

Does Ethical Climate, Rewards, and Protections Matter for Individual Intention to Blow The Whistle?

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Abstract; *This paper aims to examine factors that can predict an individual intention to take whistleblowing action. This study examines the effect of ethical climate-egoism, ethical climate-benevolence, ethical climate-principle, rewards, and legal protection of whistleblower on the intention of Batam public procurement agency employees to do whistleblowing. This study used a quantitative approach with questionnaire data collected technique using census sampling as a sampling method. Partial Least Square (PLS) via SmartPLS 3.0 program is used as the analytical method to running the data. This study analyzes all civil servants in The Batam Public Procurement Agency. The results show that ethical climate-principle and legal protection of whistleblower affect the intention to do whistleblowing significantly. While the ethical climate-egoism, ethical climate-benevolence, and giving rewards to whistleblower showed that the results did not affect the intention of Batam Public Procurement agency employees to do whistleblowing significantly.*

Abstrak; Tulisan ini bertujuan untuk mengkaji faktor-faktor yang dapat memprediksi niat individu untuk melakukan tindakan whistleblowing. Penelitian ini mengkaji pengaruh iklim etika-egoisme, iklim-kebajikan etis, prinsip iklim etika, penghargaan, dan perlindungan hukum pelapor terhadap niat pegawai Badan Pengadaan Umum Kota Batam untuk melakukan pelaporan pelanggaran. Penelitian ini menggunakan pendekatan kuantitatif dengan teknik pengumpulan data kuesioner menggunakan sensus sampling sebagai metode pengambilan sampel. Partial Least Square (PLS) melalui program SmartPLS 3.0 digunakan sebagai metode analisis untuk menjalankan data. Studi ini menganalisis semua pegawai negeri sipil di Badan Pengadaan Umum Batam. Hasil penelitian menunjukkan bahwa prinsip iklim etika dan perlindungan hukum terhadap whistleblower berpengaruh signifikan terhadap niat melakukan whistleblowing. Sedangkan iklim etika-egoisme, iklim etika-kebajikan, dan pemberian penghargaan kepada pelapor menunjukkan hasil yang tidak mempengaruhi niat pegawai Badan Pengadaan Umum Kota Batam untuk melakukan pelaporan pelanggaran secara signifikan.

INTRODUCTION

The rise of corruption cases, especially corruption that occurred in Indonesia has caused a lot of economic losses for society and the state. There is a lot of news about massive corruption on a large scale in cases that occur and even in almost all lines of activity or organization. Indonesia Corruption Watch (ICW) noted that state losses caused by corruption in 2018 reached Rp 9.29 trillion. Transparency International states that Indonesia's level of corruption contained in the Corruption Perception Index (CPI) for 2019 is ranked 85th out of 180 countries, with a score of 40 on a scale of 0 - 100 (with the understanding that a score of 0 means a nation is perceived as corrupt country, a score of 100 countries it is relatively clean).

Alatas (1987) defines corruption as an immoral act that is contrary to belief to get something by means of fraud and theft. One of the sectors most vulnerable to corruption is the government procurement sector. This can be seen from the data presented on the official website of the Corruption Eradication Commission which states that corruption cases in the procurement of goods and services are in second place as the most frequent corruption cases. According to KPK data, corruption cases in the procurement of government goods and/or services are said to be still very high until 2018, based on the type of case out of a total of 887 cases, corruption cases in the procurement of goods and services occupy the second-largest position handled by the KPK, with 188 corruption cases.

To be able to overcome this problem, many efforts have been made to detect and prevent fraud, one of which is by implementing a whistleblowing system (WBS). The whistleblowing system has been regulated in the Regulation of the Head of the Government's Goods/Services Procurement Policy Agency No. 15 of 2015 concerning the Whistleblowing System for the Procurement of Government Goods/Services. With the launching of this system, it is hoped that it will be able to handle any reports of fraud, violations, or complaints about the services provided by government procurement services.

Not many people are willing to risk the high uncertainty for themselves, their careers, their families and the legal protections for their behavior. According to Rothschild & Miethe (1999), whistleblowers have a great influence and play an important role in revealing the truth that is beneficial to the organization but still faces many risks, including being considered by colleagues as traitors, organizational retaliation to psychological pressure. The threat becomes an obstacle for someone to take whistleblowing actions.

Several previous studies related to the variables to be studied include: Ahmad et al, (2014), and Setyawati et al (2015), Kinanti (2019) stated that ethical climate principles affect whistleblowing intentions. Research conducted by Lestari & Yaya (2017) found that the three dimensions of ethical climate, namely egoism, benevolence, and principle, did not show any influence on the intention to take whistleblowing actions.

Previous research related to the provision of rewards has been carried out by several researchers, such as Hariyani et al (2019) that show provision of rewards given to employees affect whistleblowing intentions positively. Other studies conducted by Brink et al (2013), Andon et al (2016), Dyah & Setiawan (2017), Setiawan (2018), Khanifah et al (2019) each mention that the existence of rewards can influence or predict a person's intentions to carry out corrective action (blowing the whistle). Meanwhile, the results of the research found by Wahyuningsih (2016) and Marantika et al (2017) found that giving rewards did not affect a person's intention to take whistleblowing actions. Widuri et al (2019) found the same result, that financial rewards did not significantly affect an intention of individual to report fraud. Employees didn't seen rewards as a reason to report fraud, but the interests and safety of the agency are the most important factors in uncovering fraud.

Previous research on legal protection for whistleblowers has been conducted by Banisar (2011) stated that legal protection for whistleblowers has a positive effect on intentions to whistleblowing, Abdullah & Hasma (2017) found that the interaction between legal protection and the level of seriousness of violations affects the intentions of some individual to blowing the whistle. In line with the results of research revealed by Noho (2016), Rahardjo (2017), Effendi and Nuraini (2019) revealed that whistleblower protection has an influence individual to reveal facts regarding wrongdoing.

These phenomena, previous research, and explanations of the background show the urgency of this research given the inconsistency of the results obtained. This research is also important considering that legal protection for whistleblowers adds to the research gap considering that some whistleblowers are reported back after whistleblowing, so it is important to examine whether legal protection affects the intention to blowing the whistle.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Prosocial Organizational Behavior Theory

Prosocial organizational behavior or prosocial behavior according to Brief & Motowidlo (1986) is an action taken by a person or member of the organization in connection with the individual, group, or organization concerned for welfare purposes. The theory of prosocial behavior supports this research regarding the concept of whistleblowing. This theory explains that the occurrence of whistleblowing is caused by individual prosocial behavior that benefits the public and the interests of the individual himself. This is in line with the research of Dozier & Miceli (1985) which explains that whistleblowing is an altruistic behavior that benefits other people (organizations).

Maslow's Hierarchy of Needs Theory

Abraham Maslow (1954) described in McLeod's paper (2007) introduced the classical theory of motivation Hierarchy of Needs which includes five motivational needs. This theory explains how people meet their personal needs in the content of their respective jobs. Maslow's hierarchy of needs theory of motivation is one of the motivational theories that is still often and is also widely used in various studies until now. Maslow's theory of hierarchy of needs (1954) described by McLeod (2007) argues that humans have five levels or hierarchy of needs and are often described in the form of a prism, namely:

1. Physiological Needs
2. Safety Needs
3. Safety Needs
4. Social Needs
5. Esteem Needs
6. Self-Actualization Needs

Ethical Climate Work Theory

Victor & Cullen (1988) presented a conceptual work concept that describes the work ethic climate as an organizational work environment. The ethical climate or ethical climate that exists in the organization can affect all members of the organization during conflict management and when making ethical decisions. Ethical climate in whistleblowing can explain how the intention to report a violation can affect organizational ethics (Rahardjo, 2017).

Ethical climate egoism has an egoistic character which refers that organizational members will consider their own intentions when they make decisions when faced with ethical dilemmas. Ethical climate benevolence or ethical climate of virtue supports common interests or organizational members will consider the circumstances of others when making ethical decisions to resolve existing problems. Ethical climate principle explains that decisions are made based on applicable regulations, codes of ethics, laws, and procedures. Members of the principle type organization will consider matters related to rules and laws when making decisions.

Whistleblowing

Near & Miceli (1985) defines whistleblowing as an act of reporting fraud by members of an organization (both past and present members) in connection with despicable act beyond their control to other people or organizations capable of taking corrective action. Whistleblowing action is intended to detect all fraudulent and illegal acts committed by members of the organization and report them to the competent authorities to handle them.

Reward Giving

Rewards are awards given to them for having contributed to a certain action in accordance with their values in an organization (Elias, 2008) cited in the study (Hariyani

et al, 2019). Providing financial and non-financial rewards is one of the effective ways to increase whistleblowing actions. Rewards encourages individual to disclose illegal act. In their research, Khanifah et al (2019) added that giving rewards is one tool that organizations can use to improve the performance of their employees by linking the relationship between actions and behavior as well as a sense of satisfaction that encourages them to do good deeds over and over again.

Whistleblower Legal Protection

Nixson et al (2013) stated that reporting on the existence of whistleblowers with a high attitude and spirit of honesty is highly anticipated in law enforcement efforts to eliminate and eradicate corruption regardless of how everyone understands a whistleblower. The existence of a whistleblower becomes difficult because it will be under pressure from anywhere, of course, there needs to be a safety guarantee to help the whistleblower stay safe. Soerjono Soekanto (1988) quoted by Effendi & Nuraini (2019) states that legal protection is an effort to provide assistance and fulfill the rights of the reporter in order to provide a sense of security for witnesses and victims. Whistleblowers need guarantees for their safety, identity, and life. To protect whistleblowers, the Indonesian government has passed Law no. 13 of 2006 concerning the Protection of Witnesses and Victims. All these protections will be provided as long as the witness gives testimony and testimony until the time of protection is about to expire. Witness and Victim Protection Agency will ensure the protection of the witness.

Ethical Climate-Egoism and Intention to Whistleblowing

Ethical climate-egoism is based on the idea of maximizing self-interest. Organizations that have ethical content with the characteristics of egoism have a selfish character, namely organizational members or employees will consider their own personal benefits in making decisions when experiencing ethical dilemmas. Ahmad et al (2014) explain that the individual's desire to report the occurrence of an act of violation is influenced by one's ethical views. The explanation above is the basis for formulating the following hypothesis:

H1: Ethical climate-egoism affects the intention to do whistleblowing

Ethical Climate-Benevolence and Intention to Whistleblowing

Ethical climate-benevolence has characteristics related to positive attitudes, that organizational members will respond and consider ethical decisions regarding the welfare of others within the organization and outside the organization (Victor & Cullen, 1988). In organizations, individuals may reject an ethical decision by considering the interests of others first. Setyawati et al (2015) revealed that benevolence is a good action because it can bring many benefits to community members. Setyawati et al (2015) also added that organizations that have a high benevolence climate have a tendency to report fraud. Based on these assumptions, the following hypotheses can be formulated:

H2: Ethical climate-benevolence affects the intention to do whistleblowing

Ethical Climate-Principle and Intention to Whistleblowing

Ethical climate-principle explains that decisions are made based on applicable regulations, codes of ethics, and laws. Members of the organization with the principle type will consider matters related to regulations and laws when making decisions. Setyawati et al (2015) explain that the code of ethics and obedience to the law are the main factors for individuals to decide when experiencing ethical dilemmas. Organizations that have a strong ethical climate-principle tend to have more intentions to do whistleblowing. The hypothesis for this paper is formulated as follow:

H3: Ethical climate-principle affects the intention to do whistleblowing

Reward Giving and Intentions to Whistleblowing

Xu & Ziegenfuss (2008) stated that the likelihood that internal auditors will report violations increases when the organization they work for offers economic incentives. Andon et al (2016) also argue that the intention of employees in companies to carry out whistleblowing actions increases when they are offered rewards. Logically, rewards have a positive impact on individuals which can encourage individuals to report fraudulent acts. The same thing is also found in the research of Khanifah et al (2019) which explains

that giving rewards will encourage and give courage to individuals to become whistleblowers. Based on this, the following hypothesis can be formulated:

H4: Rewards have an effect on the intention to whistleblowing

Legal Protection Against Whistleblowers and Intentions to Whistleblowing

The amount of risk and pressure that will be borne by whistleblowers often makes someone not have the courage to reveal fraud. Whistleblowers are very vulnerable to intimidation and threats (retaliation) and are often the target of criminal acts and accusations of defamation so that they need legal protection that regulates rights to be protected against any risk of disclosure. With the enactment of a legal legal protection system, it will increase one's courage to reveal the facts (Effendi & Nuraini, 2019). Based on this, the hypothesis can be formulated as follows:

H5: Legal protection for whistleblowers affects the intention to do whistleblowing

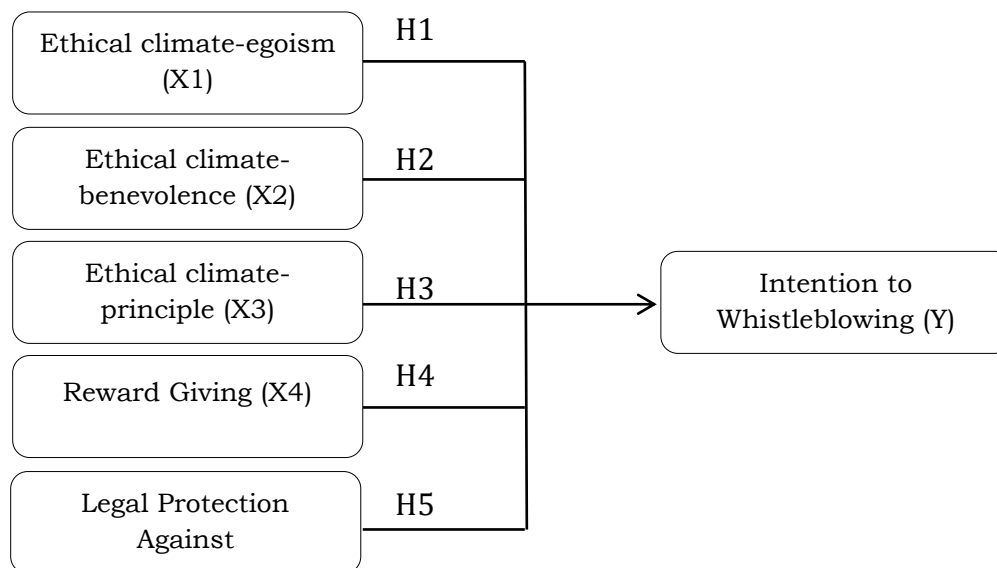


Figure 1. Research Model

RESEARCH METHODOLOGY

Quantitative approach is empowered in this paper to examine the impact of ethical climate-egoism, ethical climate-benevolence, ethical climate-principle, reward, and whistleblower legal protection on the intention to whistleblowing on the procurement of goods/services in Batam City.

Sampling is using the total sampling method. Total sampling, also known as census sampling in which every parts of the population are sampled (Sugiyono, 2019:134). Questionnaires, as research instruments, are distributed to acquired data in this paper form respondents. This questionnaire will be submitted and collected directly from respondents, namely permanent employees at the Batam City Goods/Services Procurement Office.

Variable measurements include:

Ethical climate work theory has three types of ethical climate used in organizations, namely ethical climate-egoism, ethical climate benevolence, and ethical climate-principle. This variable was measured on a Likert scale using the Ethical Climate Questionnaire (ECQ) research instrument developed by Victor & Cullen (1988) which was adopted by Ahmad (2011) using 26 questions and subsequently used in the Kinanti (2019) study. The measurement of exogenous latent variables in this study used a Likert scale with five points.

Reward is a compensation or award given to those who follow the values in the organization (Elias, 2008) cited by (Hariyani et al 2019). According to Marantika et al

(2017) the measurement of financial and non-financial rewards given to employees for their achievements and honesty. The measurement of this variable consists of several statements and is measured using a Likert scale with five points adopted from the research of Elimanto & Mulia (2016).

Whistleblower legal protection is a form of support for whistleblowers from a legal, administrative and self-protection perspective against threats or retaliation so that they can be identified as an important aspect in the enforcement of this fraud-reporting system (Pramugalih 2018). The measurement of the whistleblower legal protection variable uses a case scenario model using the Kuswanto (2016) questionnaire model which was subsequently adopted by Pramugalih (2018) by asking respondents to answer the available questions. The measurement of this variable was performed using a five-point Likert scale.

Data analysis technique

This study uses data analysis using the Partial Least Square (PLS) approach to find answers to all problem formulations that have been formulated and test the hypotheses that have been prepared. Multiple regression model equation:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + e$$

Information:

Y	: Intention to Whistleblowing
A	: Constant
$b_1+b_2+b_3+b_4+b_5$: Regression coefficient
x_1	: <i>Ethical Climate-Egoism</i>
x_2	: <i>Ethical Climate-Benevolence</i>
x_3	: <i>Ethical Climate-Principle</i>
x_4	: <i>Reward giving</i>
x_5	: Whistleblower Legal Protection
e	: <i>Error</i>

FINDINGS AND DISCUSSION

Data analysis

This research was conducted with primary data obtained from distributing questionnaires as many as 68 questionnaires to respondents at the goods and services procurement office of Batam City. There were 56 questionnaires returned, but 2 questionnaires were found that were not filled out completely so that 54 questionnaires could be used.

Based on gender, male respondents were 57% and female respondents were 43%. Respondents with the criteria of age between 35-45 years had the highest percentage rate of 63%. And for the highest education criteria, D4/S1 consists of 79%. Respondents with the most work experience of more than 10 years have a percentage of 70%. Meanwhile, based on the position of the highest respondent is staff as much as 67%.

Test Measurement Model (Outer Model)

The outer model test is used to test the validity and reliability of the research instrument by looking at the value of convergent validity, discriminant validity and reliability by looking at the composite reliability value.

Convergent Validity

The initial stage to assess the validity of the research instrument is to ensure the convergent validity value shown in the loading factor value must be more than 0.7 and the average variance extracted (AVE) value is above 0.5. However, Chin (1998) quoted by Ghozali & Latan (2015) adds that the loading factor value of 0.5 - 0.6 for research in the early stages of developing a measurement scale is still acceptable. So, indicators with a loading factor value of less than 0.5 will be discarded because they do not meet the standards. Test results after dropping invalid loading factor values:

Table 1
Value of Loading Factor and AVE

Variable	Question Indicator	Loading factor value	AVE value	Information
Ethical Climate-Egoism (X1)	X1.01	0,849	0,645	Valid
	X1.02	0,593		
	X1.04	0,816		
	X1.05	0,766		
	X1.06	0,844		
	X1.08	0,877		
	X1.09	0,843		
Ethical Climate-Benevolence (X2)	X2.01	0,680	0,663	Valid
	X2.02	0,858		
	X2.03	0,807		
	X2.05	0,95		
Ethical Climate-Principle (X3)	X3.01	0,754	0,566	Valid
	X3.02	0,928		
	X3.03	0,617		
	X3.04	0,772		
	X3.05	0,799		
	X3.06	0,713		
	X3.07	0,784		
	X3.09	0,700		
	X3.10	0,709		
	X3.11	0,727		
	X3.12	0,734		
	Reward giving (X4)	X4.01		
X4.02		0,569		
X4.03		0,678		
X4.04		0,799		
Whistleblower Legal Protection (X5)	X5.01	0,900	0,670	Valid
	X5.03	0,766		
	X5.04	0,896		
	X5.05	0,641		
	X5.07	0,861		
Intention to Whistleblowing (Y)	Y.01	0,670	0,595	Valid
	Y.02	0,673		
	Y.03	0,852		
	Y.04	0,747		
	Y.05	0,878		
	Y.06	0,717		
	Y.07	0,835		

Source: Data processed (2020)

The results of the convergent validity test show the loading factor value above 0.7 and the AVE value above 0.5 so that all indicators are declared valid because they have met the standard convergent validity value.

Discriminant Validity

The next stage in testing the outer model is to assess discriminant validity related to the principle that different constructs should not have a higher correlation than the construct itself by ensuring the cross loading value is above 0.5.

Table 2
Cross Loading Value

Indikator	X1	X2	X3	X4	X5	Y
X1.01	0,849	0,223	0,373	0,255	0,318	0,316
X1.02	0,593	0,158	0,283	0,313	0,204	0,253
X1.04	0,816	0,072	0,336	0,110	0,448	0,372
X1.05	0,766	0,167	0,273	0,154	0,280	0,207
X1.06	0,844	0,295	0,387	0,184	0,286	0,298
X1.08	0,878	0,137	0,296	0,188	0,242	0,258
X1.09	0,844	0,217	0,329	0,241	0,174	0,196
X2.01	0,046	0,679	-0,180	0,255	-0,056	-0,045
X2.02	0,314	0,57	-0,080	0,140	-0,083	-0,159
X2.04	0,195	0,807	-0,115	0,205	-0,086	-0,132
X2.05	0,127	0,896	-0,120	0,140	-0,118	-0,243
X3.02	0,342	-0,213	0,847	0,141	0,824	0,794
X3.06	0,263	-0,157	0,828	0,027	0,400	0,456
X3.07	0,395	0,005	0,830	-0,032	0,563	0,603
X3.09	0,304	-0,055	0,790	-0,106	0,451	0,503
X3.10	0,222	-0,071	0,816	-0,004	0,358	0,474
X3.11	0,443	-0,239	0,849	0,152	0,400	0,468
X3.12	0,404	0,000	0,823	0,235	0,507	0,448
X4.01	0,274	0,045	0,181	0,885	0,229	0,184
X4.02	0,148	0,417	-0,078	0,569	0,096	0,024
X4.03	0,145	0,148	-0,052	0,677	0,052	0,088
X4.04	0,116	0,318	-0,053	0,799	0,176	0,086
X5.01	0,198	-0,123	0,483	0,174	0,900	0,688
X5.03	0,188	-0,233	0,346	0,169	0,766	0,624
X5.04	0,403	-0,123	0,579	0,279	0,896	0,843
X5.05	0,191	0,044	0,461	0,032	0,641	0,566
X5.07	0,476	-0,015	0,728	0,165	0,861	0,691
Y.01	0,145	-0,128	0,365	-0,109	0,520	0,670
Y.02	0,311	-0,032	0,620	0,222	0,519	0,671
Y.03	0,242	-0,210	0,592	0,133	0,695	0,852
Y.04	0,212	-0,198	0,520	0,058	0,571	0,746
Y.05	0,224	-0,207	0,544	0,086	0,778	0,878
Y.06	0,219	-0,366	0,418	0,244	0,590	0,716
Y.07	0,506	-0,019	0,582	0,203	0,810	0,838

Source: Data processed (2020)

The data from the discriminant validity test based on the cross loading value presented in table 2 shows that the cross loading value obtained after eliminating the indicator value that does not meet the requirements is above 0.5, and the correlation value between the indicator and the intended variable is greater than the correlation value. indicator with other variables. This shows that the discriminant validity test based on the cross loading value has met the requested conditions and is declared valid.

Reliability

The measurement of the model by testing the reliability of a construct was carried out to prove the accuracy, consistency, and accuracy of the research instrument in measuring the construct. To test the reliability of a construct, it is done by looking at the composite reliability value and Cronbach's alpha value which must have a value greater than 0.7, but according to Hair et al (2008) quoted by Abdillah & Hartono (2015) stated that the value of 0.6 is still acceptable.

Table 3
Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability
Ethical Climate-Egoism (X1)	0,906	0,923
Ethical Climate-Benevolence (X2)	0,844	0,968
Ethical Climate-Principle (X3)	0,924	0,949
Reward Giving (X4)	0,776	0,958
Whistleblower Legal Protection (X5)	0,872	0,892
Intention to Whistleblowing (Y)	0,884	0,899

Source: Data processed (2020)

The reliability test results presented in table 3 above show that each construct has a value that has exceeded 0.6 which indicates that each variable is considered reliable because it has met the reliability test requirements.

Structural Model Test (Inner Model)

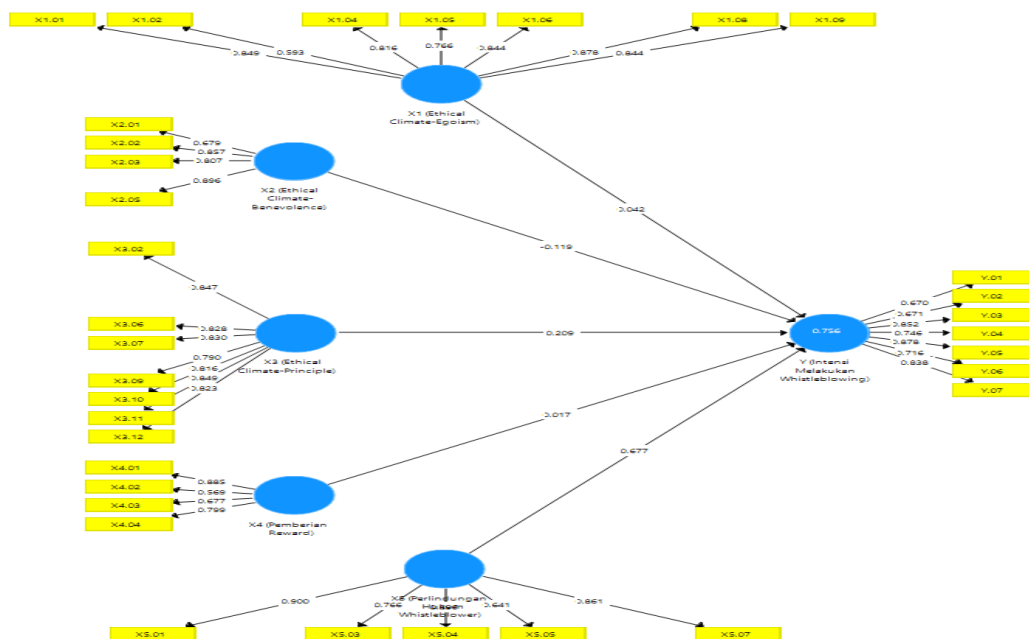


Figure 2. Inner Model Testing Framework

Inner model testing aims to predict the relationship between latent variables. In the evaluation of the inner model testing, it can be started by looking at the R square value for each endogenous latent variable. The value of R square is used to measure the variation of each exogenous latent variable to the endogenous latent variable. The value of R square indicates the extent to which a construct is able to explain the model. The results of the R square test in this study showed a value of 0.756 which stated that the ethical climate-egoism, ethical climate-benevolence, ethical-principle, reward, and whistleblower legal protection variables were only able to explain the variable of intention to do whistleblowing by 75.6% while the rest of 24.4% is the variation of the variable that is not taken as a measuring variable in this study.

In addition to testing the R square value, testing the inner model is also carried out by looking at the predictive relevance (Q2) value. The value of predictive relevance (Q2) is used to assess how good the observations are. The results of the predictive relevance test (Q2) yield a value of 0.420 which indicates that the observation value of this research model has been categorized as good. According to Ghazali & Latan (2015) the evaluation of the predictive relevance (Q2) value should be > 0, on the other hand, if

the Q2 value < 0 indicates that the observational value of the research model lacks predictive relevance.

Hypothesis Testing

Research hypothesis testing is done by examining the resulting values for the path coefficient and t-statistics values.

Table 4
Hypothesis Testing Results

	Original Sample	Deviasion standart	t- statistic	p-value	Result
X1 → Y (H1)	0,042	0,084	0,495	0,621	H1 ditolak
X2 → Y (H2)	-0,119	0,108	1,104	0,270	H2 ditolak
X3 → Y (H3)	0,209	0,105	1,998	0,046	H3 diterima
X4 → Y (H4)	0,017	0,082	0,208	0,836	H4 ditolak
X5 → Y (H5)	0,677	0,096	7,039	0,000	H5 diterima

Source: Data processed (2020)

The results of testing the hypothesis that it is accepted or rejected can be known by comparing the t-statistic value with the t-table value of 1.96 with a significance of 5% and comparing the P-value with an alpha value (0.05).

Discussion

Ethical Climate-Egoism towards Whistleblowing Intentions

In the work climate theory, Victor & Cullen (1988) suggest that employees or members of the organization will consider their personal interests before deciding to report fraud they know. Egoistic work climate theory gives employees the freedom to determine their own way of making decisions that prioritize personal interests over agency interests.

The results obtained in this study indicate that ethical climate-egoism has no significant effect on the intention to do whistleblowing. This can happen because employees feel they cannot find personal benefits for their whistleblowing actions and it could also be because employees think that selfish actions should not be in the organizational environment. The results of this study are in accordance with the results of research found by Ahmad et al (2014), Setyawati et al (2015), Lestari & Yaya (2017), Kinanti (2019), and Reshie et al (2020) which stated that ethical climate-egoism does not affect the intention to do whistleblowing. According to Ahmad (2011) that employees in an agency with a low egoistic ethical climate do not foster an environment for employees to behave fully for their own sake.

Ethical Climate-benevolence Against Whistleblowing Intentions

Agencies with a benevolence work climate consider the interests of others and the welfare of others in making decisions. The results of this study indicate the direction of a negative relationship with a value of -0.119 which explains that if there is an increase of 1 point in ethical climate-benevolence, it will decrease -0.119 employees' intention to do whistleblowing. This indicates that Batam City goods and service procurement employees consider ethical decisions taking into account the public interest, agencies or other people cannot fully motivate them to take whistleblowing action, this could be due to other factors that are prioritized such as safety. self.

The results of this study are in line with the results of research proposed by Ahmad (2011), Setyawati (2015), Lestari & Yaya (2017), and Reshia et al (2020) which state that ethical climate-benevolence does not affect the intention to do whistleblowing. Ahmad (2011) states that a low benevolence work climate can be caused by organizational members not focusing their concern on the welfare of others both inside and outside the organization as an impetus for whistleblowing. Setyawati et al (2015) added that this could happen because the benevolence work climate does not yet exist for employees to take whistleblowing actions so that they do not focus on group interests.

Ethical Climate-Principle on Intention to Whistleblowing

The work climate theory principle explains that employees in an agency will consider applicable rules, standards, and laws in ethical decision making. The results of this study indicate the direction of a positive relationship between ethical climate-principles on the intention to do whistleblowing, meaning that the more ethical climate-principles exist in an agency, the higher the intention of the agency's employees to do whistleblowing. This shows that Batam City goods and service procurement employees are more considerate of rules, laws, and codes of ethics in making decisions to conduct whistleblowing. This indicates that the employee considers whether it is ethical or not based on applicable laws and regulations.

The results found are consistent with the results of research by Ahmad (2014), and Setyawati et al (2015) which state that ethical climate-principles affect the intention to do whistleblowing. Ahmad (2011) states that employees rely on principled reasoning for applicable policies as professionals who obey the rules. Setyawati et al (2015) stated that the ethical climate-principle indicates that whistleblowing is carried out by considering the pros and cons not only of the goals and consequences of the action but because whistleblowing is an ethical action because it involves the interests of many people.

Reward Giving for Intentions to Whistleblowing

In one level, Maslow's theory of motivation (1954) states that esteem needs or esteem needs are included as external needs. External needs include praise, gifts, certificates and others. This need for appreciation has a positive relationship with someone to take whistleblowing actions (Elimanto & Mulia, 2016). Awards or rewards are considered to be able to motivate someone to report fraud if the agency offers a gift. While the internal category includes self-esteem, a person does not need praise or gifts but professionalism. The results of this study are certainly not in line with Maslow's theory of motivation (1954) because the results of this study indicate that the provision of rewards does not affect the intention to do whistleblowing.

The results of this study found results that contradict Maslow's theory of motivation and statements from previous studies that examined the same variable, namely the provision of rewards. Even though it shows a positive direction of relationship, this study found that the provision of rewards did not have a significant effect on whistleblowing intentions. From the results of this study, it can be concluded that the rewards offered by the agency to employees are not sufficient to encourage employees to take whistleblowing action.

The results of this study are in line with the results of research proposed by Wahyuningsih (2016), Elimanto & Mulia (2016), and Widuri et al (2019) which stated that the existence of a reward did not affect the intention to do whistleblowing. Elimanto & Mulia (2016) rewards do not affect decision-making to report fraud, decision-making to report fraud is more due to the professionalism of each person towards his profession which makes the person feel responsible for his actions, and the truth he reveals is due to personal morality. which he has.

Whistleblower Legal Protection Against Whistleblowing Intentions

Maslow's theory of motivation (1954) explains the theory of the need for security, namely the need for protection against danger, threats, and safety guarantees. This theory also explains that the need for security includes a sense of security at work, having an income and being guaranteed by the office where you work in the form of insurance, disability, and pensions (Suryono, 2014). The results of this study explain that legal protection that can protect the rights of whistleblowers can encourage Batam City LPSE employees to decide to take whistleblowing actions. Effendi & Nuraini's research (2019) revealed that the high legal protection for whistleblowers will bring up the whistleblower's courage to reveal fraud. This is because the existence of a legal law that can specifically protect whistleblowers will make whistleblowers feel safe to report fraud they know.

Indonesia has Law no. 13 of 2006 concerning the protection of witnesses and victims which regulates the protection of both witnesses and victims in providing information related to the problems they face, but even so, until now Indonesia does not have a more specific official whistleblower law that can explain who is called a whistleblower. what actions are referred to as whistleblowing, and what protection will be given to someone who is categorized as a whistleblower. This certainly requires more

serious attention from the government to formulate special protections for whistleblowers to ensure the safety of the whistleblower to encourage the emergence of whistleblowers to reveal fraud that they know, especially corruption cases that often occur in Indonesia.

CONCLUSIONS AND SUGGESTIONS

Factors that can predict a person's intention to take whistleblowing actions are ethical climate-principles and legal protection for whistleblowers. The results found indicate that the two variables have a significant positive relationship to influence individual intentions to whistleblowing. Meanwhile, ethical climate-egoism, ethical climate-benevolence, and giving rewards showed no effect on the intention to do whistleblowing.

Suggestions for further research are to expand the scope of research so that it can truly represent all parts of the procurement of government goods and services, for example: the procurement of goods from all service offices and consider testing additional variables for example: fraud reporting methods, completeness of evidence, status violators, and adding moderating and intervening variables.

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