

Send this file only to [info@revistaespacios.com](mailto:info@revistaespacios.com) with receipt of payment (180 US \$)

## Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable?

Os funcionários são confrontados com alternativas de canal de denúncia de denúncias: qual é o mais desejável?

ULFAH Yana<sup>1</sup>

IRWANSYAH Irwansyah<sup>2</sup>

IKBAL Muhammad<sup>3</sup>

PAMINTO Ardi<sup>4</sup>

DARMA Dio Caesar<sup>5</sup>

### Abstract

[Our study analyzes several factors which can potentially conduct the reporting of fraud \(whistleblowing\) inside of the organization toward responsible parties to look at the tendency of reporting channels, whether internal channels or external channels.](#) The purpose of this study is to reveal fraud in the context of Indonesian Culture and develop hypotheses based on the literature on predictors of intention in terms of whistleblowing. We use survey letters and direct messages (DM) through public media related to social media to collect data and collect hypotheses that have been prepared through a logistic regression model. Through a survey conducted on 2,214 civil servants in the Regency, City and Province Governments in Indonesia. The findings reveal the relation of whistleblowing, individual and situational factors are significant predictors of the selection of reporting channels by civil servants in Indonesia. We found that fear of retaliation tended to be more dominant (higher), compared to public service motivation, which resulted in negative and insignificant opportunities for whistleblowing reporting channel alternatives. [This research provides a valuable lesson for organizations to promote internal complaints because the internal complaint provides many positive implications for the improvement of government organizations in Indonesia.](#)

**Comment [i-[1]]:** The gap that underlies the objectivity of the study has not been mentioned. Also includes research implications to be developed.

<sup>1</sup> Lecturer. Department of Accounting. Faculty of Economics and Business. Mulawarman University. Email: [yana.ulfah@feb.unmul.ac.id](mailto:yana.ulfah@feb.unmul.ac.id)

<sup>2</sup> Lecturer. Department of Accounting. Faculty of Economics and Business. Mulawarman University. Email: [irwansyah@feb.unmul.ac.id](mailto:irwansyah@feb.unmul.ac.id)

<sup>3</sup> Lecturer. Department of Accounting. Faculty of Economics and Business. Mulawarman University. Email: [muhammad.ikbal@feb.unmul.ac.id](mailto:muhammad.ikbal@feb.unmul.ac.id)

<sup>4</sup> Lecturer. Department of Management. Faculty of Economics and Business. Mulawarman University. Email: [ardi.paminto@feb.unmul.ac.id](mailto:ardi.paminto@feb.unmul.ac.id)

<sup>5</sup> Lecturer. Management. Samarinda High College of Economics. Email: [diocaisar09@gmail.com](mailto:diocaisar09@gmail.com)

**Keywords:** whistleblowing, attitude toward, knowledge, public service motivation, fear of retaliation, fair treatment, education on internal.

#### Resumen

[Nosso estudo analisa vários fatores que podem potencialmente conduzir a denúncia de fraude \(denúncia\) dentro da organização para com as partes responsáveis, a fim de observar a tendência dos canais de denúncia, sejam eles internos ou externos.](#) O objetivo deste estudo é revelar fraudes no contexto da cultura indonésia e desenvolver hipóteses baseadas na literatura sobre preditores de intenção em termos de denúncia. Utilizamos cartas de pesquisa e mensagens diretas (DM) por meio de mídias públicas relacionadas a mídias sociais para coletar dados e coletar hipóteses que foram preparadas por meio de um modelo de regressão logística. Através de uma pesquisa realizada com 2.214 funcionários públicos nos governos de Regência, Cidade e Província da Indonésia. Os resultados revelam que a relação de denúncias, fatores individuais e situacionais são preditores significativos da seleção de canais de denúncia por funcionários públicos na Indonésia. Descobrimos que o medo de retaliação tendia a ser mais dominante (mais alto), em comparação com a motivação do serviço público, o que resultou em oportunidades negativas e insignificantes para alternativas de canais de denúncia de denúncias. [Esta pesquisa fornece uma lição valiosa para as organizações promoverem reclamações internas porque a reclamação interna oferece muitas implicações positivas para a melhoria das organizações governamentais na Indonésia.](#)

**Palavras-chave:** denúncia, atitude em relação ao conhecimento, motivação para o serviço público, medo de retaliação, tratamento justo, educação interna.

## 1. Introduction

Fraud on managing the state finances dramatically increases. Various efforts have been developed by the government since the reform era until now, to eradicate the abuse authority for personal gain. However, it still found the fraudulent behavior, either large scale (mega corruption) or small scale like extortion (illegal levies). Moreover, there are until now discovered an illegal levy in government organizations in public services. The most effective stakeholders who can reduce the emergence of unethical behavior (extortion and corruption) in the organization are employees (Miceli & Near, 2005; 2013; 2016). One way in which employees can use to reduce unethical behavior in organizations is whistleblowing. To support the whistleblowing, the government has revised the regulation regarding the provision of incentives for whistleblowing cases (Government Regulation of the Republic Indonesia Number 43 of 2018). Based this recent regulation, the reporting party of corruption which causes state losses can get a 0.2% prize from state money which can be returned to the state with a value of no more than Rp 200 million.

As stated by Near & Miceli (2005, 2016) and Miceli *et al.* (2013) that the most effective stakeholders who can reduce the incidence of unethical behavior in organizations are employees. However, it is important to understand the determinants factor of where employees will do whistleblowing - that is, internally or externally. Each internal and external whistleblowing has its advantages and disadvantages. Each of internal and external Whistleblowing distinguishes the type of channel for submission of reports by the Whistleblower or disclosure, what is included in Table 1, considers both, internal Whistleblowing and external Whistleblowers.

**Table 1.**  
Reporting channel for Internal and External Wrongdoing actions

<b>Whistleblowing Internal Channels</b>	<b>Whistleblowing External Channels</b>
1) Family member or friends	1) Financial and Development Supervisory Agency (BPKP)
2) Coworkers	2) Audit Board of the Republic of Indonesia (BPK)
3) Direct supervisor	3) Law Enforcement Officials (KPK, Police/Prosecutor)
4) High-level supervisors of institutional leaders	4) News media
5) Inspector general	5) Members of the People's Representative Council (DPR) / Regional Representative Council (DPRD)
	6) Advocacy Groups Outside the Government (NGOs)

Channels mentioned above are considered as internal reporting channels and which are considered as external reporting channels. The categorization presented in Table 1 is the categorization which is suggested by previous research, like by Jeon (2017) and Caillier (2016) by making adjustments to the shape of institutions in Indonesia.

Internal Whistleblowing serves a fixing function. It means if something goes wrong, repairs or forgiveness can be done. Internal Whistleblowing provides an opportunity for organizations to learn about and resolve their own problems without intervention from external parties (Miceli & Near, 1985, 2016; Miceli *et al.*, 2013). However, internal complaints have the consequence that management or at least the closest people and coworkers, instead of properly handling reported errors, they can even destroy the evidence of fraud and they can hinder disclosure of facts for various reasons (Miceli & Near, 1992, 2016). The tendency of people to protect their coworker from accusations of fraud because of the involvement of insiders or they do not want the habit of cheating on the organization will be exposed and known to outsiders. In fact, the act of exposing errors in an organization is not an easy task, and the fact disclosure is often subject to negative

Which one is more desirable? Error!

**Comment [c2]:** The Authors omit definitions of these abbreviations in its initial use.

Employees are faced with whistleblowing reporting channel alternat  
No text of specified style in document.

consequences, like demotion, dismissal, and blacklisted (Cassematis & Wortley, 2013; Chang *et al.*, 2013).

This research was compiled to contribute in several ways. First, it contributed to research globally and cross-culturally about whistleblowing by advancing knowledge about whistleblowing in the context of Indonesian Culture. Although there is a growing international literature study on whistleblowing (Andon *et al.*, 2018; Caillier & Sa, 2017; Near & Miceli, 2016; Sonnier *et al.*, 2016), it is still a less information about the intention of the whistleblowing of government employees outside of the Western countries. The Regional Government in Indonesia remains a suitable case for this research because of the policies information on eradicating corruption, extortion (illegal levies) and also a reward from the government for an employee who can uncover fraud. Second, this article contributes to the development of theories about fraud and whistleblowing in the way of testing several hypotheses, which influence the intention to uncover fraud. This study can contribute to government organizations which will help to construct a more conducive environment for reporting fraud in state financial governance. This study is interesting to do because we want to discuss the extent of fraud in the context of Indonesian culture and answer hypotheses with predictors of intention towards whistleblowing.

The structure of this study as follows: Disclosure of fraud in the context of Indonesian Culture will be discussed in the next section, along with the presentation of the intention theory means doing something and developing hypotheses based on literature about predictors of intention in conducting whistleblowing. The next section presents the research method, the results of statistical analysis of survey data collected from respondents. In the last section, some conclusions, the limitations, and implications of the research will be concluded.

## 1.1. Theoretical Framework and Hypothesis

### *Social Exchange Theory*

The whistleblowing action is directly related to the justice level in the organization. Fair treatment in organizations refers to people's perceptions of justice in the organizational context (Whiteside & Barclay, 2013) and provides a framework for the design of structural mechanisms in purpose to increase the likelihood of internal whistleblowing. Based on social exchange theory (Blau, 1964), the perceptions of organizational justice by encouraging employees through a good relationship with the organization. Then, they carry

**Comment [c3]:** It was requested to include the central aim of this work. It is not a whim. It is necessary for understanding.

---

out social interactions which sometimes it can affect whistleblowing. Understanding the social exchange theory, the employees will feel fair behavior and trust in managers, beyond the requirements of official jobs which have a purpose in giving benefits to the organization (Seifert, 2006; Whiteside & Barclay, 2013).

### ***Whistleblowing concept***

Whistleblowing has been known as "disclosure of cheating practices and illegal in the organization which is done by members of the organization (whether it happened before or it is still valid today). Besides, it is an illegal action revealed, it also immoral and improper actions in the leadership of the organization, this disclosure is done to people or organizations which might be able to take action in law enforcement and eradication" (Miceli & Near, 1985). Although initially the Whistleblowing concept was developed in the private sector, then the meaning of Whistleblowing research has been widely applied in the public sector (Robinson *et al.*, 2012; Pillay *et al.*, 2017; Akinkugbe, 2018; Fieger & Rice, 2018; Nayir *et al.*, 2018). According to this point of view, this disclosure or complaint is a process in which there are elements of "disclosure of facts", "illegal acts", "parties to complain", and "the organization of complaints" (Miceli & Near, 1985).

In Indonesia it is important to remember that there are different cultures, and there is a religious warning that there is an attempt to cover up the shame of others, the existence of a political and different environment from the concept proposed by Miceli & Near (1985), where there are factors related to, the economy, labor market, religion, and culture may limit the scope of complaints. Indeed, we realize, there has been a wave of administrative reform and good governance regulation since the democratization era in the late 1990s. However, the boundaries of freedom in facing the traditions of strong state governance in respecting Indonesian culture still apply.

### ***Attitude toward whistleblowing***

An attitude toward behavior means "how far a person has an evaluation or assessment whether it is beneficial or unfavorable from the intended behavior". It is important to measure attitudes towards whistleblowing as an independent variable because supportive attitudes are not the same as whistleblowing intentions, and there is not always a strong relationship between the two factors, especially if there are few resources and available opportunities and there is a perceived negative pressure (Ajzen, 1991). However, in general, when a person's attitude towards a behavior becomes more beneficial, the intention to do that behavior becomes stronger.

Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable? **Error!**  
**No text of specified style in document.**

Thus, a number of studies have analyzed attitudes as predictors of whistleblowing intentions (Berndtsson *et al.*, 2018; Latan *et al.*, 2018; Phillips *et al.*, 2018; Trongmateerut & Sweeney, 2013). When a person's attitude towards a behavior becomes more profitable, the individual usually has to look for influence from within, to accommodate his interests, so that the internal channel is more likely to be chosen. Therefore, the hypothesis can be arranged as follows:

**H<sub>1</sub>**: A positive attitude towards whistleblowing increases the intention of whistleblowing on internal channels.

#### ***Knowledge of the whistleblowing process***

The corruption law and Government Regulation Number 43 of 2018 Eradicating Criminal Acts of Corruption describe the process of whistleblowing for public sector institutions as a whole, including who can and who must disclose, where they can report, and how to continue the report. This act and Government Regulation Number 43 of 2018 only supports internal reporters; Public officials can only report to Law Enforcement and Internal Audit, investigative agents, or the Audit Board and Inspectorate. If an external report is made (i.e., to the press or Advocacy Groups Outside the Government), the reporter will not receive rewards and legal protection. Under this rule, all informants are required to identify themselves to the institution where they report by sending personal information, including names and affiliates. Then the rule also examines the available protection for retaliation and how to obtain financial compensation.

The Knowledge about the channels and the processes is a significant predictor of whistleblowing intentions. Although the government has enacted a series of fact-disclosure protections, if people do not have knowledge of appropriate channels and fact-revealing procedures, they will hesitate to report it (Near & Miceli, 2016). Similarly, Cho & Song (2015) found education and training about the whistleblowing process which had a positive effect on whistleblowing intentions. Indeed, current research hypothesizes that:

**H<sub>2</sub>**: The Greater knowledge about the right channel and procedures for whistleblowing can increase the intention of whistleblowing on internal channels.

#### ***Public service motivation (PSM)***

The next narrative has related to the reporting channel, which whistleblowing channel is more effective, internal or external. Various whistleblowing literature shows that external whistleblowing tends to produce counter effects more severe than internal whistleblowing (Near & Miceli, 1996; Near *et al.*, 1995), there are findings that external whistleblowing is

---

more effective than internal whistleblowing (Apaza & Chang, 2011; Vandekerckhove & Phillips, 2017; Nayir *et al.*, 2018). Rothschild & Miethe (1999) once interviewed the reporter and found around 44% of the reporters were on external channels and stated that their organization had changed their culture and practice as a result of disclosure of fraud, while the remaining 27% of whistleblowers Internal channels also reveal the same thing, which there are changes in organizational behavior as a result of reports. Thus, an employee with a higher PSM level will be more likely to pursue an external than internal whistleblowing channel because of its effectiveness. Thus, the hypothesis can be arranged as follows:

**H<sub>3</sub>:** Public Service Motivation expands the possibility of employees becoming reporters in the external channel.

#### ***Fear of retaliation***

Fear of retaliation is defined as a fear of retaliation as a result of an individual's attitude, which has implications to the individual decision itself. The possibility of retaliation by a person reported or someone else is an important consideration when employees make a decision to complain of fraudulent actions in the organization. Several studies have found the fact that fear of retribution is negatively related to whistleblowing intentions and whistleblowing behavior (Cho & Song, 2015; Dixon, 2016; Keil *et al.*, 2018; Barlett *et al.*, 2019). Fear of retaliation can also influence the choice of the whistleblowing channel by employees. An organization which has fraudulent actions in it and has been revealed can have great power and influence on individuals who carry out whistleblowing. Thus, when the risk of retaliation is felt to be quite high, reporters tend to use external reporting channels and seek outside protection to avoid such retaliation (Jeon, 2017; Mintz, 2015). The fear of retaliation increases the chances of using an external whistleblowing channel while reducing the possibility of using an internal whistleblowing channel. The use of reporting channels is an option for disclosures with security considerations (Alleyne & Pierce, 2017; Tumuramye *et al.*, 2018; Mintz, 2015). In short, this study proposes the following hypothesis.

**H<sub>4</sub>:** The fear of retaliation is negatively related to the possibility of civil servants becoming internal reporters.

#### ***Fair treatment***

Fair treatment is defined as the attitude of an organization leader who ensures there is fair treatment for all employees, not just certain employees (Eisenberger *et al.*, 2016; Hayibor, 2017). Social exchange theory provides a good theoretical explanation of the relationship

Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable? **Error!**  
No text of specified style in document.

between fair treatment and in the selection of reporting channels. According to the Social exchange theory, when employees experience fair treatment by their organizations, employees feel obliged to restore the commitment of employers by engaging in behaviors that support organizational goals, meaning "exchange" the values of justice to do good attitude for the organization (Blau, 1964; Ko & Smith-Walter, 2013; Wayne *et al.*, 1997). Employees in a fair work environment have greater trust in management (Choi, 2011), and they believe that reported errors will receive attention and be dealt with fairly by management. Thus, the hypothesis can be arranged as follows:

**H<sub>5</sub>** : Fair treatment positively related to the possibility of civil servants becomes internal reporters.

#### ***Organizational education on internal whistleblowing***

Employee not only taught how to manage properly the organization but also employees are taught to correct mistakes which occur in the organization. This teaching effort can be done in various ways, like training. Education in the organization of internal reporters can influence the reporter's decision for whistleblowing internally or externally. The fact that an organization educates and informs its employees about the channel and the internal complaints process shows the support of employee organizations for complaints (Cho & Song, 2015). In addition, recognizing what internal channels are available to communicate their concerns can encourage employees to report errors internally (Vandekerckhove & Phillips, 2017; Near & Miceli 2016). Previous research (Gao *et al.*, 2015; Nayir *et al.*, 2018) it also shows why the employee use external channel because they don't know the internal channels. Therefore, it is important for organizations to provide detailed and valuable teaching on how to inform the fraud information internally. Thus, the hypothesis can be arranged as follows:

**H<sub>6</sub>** : Organizational education about internal reporters is positively related to the possibility of civil servants becoming internal reporters.

---

## **2. Methodology**

### **2.1. The data**

This study uses mail surveys and direct message (DM) through private social media related public servants to collect data and test the hypotheses which have been prepared. This survey was conducted on approximately 2,214 civil servants in the Regional Government in Indonesia, including the Regency, City and Provincial Governments in Indonesia. From those

---

2,214 employees who were given the questionnaire, only 432 responded, with a response rate of 20.33%. This survey model is very useful for whistleblowing research for several reasons. First, this survey model borrows the MPS (Merit Principles Survey), survey model is used by the United States in gathering public opinions which contain various questions specifically related to whistleblowing, which are rarely observed in other surveys (Caillier, 2016). These reasons indicate MPS is a representative and large sample, whose findings can be generalized to all employees of public institutions with reasonable confidence (Near & Miceli, 2008).

The analysis technique applied by authors uses logistic regression models with the help of the Statistical Package for the Social Sciences (SPSS). Logistic regression is a regression model used when the response variable is qualitative (Hosmer & Lemeshow, 1989). A simple logistic regression model is a model for one predictor variable X with a Y response variable that is dichotomic. The value of the variable Y = 1 indicates the existence of a characteristic and Y = 0 means the absence of a characteristic. The logistic regression model whose response variables have two categories is called binary logistic regression.

## 2.2. Variable measurement

### *Dependent variable*

Because the purpose of the study is to test the predictors of the behavior of complaints of fraud (Whistleblow) both internal and external, the study uses responses from respondents who actually have done and have ever done whistleblowing. Two questions are used to construct this dependent variable. First, the respondent was given the following question: "During the past 12 months, have you personally observed or obtained direct evidence of one or more illegal or wasteful actions involving your office?" Respondents could answer this question in the form of "yes" or "no". Because of the observation that "wrongdoing" is the first step in the whistleblowing process, only respondents who answered "yes" were considered for the next step. For those who answered "yes", further questions were asked: "Did you report the action to one of the following?". Respondents can answer "I did not report the action", or, if they report the action, respondents can choose their reporting channel from the following choices: family member or friend, coworkers, direct supervisor, high-level supervisors of institutional leaders, inspector general, BPKP (Financial and Development Supervisory Agency), BPK (Audit Board of the Republic of Indonesia), law

Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable? **Error!**  
**No text of specified style in document.**

enforcement officials, news media, DPR / DPRD (legislative) members, and advocacy groups outside the government (NGO).

Respondents who answered "I did not report the action" were unconsidered for analysis because they did not do whistleblowing. After the screening of 432 respondents who returned the questionnaire, only 114 were eligible for further analysis. Reporting channels can be categorized as internal or external channels.

Respondents who reported wrongdoing actions only to internal channels were coded as internal reporters (1). Respondents who reported errors to external channels were coded as external reporters (0), regardless of whether they report only to external channels or also report internally. Among the reporting channels which appear on this questionnaire, the option "family members or friends" is excluded from the analysis because reporting to family members or friends cannot meet the definition of whistleblowing, which requires reporting errors to someone who can affect action (Caillier, 2016; Jeon 2017). "Other" choices are also excluded from the analysis because it is unclear what the "other" is. Of the total 114 respondents, around 76% of the reporters, or 87 people, reported to internal parties, while the remaining 27 people reported externally.

#### ***Independent variable***

Attitude toward Whistleblowing (ATW) or it can be interpreted as an attitude towards whistleblowing adopted from Chang's research (2017) measured by single items as follows: "In general, I support whistleblowing performed by employees". Responses to this item ranged from strongly disagree (1) to strongly agree (5), Cronbach's Alpha for ATW was 0.76. Knowledge of Whistleblowing (KnW) can be interpreted as knowledge of whistleblowing which is adopted from Chang's (2017) measured by single items as follows: "I know the right procedure and have sufficient knowledge about the whistleblowing mechanism". Responses to this item ranged from strongly disagree (1) to strongly agree (5). Cronbach's alpha for the KnW variable is 0.83.

The questionnaire used to measure the variable Public Service Motivation (PSM) contains five items. These five items are part of the scale which was used by Perry (1996), and it has been suggested to be a 'global measure' for the measurement which has proven PSM providing a more accurate measure of the overall PSM concept (Wright, Christensen, & Pandey, 2013). The five items used to measure PSM are as follows: "Excellent public service for me is very important to be given to the public", "I will continue to fight for public rights, courageously, although the consequence is that I will be bullied or ridiculed", "I am willing to do great things even though it is a sacrifice for the good of the place organization I work,

---

"I often realize that fellow members or fellow human beings need help," and "I feel more meaningful if I make a difference in society for the public interest rather than just personal interests." Respondents' answers to each statement item use a semantic scale, starting from strongly disagree (given a value of 1) to strongly agree (given a value of 5). This construct produces Cronbach's Alpha of 0.81.

Fear of retaliation (FR) or interpreted as Fear of retribution constructed from Jeon (2017) the research by calculating the average of the following nine items. Please state how far that following statement is important for your decision to report or not report wrongdoing behavior: concern that I will not be given a position, demoted, or fired; worried it could have a negative impact on my relationship with my colleagues; concerns that this could negatively affect my performance rating; concerns that it might affect my ability to get a performance award; concerns that it might affect my ability to get training; concerns that it might affect my ability to get a promotion; concerns that management might become less tolerant of the small mistakes I might make; concerns that management might be less willing to give me any optional assistance for them; and concerns that I might be repaid in other ways not mentioned above. The possible responses for each item no one (1), few (2), part (3), and large (4). Cronbach's alpha for this FR variable is 0.88.

Fair treatment (FT) or interpreted as fair treatment in the organization, which makes the employee feel valued and given equal treatment, this construct was built from Jeon (2017) research by calculating the number of scores for the following items: "Have you been treated fairly in every condition and treatment listed below in the past two years?": career advancement, awards, training, performance assessment, job assignments, discipline, and salaries and other compensation.

'For each item, the respondent can answer "yes" or "no", or "do not know". Respondents who answered "do not know" were excluded from the analysis because the "do not know" response did not provide information which was useful in terms of extracting information on fair treatment by management. For each item, the "no" answer is coded 0 and "yes" is coded 1, thus, the score for the "fair treatment" variable ranges from 0 to 7 because there are 7 points which must be responded to. The higher score means the higher the level of perception of fair treatment in the organization. Alpha Cronbach fair treatment variable is 0.78.

Education on internal whistleblowing (EIW) or interpreted as organizational education about internal complaints using measures which Jeon (2017) has done. Education about internal reporters is measured by a single item: "My institution has provided education to

Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable?**Error!**  
**No text of specified style in document.**

employees about the objectives of other internal supervisory bodies in disclosing fraud (like Inspector General, Inspectorate and BPKP)".

---

### 3. Results

Chapter 3 text on Table 2 presents the results of descriptive statistical analysis and correlation matrix (two-way relationship, or bivariate) among several variables in the research model. The correlation analysis shows that the dependent variable, in this case, is an internal reporter or an external reporter, negatively correlates with personal factors, namely fear of retaliation. However, the dependent variable is positively correlated with organizational factors like fair treatment and organizational internal education about whistleblowing, meanwhile, correlation with the Attitude Toward variable Whistleblowing, Knowledge of Whistleblowing and Public service motivation have a positive correlation.

Because of the dependent variable is in dummy form or uses nominal type variables (eg 0 = external whistleblowing, 1 = internal whistleblowing), this study uses binary logistic regression to estimate the effect of the predictor variable on the possibility of internal whistleblowing rather than the possibility of using external whistleblowing. Table 3 shows the results of statistical analysis from logistic regression. External Whistleblowers are used as reference categories, the results are interpreted in relation to this category. As tested in Hypothesis 1, which states that a positive attitude towards whistleblowing increases the whistleblowing intention on internal channels, the results of the analysis show that the better the positive attitude of a reporter to the whistleblowing, the stronger the intention to report on the internal path, Odds Ratio [OR] = 1,162), so hypothesis 1 can be supported. Then Hypothesis 2, which states greater knowledge about the right channel and procedures for whistleblowing increase the intention of whistleblowing on internal channels. The results of the logistic regression analysis showed that high knowledge preferred reporting on internal channels had a percentage of 37% (Odds Ratio [OR] = 0.723), thus, Hypothesis 2 cannot be supported. Hypothesis 3, PSM is negatively related to the possibility of becoming an internal reporter. In particular, an increase in one PSM unit reduced the chances of a public institution employee becoming an internal reporter rather than an external reporter by 19% (Odds Ratio [OR] = 0.756), thus, Hypothesis 3 was supported.

Hypothesis 4 states that fear of retaliation is negatively related to the possibility of civil servants becoming internal reporters, or preferring to report on external channels. The analysis shows that fear of retaliation increases the likelihood of becoming an internal reporter rather than an external reporter by 41% (OR = 1,227), so this result does not

support hypothesis 4 and this finding contradicts with previous research, which shows that when fear of retaliation is high, reporters tend to use external reporting channels and seeking protection from outside retaliation, but these results are in line with Jeon's findings (2017). The main reason for fear of retaliation is more about reporting on internal lines, according to Jeon (2017), perhaps from this finding it might be the reporter knew from observing previous cases which reporting errors to external channels could result in more severe retaliation than internal reporters. Errors that occur in the organization are reported outwardly to people outside the organization, so the whistleblowing action can be considered a threat to the organization (Brief & Motowidlo, 1986), so that, from an organizational point of view, external whistleblowing can be seen as an attempt to damage the organization and the whistleblower can be seen as not loyal action to the organization (Brief & Motowidlo, 1986; Dworkin & Baucus, 1998).

**Table 2.**  
Analysis results of Statistics and Correlation Bivariate

Variables	Mean	SD	Min Value	Max Value	#1	#2	#3	#4	#5	#6
Whistleblowing (In vs. Ext)	0,789	0,213	0	1						
Attitude Toward Whistleblowing	3,781	0,436	1	5	,162					
Knowledge of Whistleblowing	3,234	0,612	1	5	,281*	,043				
Public service motivation	3,813	0,344	1	5	,289	-,327	,377*			
Fear of retaliation	3,454	0,598	1	4	-,032*	-,072*	-,231	,676		
Fair treatment	3,329	0,126	0	7	,326	-,004	,223*	,008	,044*	
Education on internal whistleblowing	2,981	0,329	1	5	,518*	,232	-,082	,087*	-,002	,032

Note: \* $p < 0,05$

Source: Output Statistics Calculation

Hypothesis 5 predicts fair treatment will increase the likelihood of public employees becoming reporters in the internal channel. The results showed an increase in one unit in fair treatment increased the chances of the whistleblower revealing on internal channels rather than externally by 56% (OR = 1,067). Thus, Hypothesis 5 can be supported. This finding relates to previous research which employees in a conducive and fair work environment have greater trust in management, making it more likely to report errors internally to management (Seifert *et al.*, 2014). This finding also provides support for social exchange theory when employees assume that an organization in which it treats them fairly, they feel an obligation to reciprocate with high commitment. This reciprocal norm encourages employees to conduct a whistleblower to report errors internally rather than

Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable? Error!  
No text of specified style in document.

externally (Mesmer-Magnus & Viswesvaran, 2005). In line with the findings of Jeon (2017) which states that fair treatment will increase the likelihood of public employees in Korea becoming reporters in the internal channel. Hypothesis 6 predicts organizational education about internal reporters is positively related to the likelihood of civil servants becoming internal reporters. These results support this hypothesis and indicate an increase in one unit in organizational education about internal complaints increases the likelihood of the whistleblower reporting errors internally rather than externally by 52% (OR = 1,170).

**Table 3.**  
Summary of logistic regression results

Variable	Coefficient	Odds Ratio	SE
Attitude toward whistleblowing	,085	1,162	0,036
Knowledge of whistleblowing	,128	,723	0,078
Public service motivation	-,324	,756	0,086
Fear of retaliation	,443	1,227	0,025
Fair treatment	,329	1,067	0,066
Education on internal whistleblowing	,094	1,132	0,089

Note: \* $p < 0,05$

Source: Output Statistics Calculation

The relationship between variables that have been designed from this study, explained by Table 3 which presents that attitude toward whistleblowing, knowledge of whistleblowing, fear of retaliation, fair treatment, and education on internal whistleblowing have a significant impact on whistleblowing reporting channel alternatives. On one hand, empirical findings state that there are variables that are negatively related to whistleblowing reporting channel alternatives, namely public service motivation. The acquisition of the attitude toward whistleblowing variable coefficient is 0.085; knowledge of whistleblowing (0.128); fear of retaliation (0.443); fair treatment (0.329); and education on internal whistleblowing (0.094), while for the variable public service motivation is -0.332.

Odds Ratio (OR) is a measure of the relationship between exposure and outcome. OR indicates the likelihood that results will occur given a particular exposure, compared to the likelihood of results occurring in the absence of that exposure. Therefore, the OR value contained in the research reveals that the Fear of retaliation is the variable that has the highest OR, 1,227 which means that this variable will increase the most dominant risk of whistleblowing reporting channel alternatives. Meanwhile, the knowledge of whistleblowing shows the lowest OR (0.723), so it can be concluded that the smallest increase in risk for whistleblowing reporting alternatives.

---

## 4. Discussion

Today, Whistleblowing is a pro and contra action, some people despise this action, but partly that Whistleblowing is a good act. The efforts to disclose or Whistleblowing by "insiders" or employees will differ from country to country, briefly Whistleblowing is closely related to cultural, ethical, moral and religious values. Whistleblowing provides benefits for organizations to be better, by looking at and discovering various fraudulent actions in it, and therefore Whistleblowing is an important means to make public institutions better and increase accountability to the public (Donkin *et al.*, 2008). One of reporting medium is external reporting, but this channel is less desirable than internal channels (Near & Miceli, 1996). One of the benefit of the internal reporting channel is the effort to improve the organization from inside of the organization, by looking at the various weaknesses that exist today (Lee & Fargher, 2013; Miceli & Near, 1985; Vadera *et al.*, 2009), so that the internal complaints channel considered as good action (Berry, 2004; Dworkin & Baucus, 1998; Near & Miceli, 1996). Thus, it is important for public organizations to promote this internal reporting channel.

The findings indicate that the Attitude toward Whistleblowing variable encourages civil servants to report fraud on the internal path, then the Knowledge of Whistleblowing gives the same direction to report fraudulent actions on the internal path, although it is not significant. Then those individual factors like PSM influence the choice of the whistleblowing channel of civil servants. Employees who have sincere intentions in serving more people are encouraged to report on internal channels. It is considered that the definition of PSM uses the concept of self-sacrifice (Perry *et al.*, 2010), this finding may imply that employees who have a high PSM will be willing to choose a channel of complaints which will endanger them, because they will be affected by promotions others, but there are efforts to improve the organization. Several recent studies support the opinion that the existence of a link between individuals who have a high public service motivation will tend to do Whistleblowing (Davis *et al.*, 2017, Caillier, 2015; Wright *et al.*, 2016).

The conducive condition of an organization and fair has a good impact on employees in carrying out reporting actions. Civil servants are more likely to whistle-blow a fraud or wrongdoing by both of channels internally than externally when they feel that the organization in which they are based provides equitable values of justice. The findings that provide a positive relationship between fair treatment and complaints on internal channels

Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable? **Error!**  
**No text of specified style in document.**

which support the argument of social exchange theory, this case is supported by a variety of recent studies (Malik & Nawaz, 2018; Soni *et al.*, 2015; Taylor, 2018). In general, if the organization treats employees fairly, it can lead to reciprocal obligations from employees and make them behave which can give benefit to the organization (Treviño & Weaver, 2001; Wayne *et al.*, 1997). The

educating employees about internal complaints, an organization not only inform employees about the availability of various internal channels but also provide the signal to employees that the organization supports and encourages individuals who are willing to disclose fraudulent information (Berry, 2004; Cho & Song, 2015). Thus, public organizations that want to promote internal complaints must create a positive organizational environment where employees are treated fairly and well educated about internal complaints.

Our study provides several contributions to the implementation of public-sector organizations, especially local governments, related to whistleblowing efforts. Several studies have been carried out regarding whistleblowing (Pillay *et al.*, 2017; Nays *et al.*, 2018; Near & Miceli, 2016), but relatively few have tried to increase the choice of reporting channels for employees, research which is conducted in Korea supports this research, among others (Jeon, 2017; Gao *et al.*, 2015; Alleyne *et al.*, 2017; Lee & Fargher, 2017). Based on findings in the field, that in an effort to improve systems in organizations which is damaged by fraud, internal channels are preferred over the disclosure of information through external channels (Berry, 2004; Dworkin & Baucus, 1998). Thus, this research encourages organizations to make improvements to the internal reporting system in an effort to encourage employees to improve their organizations and avoid giving more complaints to external parties (Lee & Fargher, 2013). Once more, with the research on the choice of this reporting channel, it contributes to public-sector organizations in Indonesia specifically and to countries in the world to open the widest internal reporting channels in an effort to improve the system in the organization.

---

## 5. Conclusions

Based on empirical calculations, we find that the fear of retaliation variable tends to be more dominant (high), compared to public service motivation, which produces negative opportunities and is not significant for whistleblowing reporting channel alternatives.

This study contains several limitations. First, the use of primary data, therefore, limiting the use of variables for analysis, besides the limitations of previous research related to the use

---

of determinants of intention to conduct whistleblowing. Then the use of survey questions sometimes obtain only one item, so to explore the perceptions of respondents also become limited. The next limitation is the use of social media as the delivery of the questionnaire, although it is calculated to be fast and effective, the level of generalization is still low, because it is only limited to respondents who utilize social media. For future research, researchers can deepen and explore the various external channels limited in this research, moreover, each country has different law enforcement agencies or corruption eradication institutions.

---

## References

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179-211.

Akinkugbe, O.D. (2018). Informal networks of corruption: assessing the challenges for public sector whistleblowing in Nigeria. *Jindal Global Law Review*, 9(1), 11-28.

Alleyne, P., & Pierce, A. (2017). Whistleblowing as a corporate governance mechanism in the Caribbean. *Snapshots in governance: The Caribbean experience*. Trinidad and Tobago, University of the West Indies, 176-98.

Alleyne, P., Charles-Soverall, W., Broome, T., & Pierce, A. (2017). Perceptions, predictors and consequences of whistleblowing among accounting employees in Barbados. *Meditari Accountancy Research*, 25(2), 241-267.

Andon, P., Free, C., Jidin, R., Monroe, G.S., & Turner, M.J. (2018). The impact of financial incentives and perceptions of seriousness on whistleblowing intention. *Journal of Business Ethics*, 151(1), 165-178.

Apaza, C. R., & Chang, Y. (2011). What makes whistleblowing effective: Whistleblowing in Peru and South Korea. *Public Integrity*, 13(2), 113-129.

Barlett, C.P., Madison, C., DeWitt, C.C., & Heath, J.B. (2019). The moderating effect of dispositional fear of retaliation on the relationship between provocation and aggressive behavior. *Personality and Individual Differences*, 138(1), 257-265.

Berndtsson, J., Johansson, P., & Karlsson, M. (2018). Value Conflicts and Non-Compliance: Attitudes to Whistleblowing in Swedish Organisations. *Information & Computer Security*, 26(2), 246-258.

Berry, B. (2004). Organizational culture: A framework and strategies for facilitating employee whistleblowing. *Employee Responsibilities and Rights Journal*, 16(1), 1-11.

Blau, P.M. (1964). *Exchange and power in social life*. New York: John Wiley.

Brief, A.P., & Motowidlo, S.J. (1986). Prosocial organizational behaviors. *Academy of management Review*, 11(4), 710-725.

Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable? **Error!**  
**No text of specified style in document.**

- Caillier, J.G., & Sa, Y. (2017). Do transformational-oriented leadership and transactional-oriented leadership have an impact on whistle-blowing attitudes? A longitudinal examination conducted in US federal agencies. *Public Management Review*, 19(4), 406-422.
- Caillier, J.G. (2015). Transformational leadership and whistle-blowing attitudes: Is this relationship mediated by organizational commitment and public service motivation?. *The American Review of Public Administration*, 45(4), 458-475.
- Cassematis, P.G., & Wortley, R. (2013). Prediction of whistleblowing or non-reporting observation: The role of personal and situational factors. *Journal of Business Ethics*, 117(3), 615-634.
- Chang, Y., Park, S.E., Min, J.H., Kim, K., Kang, Y., & Kim, M. (2013). People who dream of a society of no corruption: Case studies of whistleblowing in Korea. *Korean Local Government Studies*, 2013(1), 737-743.
- Chang, Y., Wilding, M., & Shin, M.C. (2017). Determinants of whistleblowing intention: evidence from the South Korean government. *Public Performance & Management Review*, 40(4), 676-700.
- Cho, Y.J., & Song, H.J. (2015). *Determinants of whistleblowing within government agencies*. *Public Personnel Management*, 44(4), 450-472.
- Davis, R.S., Stazyk, E.C., & Klingeman, C.M. (2017). Accounting for personal disposition and organizational context: connecting role ambiguity, public service motivation, and whistleblowing in federal agencies. *The International Journal of Human Resource Management*, 28(3), 1-20.
- Dixon, O. (2016). Honesty without Fear? Whistleblower Anti-Retaliation Protections in Corporate Codes of Conduct. *Melb. UL Rev*, 40, 168-206. Retrieved from: [https://law.unimelb.edu.au/\\_\\_data/assets/pdf\\_file/0011/2099369/05-Dixon.pdf](https://law.unimelb.edu.au/__data/assets/pdf_file/0011/2099369/05-Dixon.pdf).
- Donkin, M., Smith, R., & Brown, A.J. (2008). *Whistleblowing in the Australian public sector: enhancing the theory and practice of internal witness management in public sector organisations*. Canberra: ANU E Press.
- Dworkin, T.M., & Baucus, M.S. (1998). Internal vs. external whistleblowers: A comparison of whistleblowing processes. *Journal of Business Ethics*, 17(12), 1281-1298.
- Eisenberger, R., Malone, G.P., & Presson, W.D. (2016). Optimizing perceived organizational support to enhance employee engagement. *Society for Human Resource Management and Society for Industrial and Organizational Psychology*, 2-22. Retrieved from: <https://www.shrm.org/hr-today/trends-and-forecasting/special-reports-and-expert-views/Documents/SHRM-SIOP%20Perceived%20Organizational%20Support.pdf>.
- Fieger, P., & Rice, B.S. (2018). Whistle-blowing in the Australian Public Service: The role of employee ethnicity and occupational affiliation. *Personnel Review*, 47(3), 613-629.

---

Gao, J., Greenberg, R., & Wong-On-Wing, B. (2015). Whistleblowing intentions of lower-level employees: The effect of reporting channel, bystanders, and wrongdoer power status. *Journal of Business Ethics*, 126(1), 85-99.

Hayibor, S. (2017). Is fair treatment enough? Augmenting the fairness-based perspective on stakeholder behaviour. *Journal of Business Ethics*, 140(1), 43-64.

Hosmer, D.W., & Lemeshow, S. (1989). *Applied logistic regression (2nd Ed.)*. Canada: A Wiley-Interscience Publication.

Jeon, S.H. (2017). Where to report wrongdoings? Exploring the determinants of internal versus external whistleblowing. *International Review of Public Administration*, 22(2), 153-171.

Keil, M., Park, E.H., & Ramesh, B. (2018). Violations of health information privacy: The role of attributions and anticipated regret in shaping whistle-blowing intentions. *Information Systems Journal*, 28(5), 818-848.

Ko, J., & Smith-Walter, A. (2013). The relationship between HRM practices and organizational performance in the public sector: Focusing on mediating roles of work attitudes. *International Review of Public Administration*, 18(3), 209-231.

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(2), 573-588.

Lee, G., & Fargher, N.L. (2013). Companies' use of whistle-blowing to detect fraud: An examination of corporate whistle-blowing policies. *Journal of Business Ethics*, 11(2), 283-295.

Lee, G., & Fargher, N.L. (2017). The role of the audit committee in their oversight of whistleblowing. *Auditing: A Journal of Practice & Theory*, 37(1), 167-189.

Malik, M.S., & Nawaz, M.K. (2018). The Role of Ethical Leadership in Whistleblowing Intention among Bank Employees: Mediating Role of Psychological Safety. *Review of Integrative Business and Economics Research*, 7(4), 238-252.

Mesmer-Magnus, J.R., & Viswesvaran, C. (2005). Whistleblowing in organizations: An examination of correlates of whistleblowing intentions, actions, and retaliation. *Journal of business ethics*, 62(3), 277-297.

Miceli, M.P., & Near, J.P. (1985). Characteristics of organizational climate and perceived wrongdoing associated with whistle-blowing decisions. *Personnel Psychology*, 38(3), 525-544.

Miceli, M.P., & Near, J.P. (1992). *Blowing the whistle: The organizational and legal implications for companies and employees*. Washington D.C: Lexington Books.

Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable? **Error!**  
**No text of specified style in document.**

Miceli, M.P., & Near, J.P. (2005). Standing up or standing by: What predicts blowing the whistle on organizational wrongdoing. *Research in Personnel and Human Resources Management, 24*, 95-136.

Miceli, M.P., Near, J.P., & Dworkin, T.M. (2013). *Whistle-blowing in organizations*. London: Psychology Press.

Mintz, S. (2015). Whistleblowing Considerations for External Auditors under Dodd-Frank: A Blueprint for Future Research. *Research on Professional Responsibility and Ethics in Accounting, 19*, 99-128.

Nayir, D.Z., Rehg, M.T., & Asa, Y., (2018). Influence of Ethical Position on Whistleblowing Behaviour: Do Preferred Channels in Private and Public Sectors Differ?. *Journal of Business Ethics, 149*(1), 147-167.

Near, J.P., Ryan, K.C., & Miceli, M.P. (1995). Results of a human resource management "experiment": Whistle-blowing in the federal bureaucracy, 1980-1992. *Academy of Management Proceedings, 55*, 369-373.

Near, J.P., & Miceli, M.P. (1996). Whistle-blowing: Myth and reality. *Journal of Management, 22*(3), 507-526.

Near, J.P., & Miceli, M.P. (2008). Wrongdoing, whistle-blowing, and retaliation in the US government: What have researchers learned from the Merit Systems Protection Board (MSPB) survey results?. *Review of Public Personnel Administration, 28*(3), 263-281.

Near, J.P., & Miceli, M.P. (2016). After the wrongdoing: What managers should know about whistleblowing. *Business Horizons, 59*(1), 105-114.

*Government Regulation of Indonesia Government, Number 43 of 2018 concerning Eradicating Corruption Crimes*. Retrieved from: <https://jdih.bssn.go.id/arsip-hukum/pp-nomor-43-tahun-2018-tentang-tata-cara-pelaksanaan-peran-serta-masyarakat-dan-pemberian-penghargaan-dalam-pencegahan-dan-pemberantasan-tindak-pidana-korupsi>.

Perry, J.L. (1996). Measuring public service motivation: An assessment of construct reliability and validity. *Journal of Public Administration Research and Theory, 6*(1), 5-22.

Phillips, T.R. Sun, Y., Gergen, E., & Duncan, P. (2018). An Assessment of Leadership Style as Perceived by Followers When Considering Leader Integrity and Employee Attitudes Towards Whistleblowing. *Journal of Management Science and Business Intelligence, 3*(2), 21-25.

Pillay, S., Reddy, P.S., & Morgan, D. (2017). Institutional isomorphism and whistle-blowing intentions in public sector institutions. *Public Management Review, 19*(4), 423-442.

Robinson, S.N., Robertson, J.C., & Curtis, M.B. (2012). The effects of contextual and wrongdoing attributes on organizational employees' whistleblowing intentions following fraud. *Journal of Business Ethics, 106*(2), 213-227.

---

Rothschild, J., & Miethe, T.D. (1999). Whistle-Blower Disclosures and Management Retaliation: The Battle to Control Information About Organization Corruption. *Work and Occupations*, 26(1), 107-128.

Seifert, D.L. (2006). The influence of organizational justice on the perceived likelihood of whistle-blowing. *Doctoral Dissertation*. Washington State University. Retrieved from: <https://pdfs.semanticscholar.org/164b/3ef8adc1cfe63fef83d4cb9507201db80765.pdf>.

Seifert, D.L., Stammerjohan, W.W., & Martin, R.B. (2013). Trust, organizational justice, and whistleblowing: A research note. *Behavioral Research in Accounting*, 26(1), 157-168.

Soni, F., Maroun, W., & Padia, N. (2015). Perceptions of justice as a catalyst for whistle-blowing by trainee auditors in South Africa. *Meditari Accountancy Research*, 23(1), 118-140.

Sonnier, B., Lassar, W.M., & Greene, E. (2016). An Examination of the Impact of an Evidentiary Privilege Protecting Corporate Whistleblowers on Intention to Report Wrongdoing. *Journal of Accounting, Ethics and Public Policy*, 17(2), 288-331.

Taylor, J. (2018). Internal Whistle-Blowing in the Public Service: A Matter of Trust. *Public Administration Review*, 78(5), 717-726.

Treviño, L.K., & Weaver, G.R. (2001). Organizational Justice and Ethics Program "Follow-Through": Influences on Employees' Harmful and Helpful Behavior. *Business Ethics Quarterly*, 11(4), 651-671.

Tumuramye, B., Ntayi, J.M., & Muhwezi, M. (2018). Whistle-blowing intentions and behaviour in Ugandan public procurement. *Journal of Public Procurement*, 18(2), 111-130.

Vadera, A. K., Aguilera, R.V., & Caza, B. B. (2009). Making sense of whistle-blowing's antecedents: Learning from research on identity and ethics programs. *Business Ethics Quarterly*, 19(4), 553-586.

Vandekerckhove, W., & Phillips, A., (2017). Whistleblowing as a Protracted Process: A Study of UK Whistleblower Journeys. *Journal of Business Ethics*, 159(1), 201-219.

Wayne, S.J., Shore, L.M., & Liden, R.C. (1997). Perceived organizational support and leader-member exchange: A social exchange perspective. *Academy of Management Journal*, 40(1), 82-111.

Whiteside, D.B., & Barclay, L.J. (2013). Echoes of silence: Employee silence as a mediator between overall justice and employee outcomes. *Journal of Business Ethics*, 116(2), 251-266.

Wright, B.E., Christensen, R.K., & Pandey, S.K. (2013). Measuring public service motivation: Exploring the equivalence of existing global measures. *International Public Management Journal*, 16(2), 197-223.

Wright, B.E., Hassan, S., & Park, J. (2016). Does a public service ethic encourage ethical behaviour? Public service motivation, ethical leadership and the willingness to report ethical problems. *Public Administration*, 94(3), 647-663.

Employees are faced with whistleblowing reporting channel alternatives: Which one is more desirable? **Error!**  
**No text of specified style in document.**