

CHAPTER II

LITERATURE REVIEW

A. Theoretical Framework

Based on the theoretical framework, this research has a theory :

1. Planned Behavior Theory.

Planned Behavior Theory is a theory in psychology proposed by Ajzen (1991). This theory connects belief with behavior. This theory explains how interest in behavior and behavior can be formed. An interest in behavior is interpreted as an indication of an individual's readiness to display a behavior, or it can be assumed to precede action. Actions can be interpreted as a visible response from an individual about a given target. Planned behavior theory proves that interest (intention) is more accurate in predicting actual behavior and at the same time can be a proxy that connects attitudes and actual behavior. Furthermore, Ajzen (1991) formulates three predictors of behavior formation. The first is the attitude towards behavior (attitude toward the behavior), and attitude is a positive or negative evaluation of individuals regarding self-performance on certain behaviors. Second, subjective norms (subjective norms), are individual perceptions about certain behaviors that are influenced by significant other people's judgment. Third, perceived behavioral control (perceived behavioral control), is the ease or difficulty of doing certain

behaviors. Usually, researchers do not choose all of these determinants, but only choose the attitudes and behaviors used, because usually the most influencing factor or the most prominent role with whistleblowing is attitude and role.

Ajzen (1991) formulates three predictors that shape behavior, namely:

- a. Attitudes towards behavior (attitude toward the behavior), which is an individual's positive or negative concept of self-performance in a particular behavior and the extent to which the performance of positive and negative behaviors is valued. Individuals will do things according to the attitude they have towards a behavior. Attitudes towards behaviors that are considered positive will later be chosen by individuals to behave in their lives, attitude is a way of guiding an individual to behave (Sulistomo & Prastiwi, 2012). An employee's attitude towards whistle-blowing will affect the employee's whistleblowing interest. An employee to be a whistleblower must have a cognitive component or a belief that whistleblowing is an act that has positive or negative consequences, for example, to protect the organization, eradicate corruption, foster a culture of anti-corruption, produce personal benefits such as reputation, reward and so on. Furthermore, confidence in the positive consequences is

evaluated by the individual's value system and produces an emotional reaction. Only positive emotional reactions will then be able to trigger one's tendency to whistleblowing. The greater the tendency for someone's attitude to do whistleblowing, it should be the greater the possibility of increased interest in whistleblowing from that person

- b. Subjective norms, which are an individual's individual perception where he will perform a certain behavior if the behavior can be accepted by people who consider Attitude toward the behavior Subjective norm, Perceived behavioral control intention is important to the lives of those who a perceived behavioral control intention, so the norm this results in awareness or pressure from the social environment or subjective norms.
- c. Perception of behavioral control, which is a perception of ease or difficulty in performing a behavior. Two factors underlie an individual in controlling his behavior. First, internal factors that are derived from within the individual such as skills, information, will and so forth. Second, external factors that come from the environment around the individual.

2. Prosocial behavior theory

Prosocial Behavior becomes a theory that supports whistleblowing. Brief and Motowidlo (1986) mention whistle-

blowing as one form of prosocial organizational behavior. This is in line with the opinion of Dozier and Miceli (1985) which states that whistle-blowing actions can be seen as prosocial behavior because in general these behaviors will benefit others or organizations, as well as being beneficial to the whistleblower itself. Prosocial behavior theory has several antecedent variables which are grouped into two large groups. First, individual antecedents, are aspects that originate from individual prosocial acts such as the ability of individuals to internalize justice standards, individual responsibility towards the social environment, ways of reasoning and moral feelings of empathy for others. Second, contextual antecedents, are aspects of the organizational context and work environments such as norms, group cohesiveness, role models, leadership style, organizational climate, pressure, organizational commitment, and other things that can affect moods, a sense of satisfaction or dissatisfaction (Brief & Motowidlo, 1986).

3. Social Exchange Theory

The theory of social exchange can be simply interpreted as a theory that exists in the science of Sociology. Gouldner (1960) explains the theory of social exchange and the norm of reciprocity in line with the perception of organizational support that can cause a person's feelings of reciprocity towards the organization and can

be reduced by making a reciprocal effort. According to Peter M. Blau (1955), there are various elements in every social interaction that are key in social exchange, namely costs, rewards, and benefits. In this theory, it is assumed that a relationship only occurs if both parties can benefit from the relationship. In other words, each party in the relationship is freed to pursue their respective interests through an agreed exchange so that mutual prosperity will be obtained.

4. Locus of Commitment

Locus of commitment in the direction of someone's loyalty regarding their commitment whether they are more in favor of the organization or against colleagues who conflict with one another. Where this dilemma will arise in a situation where one of the two parties committed an unethical act or violated the law and morals (Taylor and Curtis, 2010).

Based on the conceptual theory of planned behavior, which is by subjective norms where an individual will perform a certain behavior if the behavior can be accepted by people who are considered important in our life, to produce awareness of the pressure received from the subjective norms. Locus of commitment arises from a situation where organizational commitment and commitment to coworkers conflict with each other to create a conflict of interest that requires one to think and behave

differently. If an act of fraud is ignored or there is no reporting to the party who has the authority to deal with the fraud, then the organization where the violation will suffer loss. Whereas on the other hand, if the cheating is reported, coworkers will get sanctions from the authorities and various other negative impacts. Also, the whistleblower may receive various threats both physically and psychologically from his actions to create a dilemma for someone who knows to cheat to determine the direction of his commitment so that it can affect his intention to take action whistleblowing.

5. Theory of Organizational Behavior

According to Thoha (2012), the theory of organizational behavior is a study of aspects of human behavior in a certain group or organization that is reciprocal, namely the influence of organizations on humans as well as the influence of humans on these organizations. The practical purpose of this study is to determine human behavior in achieving organizational goals. Thus, it can be concluded that organizational behavior can be formed from the nature of individuals in dealing with various situations that occur in the organization.

6. Organizational Support

Organizational Support Eisenberger et al. (1986) in his research find the theory of social exchange. He believes that the perceived organizational support perceived by employees underlies

the employee's decision in his commitment to the organization. Organizations that have a good perception of organizational support will cause employees to feel comfortable in every decision taken, one of which is related to reporting if there is an unethical action in the organization (Alleyne, et al. 2016).

Wayne et al. (1997) state that employees can feel that they are responsible and obliged not only to superiors but also to organizational goals. This can be created by applying good organizational support to employees. Alleyne et al. (2013) state that the perception of organizational support as one of the support factors in reporting unethical actions by employees. Gouldner (1960) state that social exchange theory and norms of reciprocity are in line with the perception of organizational support in creating employee feelings of reciprocity towards the organization and this can be reduced by mutual effort (Saud, 2016). Thus, it is hoped that the better the perception of organizational support given will have a positive impact on someone's intention to take whistleblowing action because employees feel that they are responsible for providing a good that is beneficial to the organization.

7. Whistleblowing

Whistleblowing is an act of disclosure about the existence of an unethical and immoral act that is against the law and can harm

the organization and stakeholders. Whistleblowing is disclosed to internal parties (higher management) or external authorities and/or to the public who can take action on the violation Dianingsih (2018). The act of reporting fraud must be supported by evidence, information, or clear indications of the reported violation, so that it can be traced or followed up. Whistleblowing disclosure is generally carried out in secret (confidential). The disclosure must be done in good faith and is not a personal complaint about a particular company policy (grievance) or based on bad will/slander (KNKG, 2008). Keraf in Agoes and Ardana (2011) states that whistleblowing can be categorized into two types, namely:

- a. Internal Whistleblowing is a disclosure of violations committed by employees or members of the organization addressed to the supervisor / other parties in the organization where the violation occurred.
- b. External Whistleblowing is the disclosure of violations committed by employees or members of the organization to the public or to other parties outside the organization where the violation occurred.

B. Previous Research

Based on the previous research, this research has a previous research from:

1. Bagustianto and Nurkholis (2015)

This study aims to examine the influence of attitude factors on whistle-blowing, organizational commitment, personal cost, and the level of seriousness of fraud on the interest of whistle-blowing civil servants within the Indonesia Financial Audit Board (BPK RI). The data used in the study are primary data collected through online questionnaire surveys. Using a sample of 107 BPK RI employees from 35 different work units, the results showed that three of the four determinants significantly influenced the whistleblowing interest of BPK RI civil servants.

This research has implications for the literature by confirming the Theory of Prosocial Organizational Behavior, Theory of Planned Behavior, and the concept of Organizational Commitment and is expected to help the government, particularly BPK RI, in designing or perfecting strategies to increase whistleblowing interest. The results of the study have limitations on aspects of generalization, selection bias in data collection, and sensitivity of research themes that have the potential to cause bias to real conditions.

2. Diah Hapsari Dianingsih (2018)

This study aims to empirically examine whistleblowing determinants consisting of the level of seriousness of cheating, self-efficacy, organizational support and locus of commitment as intervening variables. The population in this study is the Civil

Servants in the Republic of Indonesia Financial Examination Agency representatives of the Special Province of Yogyakarta and the Civil Servants in the City and Regency Governments in the Special Region of Yogyakarta. The sample in this study is the BPK-RI Auditors representing the Special Region of Yogyakarta Province and the Regional Finance and Assets Agency (BKAD) of 4 Regencies and 1 City in the Special Region of Yogyakarta. The data in this study are primary data obtained with an instrument in the form of a questionnaire. The number of questionnaires distributed to respondents was 120 questionnaires with the results of 90 questionnaires declared perfect and can be processed. The analytical tool used in SPSS 22.0. Data is processed using path analysis which shows the level of seriousness of fraud, self-efficacy and organizational support does not affect the intention to take action whistleblowing with the locus of commitment as an intervening variable. The results of this study are expected to be considered for building a more effective whistleblowing system, especially for public sector organizations.

C. Hypotheses Development

Based on the hypotheses development, this research has a hypotheses:

1. The effect of Attitude toward Locus of Commitment

The attitude is formed from the interaction between the individual and his environment both the physical environment and

the biological environment that is around him. Factors that influence the formation of attitudes are personal experiences, culture, influential people, mass media, educational institutions, and religious institutions. In other words, attitude is a change that mimics the behavior of others because the other person is considered by himself. Dianingsih (2018).

The influence of attitude towards Locus of commitment comes from the theory of prosocial behavior theory. Prosocial behavior theory describes the behavior of members in organizations to be addressed to individuals, groups, or organizations where they interact and comply with organizational rules and carried out to improve the welfare of the individual, group, or organization of society itself. With the good attitude/behavior of the organization, an organization must obey all existing rules / do not violate existing rules and with the attitude as a form of hereditary behavior that considers the continuity of the welfare of an organization can strengthen organizational commitment. The hypothesis will be tested:

H1: Attitude has a positive effect on the locus of commitment.

2. The effect of Organizational Support toward Locus of Commitment

For a whistleblower, it is very important to obtain protection and support from the organization. Alleyne et al. in Dianingsih (2018) state that one factor of support for an individual to report an unethical action in his organization is the perception of organizational support. When deciding to report any fraud, the individual will assess the level of support he will get from the organization given the various negative impacts that can result from lack of organizational support (Saud, 2016). Gouldner in Dianingsih (2018) states that the theory of social exchange and the norm of reciprocity in line with the perception of organizational support creates feelings of employee retribution toward the organization and can be reduced by mutual effort. The high perception of organizational support can lead to employee behavior towards the good that is beneficial to the organization also becomes higher. Thus, a high perception of organizational support will affect the level of organizational commitment of employees, so employees will be more committed to contributing to the organization. Therefore this study will raise the following hypothesis:

H2: Organizational Support has a positive effect on the locus of commitment.

3. The effect of Attitude toward Whistleblowing Intention

Attitudes are positive or negative feelings or mental states that are always prepared, studied, and regulated through experience, which gives a special influence on a person's response to people, objects or circumstances (Gibson, 2012).

Park and Blenkinsopp in Bagustianto and Nurkholis (2015) defines attitudes as an individual's assessment of how much individuals agree or disagree with a particular behavior/action. According to the theory of planned behavior (TPB), attitude is one of the variables that influence a person's behavioral interest. Attitude into three components. First, the cognitive component related to knowledge and belief. The two affective components, namely the emotional component associated with feelings of pleasure or displeasure, so it is evaluative. The three conative components, namely the readiness and tendency to behave towards the object attitude concept (Secord & Backman, 1964).

The concept of Secord and Backman (1964) is in line with the concept of Theory of Planned Behavior (TPB) which states that an individual's attitude towards a behavior/action is influenced by his perception/belief in the consequences/impact of behavior (salient belief) and subjective assessment of the importance of the consequences / the impact (subjective evaluation) by individuals Ajzen (1991), Park and Blenkinsopp (2009), and Winardi (2013), (Park & Blenkinsopp, 2009).

Research conducted by Bagustianto and Nurkholis (2015), states that an employee's attitude towards whistle-blowing will affect the employee's whistle-blowing interest. An employee to be a whistle-blower must have a cognitive component or salient belief that whistle-blowing is an action that has positive consequences such as to protect the organization, eradicate corruption, create a deterrent effect, foster a culture of anti-corruption, produce personal benefits such as reputation reward and so on. Furthermore, beliefs about positive consequences are evaluated (subjective evaluation) by the individual's value system and produces emotional reactions. Only positive emotional reactions can then trigger a person's tendency to whistle-blowing. The greater the tendency for someone's attitude to do whistle-blowing should be the greater the possibility of increasing the person's whistle-blowing interest.

In line with the concept expressed above, previous research found that attitudes towards whistle-blowing did indeed influence the whistle-blowing interest of police officers in South Korea Park and Blenkinshopp (2009) and lower-level public servants in Indonesia Winardi (2013). Based on the explanation above and the results of previous studies, the first hypothesis proposed in this study is:

H3: Attitude has a positive effect on the employee's whistleblowing action intention

4. The effect of Organizational Support toward Whistleblowing Intention

Perception of organizational support leads to an employee's trust regarding the extent to which the organization appreciates the contribution that has been made by employees and what level of concern the organization has for the welfare of its employees. The perception of organizational support, if high, will produce a positive impact on the sustainability of the organization including influencing employee behavior to produce something positive and beneficial to the organization. For example, by reporting fraud that they know has happened in the organization for the good of the organization.

Based on social exchange theory that promotes the norms of reciprocity, the level of organizational support felt by employees can make employees feel obliged to commit not only to their superiors but also obliged to engage in behaviors that can support the achievement of the goals of the organization (Eisenberger et al, 1986) in (Dianingsih, 2018). Alleyne et al. (2013) state that one of the supporting factors of an individual reporting unethical actions that occur in his organization is the support of the organization itself. According to other research that has been done by Saud

(2016) who tested the moderation of perceived organizational support variables with behavioral control perceptions of the intention to carry out internal-external whistleblowing yielded positive results namely organizational support is a moderating variable that strengthens the effect of behavioral control on an intention to do internal-external whistleblowing. Based on the description, the researcher proposes the following hypothesis:

H4: Organizational support has a positive effect on the employee's whistleblowing actions intention.

5. The effect of Locus of Commitment toward Whistleblowing Intention

Locus of commitment in a company is needed. An employee who has a high commitment to the work and organization will reflect the actions that will be taken for the organization or company. If organizational commitment has been applied to employees, it will lead to employee loyalty to the company.

Locus of commitment indirectly explains the relationship between employees and the organization. In accordance with organizational behavior theory that determines human behavior in achieving organizational goals, employees who are highly committed to the organization tend to have a desire to be more useful in the organization where they work. In certain circumstances, the relationship between commitment to the

organization can conflict with commitment to colleagues. This can be found in situations where co-workers take an unethical action that triggers a conflict in the form of a dilemma between organizational commitment and the commitment of coworkers that conflict with each other.

Employees who have high loyalty to the organization will always do anything to protect the company from fraud that can harm the company. Employees will take all actions in accordance with company requirements and provide the best for the company. This means it can minimize fraud actions that occur within the company. The higher the commitment of the employee organization, the higher the employee's intention to do whistleblowing with the aim of protecting the company.

Research conducted by Sari and Dodik (2017) committed to the organization means believing in the organization's goals, values and willingness to work hard for the reputation of the organization. A person who is highly committed to the organization will think more about the goals and sustainability of the organization than the individual goals or interests of his coworkers. Therefore, if a person is highly committed to the organization, he can be a whistleblower with good intentions towards his organization

Research conducted by Destriana and Andri in Dianingsih (2018) found the results, namely the results of the study which

stated that there was significant effect between the locus of commitment with the intention to take action whistleblowing. Therefore, in this study the researchers wanted to test how the influence of the direction of one's loyalty to the intention of the person to take action whistleblowing, so researchers proposed the following hypothesis:

H5: Locus of commitment has a positive effect on the employee's whistleblowing action intention.

6. The effect of Organizational Support and attitudes towards Whistleblowing Intention with Locus of Commitment as an intervening variable

a. The effect of Attitude towards Whistleblowing Intention with Locus of Commitment as an intervening variable

Individuals will do things according to the attitude they have towards a behavior. The attitude towards the behavior that is considered positive is what the individual will later choose to behave in his life, attitude is a way of guiding an individual to behave Sulistomo and Prastiwi (2012). The greater the tendency for someone's attitude to do whistleblowing, the greater the possibility of increased interest in whistleblowing from that person. Based on the description above, it can be seen that a person with a significant attitude will positively influence the person's intention to take a whistleblowing action. That is because of those who have a positive attitude, then they feel confident in their ability to face

complex situations that will be caused by their actions in reporting an unethical action that occurs in the organization.

The influence of attitudes on a person's intention to take action whistleblowing is also influenced by the Locus of commitment indirectly. Locus of commitment will affect the direction of that person's loyalty in the organization. This hypothesis is supported by the theory of planned behavior in which this theory explains the relationship between beliefs and behavior. According to this theory, humans will behave by common sense considerations and consider the good or bad consequences to be received from such behavior Azwar (2009)

People who have a positive attitude will tend to favor the right party because these people feel confident in their ability to face various threats both physical and psychological from certain parties who feel threatened by whistleblowing. Also, of course, this person will consider the consequences of the fraud that occurred where this fraud will not only harm the organization but also the individuals in it including himself so that he is more daring to report the fraud (whistleblowing).

Based on the description above, the researcher raised the hypothesis as follows:

H6a: Attitude has a positive effect on the employee's whistleblowing intention action with locus of commitment as an intervening variable.

b. The effect of Organizational Support towards Whistleblowing Intention with Locus of Commitment as an intervening variable

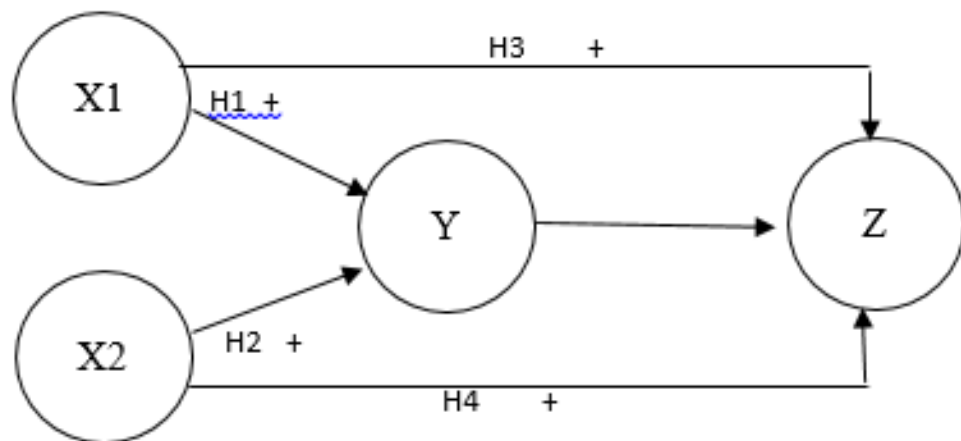
One factor that supports an individual to report an unethical action is the support of the organization itself (Alleyne et al., 2013). The perception of organizational support that influences the intention to take action whistleblowing is also affected indirectly by the locus of commitment, where the locus of commitment will affect the level of loyalty of the prospective whistleblower whether to side with the organization or side with his colleagues.

Based on the theory of social exchange put forward by Gouldner (1960), the perception of organizational support will create feelings of employee retribution toward the organization and this can be reduced by trying to benefit reciprocally. For a whistleblower, it is very important to get protection and support from the organization given the various threats that he will receive from these actions. Organizations that have good support for employees who report fraud will make employees more secure and feel confident about their actions in conducting whistleblowing because he believes that the organization will guarantee its safety after whistleblowing is done. On this basis, employees will be

more pro-organizational, namely by reporting fraud actions that they know (whistleblowing). Based on these explanations, the researchers took the following hypothesis:

H6b: Organizational Support has a positive effect on the employee's intention action with locus of commitment as an intervening variable

D. Research Model



Picture 1.1
Research Model

Where:

X1 : Attitude

X2 : Organizational support

Y : Locus of commitment

Z : Whistleblowing intention