jenis lain pelanggaran dengan menggunakan saluran pelaporan eksternal seperti kepada komisi pemberantasan korupsi/ombudsman/polisi/jaksa atau publik (media) dalam lima tahun yang terakhir? (Harap centang satu)

1.	Ya	
2.	Tidak	

19. Apakah lembaga Anda menawarkan pelajaran/pelatihan etika dalam lima tahun yang terakhir? (Harap centang satu)

1.	Ya	
2.	Tidak	

20. Pernahkah Anda menyelesaikan pelajaran/pelatihan etika dalam lima tahun terakhir? (Harap centang satu)

1.	Ya	
2.	Tidak	

BAGIAN C: SIKAP

No	Apakah Anda percaya bahwa pelaporan pelanggaran akan .....	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1.	mencegah penyuapan yang membahayakan organisasi					
2.	mengendalikan penyuapan					
3.	menambah minat masyarakat untuk memberantas penyuapan					
4.	menjadi tanggung jawab peranan saya sebagai seorang karyawan					
5.	menjadi kewajiban moral saya					
6.	Lainnya ..... (harap sebutkan)					

No	Apabila Anda melaporkan penyuapan, seberapa penting pelaporan kecurangan untuk .....	Sangat Tidak Penting	Tidak Penting	Penting dan Juga Tidak Penting	Penting	Sangat Penting
		1	2	3	4	5
1.	mencegah penyuapan yang membahayakan organisasi					
2.	mengendalikan penyuapan					
3.	menambah minat masyarakat untuk memberantas penyuapan					

4.	menjadi tanggung jawab peranan saya sebagai seorang karyawan				
5.	menjadi kewajiban moral saya				
6.	Lainnya ..... (harap sebutkan)				

BAGIAN D: NORMA SUBYEKTIF

No	“Apakah orang-orang berikut ini bangga dengan tindakan Anda untuk melaporkan penyuaipan?”	Sangat Tidak Bangga	Tidak Bangga	Bangga dan Juga Tidak Bangga	Bangga	Sangat Bangga
		1	2	3	4	5
1.	para anggota keluarga responden					
2.	para rekan kerja					
3.	supervisor langsung					
4.	teman-teman					
5.	para tetangga					
6.	Lainnya ..... (harap sebutkan)					

No	“Seberapa Anda peduli orang-orang berikut ini akan menyetujui atau tidak menyetujui tindakan Anda untuk melaporkan penyuaipan?”	Sangat Tidak Penting	Tidak Penting	Penting dan Juga Tidak Penting	Penting	Sangat Penting
		1	2	3	4	5
1.	para anggota keluarga responden					
2.	para rekan kerja					
3.	supervisor langsung					

4.	teman-teman					
5.	para tetangga					
6.	Lainnya ..... (harap sebutkan)					

BAGIAN E: KENDALI PERILAKU YANG DIRASAKAN

BUDAYA ORGANISASI

(Isi dengan masing-masing pernyataan) sehubungan dengan kasus-kasus penyuapan

No	Saya berharap para pemimpin di departemen saya akan.....	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1.	menyelidiki laporan-laporan dengan serius					
2.	terus memberikan umpan balik secara teratur kepada pelapor pelanggaran mengenai perkembangan penyelidikan					
3.	bertanggung jawab secara resmi					
4.	telah mengalokasikan anggaran yang cukup untuk mendukung para auditor internal menyelidiki laporan-laporan					
5.	telah mengalokasikan anggaran yang cukup untuk mendukung pengembangan WISE menyelidiki laporan-laporan					
6.	telah memastikan identitas para pelapor pelanggaran adalah anonim					
7.	telah berperilaku sebagai model peran yang etis					
8.	telah mendorong karyawan untuk melaporkan penyuapan					
9.	melindungi karyawan dari pembalasan apa pun					
10.	memberi hadiah kepada pelapor pelanggaran dengan jumlah maksimum Rp 100 juta atau sepuluh kali gaji bersih karyawan					
11.	memberi hadiah kepada pelapor pelanggaran dengan promosi					
12.	memberi hadiah kepada pelapor pelanggaran dengan pelatihan di luar negeri					
13.	memberikan kepada pelapor pelanggaran peringkat kinerja yang baik					

14.	memberikan kepada pelapor pelanggaran tugas-tugas yang lebih disukai					
15.	memindahkan pelapor pelanggaran dengan penugasan ke lokasi geografis yang disukai olehnya					
16.	menghalangi laporan					
17.	mengabaikan laporan					
18.	menciptakan kesulitan dalam proses pelaporan					
19.	tidak berusaha untuk memperbaiki pelanggaran					
20.	menyalahi para karyawan atas apa yang sedang terjadi					
21.	memungkirkan pelapor pelanggaran dengan demosi					
22.	memberikan kepada pelapor pelanggaran peringkat kinerja yang buruk					
23.	membatasi pelatihan berikutnya untuk pelapor pelanggaran					
24.	memberikan kepada pelapor pelanggaran tugas-tugas yang kurang disukai					
25.	memindahkan pelapor pelanggaran dengan penugasan ke lokasi geografis yang tidak disukai olehnya					
26.	memutuskan hubungan kerja dengan pelapor pelanggaran					
27.	Lainnya ..... (harap sebutkan)					

No	Saya akan <b>terdorong</b> untuk melaporkan pelanggaran apabila para pemimpin .....	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1.	menyelidiki laporan-laporan saya secara serius					
2.	terus memberikan kepada saya umpan balik secara teratur mengenai perkembangan penyelidikan					
3.	bertanggung jawab atas apa yang sedang terjadi					
4.	mengalokasikan anggaran yang cukup untuk mendukung para auditor internal menyelidiki laporan saya					
5.	mengalokasikan anggaran yang cukup untuk mendukung pengembangan WISE menyelidiki laporan saya					

6.	memastikan identitas saya sebagai pelapor pelanggaran adalah anonim					
7.	menunjukkan perilaku sebagai model peran					
8.	mendorong saya untuk melaporkan praktik-praktik penyuaipan					
9.	melindungi saya dari pembalasan apa pun					
10.	memberi hadiah sejumlah Rp 100 juta atau sepuluh kali gaji bersih saya					
11.	menjanjikan promosi kepada saya					
12.	menawarkan kepada saya pelatihan ke luar negeri					
13.	menawarkan kepada saya peringkat kinerja yang baik					
14.	menawarkan kepada saya pemberian tugas-tugas yang lebih saya sukai					
15.	menawarkan kepada saya penugasan ke lokasi geografis yang saya sukai					

No	Saya akan <b>terdorong</b> untuk melaporkan pelanggaran apabila para pemimpin menunjukkan kecenderungan untuk .....	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1.	menghalangi pelaporan					
2.	mengabaikan pelaporan					
3.	menciptakan kesulitan-kesulitan yang harus dihadapi dalam proses pelaporan					
4.	tidak memperbaiki pelanggaran					
5.	menyalahkan karyawan atas apa yang sedang terjadi					



No	Saya akan <b>terdorong</b> untuk melaporkan pelanggaran apabila para pemimpin mengancam pelapor pelanggaran dengan .....	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1.	penolakan promosi					
2.	kinerja yang buruk					
3.	pembatasan untuk mengikuti pelatihan					
4.	penugasan atau memberikan kembali tugas-tugas yang kurang disukai atau kurang penting					
5.	pemindahan ke lokasi geografis yang kurang disukai					
6.	pemutusan hubungan kerja					
7.	dukungan kepada terduga pelanggar ketika ia mengancam saya untuk mengambil tindakan hukum					
8.	Lainnya ..... (harap sebutkan)					

Apabila Anda pikir bahwa insentif uang penting untuk mendorong karyawan melaporkan pelanggaran, seberapa banyak hadiah yang cukup? atau Seberapa besar persentase penyitaan asset yang dapat dianggap sebagai hadiah yang cukup?

KEMUDAHAN/KESULITAN YANG DIRASAKAN UNTUK MENDAPATKAN PEKERJAAN LAIN DI LUAR DJP

No	Saya menduga, karyawan DJP yang melaporkan pelanggaran akan .....	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1.	mudah mendapatkan pekerjaan lain di luar DJP					
2.	disetujui oleh DJP apabila mereka ingin mengundurkan diri atau pindah ke organisasi lain					

No	Saya akan <b>terdorong</b> untuk melaporkan pelanggaran apabila .....	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1.	mudah mendapatkan pekerjaan lain di luar DJP					
2.	mudah mendapatkan persetujuan DJP untuk karyawan mana pun yang ingin mengundurkan diri atau pindah ke organisasi lain					

MEMILIKI BUKTI BERMUTU YANG DIRASAKAN

(Isi dengan masing-masing pernyataan) sehubungan dengan kasus-kasus penyuapan

No.	Saya menduga, para pemimpin akan .....apabila saya <b>dapat memberikan bukti yang cukup</b> mengenai penyuapan	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1.	menyelidiki laporan saya dengan serius					

No.	Saya akan <b>terdorong</b> untuk melaporkan pelanggaran apabila ..... bukti yang cukup mengenai penyuapan	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1.	saya memiliki					

Apabila Anda pikir bahwa mutu bukti yang Anda miliki penting bagi Anda untuk melaporkan atau tidak melaporkan, bukti jenis apa yang penting untuk diberikan sebelum melaporkan kasus penyuapan? Harap berikan peringkat dari yang paling penting ke yang paling tidak penting.

No.	Jenis Bukti	Respons
1.	Terlibat secara langsung dalam penyuapan	
2.	Menyaksikan penyuapan	
3.	Ada orang lain yang dapat bertindak sebagai saksi selain saya	
4.	Mengetahui informasi secara rinci (apa, siapa, kapan, di mana, mengapa, dan bagaimana) meskipun tanpa dokumen pendukung, seperti instruksi lisan dari para supervisor untuk mengubah hasil analisis pajak	

5.	Dokumen-dokumen (perintah tertulis, surat, memo) yang bertentangan dengan peraturan-peraturan, aturan-aturan, dan kebijakan-kebijakan	
6.	Email-email atau bukti elektronik lainnya, seperti rapat yang direkam, instruksi-instruksi	
7.	Lainnya ..... (harap sebutkan)	

**BAGIAN F: PERTANYAAN PELENGKAP**

1. Pernahkah Anda mengetahui adanya penyuapan yang terjadi di tempat kerja Anda sekarang ini selama lima tahun terakhir? Harap centang kotak yang paling baik menggambarkan respons Anda.

Ya	Tidak

2. Harap beri respons untuk semua pernyataan di dalam tabel berikut ini. Pembayaran atau kebaikan jenis apa yang Anda sadari dan seberapa sering itu terjadi selama lima tahun terakhir? (Centang semua yang berlaku)

No.	Jenis Pembayaran atau Kebaikan	Skala				
		Tidak Pernah	Sekali	Dua Kali	Tiga Kali	Lebih dari Tiga Kali
1.	Uang yang sangat banyak (Rp100 juta atau lebih)					
2.	Tip					
3.	Diskon					
4.	Hadiah					
5.	Bonus					
6.	Tiket Gratis					
7.	Makanan Gratis					
8.	Perjalanan Gratis					
9.	Dukungan Politik					
10.	Opsi Saham					
11.	Komisi Rahasia					
12.	Promosi (kenaikan jabatan/pangkat)					
13.	Lainnya ..... (harap sebutkan)					

3. Tingkat (jabatan) apa dari pelanggar di dalam organisasi Anda yang melakukan penyuapan yang Anda sadari dan seberapa sering ia melakukan penyuapan selama lima tahun terakhir? Harap centang kotak(-kotak) yang paling baik menggambarkan respons Anda (centang semua yang berlaku).

No	Position	Skala				
		Tidak Pernah	Sekali	Dua Kali	Tiga Kali	Lebih dari Tiga Kali
1.	Staf					
2.	Eselon IV					
3.	Eselon III					
4.	Eselon II dan lebih tinggi					
5.	Jabatan Fungsional ..... (harap sebutkan)					

4. Apa Anda pikir seorang pelapor pelanggaran yang melaporkan penyuapan di tempat kerja merupakan seorang ..... (centang satu saja).

Pahlawan	Orang Biasa	Pengkhianat	Pembuat Kesulitan

Harap berikan alasan Anda mengapa Anda memilih “pahlawan” atau “orang biasa” atau “pengkhianat” atau “pembuat kesulitan”.

5. Apakah Anda percaya seorang pelapor pelanggaran pantas dihukum?

Ya	Tidak

Apabila jawaban Anda adalah “ya”, mengapa?

6. Harap tunjukkan tingkat persetujuan atau ketidaksetujuan Anda dengan pernyataan berikut ini:

No	Pernyataan	Sangat Tidak Setuju	Tidak Setuju	Setuju dan Juga Tidak Setuju	Setuju	Sangat Setuju
		1	2	3	4	5
1	DJP harus membebaskan kewajiban kepada masing-masing karyawan untuk melaporkan dugaan praktik penyuapan.					
2	Seorang karyawan yang “menyadari” dugaan penyuapan di tempat kerja mereka tetapi tidak melaporkannya kepada saluran pelaporan internal atau eksternal harus dihukum.					
3	Kewajiban untuk melaporkan dugaan praktik penyuapan di DJP bersifat sukarela.					

7. Apa yang Anda harapkan akan terjadi apabila Anda melaporkan penyuapan di departemen Anda sekarang?

No	Kejadian	Jawaban
1.	Diberi hadiah/dihargai	
2.	Dihukum	
3.	Diabaikan	
4.	Lainnya ..... (harap sebutkan)	

KOMENTAR: (Apabila Anda ingin menambahkan komentar lebih lanjut mengenai aspek-aspek yang terkait dengan kuesioner)

## Appendix 7: Online Interview

1. In your opinion, is a proper motive (good faith) of the whistleblower important for you as one of the requirements to qualify the report to be followed up? please explain why)

Answer:

A proper whistleblower motive is not really an important requirement for us (KITSDA)\* to handle reports, but we focus on that a disclosure must be based on reasonable grounds, that the information shows or tends to show defined wrongdoing; or does show or tend to show such wrongdoing, on an objective test, irrespective of what the discloser believes it to show. If the report meets such legislative requirements and has clues or evidence to warrant an investigation, henceforward we will follow up it, even if the whistleblower's intention is not known.

\* KITSDA = Internal Compliance and Transformation of Human Resources

2. Related to the question number one above, which is more important: whistleblower's motive or content of report? please explain why)

Answer:

For us (KITSDA), truth-value of the report is more important than the motive of the whistleblower which is in accordance with the duties and functions of KITSDA to handle alleged violations of the code of conduct and discipline committed by DGT employees. As long as the report has truth-value indicating that indeed there has been violations of the code of conduct and/or discipline, then we will follow-up it in accordance with the applicable provisions. In some types of violations, we sometimes need to know whistle-blower's motive so that problems can be solved properly, for example, the case of domestic relationship dispute between an employee and his or her partner (*which it may not be easily identified as a violation of the organization's code of conduct or committing illegal actions*)\*

\*Italic words are the researcher's interpretation.

3. In your opinion, what are the main factors that drive DGT employees to disclose misconduct in their workplace?

Answer:

There are several major factors that drive DGT employee to disclose misconduct:

Idealism of the person (whistle-blower) underpins whistleblowing as a moral act – one conscience tells him or her to disclose illicit behaviours once those occurred.

The impact of the illegal, immoral, or illegitimate practices create unconducive working environment, distrust among employees, demotivation and even damage the image/reputation of DGT/Ministry of Finance.

The whistle-blower is the victim or because he or she feels having experienced dissatisfaction or injustice due to the reported party's actions.

4. In your opinion, what is the main factors that hamper DGT employees to disclose misconduct in their workplace?

Answer:

The main factors that impede employees to disclose misconduct are:

No willingness to report due to some reasons, such as threat from reported party(ies), afraid of being excommunicated by his or her working colleagues or supervisors and so on.

He or she is part of or get benefits from illegal practices.

Not sure that his or her report would be followed up seriously.

5. Based on our preliminary findings, it indicated that several respondents had an intention to disclose alleged bribery in their workplace. However, during the last five years, even they noted that alleged bribery occurred, they did not report it to the authority. In your experience and knowledge, why was intention not always followed up by actual behavior?

Answer:

Maybe, the reasons why employees did not always follow up their intention to actual whistle-blow are the answers as explained in number four. Essentially those can be caused either by the individual's internal factors, such as lacking of courage to report, or by one's external factors, such as experiencing of threat from the wrongdoer or related parties directly or indirectly, or perhaps he or she believes that existing systems or channels of complaints are (probably) considered ineffective.

6. What would you and your staff in KITSDA do if there is a rumour/hearsay about misconduct in a DGT working unit(s) but there is no formal report?

Answer:

Information of alleged misconduct can be derived from several sources including from rumours/hearsays. In regard to the hearsay information, our SOP guides us to firstly handle it by analysing over the information and continuing it with the process of data/information collection deeper. If based on the process, we obtain sufficient data/information, the information is then processed as a formal/official complaint for further process.

7. In your opinion, is the identity of a whistle-blower important or anonymity sufficient? Please explain your reasons.

Answer:

The identity of the whistle-blower is required to confirm the validity of the report especially if the investigation still needs further detail of data/information. The identity of the whistle-blower also becomes an indicator of his or her seriousness of making complaints and it will affect the validity level of the disclosure. However, it does not mean that KITSDA does not pay attention to a complaint submitted by the anonymous whistle-blower. As long as the report contains truth-value or represent sufficient preliminary evidence, KITSDA will continue to follow up the report.

8. Is there any mechanism implemented by KITSDA/DGT in order to prevent any retaliation to whom discloses misconduct? If there is, how is the mechanism? Is there any barrier to implement it?

Answer:

Currently we follow the Director General of Taxes' Decree Number PER-22/PJ/2011 about whistleblowing system in DGT which regulates whistle-blower protection from any possible retaliations. The whistle-blower may seek protection to KITSDA.

The obstacles that are faced by KITSDA are that the whistle-blower often does not provide his or her actual identity (Anonymous) and KITSDA has not sufficient knowledge to predict the whistle-blower identity. Other obstacles are that KITSDA has limited authority and the existing whistleblowing provisions as well as the interpretations are still insufficient.



9. What is the form of whistleblower protection? Is it effective?

Answer:

In accordance with the KITSDA's authorities, we have attempted to protect whistleblowers by several efforts, among other things are as follows:

Not exposing the identity of the complainant;

Proposing whistleblower transfer or reassignment to a different unit through a normal posting process;

Proposing the reported person(s) reassignment to another working unit.

We have not particularly measured the effectiveness of the above efforts. We are just convinced that those are quite effective although we may need more policies and efforts to improve the effectiveness of whistleblower protection.

10. If you know or receive report from someone who believe a violation occurs involving participations of MoF/DGT officials who have higher position than you, what would you do? Is there any particular position that KITSDA cannot investigate? If there is, what would you do if the officials indicated to involve in the misconduct?

Answer:

Any information about alleged violations committed by DGT employees at all levels from staff to DGT Director General principally can be followed up by KITSDA. Follow-up strategy based on Director of KITSDA's letter of assignment. For the data and information collection can be conducted by KITSDA investigators from staff to echelon IV/Head of Section level and if it is needed the Head of Division of Internal Investigation may lead investigation directly. For the next stage, if the case of the investigation process needs to call a statement from the whistle-blower and the reported employee grade and position levels are between staff and echelon II, the authority to conduct investigation is in the hand of the Director of KITSDA.

If the reported employee is the Director General of Taxes, in order to keep the process more objective and independent, KITSDA will assign the case files to the Inspectorate of Investigation, the Inspectorate General, MoF.

11. (For the reports, which cannot be followed up, are those still documented and kept in storage or shredded?)

Answer:

The whole complaints and the followed-up actions are stored in the information system (if those are softcopies) and archived in a storage shed (if those are hardcopies)

12. In term of organization and leaders support, was there any barriers that you felt during managing the whistleblowing system in DGT? If so, how did you overcome the problems?

Answer:

Leaders and organization supports for whistleblowing implementation in DGT were sufficient. The internal DGT whistleblowing system (WBS) was even connected to the MoF Whistleblowing System (WISE). However, in order to be more effective in its implementation, we argue that WBS still needs improvement both from the aspect of information technology (software and hardware), SOPs and related terms/policies (including human resource policy), as well as the structure of KITSDA and its authorities to handle the cases.

Proposal to improve the conditions above has ever been submitted to the Director General of Taxes and the related parties. In order to overcome the limitations, at the moment, KITSDA have cooperated, coordinated and requested assistances from the Inspectorate General, MoF, and for some particular cases, when needed, KITSDA will also request assistances from the Indonesian Corruption Eradication Commission (Komisi Pemberantasan Korupsi/KPK).

13. In term of employees support, what were the main barriers that you felt in the implementation of whistleblowing systems in DJP? And how did you overcome the constraints if any?

Answer:

To increase employees' participation in utilizing WISE, since 2011, the Directorate General of Taxes decree number PER-10/PJ/201DGT has been issued. Under the regulation, if the whistleblower's disclosure are correctly proven, he or she deserves to entitle a reward. As already explained in the answers to the questions number 4 and 5 above, the constraints faced are employees reluctant to report the alleged misconduct through WISE because of individual's internal and external factors. For that, we attempt to do more socialization extensively to the various levels of employees so that the knowledge and understanding of WISE could be increased, and then it is expected to boost employees confidence and courage to disclose alleged misconduct through the system.

14. Based on your experience and knowledge, has the leader ever asked you to stop investigation or prevent the followed-up of the reports? If so, were the leader requests spoken or written (documented)? What did you do to deal with such request? Please explain your reasons.

Answer:

Never.

15. (According to some literature, it is known that some views argue that whistleblowers who disclosed "disgrace" of their colleagues, their deeds were considered as a behavior of disloyalty toward super-ordinates, friendship and/or the organization. What is your opinion on the views?)

Answer:

The opinions to see that the whistle-blowers as the disloyal employee to his or her supervisors, colleagues, and organization because his or her betrayal behaviour is not avoidance and those are commonly believed by many individuals. However, the views are incorrect. Everybody who joins in an organization necessarily is required to maintain his or her integrity and loyalty to the organization, as well as to protect the organization's good reputation and its sustainability.

Those principles undoubtedly have required each employee to keep maintaining one's personal integrity as well as protecting organizations' integrity. It means that the obligation to loyal to the organization cannot be detached from the integrity frame. Thus, disclosure of misconduct cannot be viewed as "violation" of loyalty, but it should be seen as part of an effort to maintain the integrity of personal and organization in order to keep maintaining stakeholders trust so that the organization can continue to stand and even grow. Disclosure on misconduct is also aimed to prevent, deter and detect wrongdoing committed by internals. Usually misconducts could be identified faster from internal employees, so an action can be taken immediately to resolve the problem and even prevent bigger calamities.

In the context of a basic objective of Islam and a moral virtue, a good muslim is indeed required to hide others sins and not disclose them to the public. Nevertheless, a good muslim is also obliged to do "*al 'amr bi-l ma'rūf wa-n nahy 'an al munkar*" which means enjoining what is right and forbidding what is reprehensible. Disclosure of misconducts (whistleblowing) should be seen as

the implementation of “*al ‘amr bi-l ma ‘rūf wa-n nahy ‘an al munkar*” which is the central part of the Islamic doctrine for all Muslims in term of positive roles in helping others to take the straight path and abstain from reprehensible acts.

16. (In your opinion, what are the different between “defamation” and “true report”? If the report is defamation, does the complainant deserve to get imposition of sanction? Do you agree with the statement? Please explain your answer.)

Answer:

In general, at the first sight, whistleblowing cannot be identified as a fact or defamation. After deeper analysis conducted, and then additional relevant data and information obtained, the complaint report can be determined whether it is a fact or defamation. Report can be classified as defamation if it is not supported by sufficient data, statement or information that can support the truth-value of the content.

If the report is known as a defamation and the identity of the whistle-blower is also known, he or she can be processed and get sanctioned for his or her behavior based on the existing regulations. In order to protect the credibility of WISE and the organization, a proven defamer should be sanctioned in order to achieve the deterrent effect.

17. The concept of whistleblowing has been regarded as the Western idea and developed in western society. In your opinion, what are the Indonesian cultural traits and norms that may hamper whistleblowing implementation in DGT?

Answer:

“*Ewuh-pakewuh*” culture or cultural of reluctant and respectful toward seniors/higher rank officials (*that generates reticent attitude towards someone else\**); the culture of solidarity to coworkers, team members, alma mater, etc; culture or attitude of ignorance which does not care or does not want to be an officious bystander are the cultural dimensions hampering whistleblowing behaviour.

\*Italic words are the researcher’s interpretation.

18. Do you need approval from the higher rank official in order to follow up the report with investigation? If so, if the proposed investigation is rejected by the higher rank officials, what would you do? Please explain your answer.

Answer:

In order to follow up complaint reports, it needs approval and letter of assignment signed by the Director of KITSDA.

19. If you think that financial incentive is important to stimulate employees to disclose misconduct, how much is it considered as sufficient? Or how much is its percentage on asset seizure?

Answer:

According to PER-10/PJ/2010, a whistleblower who submits a report supported by sufficient data, statement or information that can support the truth-value of the content deserve a reward. Rewards can be given in many forms but there is no explicit provision regulating a whistleblower with a financial compensation. The financial reward to compensate whistleblowers should not be implemented because any scheme of financial rewards is difficult to devise. It may also promote side impacts. For instance, financial rewards may stimulate individuals’ bad intention or contradict to the main goal of WISE.

20. Based on information we received from several mass media quoting from the DGT officials, it was stated that the number of complaints through WISE have increased significantly since the system has been implemented in 2010. Could you please fill the below tables? What were the types of bribery during the last five years based on the reports? How many percent of the total number of the reports was the bribery case?

Types of Bribery	% of bribery, each year compared to the total number of the report				
	2016 (April)	2015	2014	2013	2012
The actions of giving or promising something to a tax department employee in order to make him or her reduce tax obligations and/or accelerate services and/or lessen/abolish tax sanction	14.29% (Bribery: 16 cases)	15.30% (Bribery and tax extortion: 50 cases) *	N/A	N/A	N/A
Bribery in the mutation and promotion process, including in gaining chances to choose or avoid position or geographical location	-	-	N/A	N/A	N/A
unlawful tax extortion practices	11.61% (illegal tax extortion: 13 cases)	14.64% (Bribery and tax extortion: 50 cases) *	N/A	N/A	N/A
Other types of bribery (please specify .....)			N/A	N/A	N/A

\* The interviewee did not differentiate between bribery and tax extortion.

21. How much percent of the bribery was able to be handled?

Types of Bribery	% of bribery, each year compared to the total number of the report				
	2016 (April)	2015	2014	2013	2012
the actions of giving or promising something to a tax department employee in order to make him or her reduce tax obligations and/or accelerate services and/or lessen/abolish tax sanction	85% (around 11 cases-proven based on KITSDA analysis)	86%	N/A	N/A	N/A
Bribery in the mutation and promotion process, including in gaining chances	-	-	N/A	N/A	N/A

to choose or avoid position or geographical location					
Unlawful tax extortion practices	87% (around 11 cases-proven based on KITSDA analysis)	85%	N/A	N/A	N/A
Other types of bribery (please specify .....)			N/A	N/A	N/A

22. Please give your reasons why several cases cannot be followed up (if any)?

Answer:

The reports could not be handled usually because those were generally due to the lack of evidence or insufficient preliminary information. In the meantime, the identity of the whistle-blowers was unknown which consequently made KITSDA fail to seek additional data/information from the whistle-blowers to obtain further evidence. It sometimes also occurred due to the cases were beyond KITSDA's authority.

**Thank you for completing our survey.**

## Appendix 8: Whistleblowing Studies in Indonesia

Studies	Theory Applies	Samples	Method	Findings
Alam (2014)	1. Perception Theory 2. Fraud Theory	Government employees	Convenience sample for municipal government and population for Provincial Council & Municipal Council members	Most of respondents understood fraud and whistleblowing
Awaludin (2011)	Constructive theory of socio-legal study	Government employees	Qualitative	1. No protection was for whistle-blowers who reported corruption. 2. All whistle-blowers experienced retaliations formally from institution and informally from co-workers. 3. Current legal protection was insufficient.
Bafakih (2013)	Legal science comparison among various systems of laws	Related regulations	Normative jurisdiction – statute approach Conceptual approach Comparison approach Case approach	1. Legal provision to prevent bid-rigging was insufficient. 2. Legal protection both in provisions and implementation (law Number 13/2006) were insufficient
Bagustianto (2015)	1. Prosocial Organizational Behaviour Theory 2. Theory of Planned Behaviour	Government auditors and employees	The online questionnaire survey	1. Attitude, organizational commitment, and type of wrongdoing were significantly effect on whistleblowing intention. 2. No relationship was found between retaliation and individuals' intention to whistleblow
Bakri (2014)	Perception theory Ethical theory Whistleblowing	Accounting students	Survey	1. Level of professional commitment had positive correlation with whistleblowing intention. 2. Social anticipation had positive correlation with whistleblowing intention
Budiriyanto and Gugup Kismono (2013)	Ethical culture theory	Tax officials	Purposive sampling method and regression analysis technique	1. Clarity was positively related to confrontation. 2. No relationship was found with reporting to superiors and inaction. 3. Clarity was negatively related to calling internal hotline.

				<ol style="list-style-type: none"> <li>4. Regarding the cultural dimension of congruency of local and senior management, positive relationship was found with calling a hotline and external whistleblowing.</li> <li>5. Congruency of local and senior management was negatively related to confrontation and not related to reporting to management.</li> <li>6. The cultural dimension of supportability was not positively related to confrontation, reporting to management, not negatively related to inaction and negatively related to calling a hotline.</li> <li>7. Sanction, positive relationships were found for reporting to management, and calling a hotline, as well as a negative relationship with inaction.</li> <li>8. Sanction was positively related with external whistleblowing.</li> </ol>
Himmah (2014)	Hofstede's cultural dimensions	Tax Office's employees	Survey	<ol style="list-style-type: none"> <li>1. Power distance, collectivism/individualism, masculinity/femininity did not significantly influence deviant behaviour.</li> <li>2. The variable uncertainty avoidance significantly influenced deviant behaviour</li> </ol>
Ibrahim (2014)	Comparative legal statute	Police officials, general attorney officials	Qualitative	<ol style="list-style-type: none"> <li>1. Existing regulations is insufficient – very limited definition of witness</li> <li>2. Lack of protection from legal prosecution to judge' decision only.</li> </ol>
Kreshastuti and Prastiwi (2014)	Theory of planned behaviour	Accounting firm auditors	Convenience sampling method. Statistical analysis method used is multiple linear regression.	<ol style="list-style-type: none"> <li>1. Professional identity positively and significantly influences whistleblowing intention;</li> <li>2. Auditors who have higher organizational commitment than auditors</li> </ol>

			Hypothesis testing is done with the help of software IBM SPSS Statistics 19.	<p>who have commitment to co-workers has not significant influence whistleblowing intention;</p> <ol style="list-style-type: none"> <li>3. Moral intensity positively and significantly influences whistleblowing intention;</li> <li>4. Auditor's personal characteristics (gender, age, education, tenure, and position) do not have significant influence on whistleblowing intention.</li> </ol>
Maryam and Wahyudi (2013)	Fraud theory	Employees in banking sector	Qualitative. Exploiting a case study method and observation.	<ol style="list-style-type: none"> <li>1. The bank has successfully implemented three phases of fraud prevention system – detection, investigation and prevention.</li> <li>2. Most fraud cases were detected by accident, while internal control, internal audit and whistle-blower systems that supposed to be the most important devises to detect fraud were left behind.</li> <li>3. Cultural factors such as paternalism might explain the phenomena.</li> </ol>
Merdikawati and Prastiwi (2012)	Theory of reasoned action	Accounting students	survey	Respondents with higher professional commitment and anticipatory socialization perceive whistleblowing as necessary and are likely to do it
Ratnasari and Made (2013)	Incentive and loyalty theory	Private sector employees	Survey. Explanatory research. Multiple regression analysis	<ol style="list-style-type: none"> <li>1. Together material incentives variable and immaterial incentives variable have a significant impact on employee loyalty variable.</li> <li>2. Partially, material incentives variable has a significant effect on employee loyalty variable.</li> <li>3. Immaterial incentives variable partially has significant impact on employee loyalty</li> <li>4. Material incentives have most dominant impact toward loyalty variable.</li> </ol>



Septiyanti, Sholihin and Acc (2013)	Prosocial behaviour theory	Employees of Indonesian Financial Transaction Report and Analysis Centre	Survey method Multiple regression analysis	<ol style="list-style-type: none"> <li>1. Seriousness of wrongdoing and ethnic group had significant effect on internal whistleblowing intentions.</li> <li>2. Managerial status, locus of control, organizational commitment, personal cost, and status of wrongdoer did not have significant effect on internal whistleblowing intentions.</li> </ol>
Sholihin (2013)	Reinforcement theory	Accounting students	experimental method	<ol style="list-style-type: none"> <li>1. In case of retaliation for previous non-anonymous whistle-blower, individual's intention could be encouraged by providing anonymous channel, not by providing reward on non-anonymous channel.</li> <li>2. In case of no retaliation for previous non-anonymous whistle-blower, individual's intention could not be encouraged neither by providing reward nor anonymous channel.</li> <li>3. Individual's intention had improved because of the absence of retaliation.</li> </ol>
Sofia, Herawati and Zuhdi	Socialisation Professional commitment Whistleblowing	Tax officials	Census. Data analysis used the multiple linear regression.	Socialization and professional commitment influenced whistleblowing intention.
Winardi (2013)	Prosocial organisational behaviour	Government employees	Two vignettes were used to manipulate those situational factors. A survey questionnaire was distributed Using convenience sampling.	<ol style="list-style-type: none"> <li>1. The external whistleblowing model failed to predict whistleblowing intention in the serious corruption case.</li> <li>2. All independent variables were not significant.</li> <li>3. For the less serious corruption case, only materiality of wrongdoing had a significant and consistent relationship with the external whistleblowing intention in both whistleblowing channels.</li> </ol>

Banda and Mahfud Sholihin (2012)	Theory of Planned Behaviour	Internal auditors	It uses survey method of the with nonprobability sampling technique, which is convenience sampling	<ol style="list-style-type: none"> <li>1. Moral reasoning and perceived behaviour control did not have significant effect on whistleblowing intention.</li> <li>2. Attitude and subjective norms had significant effect on whistleblowing intention.</li> <li>3. Coefficient of 77% shows that the model can explain the whistleblowing intention.</li> </ol>
Libramawan (2014)	Whistleblowing	employees in private company	Explanatory research	Whistleblowing system application had a significant effect on the prevention of fraud. However, it contributed only 16.3% to the prevention of fraud.
Nurul (2014)	Prosocial organisational behaviour.	University students	survey	Seriousness of misconduct, gender and academic performance had a significant impact on probability of whistleblowing
Putri and Mahfud Sholihin (2012)	Path-goal theory Maslow's hierarchy theory Reinforcement theory	university students	experiment method	<ol style="list-style-type: none"> <li>1. Non-anonymous channel in the reward model was more effective than that of anonymous channel.</li> <li>2. Structural model either in the anonymous or non-anonymous channel was the same effective.</li> </ol>
Sulistomo and Pratiwi (2011)	Theory of planned behaviour	accounting students	The empirical random sampling technique for collected the data.	<ol style="list-style-type: none"> <li>1. Subjective norm, attitude, and perceived behaviour control had a significance and positive impact on whistleblowing intention.</li> <li>2. Respondents who had high subjective norm, attitude, and perceived behaviour control tended to whistleblow.</li> </ol>

**Appendix 9: Perceived Behavioural Control Items, Alpha and Means for Whistleblowing Intentions (N= 641)**

		Mean Response	Overall Average
PBC Organization Positive Image <sup>1</sup>	investigate my reports seriously	16.34	15.95
	keep giving me with feedback regularly on progress of the investigation	15.42	
	take responsibility for what was happening	16.58	
	allocate a sufficient budget to support internal auditors to investigate my report	15.33	
	allocate a sufficient budget to support the development of WISE to investigate my report	15.23	
	ensure my identity as a whistle-blower is anonymous	15.99	
	show behaviour as a role model	16.46	
	encourage me to report bribery practices	15.48	
	protect me from any types of retaliation	16.93	
	sufficient evidence of bribery leads serious investigation	15.77	
PBC Organization Incentive <sup>2</sup>	reward of amount of Rp100 millions or ten times of my take home pay	12.71	12.41
	promise me with a promotion	12.44	
	offer me with an oversea training	12.58	
	offer me with a good performance rating	12.88	
	offer me with an assignment to more desirable duties	11.15	
	offer me with an assignment to my preferred geographic location	12.72	
PBC Organization Negative Image <sup>3</sup>	hinder reporting	8.65	8.35
	ignore reporting	8.59	
	create difficulties to be faced in the process of reporting	8.61	
	not correct wrongdoing	8.61	
	blame employees for what was happening	8.45	
	a denial of a promotion	8.17	
	a poor performance	8.15	
	a restriction to follow training	8.20	
	an assignment or reassign less desirable or less important duties	8.17	
	a relocation to non-preferred geographic location	8.27	
	a termination of job	8.02	
PBC Easiness to find another job(s) outside DGT <sup>4</sup>	easy to find other works outside DGT	10.95	10.51

easy to obtain DGT approval to any employee who wants to resign or move to another organization	10.07	
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<sup>1</sup>Cronbach alpha =.972, <sup>2</sup>Cronbach alpha =.963, <sup>3</sup>Cronbach alpha =.992, <sup>4</sup>Cronbach alpha =.871

**Appendix 10: Results of Factor Analysis on Perceived Behavioural Control items  
(N= 641)**

	PBC Organization Negative Image	PBC Organization Positive Image	PBC Organization Incentive	PBC Easiness to Find Another job(s) outside DGT
investigate my reports seriously	-.408	.793	.228	.005
keep giving me with feedback regularly on progress of the investigation	-.285	.823	.244	.026
take responsibility for what was happening	-.401	.804	.248	.002
allocate a sufficient budget to support internal auditors to investigate my report	-.308	.823	.248	.047
allocate a sufficient budget to support the development of WISE to investigate my report	-.311	.815	.254	.052
ensure my identity as a whistle- blower is anonymous	-.332	.766	.167	.000
show behaviour as a role model	-.402	.784	.228	.030
encourage me to report bribery practices	-.336	.793	.262	.080
protect me from any types of retaliation	-.413	.753	.293	.023
sufficient evidence of bribery leads serious investigation	-.414	.688	.117	.089
reward of amount of Rp100 millions or ten times of my take home pay	-.138	.218	.867	.038
promise me with a promotion	-.141	.232	.916	.051
offer me with an oversea training	-.162	.254	.892	.053
offer me with a good performance rating	-.167	.272	.878	.089
offer me with an assignment to more desirable duties	-.032	.167	.852	.099
offer me with an assignment to my preferred geographic location	-.141	.210	.863	.121
hinder reporting	.880	-.308	-.150	-.013
ignore reporting	.884	-.345	-.152	-.001
create difficulties to be faced in the process of reporting	.887	-.342	-.157	.011
not correct wrongdoing	.880	-.356	-.145	.005
blame employees for what was happening	.888	-.347	-.145	.013
a denial of a promotion	.898	-.329	-.110	.023
a poor performance	.915	-.303	-.105	-.008
a restriction to follow training	.913	-.299	-.117	.001
an assignment or reassign less desirable or less important duties	.919	-.301	-.109	-.005
a relocation to non-preferred geographic location	.902	-.317	-.115	-.005

a termination of job	.888	-.303	-.091	.022
easy to find other works outside DGT	.101	.047	.133	.929
easy to obtain DGT approval to any employee who wants to resign or move to another organization	-.050	.077	.173	.919
Eigenvalues	57.5	17.09	7.46	3.90
Cumulative percent	32.14	58.66	81.65	86.01

**Appendix 11: Scale Items and Means for Attitude toward Whistleblowing (A) (N= 641)**

Items	Beliefs (b) <sup>1</sup>	Evaluation (e) <sup>1</sup>	bxe (mean)
prevent bribery causing harm to the organization	4.02 (.722)	4.10 (.702)	16.48
control bribery	3.89 (.759)	4.00 (.730)	15.56
enhance public interest to combat bribery	3.89 (.787)	3.95 (.759)	15.36
be my role responsibility as an employee	3.94 (.738)	3.98 (.726)	15.68
be my moral obligation	3.99 (.716)	4.02 (.716)	16.04
Overall Average	3.95 (.607)	4.01 (.619)	15.84

<sup>1</sup> Cronbachalpha: .937

A: Sum of (b x e) = 79.12

**Appendix 12: Scale Items and Means for Subjective Norm (SN) (N= 641)**

Items	Normative Beliefs (b) <sup>1</sup>	Motivation to comply (m) <sup>1</sup>	bxm (mean)
members of respondent's family	3.53 (.838)	3.73 (.863)	13.17
co-workers	3.28 (.839)	3.56 (.833)	11.68
immediate supervisor	3.37 (.853)	3.59 (.821)	12.10
friends	3.36 (.800)	3.44 (.833)	11.56
neighbours	3.32 (.797)	3.17 (.940)	10.52
Overall Average	3.37 (.749)	3.50 (.735)	11.79

<sup>1</sup> Cronbachalpha: .911

SN: Sum of (b x m) = 59.03

**Appendix 13: Scale Items and Means for Perceived Behavioral Control  
Organization Culture and Leadership Positive Image (PBC\_Pos) (N= 641)**

Items	Belief in control factors (b) <sup>1</sup>	Evaluation of control factors (m) <sup>1</sup>	bxm (mean)
seriously investigate reports	3.84 (1.096)	4.20 (.653)	16.13
keep giving the whistle-blower with feedback regularly on progress of the investigation	3.73 (1.044)	4.08 (.707)	15.22
take responsibility officially	3.86 (1.111)	4.24 (.648)	16.37
allocate a sufficient budget to support internal auditors to investigate my report	3.72 (1.039)	4.05 (.679)	15.07
allocate a sufficient budget to support the development of WISE to investigate my report	3.71 (1.032)	4.04 (.674)	14.99
ensure my identity as a whistle-blower is anonymous	3.71 (1.163)	4.24 (.740)	15.73
show behaviour as a role model	3.84 (1.124)	4.23 (.679)	16.24
encourage me to report bribery practices	3.75 (1.072)	4.09 (.718)	15.34
protect me from any types of retaliation	3.87 (1.193)	4.32 (.703)	16.72
provide sufficient evidence	3.79 (.991)	4.04 (.792)	15.31
Overall Average	3.78 (1.00)	4.15 (.54)	15.69

<sup>1</sup> Cronbachalpha: .949

PBC\_Pos: Sum of (b x m) = 157.12

**Appendix 14: Scale Items and Means for Perceived Behavioral Control  
Organization Incentives (PBC\_Inc) (N= 641)**

Items	Belief in control factors (b) <sup>1</sup>	Evaluation of control factors (m) <sup>1</sup>	bxm (mean)
reward of amount of Rp100 millions or ten times of my take home pay	3.37 (1.166)	3.56 (1.078)	11.10
promise me with a promotion	3.36 (1.159)	3.50 (1.031)	11.76
offer me with an oversea training	3.36 (1.117)	3.57 (.982)	11.10
offer me with a good performance rating	3.41 (1.114)	3.61 (1.004)	12.31
offer me with an assignment to more desirable duties	3.06 (1.086)	3.44 (1.047)	10.53
offer me with an assignment to my preferred geographic location	3.32 (1.182)	3.65 (1.065)	12.12
Overall Average	3.31 (1.027)	3.55 (.945)	11.75

<sup>1</sup> Cronbachalpha: .948

PBC\_Inc: Sum of (b x m) = 68.92

**Appendix 15: Scale Items and Means for Perceived Behavioral Control  
Organization Culture and Leadership Negative Image (PBC\_Neg) (N= 641)**

Items	Belief in control factors (b) <sup>1</sup>	Evaluation of control factors (m) <sup>1</sup>	bxm (mean)
hinder reporting	2.23 (1.186)	3.84 (1.044)	8.56
ignore reporting	2.22 (1.202)	3.85 (1.044)	8.55
create difficulties to be faced in the process of reporting	2.21 (1.209)	3.86 (1.066)	8.53
not correct wrongdoing	2.22 (1.223)	3.84 (1.058)	8.52
blame employees for what was happening	2.16 (1.209)	3.89 (1.076)	8.40
a denial of a promotion	2.19 (1.200)	3.67 (1.083)	8.04
a poor performance	2.18 (1.225)	3.70 (1.081)	8.07
a restriction to follow training	2.20 (1.227)	3.66 (1.096)	8.05
an assignment or reassign less desirable or less important duties	2.19 (1.212)	3.66 (1.077)	8.01
relocate a whistle-blower to a non-preferred geographic location	2.18 (1.282)	3.76 (1.115)	8.19
terminate a whistle-blower job	2.12 (1.227)	3.76 (1.110)	7.97
Overall Average	2.19 (1.18)	3.77 (.979)	8.26

<sup>1</sup> Cronbachalpha: .935

PBC\_Pos: Sum of (b x m) = 90.89

**Appendix 16: Scale Items and Means for Perceived Behavioral Control on Easiness to Find Another job(s) outside DGT (PBC\_OJ) (N= 641)**

Items	Belief in control factors (b) <sup>1</sup>	Evaluation of control factors (m) <sup>1</sup>	bxm (mean)
easy to find other works outside DGT	3.26 (.924)	3.29 (.964)	10.73
easy to obtain DGT approval to any employee who wants to resign or move to another organization	3.02 (.895)	3.26 (.962)	9.93
Overall Average	3.14 (.807)	3.27 (.945)	10.27

<sup>1</sup> Cronbachalpha: .746

PBC\_Pos: Sum of (b x m) = 20.66



## Appendix 17: Skewness and Kurtosis of Items

### Assessment of normality (Group number 1)

Variable	min	max	skew	c.r.	kurtosis	c.r.
wbi1	1.000	2.740	-1.466	-15.156	.150	.775
PBC_APPRO	1.000	26.220	.971	10.036	1.221	6.310
PBC_JOB	1.000	25.930	.757	7.824	.781	4.034
PBC_NEG1	1.000	18.890	1.192	12.322	1.673	8.648
PBC_NEG2	1.000	18.780	1.202	12.422	1.772	9.157
PBC_NEG3	1.000	18.340	1.288	13.314	1.890	9.769
PBC_NEG4	1.000	18.070	1.262	13.047	1.790	9.250
PBC_NEG5	1.000	18.140	1.178	12.171	1.544	7.977
PBC_NEG6	1.000	19.090	1.212	12.525	1.814	9.374
PBC_NEG7	1.000	18.770	1.215	12.563	1.741	8.997
PBC_NEG8	1.000	18.740	1.164	12.027	1.598	8.257
PBC_NEG9	1.000	19.040	1.127	11.654	1.498	7.743
PBC_NEG10	1.000	17.260	1.318	13.628	1.802	9.312
PBC_NEG11	1.000	17.730	1.251	12.933	1.807	9.336
PBC_INC1	1.000	20.570	.598	6.177	-.656	-3.393
PBC_INC2	1.000	21.580	.649	6.707	-.425	-2.198
PBC_INC3	1.000	22.240	.675	6.974	-.311	-1.610
PBC_INC4	1.000	21.770	.672	6.945	-.325	-1.679
PBC_INC5	1.000	22.200	.788	8.148	.161	.830
PBC_INC6	1.000	20.170	.638	6.592	-.474	-2.451
PBC_POS1	1.000	22.300	.542	5.601	-.715	-3.694
PBC_POS2	1.000	23.530	.711	7.354	-.146	-.756
PBC_POS3	1.000	21.120	.472	4.877	-.778	-4.022
PBC_POS4	1.000	23.650	.724	7.487	-.013	-.068
PBC_POS5	1.000	24.210	.785	8.109	.090	.467
PBC_POS6	1.000	20.010	.463	4.782	-.910	-4.702
PBC_POS7	1.000	21.050	.474	4.904	-.904	-4.671
PBC_POS8	1.000	22.620	.676	6.989	-.254	-1.313
PBC_POS9	1.000	18.850	.306	3.158	-1.217	-6.289
PBC_POS10	1.000	25.240	.395	4.087	-.659	-3.405
SN1	1.000	26.650	.610	6.308	.070	.361

Variable	min	max	skew	c.r.	kurtosis	c.r.
SN2	1.000	28.570	.899	9.297	.981	5.072
SN3	1.000	28.250	.833	8.614	.777	4.017
SN4	1.000	29.280	.881	9.108	.998	5.159
SN5	1.000	27.800	.954	9.856	1.051	5.431
AB1	1.000	27.030	.433	4.480	-.347	-1.793
AB2	1.000	26.440	.514	5.315	-.018	-.091
AB3	1.000	27.470	.479	4.950	-.226	-1.167
AB4	1.000	27.340	.503	5.204	-.141	-.730
AB5	1.000	28.430	.451	4.658	-.262	-1.356
Multivariate					1045.315	228.285

## Appendix 18: Respondents contain High Outliers

Observations farthest from the centroid (Mahalanobis distance) (Group number 1)

ID_respondents' number	Mahalanobis d-squared	p1	p2
60	313.841	.000	.000
302	225.216	.000	.000
63	212.045	.000	.000
277	195.473	.000	.000
603	182.817	.000	.000
97	173.842	.000	.000
676	169.717	.000	.000
159	157.153	.000	.000
235	156.246	.000	.000
534	153.409	.000	.000
380	147.695	.000	.000
522	144.472	.000	.000
542	138.387	.000	.000
483	131.185	.000	.000
404	117.382	.000	.000
629	114.785	.000	.000
700	113.971	.000	.000
531	113.593	.000	.000
196	112.304	.000	.000
573	110.459	.000	.000
586	109.480	.000	.000
599	107.627	.000	.000
594	106.620	.000	.000
557	105.003	.000	.000
459	104.747	.000	.000
7	104.686	.000	.000
521	103.536	.000	.000
193	103.293	.000	.000
397	102.774	.000	.000
532	101.162	.000	.000
350	99.730	.000	.000

ID_respondents' number	Mahalanobis d-squared	p1	p2
447	98.761	.000	.000
410	98.651	.000	.000
373	98.535	.000	.000
553	97.789	.000	.000
402	96.782	.000	.000
569	95.564	.000	.000
615	94.490	.000	.000
33	93.735	.000	.000
225	93.677	.000	.000
383	92.180	.000	.000
65	91.440	.000	.000
4	90.437	.000	.000
276	89.571	.000	.000
354	88.987	.000	.000
299	88.847	.000	.000
300	88.847	.000	.000
492	88.817	.000	.000
694	85.600	.000	.000
8	85.445	.000	.000
618	85.259	.000	.000
75	84.821	.000	.000
525	84.421	.000	.000
575	84.085	.000	.000
674	83.920	.000	.000
560	83.458	.000	.000
122	83.442	.000	.000
580	81.804	.000	.000
613	81.453	.000	.000
254	80.713	.000	.000
48	79.880	.000	.000
312	78.855	.000	.000
621	78.617	.000	.000
460	78.544	.000	.000

ID_respondents' number	Mahalanobis d-squared	p1	p2
566	78.393	.000	.000
614	76.681	.000	.000
458	76.404	.000	.000
509	76.026	.001	.000
543	75.447	.001	.000
195	75.248	.001	.000
135	74.068	.001	.000
61	73.672	.001	.000
634	73.646	.001	.000
252	73.578	.001	.000
138	73.384	.001	.000
342	73.157	.001	.000
98	72.911	.001	.000
565	72.761	.001	.000
43	72.247	.001	.000
692	71.970	.001	.000
353	71.665	.002	.000
283	71.206	.002	.000
456	70.907	.002	.000
549	70.678	.002	.000
58	70.537	.002	.000
112	70.401	.002	.000
1	70.319	.002	.000
641	69.850	.002	.000
359	69.812	.002	.000
301	69.797	.002	.000
473	69.768	.002	.000
687	69.130	.003	.000
619	68.354	.003	.000
508	68.003	.004	.000
46	67.749	.004	.000
667	67.749	.004	.000
421	67.059	.005	.000

ID_respondents' number	Mahalanobis d-squared	p1	p2
337	66.976	.005	.000
593	66.896	.005	.000
453	66.740	.005	.000

**Appendix 19: Skewness and Kurtosis of Items (After eliminated 100 respondents)**

**Assessment of normality (Group number 1)**

Variable	min	max	skew	c.r.	kurtosis	c.r.
wbi1	1.000	2.740	-1.352	-12.839	-.172	-.816
PBC_APPRO	1.000	26.220	.899	8.533	1.134	5.386
PBC_JOB	1.000	25.930	.656	6.233	.674	3.202
PBC_NEG1	1.000	18.890	1.222	11.603	1.917	9.099
PBC_NEG2	1.000	18.780	1.209	11.476	1.872	8.886
PBC_NEG3	1.000	18.340	1.250	11.874	1.889	8.967
PBC_NEG4	1.000	18.070	1.243	11.804	1.852	8.794
PBC_NEG5	1.000	18.140	1.204	11.432	1.716	8.145
PBC_NEG6	1.000	19.090	1.164	11.050	1.611	7.646
PBC_NEG7	1.000	18.770	1.189	11.289	1.698	8.063
PBC_NEG8	1.000	18.740	1.142	10.846	1.598	7.587
PBC_NEG9	1.000	19.040	1.128	10.716	1.524	7.237
PBC_NEG10	1.000	17.260	1.281	12.159	1.798	8.537
PBC_NEG11	1.000	17.730	1.202	11.411	1.720	8.165
PBC_INC1	1.000	20.570	.669	6.348	-.478	-2.272
PBC_INC2	1.000	21.580	.689	6.539	-.194	-.923
PBC_INC3	1.000	22.240	.708	6.727	-.183	-.868
PBC_INC4	1.000	21.770	.720	6.839	-.088	-.419
PBC_INC5	1.000	22.200	.818	7.772	.332	1.577
PBC_INC6	1.000	20.170	.724	6.878	-.166	-.787
PBC_POS1	1.000	22.300	.682	6.478	-.351	-1.666
PBC_POS2	1.000	23.530	.806	7.657	.157	.748
PBC_POS3	1.000	21.120	.616	5.850	-.427	-2.027
PBC_POS4	1.000	23.650	.812	7.711	.354	1.680

Variable	min	max	skew	c.r.	kurtosis	c.r.
PBC_POS5	1.000	24.210	.850	8.075	.405	1.923
PBC_POS6	1.000	20.010	.611	5.801	-.655	-3.110
PBC_POS7	1.000	21.050	.623	5.915	-.637	-3.025
PBC_POS8	1.000	22.620	.825	7.838	.089	.420
PBC_POS9	1.000	18.850	.454	4.313	-1.011	-4.801
PBC_POS10	1.000	25.240	.492	4.675	-.348	-1.650
SN1	1.000	26.650	.664	6.302	.358	1.699
SN2	1.000	28.570	.885	8.401	1.058	5.021
SN3	1.000	28.250	.828	7.860	.946	4.492
SN4	1.000	29.280	.862	8.184	1.045	4.961
SN5	1.000	27.800	.936	8.886	1.145	5.438
AB1	3.230	27.030	.539	5.115	-.064	-.306
AB2	3.040	26.440	.634	6.016	.182	.862
AB3	1.000	27.470	.539	5.118	.015	.070
AB4	1.000	27.340	.577	5.483	.105	.500
AB5	1.000	28.430	.545	5.176	.006	.029
Multivariate					635.710	127.543

**Appendix 20: Crosstab for Gender and Whistleblowing Intention**

			Gender		Total
			Male	Female	
WBI	No	Count	93	38	131
		% within WBI	71.0%	29.0%	100.0%
		% of Total	14.5%	5.9%	20.4%
	Yes	Count	366	144	510
		% within WBI	71.8%	28.2%	100.0%
		% of Total	57.1%	22.5%	79.6%
Total	Count	459	182	641	
	% within WBI	71.6%	28.4%	100.0%	
	% of Total	71.6%	28.4%	100.0%	

**Appendix 21: Chi-Square Tests for Gender and Whistleblowing Intention**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.031 <sup>a</sup>	1	<b>.861</b>	.914	.470
Continuity Correction <sup>b</sup>	.004	1	.947		
Likelihood Ratio	.030	1	.861		
Fisher's Exact Test					
Linear-by-Linear Association	.031	1	.861		
N of Valid Cases	641				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 37.20.

b. Computed only for a 2x2 table



**Appendix 22: Crosstab for Age and Whistleblowing Intention**

			Age					Total	
			Below 18 years	18 to ≤ 24 years	> 24 to ≤ 34 years	>34 to ≤ 44 years	>44 to ≤ 54 years		>54 years
WBI	No	Count	0	15	45	57	13	1	131
		% within WBI	.0%	11.5%	34.4%	43.5%	9.9%	.8%	100.0%
		% of Total	.0%	2.3%	7.0%	8.9%	2.0%	.2%	20.4%
	Yes	Count	2	86	218	160	41	3	510
		% within WBI	.4%	16.9%	42.7%	31.4%	8.0%	.6%	100.0%
		% of Total	.3%	13.4%	34.0%	25.0%	6.4%	.5%	79.6%
Total	Count	2	101	263	217	54	4	641	
	% within WBI	.3%	15.8%	41.0%	33.9%	8.4%	.6%	100.0%	
	% of Total	.3%	15.8%	41.0%	33.9%	8.4%	.6%	100.0%	

**Appendix 23: Chi-Square Tests for Age and Whistleblowing Intention**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.269 <sup>a</sup>	5	<b>.099</b>
Likelihood Ratio	9.605	5	.087
Linear-by-Linear Association	6.915	1	.009
N of Valid Cases	641		

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is .41.

### Appendix 24: Crosstab for Education and Whistleblowing Intention

			Education					Total
			High	Diploma	Undergraduate	Master	Lainnya	
WBI	No	Count	1	33	76	19	2	131
		% within WBI	.8%	25.2%	58.0%	14.5%	1.5%	100.0%
		% of Total	.2%	5.1%	11.9%	3.0%	.3%	20.4%
	Yes	Count	14	158	242	94	2	510
		% within WBI	2.7%	31.0%	47.5%	18.4%	.4%	100.0%
		% of Total	2.2%	24.6%	37.8%	14.7%	.3%	79.6%
Total	Count	15	191	318	113	4	641	
	% within WBI	2.3%	29.8%	49.6%	17.6%	.6%	100.0%	
	% of Total	2.3%	29.8%	49.6%	17.6%	.6%	100.0%	

### Appendix 25: Chi-Square Tests for Education and Whistleblowing Intention

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.328 <sup>a</sup>	4	<b>.080</b>
Likelihood Ratio	8.382	4	.079
Linear-by-Linear Association	1.473	1	.225
N of Valid Cases	641		

a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is .82.

### Appendix 26: Crosstab for Employees' Tenure and Whistleblowing Intention

			Tenure							Total	
			<1 year	1 ≤ 5 years	>5 ≤ 10 years	>10 ≤ 15 years	> 15 ≤ 20 years	> 20 ≤ 25 years	> 20 ≤ 25 years		> 30 years
WBI	No	Count	1	21	23	30	36	15	5	0	131
		% within WBI	.8%	16.0%	17.6%	22.9%	27.5%	11.5%	3.8%	.0%	100.0%
		% of Total	.2%	3.3%	3.6%	4.7%	5.6%	2.3%	.8%	.0%	20.5%
	Yes	Count	9	130	134	96	81	51	4	4	509
		% within WBI	1.8%	25.5%	26.3%	18.9%	15.9%	10.0%	.8%	.8%	100.0%
		% of Total	1.4%	20.3%	20.9%	15.0%	12.7%	8.0%	.6%	.6%	79.5%
Total	Count	10	151	157	126	117	66	9	4	640	
	% within WBI	1.6%	23.6%	24.5%	19.7%	18.3%	10.3%	1.4%	.6%	100.0%	
	% of Total	1.6%	23.6%	24.5%	19.7%	18.3%	10.3%	1.4%	.6%	100.0%	

**Appendix 27: Chi-Square Tests for Employees' Tenure and Whistleblowing Intention**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	24.464 <sup>a</sup>	7	<b>.001</b>
Likelihood Ratio	23.784	7	.001
Linear-by-Linear Association	13.248	1	.000
N of Valid Cases	640		

a. 4 cells (25.0%) have expected count less than 5. The minimum expected count is .82.

**Appendix 28: ANOVA test for Employees' Tenure in correlation Whistleblowing Intention**

WBI

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.983	7	.569	3.588	<b>.001</b>
	.141	1	.141	.892	.345
	2.160	1	2.160	13.624	.000
	1.823	6	.304	1.916	.076
Within Groups	100.203	632	.159		
Total	104.186	639			

**Appendix 29: Multiple Comparisons for Employees' Tenure in correlation with Whistleblowing Intention**

Dependent Variable: WBI

Tukey HSD

(I) Tenure	(J) Tenure	Mean Difference (I-J)			95% Confidence Interval	
		Mean Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
<1 year	1 ≤ 5 years	.039	.130	1.000	-.36	.43
	>5 ≤ 10 years	.046	.130	1.000	-.35	.44
	>10 ≤ 15 years	.138	.131	.965	-.26	.54
	> 15 ≤ 20 years	.208	.131	.760	-.19	.61
	> 20 ≤ 25 years	.127	.135	.982	-.28	.54
	>25 ≤ 30 years	.456	.183	.202	-.10	1.01
	> 30 years	-.100	.236	1.000	-.82	.62
1 ≤ 5 years	<1 year	-.039	.130	1.000	-.43	.36
	>5 ≤ 10 years	.007	.045	1.000	-.13	.15
	>10 ≤ 15 years	.099	.048	.442	-.05	.25
	> 15 ≤ 20 years	<b>.169<sup>*</sup></b>	.049	.014	.02	.32

	> 20 ≤ 25 years	.088	.059	.807	-.09	.27
	>25 ≤ 30 years	<b>.416<sup>*</sup></b>	.137	.049	.00	.83
	> 30 years	-.139	.202	.997	-.75	.47
>5 ≤ 10 years	<1 year	-.046	.130	1.000	-.44	.35
	1 ≤ 5 years	-.007	.045	1.000	-.15	.13
	>10 ≤ 15 years	.092	.048	.535	-.05	.24
	> 15 ≤ 20 years	<b>.161<sup>*</sup></b>	.049	.022	.01	.31
	> 20 ≤ 25 years	.081	.058	.865	-.10	.26
	>25 ≤ 30 years	.409	.136	.057	-.01	.82
	> 30 years	-.146	.202	.996	-.76	.47
>10 ≤ 15 years	<1 year	-.138	.131	.965	-.54	.26
	1 ≤ 5 years	-.099	.048	.442	-.25	.05
	>5 ≤ 10 years	-.092	.048	.535	-.24	.05
	> 15 ≤ 20 years	.070	.051	.874	-.09	.23
	> 20 ≤ 25 years	-.011	.061	1.000	-.19	.17
	>25 ≤ 30 years	.317	.137	.289	-.10	.74
	> 30 years	-.238	.202	.938	-.85	.38
> 15 ≤ 20 years	<1 year	-.208	.131	.760	-.61	.19
	1 ≤ 5 years	<b>-.169<sup>*</sup></b>	.049	.014	-.32	-.02
	>5 ≤ 10 years	<b>-.161<sup>*</sup></b>	.049	.022	-.31	-.01
	>10 ≤ 15 years	-.070	.051	.874	-.23	.09
	> 20 ≤ 25 years	-.080	.061	.894	-.27	.11
	>25 ≤ 30 years	.248	.138	.621	-.17	.67
	> 30 years	-.308	.202	.797	-.92	.31
> 20 ≤ 25 years	<1 year	-.127	.135	.982	-.54	.28
	1 ≤ 5 years	-.088	.059	.807	-.27	.09
	>5 ≤ 10 years	-.081	.058	.865	-.26	.10
	>10 ≤ 15 years	.011	.061	1.000	-.17	.19
	> 15 ≤ 20 years	.080	.061	.894	-.11	.27
	>25 ≤ 30 years	.328	.141	.284	-.10	.76
	> 30 years	-.227	.205	.955	-.85	.40
>25 ≤ 30 years	<1 year	-.456	.183	.202	-1.01	.10
	1 ≤ 5 years	<b>-.416<sup>*</sup></b>	.137	.049	-.83	.00
	>5 ≤ 10 years	-.409	.136	.057	-.82	.01
	>10 ≤ 15 years	-.317	.137	.289	-.74	.10
	> 15 ≤ 20 years	-.248	.138	.621	-.67	.17
	> 20 ≤ 25 years	-.328	.141	.284	-.76	.10
	> 30 years	-.556	.239	.283	-1.28	.17
> 30 years	<1 year	.100	.236	1.000	-.62	.82
	1 ≤ 5 years	.139	.202	.997	-.47	.75

>5 ≤ 10 years	.146	.202	.996	-.47	.76
>10 ≤ 15 years	.238	.202	.938	-.38	.85
> 15 ≤ 20 years	.308	.202	.797	-.31	.92
> 20 ≤ 25 years	.227	.205	.955	-.40	.85
>25 ≤ 30 years	.556	.239	.283	-.17	1.28

\*. The mean difference is significant at the 0.05 level.

### Appendix 30: Crosstab for Employees' Position and Whistleblowing Intention

			Position				Total
			Staff	Echelon IV	Echelon III or above	Functional	
WBI	No	Count	99	9	0	23	131
		% within WBI	75.6%	6.9%	.0%	17.6%	100.0%
		% of Total	15.4%	1.4%	.0%	3.6%	20.4%
	Yes	Count	415	43	4	48	510
		% within WBI	81.4%	8.4%	.8%	9.4%	100.0%
		% of Total	64.7%	6.7%	.6%	7.5%	79.6%
Total	Count	514	52	4	71	641	
	% within WBI	80.2%	8.1%	.6%	11.1%	100.0%	
	% of Total	80.2%	8.1%	.6%	11.1%	100.0%	

### Appendix 31: Chi-Square Tests for Employee Position & Whistleblowing Intention

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.021 <sup>a</sup>	3	<b>.046</b>
Likelihood Ratio	8.154	3	.043
Linear-by-Linear Association	5.676	1	.017
N of Valid Cases	641		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is .82.

### Appendix 32: ANOVA test for Employees' Position and Whistleblowing Intention

WBI

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.304	3	.435	2.691	.045
	.924	1	.924	5.721	.017
	.380	2	.190	1.175	.309
Within Groups	102.924	637	.162		
Total	104.228	640			

### Appendix 33: Multiple Comparisons for Employees' Position in correlation with Whistleblowing Intention

Dependent Variable: WBI

Tukey HSD

(I) Position	(J) Position	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Staff	Echelon IV	-.020	.058	.987	-.17	.13
	Echelon III and above	-.193	.202	.775	-.71	.33
	Functional	<b>.131*</b>	.051	.049	.00	.26
Echelon IV	Staff	.020	.058	.987	-.13	.17
	Echelon III and above	-.173	.209	.840	-.71	.36
	Functional	.151	.073	.169	-.04	.34
Echelon III and above	Staff	.193	.202	.775	-.33	.71
	Echelon IV	.173	.209	.840	-.36	.71
	Functional	.324	.207	.398	-.21	.86
Functional	Staff	<b>-.131*</b>	.051	.049	-.26	.00
	Echelon IV	-.151	.073	.169	-.34	.04
	Echelon III and above	-.324	.207	.398	-.86	.21

\*. The mean difference is significant at the 0.05 level.

**Appendix 34: WBI \* Actual vs Bystander vs non-observer Crosstabulation**

		Actual Whistle-	Bystanders	Non-	Total
		blowers		Observers	
WBI	No	Count	8	20	131
		Expected Count	5.5	14.9	131.0
	Yes	Count	19	53	510
		Expected Count	21.5	58.1	510.0
Total		Count	27	73	641
		Expected Count	27.0	73.0	641.0

**Appendix 35: Chi-Square Tests Actual vs Bystander vs non-observer**

	Value	df	Asymptotic Significance (2- sided)
Pearson Chi-Square	4.229 <sup>a</sup>	2	<b>.121</b>
Likelihood Ratio	3.959	2	.138
Linear-by-Linear Association	3.976	1	.046
N of Valid Cases	641		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.52.

**Appendix 36: Crosstab for Attending IW VS Non Attending IW in regard to Whistleblowing Intention**

			Attending IW		Total
			Yes	No	
WBI	No	Count	65	66	131
		% within WBI	49.6%	50.4%	100.0%
		% of Total	10.1%	10.3%	20.4%
	Yes	Count	249	261	510
		% within WBI	48.8%	51.2%	100.0%
		% of Total	38.8%	40.7%	79.6%
Total		Count	314	327	641
		% within WBI	49.0%	51.0%	100.0%
		% of Total	49.0%	51.0%	100.0%

**Appendix 37: Chi-Square Tests for Attending IW VS Non Attending IW in regard to Whistleblowing Intention**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.026 <sup>a</sup>	1	<b>.871</b>	.922	.474
Continuity Correction <sup>b</sup>	.004	1	.949		
Likelihood Ratio	.026	1	.871		
Fisher's Exact Test					
Linear-by-Linear Association	.026	1	.871		
N of Valid Cases	641				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 64.17.

b. Computed only for a 2x2 table

**Appendix 38: Crosstab for Knowing IW VS Not Knowing IW in regard to Whistleblowing Intention**

			Know_IW		Total
			Yes	No	
WBI	No	Count	86	45	131
		% within WBI	65.6%	34.4%	100.0%
		% of Total	13.4%	7.0%	20.4%
	Yes	Count	369	141	510
		% within WBI	72.4%	27.6%	100.0%
		% of Total	57.6%	22.0%	79.6%
Total	Count	455	186	641	
	% within WBI	71.0%	29.0%	100.0%	
	% of Total	71.0%	29.0%	100.0%	

**Appendix 39: Chi-Square Tests for Knowing IW vs Not Knowing IW in regard to Whistleblowing Intention**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2.274 <sup>a</sup>	1	<b>.132</b>	.133	.082
Continuity Correction <sup>b</sup>	1.960	1	.161		
Likelihood Ratio	2.220	1	.136		
Fisher's Exact Test					
Linear-by-Linear Association	2.271	1	.132		
N of Valid Cases	641				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 38.01.

b. Computed only for a 2x2 table



**Appendix 40: Crosstab for Knowing EW VS Not Knowing EW in regard to Whistleblowing Intention**

			Know_EW		Total
			Yes	No	
WBI	No	Count	50	80	130
		% within WBI	38.5%	61.5%	100.0%
		% of Total	7.8%	12.5%	20.3%
	Yes	Count	218	292	510
		% within WBI	42.7%	57.3%	100.0%
		% of Total	34.1%	45.6%	79.7%
Total	Count	268	372	640	
	% within WBI	41.9%	58.1%	100.0%	
	% of Total	41.9%	58.1%	100.0%	

**Appendix 41: Chi-Square Tests for Knowing IW vs Not Knowing IW in regard to Whistleblowing Intention**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	.781 <sup>a</sup>	1	.377	.426	.217
Continuity Correction <sup>b</sup>	.615	1	.433		
Likelihood Ratio	.786	1	.375		
Fisher's Exact Test					
Linear-by-Linear Association	.780	1	.377		
N of Valid Cases	640				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 54.44.

b. Computed only for a 2x2 table

**Appendix 42: Crosstab for Ethics Training Attending VS Not Ethics Training Attending in regard to Whistleblowing Intention**

			Ethics_Training_Attending		Total
			Yes	No	
WBI	No	Count	93	38	131
		% within WBI	71.0%	29.0%	100.0%
		% of Total	14.5%	5.9%	20.4%
	Yes	Count	388	122	510
		% within WBI	76.1%	23.9%	100.0%
		% of Total	60.5%	19.0%	79.6%
Total	Count	481	160	641	
	% within WBI	75.0%	25.0%	100.0%	
	% of Total	75.0%	25.0%	100.0%	

**Appendix 43: Chi-Square Tests for Ethics Training Attending VS Not Ethics Training Attending in regard to Whistleblowing Intention**

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	1.439 <sup>a</sup>	1	.230	.258	.139
Continuity Correction <sup>b</sup>	1.181	1	.277		
Likelihood Ratio	1.405	1	.236		
Fisher's Exact Test					
Linear-by-Linear Association	1.437	1	.231		
N of Valid Cases	641				

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 32.70.

b. Computed only for a 2x2 table

**Appendix 44: Types of Payment or Favours over the last five years**

No.	Types of Payments or Favours	Scale			
		Once	Twice	Three times	More than three times
1	Huge money (Rp100 millions or above)	20	6		4
2	Tip	14	8	2	17
3	Discount	12			4
4	Gift	16	3		8
5	Bonus	11		1	2
6	Free Ticket	13			4
7	Free Food	10	3	1	16
8	Free Trip	7	2	1	2
9	Political Backing	2			
10	Stock Options	2			
11	Secret Commission	2		2	
12	Promotion (rise of position/rank)	4	1		
13	Other ..... (please specify)	2			

## Appendix 45: Position of Bribe Takers over the last five years

No.	Position	Scale			
		Once	Twice	Three times	More than three times
1.	Staff	20	7	3	12
2.	Echelon IV	10	5	2	5
3.	Echelon III	7	4		4
4.	Echelon II and above	4	1		3
5.	Functional Position: Tax Auditor	12	3		10

## Appendix 46: Public's\* Perception of Corruption in DGT

Public's* Perception of Corruption in DGT			
Items	2013	2012	2011
Number of Taxpayers Giving Additional Payment or Favour	13	12	19
Initiator of giving additional payment			
DGT Employees	33%	41.7%	36.84%
Taxpayers	17	16.7%	15.79%
Both	50%	41.7%	47.37%
Service Quality After Additional payment			
Increase	75%	66.7%	73.68%
No Increase	25%	33.3%	26.32%
Frequency			
Always	15%	16.7%	36.84%
Often	8%	41.7%	26.32%
Rare	77%	41.7%	36.84%
Type of payments or favours			
Money/Cheque	N/A	91.7%	89.5%
Entertainment	N/A	50%	10.5%
Souvenir	N/A	30%	5.3%
Other Facilities	N/A	27.3%	5.3%
Level of DGT employees accepted the bribe			
Direct contact (DGT immediate employee)	15%	54.5%	47.37%
All levels	8%	30%	36.84%
Decision Making Level	77%	27.3%	26.32%
One determines the amount of surcharge			
Bargaining	N/A	72.7%	42.11%
Common Standard	8%	45.5%	10.53%
DGT Employee	23%	50%	21.05%
Taxpayers	69%	27.3%	26.32%
Level of Corruption			
Do Not Know	48.9%	50.9%	N/A
Serious	14.2%	23.1%	45.03%
Not Serious	16%	16.8%	39.18%
No Corruption	21%	9.2%	N/A
Not Answer	N/A	N/A	15.79%

\*Public: taxpayers received services from DGT

Source: Data obtained from Secretariat General, the Ministry of Finance