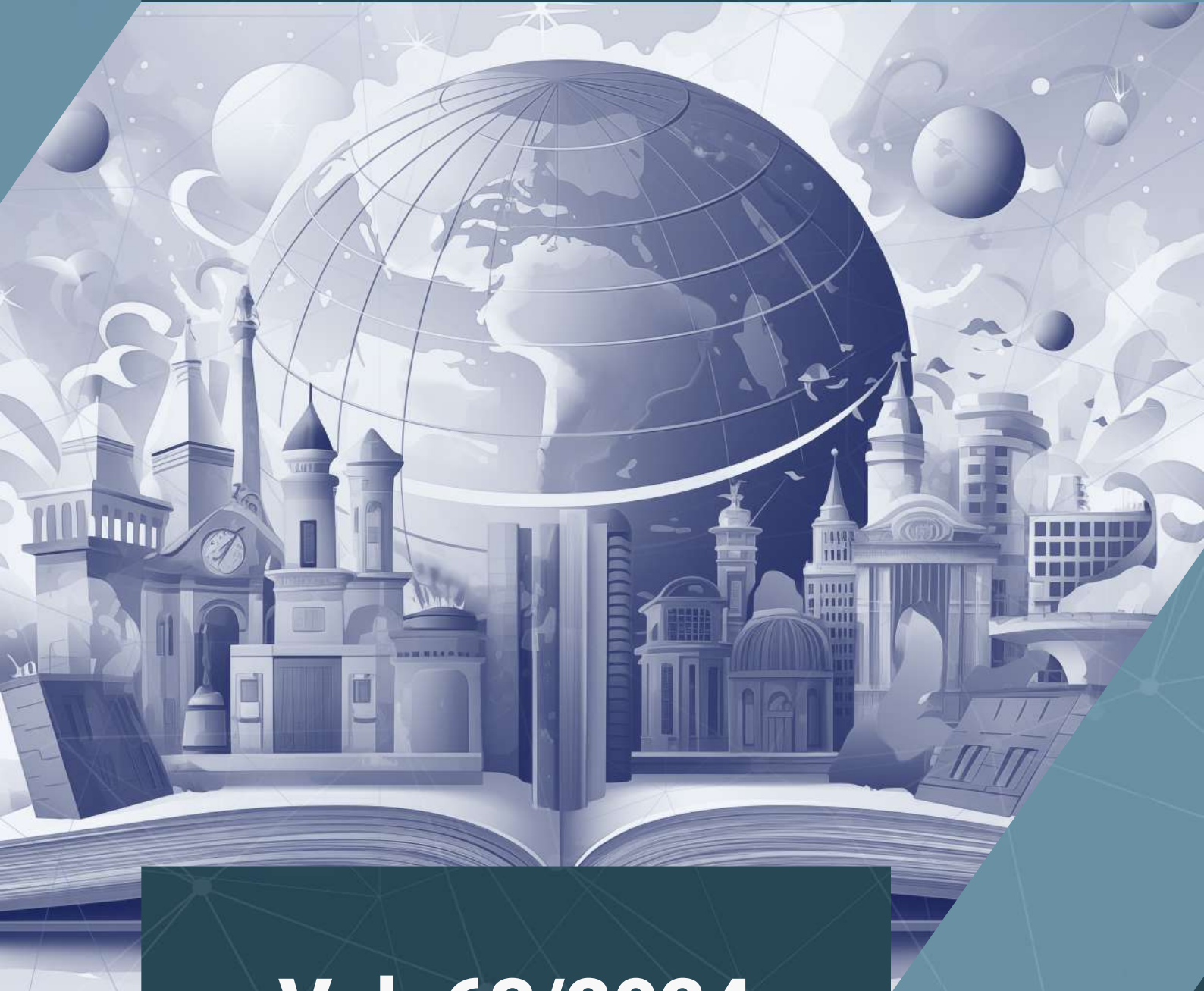




**TECHNIUM**  
SOCIAL SCIENCES JOURNAL



**Vol. 63/2024**  
A New Decade for Social Changes

**PLUS**  
**COMMUNICATION P**



International  
Communication & PR

## Factors Influencing Intention in Implementing an External Whistleblowing System

Rifqi Maulana<sup>1</sup>, Yvonne Augustine Sudibijo<sup>2</sup>

<sup>1,2</sup>Faculty of Economics and Business, Trisakti University, Jakarta, Indonesia

[rifqimaulana5598@gmail.com](mailto:rifqimaulana5598@gmail.com), [yvonne.agustine@trisakti.ac.id](mailto:yvonne.agustine@trisakti.ac.id)

**Abstract.** This studies goals to research and decide the simultaneous and partial affect of Instrumental, Affective, Self-Efficacy, Perceived Controllability, and Independence Commitment on External Whistleblowing Intention with Perceived Organizational Support as a moderating variable. This studies makes use of quantitative research with purposive sampling methods. This research combines internal factors in the form of personality and external factors in the form of the organizational environment as a basis for implementing external whistleblowing, to find out which factors are able to encourage whistleblowers to implement external whistleblowing. This is a primary data originating from questionnaire respondents. The questionnaire was made in electronic form, using Google Form media. Respondent data came from Senior Auditors and Supervisory Auditors of Public Accounting Firms (KAP) in Indonesia, totaling 100 respondents. SmartPLS version 3 was used for analysis. Results indicate that Instrumental variable has a positive effect on External Whistleblowing Intention. Affective has no effect on External Whistleblowing Intention. Self-Efficacy has no effect on External Whistleblowing Intention. Perceived Controllability has no effect on External Whistleblowing Intention. Independence Commitment has no effect on External Whistleblowing Intention. Perceived Controllability does not moderated by Perceived Organizational Support on External Whistleblowing Intention. Affective does not moderated by Perceived Organizational Support on External Whistleblowing Intention. Independence Commitment does not moderated by Perceived Organizational Support on External Whistleblowing Intention. Self-Efficacy does not moderated by Perceived Organizational Support on External Whistleblowing Intention. Instrumental does not moderated by Perceived Organizational Support on External Whistleblowing Intention. This research has limitations. The data was obtained from an instrument based on answers based on the respondents' perceptions and experiences. Research data can be biased, because if the respondent's answers are different from their perceptions and experiences of the actual situation, it can reduce the accuracy of the information from this research.

**Keywords.** Instrumental, Affective, Self-Efficacy, Perceived Controllability, Independence Commitment, External Whistleblowing Intention, Perceived Organizational Support

### 1. Introduction

Fraud is a dangerous act, thus threatening the sustainability of an organisation that is carried out in various ways so that it can benefit one or more parties (groups). The fraud can come from individuals or actors (generally including employees, customers, or vendors) (Van

Akkeren & Buckby, 2017) [1]. The fraud includes various kinds of errors or misstatements, such as deliberate underreporting (window dressing), misuse for illegal gains or personal actions and similar actions (Rezaee, 2005) [2]. In practice, fraud has been done since time immemorial so far which is still happening. None of the organisational sectors are free from the risk of fraud, be it corporations, governments, companies, or non-profit organisations. Fraud is deliberately carried out secretly and without the victim realising it, actions like this can cause financial and non-financial losses. The corporate fraud can be found in almost every business or organisation. Various kinds of laws and regulations are made to eradicate fraud cases, but this does not make the level of fraudulent practices decrease. Ignoring various kinds of fraud is considered to be the cause of corruption in the financial sector, including public asset management institutions (Anand et al., 2004) [3].

Fundamentally, fraud is a term that is abhorrent to regulatory bodies and any organisation socially committed to responsibility and commitment to ethical business practices. The fraud often leads to significant corporate collapse and is considered a recognised financial crime in many countries. Whistleblowing has emerged as a vital oversight tool following numerous financial scandals in corporate settings. (Gottschalk, 2010) [4]. The issues of great importance for regulators worldwide, as prominent organizations like the World Trade Organisation, World Bank, and Economic Co-operation and Development have stressed its importance. The position of managers and Supervisors in companies often evaluate their performance only when someone spills the beans (Near & Miceli, 1985) [5].

Based on the previous description, researchers are interested in conducting relevant studies. analysing what factors influence the encouragement of intention to whistleblowing by external parties (Auditor' clients) moderated by perceived organisational support. The study was conducted by analyzing data obtained from questionnaires completed by respondents. This study was carried out by examining data collected from questionnaires completed by survey participants.

The choice of external whistleblowing impetus, namely because the practice of whistleblowing (whistleblowing) involves complex ethical dilemmas (Tuan Mansor et al., 2020) [6]. Therefore, the findings are important to be associated with external parties because to develop a more effective whistleblowing infrastructure to increase the occurrence of whistleblowing. Then, this study uses a moderating variable, namely perceived organisational support. If employees believe that the company can and is willing to offer strong support, they will be more motivated to increase their attempts to provide assistance of the company reach its goals (Aselage & Eisenberger, 2003) [7]. This research is an extension of Puni and Hilton (2020) [8], which considers the cultural differences that influence intentions to do business whistleblowing. The study added a moderating variable, namely the gender effect to moderate the connection between cultural distance on whistleblowing encouragement. The novelty of this research with previous research is by adding the basics that become individual attitudes in encouraging whistleblowing, and also adding a moderating variable, namely perceived organisational support. In this case, there are still many factors that have not been tested. As well as considering more broadly the moderating variable, not only about gender, but about the organisation as a whole. Then, the respondents in the study were company employees, but in this study involved external company employees. Finally, the place where the study was conducted in Ghana, which is a different continent from the location of this research, Indonesia, provides researchers with an overview of what factors can increase encouragement in whistleblowing in Indonesia.

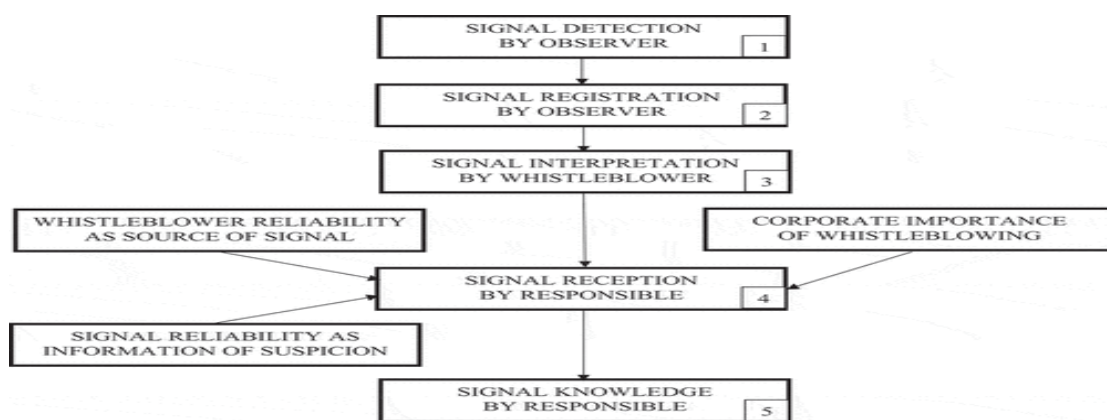
The reason why researchers are conducting studies in Indonesia is because a report by ACFE in 2022 ranks Indonesia as the 4th most fraudulent country in Asia Pacific. In Indonesia, 23 instances of fraud were documented in the year 2022. Corruption cases for 64% of the biggest frauds in Indonesia, after that comes the mismanagement of state and company resources at 28.9% and manipulation of financial statements at 6.7%. However, there are similarities between this research and research conducted by Puni and Hilton (2020) [8]. This similarity is the absence of a research time period, because the research data comes from a questionnaire, where respondents fill out a questionnaire based on their professional experience.

Based on the description above, this research is entitled " Factors Influencing Intention In Implementing An External Whistleblowing System".

## 2. Framework of the study

Characteristics of external auditors and the corporate environment external auditors (public accounting firms) who support reporting indications of fraud committed by employees of client companies, signalling a positive signal to the company in preventing fraud that can harm and damage the sustainability of client companies.

The signal theory explains why auditors have the initiative and impetus to provide information to external parties (client companies) regarding indications of fraud committed by employees of client companies (Wolk and Dodd, 2017) [10]. Signal theory explains why auditors disseminate preventive information before fraud occurs for client companies. Signal theory emphasises the importance of information issued by the auditor on the decisions of external parties to the client company. This information is important because it reviews what happened to the company in the past so that external parties can find out the conditions that threaten the company in the future. The company as an external party needs information that is useful to save the company's sustainability, from fraud committed by employees of the client company.



**Figure 1. Signal Theory**

The outcome is that failure by the Auditor to report signs of fraud by company employees promptly and accurately will lead the client company to believe that the company's situation is secure, ultimately tarnishing the Auditor's reputation for auditing the client company. So that signal theory is useful in explaining the relationship between Auditor characteristics in encouraging the intention of whistleblowing in client companies (external parties). It is also related to how these characteristics are associated with the environment in which the Auditor works.

## 2.1 Operational Framework

Instrumental attitudes relate to what the individual gets or what the individual believes to be a positive thing when the individual upholds the truth about something that violates the rules. The greater the instrumental value the Auditor has in conveying indications of fraudulent accounting, the greater the influence in having the urge to do external whistleblowing. In accordance with signal theory, where the individual's drive to get compensation (reward) for upholding justice in providing information that is useful in the sustainability of the client company, provides a positive signal for the encouragement to carry out external whistleblowing. Prior studies have indicated that the use of incentives has a positive impact on promoting external whistleblowing (Latan et al., 2018) [11]. Thus, it is hypothesized:

H1: Instrumental has a positive effect on external whistleblowing intention.

Affective attitudes can be interpreted as emotions and feelings that a person has towards an object. Affective attitudes are related to a sense of satisfaction with doing something. The greater the affective value the Auditor has in conveying indications of fraudulent accounting, the greater the influence in having the urge to do external whistleblowing. In accordance with signal theory, where the individual's drive to get satisfaction for upholding justice in providing information that is useful in the sustainability of the client company, provides a positive signal for the encouragement to carry out external whistleblowing. Prior studies demonstrated that affective have a positive impact on the promotion of external whistleblowing (Fishbein and Ajzen, 1975) [12]. Thus, it is hypothesized:

H2: Affective has a positive effect on external whistleblowing intention.

The self-efficacy attitude that exists in individuals is considered when individuals feel confident in their ability to do something. In this study, this relates to how the Auditor believes in his ability to report indications of fraud committed by client companies. The greater the value of self-efficacy possessed by the Auditor in conveying indications of accounting that fraud, the greater the influence in having the urge to do external whistleblowing. In accordance with signal theory, where individual encouragement due to belief in their ability to report information that is useful for the sustainability of the client company, provides a positive signal for the encouragement to carry out external whistleblowing. Prior studies have indicated that self-efficacy positively influences the encouragement of whistleblowing (Miceli et al., 2001) [13]. Thus, it is hypothesized:

H3: Self-efficacy has a positive effect on external whistleblowing intention.

Perceived self-control relates to how individuals have freedom or resources related to whether the individual needs to uphold justice or not at all. In the context of this study, the Auditor has an understanding of himself related to whether there are resources and freedom in reporting fraudulent accounting activities or not at all. The greater the value of perceived self-control, owned by the Auditor in conveying indications of fraudulent accounting, the greater the influence in having the urge to do external whistleblowing. In accordance with signal theory, where individual encouragement due to confidence in their ability to report information that is useful for the sustainability of the client company, provides a positive signal of encouragement in conducting external whistleblowing. Previous research stated that perceived self-control has a positive effect on whistleblowing encouragement (Alleyne et al., 2001) [14]. Thus, it is hypothesized:

H4: Perceived controllability has a positive effect on external whistleblowing intention.

Independence commitment relates to individuals who must adhere to their professional code of ethics and follow its guidelines at the same time they face ethical dilemmas related to the obligation to report indications of wrongdoing in a particular environment. The greater the value of the independence commitment that the Auditor has in conveying indications of fraudulent accounting, the greater the influence in having the urge to conduct external whistleblowing. Thus, the application of signal theory in relation to this variable is described when the Auditor has a commitment to the application of the Auditor's professional standards in conducting audit practices which are required in the audit practice. reporting indications of fraud committed by employees of client companies, this provides a positive signal for the encouragement of external whistleblowing. Previous research stated that being dedicated to independence has a favorable impact on promoting whistleblowing (Alleyne et al., 2001) [14].

H5: Independence commitment has a positive effect on external whistleblowing intention.

Alleyne et al. (2013) discovered that external auditors in audit firms are more likely to feel at ease reporting wrongdoing if the organization strongly supports whistleblowing. However, revealed that perceived organisational support by itself may not stimulate individual intentions in whistleblowing, but this can occur when combined with Auditor-level individual characteristics (Alleyne et al. 2013) [15]. Thus, the greater the organisational support felt by the whistleblower (Auditor), the greater the influence of the characteristics possessed by the Auditor in having the urge to conduct external whistleblowing. Thus, it is hypothesized:

H6: Perceived organizational support mediates instrumental on external whistleblowing intention.

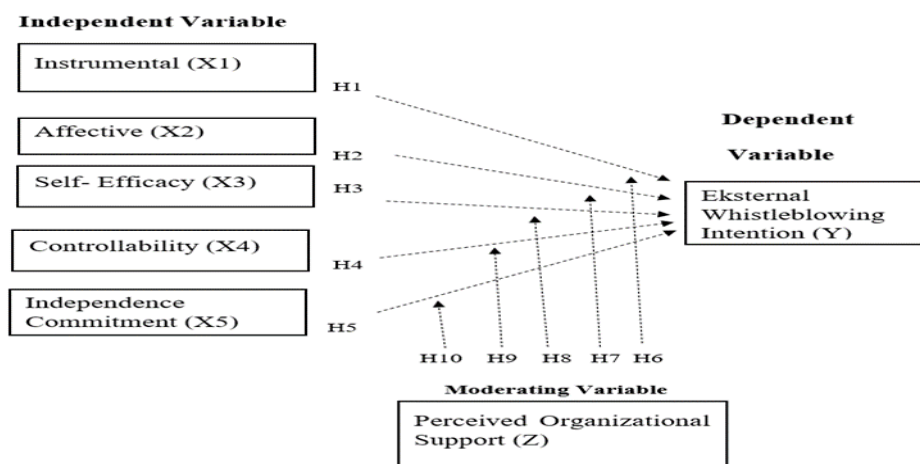
H7: Perceived organizational support mediates affective on external whistleblowing intention.

H8: Perceived organizational support mediates self-sfficacy on external whistleblowing intention.

H9: Perceived organizational support mediates perceived controllability on external whistleblowing intention.

H10: Perceived organizational support mediates independence commitment on external whistleblowing intention.

## 2.2 Operational Model



**Figure 2. Operational Model**

The operational model of the study shows the relationship among variables.

### **3. Methods**

This study is classified as explanatory research employing a quantitative method. The purpose of explanatory research is to demonstrate the correlation between factors by conducting hypothesis tests (Singarimbun and Effendi Ed., 2008) [16]. Quantitative methods are research strategies based on positivist philosophy, focusing on studying particular populations or samples, collecting data with research instruments, analyzing data quantitatively or using statistics, to test a hypothesis formulated (Sugiyono, 2018) [17]. Moreover, the research model was evaluated through Structural Equation Modeling-Partial Least Square (SEM-PLS). PLS is utilized to analyze a two-step evaluation, which includes assessing reliability, model validity, and structural model assessment. (Narsa and Wijayanti, 2021) [18]. Furthermore, PLS was selected for its capability to conduct data processing at the same time. The elements in this research include independent variables, dependent variables, and moderating variables.

#### **3.1 Research Design**

This study uses a self-conducted survey of external auditors whose positions reach senior and supervisor levels. The research was carried out in Indonesia. The Google Form application was used to conduct the online survey. Online surveys are utilized for their ability to access a broad range of participants (Wijayanti and Riza, 2017) [19]. Senior Auditors and Supervisor Auditors were selected as samples because these positions are considered capable of responding to the implementation of standard operating procedures of the company. The survey technique may lead to bias (Narsa and Wijayanti, 2021) [18]. In order to prevent common method bias, the researcher assessed the questionnaire ex ante (before the respondents were sent the questionnaire) and ex post (after the respondents were sent the questionnaire). In addition, to avoid non-response bias, the questionnaire was sent privately via Whatsapp. Following the distribution of the survey, the research sample was selected from the questionnaires that had already been filled out by the participants.

#### **3.2 Instrument**

The number of questionnaires was minimised to 30 items as defined by contemporary researchers (Kashif et al., 2016) [20]. The researcher took 100 respondents as a sample. The survey had three parts. Part A included inquiries aimed at gathering demographic details from participants, including gender, age, position within the organization, level of education, years of practical experience, as well as certifications in the field. Section B examines the factors that impact Senior Auditors and Auditor Supervisors' intention to blow the whistle in a client company setting, while Section C focuses on respondents' evaluation of the organization's support for whistleblowing. Thus, in this case, the researcher considers respondents' external factors as moderating variables. Information on the five independent variables was gathered through a six-point Likert scale that ranged from 1 to 6, namely:

- Score 1: Completely Disagree
- Score 2: Disagree
- Score 3: Slightly Disagree
- Score 4: Slightly Agree
- Score 5: Agree
- Score 6: Completely Agree

#### 4. Results and Discussion

This research data is primary data derived from questionnaire respondents. The questionnaire is made in electronic form, using Google Form media. Respondent data comes from Senior Auditors and Auditor Supervisors of Public Accounting Firms (KAP) in Indonesia, totalling 100 respondents. The reason I decided to have 100 participants because I believed the sample size was manageable with Smart - PLS 3. The number of questionnaires was minimised to 30 items as determined by contemporary researchers (Kashif et al., 2016) [21]. Furthermore, the total number of KAP is 50. The following table contains information on the respondents' workplace.

**Table 1.** Responden's Public Accounting Firm Works

Respondent's Public Accounting Firm Works	
KAP M. Lian Dalimunthe	Drs. Kartoyo & Rekan
KAP Alex Belvin & Rekan	Usman & Rekan
PWC	Johan Malonda Mustika & Rekan
BDO	Sriyadi Elly Sugeng & Rekan
Ratna Widjaja	Drs. Sutopo Insja
Johannes Juara & Rekan	Wijanarko & Rekan
KPMG	Ribka Aretha & Partners
Teguh Heru & Rekan	Sulaimin & Rekan
Crowe	Amien Budiman & Rekan
Deloitte	Drs. Syamsul Lubis & Rekan
RSM	Drs. Djamrud Abdullah
EY	Tony, Frans & Darmawan
Leonard, Mulia & Richard	Rasin Ichwan & Rekan
Anwar & Rekan	Akhyadi & Chris
Maksum Suyamto & Hirdjen	Ichwan, Kurniawan, Jauhari & Rekan
Josua Hutapea	Arman Eddy Ferdinand
Hartanto Grace Karunawan	Drs. Andi, Iskandar & Rekan
Jojo Sunarjo & Rekan	Drs. Ferdinand
Tambunan & Nasafi	Tanuwijaya
Heliantono & Rekan	Ahmad Rajharjo Utomo
Bharata, Arifin, Mumajad & Sayuti	Syarief Basir & Rekan
Widianto & Sumbogo	Robert, Yudi, Yansen & Rekan
Jimmy Budhi & rekan	Siddharta & Wijaya
Rexon Nainggolan & Rekan	Imelda & Rekan
Nugroho & Rekan	Agus Ubaidillah & Rekan

Original: Self-processed data (2024)

Meanwhile, the following is a breakdown of respondent data based on gender, age, position, length of service and latest education.

**Table 2.** Responden Information

Gender	Age	Position	Working Period	Last Education
Male	64 20-30 Years	93 Senior Auditor	54 2-5 Years	53 Bachelor's Degree
Female	36 > 30 Years	7 Supervisor Auditor	46 5.1-8 Years	45 Master's Degree
			> 8 Years	2 Doctoral Degree

Original: Self-processed data (2024)

According to the data in the table, most of the respondents were male, (64 individuals or 64% of the overall sample, aged 20 to 30 years (93 individuals or 93% of the total sample), served as Senior Auditors (54 individuals or 54% of the total sample), worked for 2 to 5 years (53 people or 53% of the total sample), and the last education was S1 (67 individuals or 67% of the total sample).

**Table 3.** Average Variance Extracted and Reliability Test Results (AVE)

	AVE	Cronbach's Alpha	Critical Point
INS	0.392	0.249	0.5
AFF	0.350	0.112	0.5
SE	0.395	0.137	0.5
CTR	0.407	0.241	0.5
IC	0.321	0.444	0.5

EWB	0.287	0.375	0.5
POS.AFF	1.000	1.000	0.5
POS.INS	1.000	1.000	0.5
POS.SE	1.000	1.000	0.5
POS.CTR	1.000	1.000	0.5
POS.IC	1.000	1.000	0.5

Source: Smart PLS Data Processing Results (2024)

The validation test was carried out on all 30 questions in the survey to make sure the collected information is precise and genuinely represents what is intended to be assessed in this research. The validity can be determined by the Average Variance Extracted (AVE) value, which should exceed 0.5 to confirm the validity of all statements. According to the table, the AVE value for only the moderation variable is greater than 0.5.

The information in the table indicates that some of the constructs has AVE values greater than 0.5, thus indicating that half part constructs have good convergent validity.

According to the findings obtained from the reliability test in this study, some of the Cronbach's Alpha values variables are above 0.60 ( $> 0.60$ ), which means that Cronbach's Alpha is acceptable, and the data used is reliable. The global reliability test indicates that this data can be relied upon.

The objective of the multicollinearity test was to determine if there is a strong correlation among the independent variables within a model. The Smart PLS application displays the findings of multicollinearity as follows:

**Table 4.** Collinearity Statistics (VIF) Test Results

Variable	VIF
<i>Instrumental (X1)</i>	1.036
<i>Affective (X2)</i>	1.041
<i>Self-Efficacy (X3)</i>	1.044
<i>Controlability (X4)</i>	1.041
<i>Independent Commitment (X5)</i>	1.121
<i>Eksternal Whistleblowing Intention (Y)</i>	1.075
<i>Perceived Organizational Support (z)</i>	1.261
<i>Perceived Organizational Support (z)*Instrumental (X1)</i>	1.000

<i>Perceived Organizational Support (z)* Affective (X2)</i>	1.000
<i>Perceived Organizational Support (z)* Self-Efficacy (X3)</i>	1.000
<i>Perceived Organizational Support (z)* Controlability (X4)</i>	1.000
<i>Perceived Organizational Support (z)* Independent Commitment (X5)</i>	1.000

Source: Smart PLS (2024)

The collinearity statistics (VIF) test outcomes are evident through the VIF values assigned to each variable, which are less than 5 (<5) and greater than 0.1 (>0.1). In other words, among the independent variables in the collinearity statistics (VIF) equation model, there is no very strong correlation with other independent variables. Thus, it can be concluded that the collinearity statistics (VIF) equation model used is free from multicollinearity.

The Determination Test, also known as Analysis of Variance (R<sup>2</sup>), is used to measure how much independent variables impact the dependent variable. Table 5 shows the coefficient of determination values.

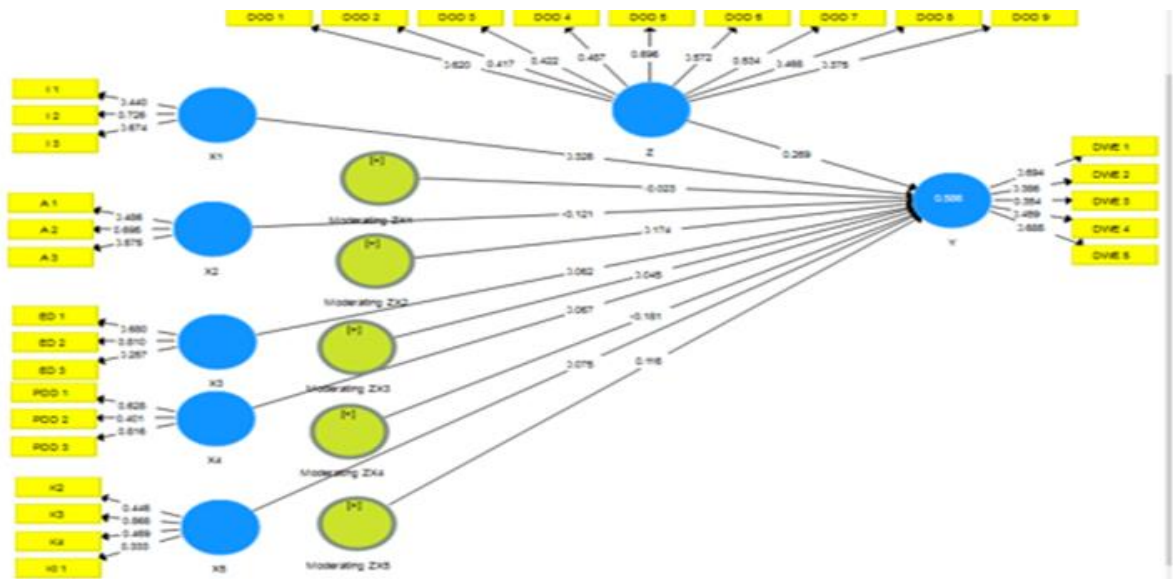
**Table 5.** Hasil Uji R Square

Variable	Adj R Square
<i>Eksternal Whistleblowing Intention</i>	0.534

Source: Smart PLS (2024)

According to the Adjusted R-square values, 53.4% of the variance in the Behavioral Intention construct is accounted for, leaving 46.6% explained by constructs not included in the study. Such values are classified as moderate or high.

The Inner Model (structural model) is tested to conduct hypothesis testing, which involves examining the output parameter coefficient, t-statistic and r-square. Factors such as the importance of relationships between variables, t-test results, and significance levels are taken into account in determining the acceptance or rejection of a hypothesis. SmartPLS (Partial Least Square) 3.0 software is utilized in the study for hypothesis testing. The values are evident in the bootstrapping outcomes. The guidelines followed in this research consist of using a t-statistic > 1.96 at a significance level of p-value 0.05 (5%), together with a beta coefficient that has a positive value. The findings of this study can be portrayed through the model results displayed in Figure 3.



**Figure 3.** The Diagram of Smart PLS Data Processing

Source: Smart PLS (2024)

Based on the chart information above, it can be concluded that:

- Instrumental (INS): The maximum is 0.3726, and the minimum is 0.440
- Affective (AFF): The maximum is 0.695, and the minimum is 0.486.
- Self-efficacy (SE): The maximum is 0.810, and the minimum is 0.257.
- Perceived Self-Control (CTR): The maximum is 0.816, and the minimum is 0.401.
- Independence Commitment (IC): The maximum is 0.868, and the minimum is 0.333.
- External Whistleblowing Intention (EWB): The maximum is 0.694, and the minimum is 0.354.
- Perceived Organisational Support (POS): The maximum is 0.696, and the minimum is 0.375.

From the figure above, the lines for each variable depict the statements of each variable. For example, there are 3 statements of the Instrumental variable, so in the chart above, this variable has 3 lines. Likewise with other variables. The minimum and maximum values indicate the impact of questions on the dependent variable in each independent and moderating variable statement.

The findings from the hypothesis testing in this study are presented in Table 3.:

**Table 3.** Research Model Results

Hypothesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P-Values
INS → EWB	0.326	0.304	0.120	2.718	0.003
AFF → EWB	-0.121	0.059	0.103	1.173	0.121
SE → EWB	0.062	0.061	0.109	0.573	0.284
CTR → EWB	0.067	0.085	0.120	0.558	0.289
IC → EWB	0.075	0.092	0.137	0.552	0.291
POS.INS → EWB	-0.123	0.030	0.138	1.167	0.434
POS.AFF → EWB	0.174	0.134	0.148	1.174	0.120
POS.SE → EWB	0.045	0.065	0.116	0.387	0.349
POS.CTR → EWB	-0.181	-0.149	0.120	1.501	0.067
POS.IC → EWB	0.116	0.024	0.121	0.961	0.169
POS → EWB	0.269	-0.276	0.124	2.173	0.015

Source: Smart PLS (2024)

According to the data in the table, the regression formula employed is:

$$Y = 0,269 + 0.326 \text{ INS} - 0.121 \text{ AFF} + 0.062 \text{ SE} + 0.067 \text{ CTR} + 0.075 \text{ IC} - 0.123 \text{ POS.INS} + 0.174 \text{ POS.AFF} + 0.045 \text{ POS.SE} - 0.181 \text{ POS.CTR} + 0.116 \text{ POS.IC}$$

Based on the data provided in the table above, it can be inferred that:

- Average (mean): The maximum is 0.304, and the minimum is - 0.149.
- Standard deviation: The maximum is 0.148, and the minimum is 0.103.
- T Statistics: The maximum is 2.718, and the minimum is 0.167.
- P Values: The maximum is 2.434, and the minimum is 0.003.

P values above 0.05 indicate that the influence between variables is not significant. The data above shows that only one variable is significant to y, namely variable X1, instrumental. Instrumental has a positive effect on external whistleblowing encouragement. Instrumental attitudes relate to what the individual gets or what the individual believes to be a positive thing when the individual upholds the truth about something that violates the rules. Previous research, Latan et al. (2018) mentioned that instrumental has a positive impact on promoting external whistleblowing. Based on the research results, many influences between variables are not significant. Whistleblowing actions in disclosing organisational errors because it is possible that it will have a negative impact on third parties. Whistleblowing actions that are disclosed freely will have great risks, such as dismissal (Gökçe, 2013) [21]. The employee's

perspective in dealing with a problem or event on his performance is to believe that he is fully capable of managing himself, that he is in control of his own destiny and holds accountability for his outcomes (Fitri, 2022) [23]. In this scenario, the Auditor, acting as the whistleblower, might hesitate to disclose client fraud due to threats of violence like murder from the client.

## **5. Conclusions**

Fraud poses a significant issue in Indonesia. In 2022, the Association of Certified Fraud Examiners (ACFE) released a report titled *Asia-Pacific Occupational Fraud 2022* a study called *A Report to the Nations* ranked Indonesia as the fourth nation with the highest amount of fraud in the Asia Pacific area. In Indonesia, 23 fraud cases were reported in the year 2022. Corruption makes up 64% of the main frauds in Indonesia, with misuse of state & company assets/wealth at 28.9%, and financial statement fraud at 6.7%. The fraud can originate from individuals or perpetrators (generally including employees, customers or vendors) Akkeren and Buckby (2017) [1]. Whistleblowing behavior plays a crucial role in fighting and decreasing fraud in Indonesia, and its significance should not be overlooked. This study presents concrete proof on the elements that encourage external auditors in Indonesia to consider whistleblowing. This is very useful, considering that Indonesia is a country with a very high level of fraud, so it is related to the perception and experience of external auditors in carrying out whistleblowing at the client companies they handle. This is also related to how the auditor's work environment supports the auditor's whistleblowing.

### **5.1 Theoretical Implications**

Article I. This research contributes to understanding by offering fresh perspectives on individual personality factors in the form of Instrumental, Affective, Self-Efficacy, Perceived Controllability, and Independence Commitment as a basis for implementing external whistleblowing. Perceived Organizational Support is placed as a moderating variable, which is expected to help external auditors in carrying out whistleblowing. External whistleblowing encouragement was chosen, namely because the practice of whistleblowing (reporting violations) involves complex ethical dilemmas (Tuan Mansor et al., 2020) [6]. Therefore, it is important to relate the findings to external parties in order to develop more effective violation reporting to increase the occurrence of violation reporting. This research supports the argument that Instrumental can increase external auditors' intention to carry out whistleblowing. However, other factors in this research did not have an impact on implementing external whistleblowing. Whistleblowers think they can make a difference by pointing out mistakes within the organization's authority structure by providing information and encouragement to justify wrong things (De George, 2010) [24]. Despite the fear of retaliation, the whistleblower is confident that his actions will lead to meaningful change (Near & Miceli, 1986) [25]. Additionally, an employee's viewpoint in addressing a problem or situation related to their performance involves feeling self-assured in their ability to handle it, believing they are in control of their own destiny, and taking personal accountability for the outcome (Fitri, 2022) [23]. In simpler terms, if the whistleblower, who is the auditor, is connected to the client fraud, they may hesitate to report it due to threats of harm from the client, such as the possibility of murder. Using signal theory to provide information about a company's situation to external auditors can help protect the company from parties seeking to benefit themselves. Timely whistleblowing can benefit the company's sustainability.

### **5.2 Managerial Implications**

In terms of practical implications within academia, it is anticipated that the outcomes

of this study will be valuable in identifying factors that may motivate external whistleblowers, such as auditors, to sound the alarm when client firm employees engage in fraudulent activities. For the Government, the results of this research can provide support for policies to regulate the safety of auditors in conducting whistleblowing. Public accounting firms require ethics training to assist auditors in navigating different conflicts, ethical dilemmas, and moral crises in their daily routines. Ultimately, this will result in a boost in public confidence in public accounting firms as purveyors of expert external auditing services. because external auditors can be relied on in uncovering fraudulent practices in client companies.

### **5.3 Recommendations**

This research data was obtained from an instrument based on answers based on the respondents' perceptions and experiences. Research data can be biased, because if the respondent's answers are different from their perceptions and experiences of the actual situation, it can reduce the accuracy of the information from this research. This relates to the honesty of respondents in answering the statements in the online questionnaire. The suggestion for future research is to consider other variables as a basis for eksternal auditors as external whistleblowers in conducting whistleblowing. For example, the timing of whistleblowing is marked on which day the auditor carries out surveillance activities in the client's environment (opname).

### **References**

- [1] Van Akkeren, J., & Buckby, S. (2017). Perceptions on the causes of individual and fraudulent co-offending: Views of forensic accountants. *Journal of Business Ethics*, 146, 383-404.
- [2] Rezaee, Z. (2005). Causes, consequences, and deterrence of financial statement fraud. *Critical perspectives on Accounting*, 16(3), 277-298.
- [3] Anand, V., Ashforth, B. E., & Joshi, M. (2004). Business as usual: The acceptance and perpetuation of corruption in organizations. *Academy of Management Perspectives*, 18(2), 39-53.
- [4] Gottschalk, M. (2010). Cell blocks & red ink: Mass incarceration, the great recession & penal reform. *Daedalus*, 139(3), 62-73.
- [5] Near, J. P., & Miceli, M. P. (1985). Organizational dissidence: The case of whistleblowing. *Journal of business ethics*, 4, 1-16.
- [6] Tuan Mansor, T. M., Mohamad Ariff, A., & Hashim, H. A. (2020). Whistleblowing by auditors: the role of professional commitment and independence commitment. *Managerial Auditing Journal*, 35(8), 1033-1055.
- [7] Aselage, J., & Eisenberger, R. (2003). Perceived organizational support and psychological contracts: A theoretical integration. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 24(5), 491-509.
- [8] Puni, A., & Hilton, S. K. (2020). Power distance culture and whistleblowing intentions: the moderating effect of gender. *International Journal of Ethics and Systems*, 36(2), 217-234.
- [9] Association of Certified Fraud Examiners (ACFE). (2022) . *Asia-Pacific Occupational Fraud 2022, A Report to the Nations*. Austin, Texas.
- [10] Wolk, H. I., Dodd, J. L., & Rozycki, J. J. (2017). An introduction to accounting theory. *Accounting theory: Conceptual issues in a political and economic environment*, 1-25.
- [11] Latan, H., Ringle, C. M., & Jabbour, C. J. C. (2018). Whistleblowing intentions among

- public accountants in Indonesia: Testing for the moderation effects. *Journal of Business Ethics*, 152, 573-588.
- [12] Ajzen, I., & Fishbein, M. (1975). A Bayesian analysis of attribution processes. *Psychological bulletin*, 82(2), 261.
- [13] Miceli, M.P., Van Scotter, J.R., Near, J.P. and Rehg, M.T. (2001), "Individual differences and whistleblowing", *Academy of Management Proceedings*, Academy of Management, Briarcliff Manor, New York.
- [14] Alleyne, P. (2016). The influence of organisational commitment and corporate ethical values on non-public accountants' whistle-blowing intentions in Barbados. *Journal of Applied Accounting Research*, 17(2), 190-210.
- [15] Alleyne, P., Hudaib, M., & Pike, R. (2013). Towards a conceptual model of whistle-blowing intentions among external auditors. *The British Accounting Review*, 45(1), 10-23.
- [16] Singarimbun, M & Effendi, S (2008). *Metode penelitian survai*. Jakarta: LP3E.
- [17] Sugiyono. 2018. *Metode Penelitian Kuantitatif*. Bandung: Alfabeta.
- [18] Narsa, N. P. D. R. H., & Wijayanti, D. M. (2021). The Importance of Psychological Capital on the Linkages between Religious Orientation and Job Stress. *Journal of Asia Business Studies*
- [19] WIJAYANTI, R. (2017). *Pengaruh Akad Sewa, Jual Beli, Dan Bagi Hasil Terhadap Pendapatan Pengelolaan Dana Pada Bank Syariah Mandiri (Doctoral dissertation, Universitas Islam Negeri " Sultan Maulana Hasanuddin" BANTEN)*.
- [20] Kashif, M., & Khan, T. M. (2016). Level of Stress and Its Association with Socio-Demographic Factors among Students of Allied Health Sciences. *Journal of Rawalpindi Medical College Students Supplement*, 20, 27-30.
- [21] Gökçe, A. T. (2013). Whistle-blowing intentions of prospective teachers: Education evidence. *International Education Studies*, 6(8), 112-123.
- [22] Fitri, Y. (2022). The Effect of Self-Efficacy, Seriousness Level of Violation, Professional Commitment, and Self-Awareness on Whistleblowing Intention. *Journal of Accounting Research, Organization and Economics*, 5(1), 58-67.
- [23] De George, R. T. (2010). A history of business ethics. In Paper delivered at the third biennial global business ethics conference. Santa Clara, CA: Markkula Center for Applied Ethics (pp. 337-359).
- [24] Near, J. P., & Miceli, M. P. (1986). Retaliation against whistle blowers: Predictors and effects. *Journal of applied psychology*, 71(1), 137.