



THE INFLUENCE OF SEVERITY VIOLATION, DEMOGRAPHIC, AND ORGANIZATIONAL FACTORS ON WHISTLEBLOWING INTENTION

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ABSTRACT

One of the factors that motivate someone to become a whistleblower is demographic factors such as gender and ethnicity. Another factor that can motivate someone's intention to do whistleblowing is managerial status. High-level managers, have positive perceptions about whistleblowing and may do whistleblowing, so the authors are interested in examining the influence of the seriousness of violations, demographic factors and organizational factors on whistleblowing intentions. The sample in this study is the financial section of the Central Java Regional OJK Work Unit. The number of samples in this study were 86 respondents because they felt they could represent the total number of accountants. Based on the discussion in this study, the researcher concludes that several results of the study stated that the severity of the violation had a significant positive effect on whistleblowing intention, That is, if the level of severity is more serious, then one's intention to do whistleblowing will increase.

Keywords: Severity Violation, Demographic Factors, Organizational Factors, Whistleblowing Intention.

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INTRODUCTION

Frauds revealed in recent years both in the private sector and in the government sector have received serious attention from the public. The Financial Services Authority (OJK) in Kompas (2015) received at least 10 reports that there were alleged violations committed by OJK persons. 10 violations include corruption, collusion and nepotism, fraud including fraud, embezzlement of assets, information leakage, theft, omission of violations, conflicts of interest, and acts of violating the law and internal regulations in the FSA. Based on data from ACFE's in RTTN (2016) fraud that caused by fraudulent financial statements having the largest average per scheme of \$ 975 thousand, while losses incurred from asset misappropriation and corruption amounted to \$ 125 thousand and \$ 200 thousand. ACFE's in RTTN (2016) said that the need for anti-fraud control to overcome this. The same thing was said by the Chairman of the OJK Audit Board Committee, Ilya Avianti in CNN Indonesia (2016) who said that the importance of anti-fraud program and anti-corruption culture in OJK

ACFE in RTTN (2016) in Figure 1 shows the most effective fraud detection method is through tipping (43.5%) and the second is internal audit (18.6%). Considering the above explanation, an effective whistleblowing system needs to be encouraged in every organization (private or government) as a form of early detection of errors / fraud. Without someone's intention to report, the whistleblowing system will not be effective. ACFE in RTTN 2016 said tips for detecting fraud came from employees (51.5%). Sherron Watskin, one of Enron's executives, reported that there was fraud in financial reports at Enron. Arthur Andersen's Public Accountant Office was proven to help Enron to manipulate the financial reporting (Kreshastuti, 2014). In another case, Susno Duadji reported to the public that there was a manipulation of money laundering scandals by the National Police and Gayus Tambunan (LPSK, 2011).

One of the factors that motivate someone to become a whistleblower is demographic factors such as gender and ethnicity. Napitupulu and Bernawati (2016) said "there is a significant influence between men and women in violations / reporting fraud. This is based on differences in construction and personality between men and women. BPKP male auditors consider that fraud is negative and can have a negative impact. if left unchecked, therefore they feel responsible for cheating and whistleblowing. In addition, the attitude of a strong man also makes them not afraid to accept the risk of whistleblowing ". But, contrary to research conducted by Musthapa and Siaw (2012) who found gender did not have a significant relationship to do whistleblowing. Other demographic factors that can motivate someone's intention to do whistleblowing are ethnic groups. Napitupulu and Bernawati (2016) say that the diversity of tribes in organizations can lead to differences of opinion about whistleblowing. Individuals with Javanese ethnic groups will avoid expressing their opinions, because they do not like to be

forthright to avoid conflicts, in contrast to the Batak is what they are and honest in criticizing. However, this is contrary to Tavakoli et al (2003) which says that the tribe does not have a significant influence on the purpose of whistleblowing.

Another factor that can motivate someone's intention to do whistleblowing is managerial status. High-level managers, have positive perceptions about whistleblowing and may do whistleblowing (Keenan, 2002). However, contrary to (Septianty, 2013) who found managerial status or level of work had no effect on whistleblowing intentions. In contrast to the research of Napitupulu and Bernawati (2016), this study added one independent variable, namely the Severity Level of Violations. The seriousness of the violation is considered as an important variable that influences whistleblowing intentions. Miceli and Near (1985) in Bagustianto and Nurkholis (2015) found that members of organizations who know fraud may whistleblow if they make a mistake / cheating more seriously. However, contrary to Kaplan and Whitecotton (2001) in Bagustianto and Nurkholis (2015) who found that the seriousness of the error was not related to the auditor's intention to report suspicious behavior from coworkers. It was different from the previous research that was examined in BPK, BPKP and PPATK. will be conducted at the Central Java Financial Services Authority. Because the Financial Services Authority is a state institution that functions to regulate an integrated system of supervision and supervision of all activities in the financial services sector. There are still many inconsistencies in research on whistleblowing, so the authors are interested in examining the influence of the seriousness of violations, demographic factors and organizational factors on whistleblowing intentions. survey on Regional Financial Services Authority 2 West Java).

Based on the background that has been described, the formulation of the problem in this study is as follows:

1. How does the severity of the violation affect whistleblowing intentions?
2. How does gender affect whistleblowing intentions?
3. How is the influence of ethnic groups on whistleblowing intentions?
4. How does managerial status influence whistleblowing intentions?

Furthermore, the objectives in this study are:

1. Find out how the severity of the violation affects whistleblowing intentions.
2. Find out how the influence of sex on whistleblowing intentions.
3. Find out how the influence of ethnic groups on whistleblowing intentions.
4. Find out how managerial status influences whistleblowing intentions

LITERATURE REVIEW

Theory Planned Behavior

Theory Planned Behavior (TPB) predicts an individual's intention to engage in behavior at a particular time and place. This shows that individual behavior is driven by behavioral intention, where behavioral intention is a function of the three determinants of individual attitudes toward behavior, subjective norms, and control of perceived behavior (Ajzen, 1991). (1) Attitudes towards behavior. This refers to the extent to which a person has positive or negative feelings about the behavior of interests. This requires consideration of the results of the behavior; (2) Subjective Norms. This refers to beliefs about whether another significant person thinks that he will do the behavior. This relates to one's perception of the social environment around the behavior; (3) Perceived Behavioral Control. This refers to an individual's perception of the extent to which behavioral performance is easy or difficult (Ajzen, 1991). This increases when individuals feel they have more resources and confidence (Ajzen, 1985; Hartwick & Barki, 1994; Lee & Kozar, 2005).

Prosocial Organizational Behavior Theory

Brief and Motowidlo (1986) in Bagustianto and Nurkholis (2015) define prosocial organizational behavior as behavior / actions taken by members of an organization against individuals, groups, or organizations aimed at improving the welfare of individuals, groups, or organizations. Prosocial behavior is not altruistic behavior. According to Staub (1978) quoted by Dozier and Miceli (1985) that prosocial behavior is positive social behavior that is intended to provide benefits to others. But unlike altruism, prosocial actors can also have the intention to get benefits for themselves as well. Prosocial behavior is a theory that supports whistleblowing. Brief and Motowidlo (1986) mention whistleblowing as one of 13 forms of prosocial organizational behavior

Whistleblowing Intention

Whistleblowing System is a means to report, identify and follow up on reports of illegal actions, reports of actions against the law, unethical / immoral acts or other actions that can harm the organization or stakeholders. The whistleblowing goal of the system will not be achieved without one's desire to report known errors / fraud. A person's actions are influenced by their intentions. According to Winardi and Sabang (2013) someone's intention to do whistleblowing can be measured from the intention to do whistleblowing, the desire to try whistleblowing, his plan to do whistleblowing, his efforts to make internal whistleblowing and his efforts to do external whistleblowing if it is internally impossible to do.

The Severity of the Violation

The severity of violation is a large measure of the seriousness of the violation that can harm the organization. Members of organizations that observe allegations of violations are more likely to whistleblow if the violations are serious (Miceli and Near, 1985). The organization will be affected by a greater loss from more serious violations than from less serious violations (Winardi, 2013). Perception of each member of the organization on the seriousness of fraud may differ from one another. Forming the perception of the seriousness of fraud in addition to relating to the magnitude of the value of fraud, also can not be separated from the type of fraud that occurs (Bagustianto and Nurkholis, 2015)

Gender

Caplan (1987) in (Zainuddin, 2006: 1) asserts that gender is a difference in behavior between men and women apart from biological structures, most of it is actually formed through social and cultural processes. Gender in social sciences is defined as a pattern of male and female relations based on their respective social characteristics. Tribes Ethnic groups according to Koentjaraningrat (2000: 1) are a group of people who have unity in culture and are bound by their awareness of their identity, their awareness and identity are usually strengthened by the unity of language. While the ethnic groups in the Big Indonesian Dictionary (KBBI) are social entities that can be distinguished from other social entities based on an awareness of the identity of cultural differences, especially language. Each ethnic group in Indonesia has a different culture and nature from other ethnic groups, which may influence the instinct / perception of someone to dare to report a violation. This is supported by research conducted by Napitupulu and Bernawati (2016) which says that the diversity of tribes in organizations can trigger differences of opinion regarding whistleblowing.

Managerial Status

Position according to the Big Indonesian Dictionary (KBBI) is a job (task) in government or organization. Napitupulu and Bernawati (2016) explained that managerial status is the position or position of individuals in the surrounding community. The position of the individual in an organization shows the power and authority possessed by that individual. Differences in individual managerial status in organizations are expected to affect individual perceptions of violations and whistleblowing (Septianti, 2013). Employees who are in a higher position are expected to be more able to respond to violations by conducting whistleblowing. This is in line with research conducted by Keenan (2002) that managers at higher levels have a positive perception of whistleblowing and are more likely to whistleblowing for various violations.

Research Framework

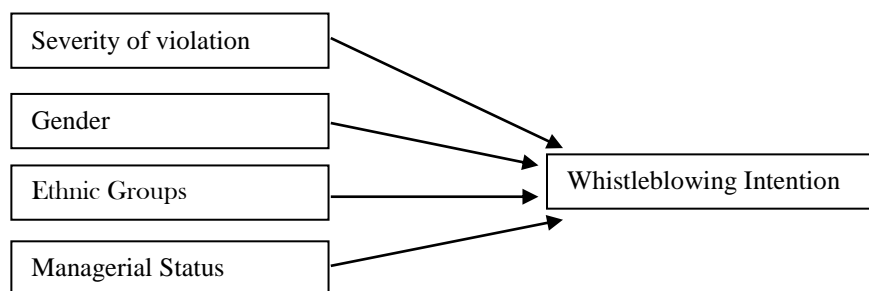
Based on the literature review above, the research framework in this study is as follows.

H1: severity of violation has positive effect on whistleblowing intentions

H2: Gender has positive effect on whistleblowing intentions

H3: Ethnic groups has positive effect on whistleblowing intentions

H4: Managerial status has positive effect on whistleblowing intentions



Source: Data processed, (2019)

Figure 1
Research Framework

METHODOLOGY

The sample in this study is the financial section of the Central Java Regional OJK Work Unit. The number of samples in this study were 86 respondents because they felt they could represent the total number of accountants. The method used by researchers in the selection of research samples is the selection of samples based on convenience (Convenience Sampling). Convenience sampling is a general term that includes a wide variety of respondent selection procedures. Convenience sampling means that the drawn sample unit is easy to contact, hassle-free, easy to measure, and is cooperative. The statistical method used to analyze data and test hypotheses is by using descriptive statistics, data quality testing, classical assumption tests and hypothesis testing using SPSS (Statistical Package for Social Sciences) software. To test the hypothesis in this study, multiple linear regression was used. Variabel of the research is the saverity of violations, gender, ethnicity and managerial status (its X variable) and whistleblowing intention is Y variable.

RESULT

In this study, the data analysis technique used for hypothesis testing in this study is multiple linear regression analysis. Following are the results of research on the effect of the seriousness of violations, gender, ethnicity and managerial status on whistleblowing intentions which will be explained in the following table (see table 1).

Table 1
Results of Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std.Error	Beta		
(Constant)	9.992	5.293		1.845	0.73
Saverity of Violation	0.47	.66	.229	2.073	0.59
Gender	-.134	.777	-.039	-1.903	0.89
Ethnic Groups	.571	.789	.121	.725	.472
Managerial Status	.156	.089	.356	2.973	.038

Source: Data processed, 2019

Effect Severity of Violation against Whistleblowing Intention

The results of testing the level of seriousness of violations have a significance value of 0.049 and a regression coefficient of 0.035. This means that H1 is accepted, so it can be said that the seriousness of the violation has a significant positive effect on whistleblowing intentions. This also proves a unidirectional relationship, if the seriousness of the violation increases by one unit, the whistleblowing intention increases by 0.035 units. That is, if the seriousness of the violation is more serious, then someone's intention to do whistleblowing will increase. This can also be proven by looking at respondents' ratings of the high seriousness of the violation variable, by comparing the theoretical average of 54 with the actual average of 81,333.

Effect of Gender against Whistleblowing Intention

The results of testing the level gender have a significance value of 0.049 and a regression coefficient of 0.035. This means that H2 is accepted, so it can be said that the seriousness of the violation has a significant positive effect on whistleblowing intentions. This also proves a unidirectional relationship, if the gender increases by one unit, the whistleblowing intention increases by 0.035 units. That is, if the gender is more serious, then someone's intention to do

whistleblowing will increase. This can also be proven by looking at respondents' ratings of the high gender variable, by comparing the theoretical average of 54 with the actual average of 81,3333.

Effect of Ethnic against Whistleblowing Intention

The results of testing ethnicity variables have a significance value of 0.482. This means that H3 is rejected, so it can be said that ethnicity has no significant effect on whistleblowing intentions. This means that neither the Javanese nor the non-Javanese ethnicity will affect one's intention to continue whistleblowing. Consistent with the research of Tavakoli et al. (2003) which states that there is no significant difference between the U.S. managers and Croatian managers in the sense of responsibility to report violations.

Effect of Managerial Status against Whistleblowing Intention

The results of testing managerial status variables have a significance probability value of 0.038 and a regression coefficient of 0.156. This means that H4 is accepted, so it can be said that managerial status has a significant positive effect on whistleblowing intentions. This also proves that there is a direct relationship between managerial status and whistleblowing intention, if managerial status increases by one unit then whistleblowing intention also increases by 0.156. That is, the higher a person's managerial status, the higher one's intention to report violations in the whistleblowing system. This can also be proven by looking at respondents' ratings of high managerial status variables, comparing theoretical averages of 54 with actual averages of 81,3333.

CONCLUSION

Based on the discussion in this study, the researcher concludes that several results of the study stated that the seriousness of the violation had a significant positive effect on whistleblowing intentions. That is, if the level of seriousness is more serious, then one's intention to do whistleblowing will increase. This result is consistent with research by Bagustianto and Nurkholis (2015). Gender has no significant effect on whistleblowing intentions. These results are consistent with research by Mustapa and Shaw (2012). Suku Bangsa does not have a significant effect on whistleblowing intentions. This result is consistent with the study of Tavakoli et al (2003). Managerial status has a significant positive effect on whistleblowing intentions. That is, if managerial status is higher, then someone's intention to do whistleblowing will increase. This result is consistent with the research of Keenan (2002).

From the results of testing this study, researchers can provide suggestions for further research in order to add objects and research respondents. for ethnicity and gender variables, it is expected that research respondents can be balanced

between Javanese and non-Javanese, male and female. In order to obtain quality research results. Similar research needs to be done by testing other factors that might influence the intention to carry out internal whistleblowing, such as ethical climate and organizational measures, so that better research results will be obtained. To get better data quality and results, it is recommended that research instruments not only use questionnaires, but also interviews and surveys, because the whistleblowing system in each company / institution can be applied differently. To get more real data

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