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Fraud and Whistleblowing Intention: Organizational Justice Perspective

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ABSTRACT

Whistleblowing is considered as an effective control mechanism for detecting fraud. One of the factors that influence individuals to do whistleblowing is organizational justice. However, research on the justice theory and whistleblowing is still limited. This study aims to investigate the role of distributive justice, procedural justice, and interactional justice on whistleblowing intention. This study uses an experimental laboratory method. The subjects were 124 accounting employees in the private and public sectors. The findings show that the employee who experience fair organizational justice (distributive, procedural, and interactional) have higher whistleblowing intentions than employees in unfair conditions. This study also reveals that does no whistleblowing intention difference between private and public employees.

INTRODUCTION

Fraud is a crucial problem in organizations. Organizations often have difficulty identifying the right method to detect fraud that occurs (Prier and McCue 2009). Today, whistleblowing is considered as an effective control mechanism for detecting fraud in organizations. The Association of Certified Fraud Examiners (ACFE 2020) reports that 43 percent of fraud detected due to whistleblowing. Committee of Sponsoring Organizations and Sarbanes-Oxley Act also recommend whistleblowing policies as a framework for the company's internal control. Nevertheless, not all employees are willing to report fraud (Robinson, Robertson, and Curtis 2012; Scheetz and Wilson 2019; Rustiarini and Sunarsih 2017). This study explores predictors of whistleblowing from the perspective of organizational justice.

This study uses the Justice Theory to investigate employee intention to whistleblowing. This theory focuses on the existence of certain party responses to the actions of decision-makers (Near, Dworkin, and Miceli 1993). In the whistleblowing context, this theory explains the reactions of two parties to the whistleblowing policies implementation in the organization. The two parties are the whistleblower and the recipient of the complaint. The results of the whistleblowing study reveal that legal sanctions are considered unable to motivate employees to do whistleblowing. An organization needs to create a legalistic response, such as instituting whistleblowing procedures, providing reporting channels, legal protection to whistleblowers, including providing rewards for whistleblower actions. This effort aims to ensure the legitimacy of whistleblowing in a sustainable manner (Near, Dworkin, and Miceli 1993; Rehg et al. 2008). Several empirical studies have identified the role of organizational justice on employee accounting behavior, such as job satisfaction (Ridaryanto, Ghozali, and Purwanto 2018) and turnover in public accounting organizations (George and Wallio 2017; Parker and Kohlmeyer 2005; Nouri and Parker 2020; Al-Shbiel et al. 2018). However, research on the justice theory and whistleblowing behavior is still limited (Soni, Maroun, and Padia 2015; Seifert et al. 2010). Therefore, the topic of whistleblowing research is interesting to be studied further.

The concept of organizational justice consists of three dimensions, namely, distributive, procedural, and interactional justice. These three dimensions reflect fairness in terms of outcomes, procedures, and interactions within the organization (Colquitt et al. 2001). Each of these elements can increase the likelihood of a blow the whistle (Seifert et al. 2010). Previous studies examined the concept of organizational justice simultaneously (Trevino and Weaver 2001; Rabie and Malek 2020; Wijayanti and Yandra 2020), or only identified two elements of justice (Kurniawan, Utami, and Pesudo 2018). The organizational justice literature shows that each component of justice has a different role (Kwon et al. 2008). Researchers cannot understand employee reactions in responding to management behavior if they do not distinguish between the three elements of justice. Therefore, this research examines the three-dimensions of organizational justice on whistleblowing intention, particularly in accounting employees.

The research was conducted on 124 accounting employees in the private and public sectors. This study uses accounting employees as participants because of 50 percent of occupational fraud disclosures done by employees (ACFE 2020). As internal parties, employees know more about the confidentiality of company accounting information than external auditors and consultants (Seifert et al. 2010). However, previous research has mostly examined the role of external auditors and trainee accountants at an audit firm (Soni, Maroun, and Padia 2015; Alleyne, Hudaib, and Pike 2013; Brennan and Kelly 2007; Taylor and Curtis 2013). The majority of experimental research uses internal auditors (Seifert et al. 2010; Habbe et al. 2019) even though this profession does have a responsibility to reveal fraud in organizations. While other researchers use students that act as internal auditors (Kurniawan, Utami, and Pesudo 2018). Only a few studies use accounting employees (Utami, Irianto, and Prihatiningtias 2020) such as management accountants (Seifert et al. 2010). Considering the majority of whistleblowers are employees, it is essential to explore employees' role in fraud disclosure.

This study aims to investigate the role of the three dimensions of organizational justice on whistleblowing intention. This study uses a

laboratory experimental approach. The researcher manipulated the variables of distributive, procedural, and interactional justice using eight case scenarios. The results show that employees who experience fair organizational justice (distributive, procedural, and interactional) have higher whistleblowing intentions than the employees in unfair organizational justice condition. This study also compares whistleblowing intentions in private and public sector employees. The result reveals that there is no difference in whistleblowing intention between two types of organizations. Finally, the additional tests to determine gender roles indicate that gender does not affect the employee's intention to blow the whistle.

Theoretically, this research succeeds in proving the role of Justice Theory to encourage whistleblowing in organizations. These results also confirm that the fraud disclosure is not only the auditor responsibility but also of all employees. This finding also enriches the audit literature by examining the relationship between organizational justice and whistleblowing intention in financial statement fraud. Practically, management is obliged to implement a whistleblowing policy as a quality control tool in the organizations. Also, whistleblowing policies can improve the effectiveness and quality of audits because they direct auditors to indications of fraud.

Literature Review and Hypothesis Development Justice Theory

Justice theory is one of the right theories to explain employee behavior, including whistleblowing (Adams 1965). Organizational justice is the employee's perception of interpreting the justice concept (Moorman 1991). Employees who experience a good experience will positively perceive their work environment (Moorman 1991; Tansky 1993). This fact is reflected in positive social behavior so that employees tend to take actions that benefit the organization, and vice versa (Soni, Maroun, and Padia 2015). The justice concept consists of three perspectives, such as distributive justice, procedural justice, and interactional justice. These three perspectives represent individual perceptions of outcomes, procedures, and interactions (Colquitt et al. 2001).

In the whistleblowing context, justice theory becomes a framework for understanding individual

whistleblowing behavior (Seifert et al. 2010). When an organization's whistleblowing policies and procedures are considered fair, the employee's intention to disclose fraud will increase. Whistleblowing is the right channel for delivering information for any violations (Near, Dworkin, and Miceli 1993; Seifert et al. 2010; Soni, Maroun, and Padia 2015). Employees that have fair experience will frame the interaction as a favorable condition. Conversely, if there is a fraud, they have a moral obligation to report the fraudulent. Whistleblowers seem to act as enforcers of law and justice in organizations (Near, Dworkin, and Miceli 1993). Thus, organizational justice motivates employees to do whistleblowing.

Distributive justice and whistleblowing

Distributive justice is the first dimension of organizational justice. Distributive justice focuses on the fairness of outcomes that employees receive (Adams 1965; Colquitt et al. 2001). This concept assumes that individuals feel a certain amount of justice if their work provides a decent or reasonable result. This justice element refers not only to the provision of rewards or achievements recognition but also to the imposition of sanctions. Individuals can compare the ratio of outcomes to their inputs and compare their outcomes with others (Seifert 2006; Seifert et al. 2010; Near, Dworkin, and Miceli 1993).

Distributive justice increases employees' potential to report a violation (Rehg et al. 2008). Employees who experience fair distributive justice will report the fraudulent. They hope that the organization will immediately investigate the complaint or stop the fraudulent occurs (Near, Dworkin, and Miceli 1993; Seifert et al. 2010). One of the rewards or outcomes that are considered "fair" by whistleblowers is the organization's willingness to follow up on existing complaints (Near, Dworkin, and Miceli 1993; Regh et al. 2008) or stop the fraudulent occurs. Satisfaction with the greatest outcomes when the organization stops the mistakes, improves the situation, and respond to violations report (Near, Dworkin, and Miceli 1993). Thus, the hypothesis formulated is:

H1: The employee who experiences the fair distributive justice have a higher of whistleblowing intention than the employee who experience unfair distributive justice.

Procedural justice and whistleblowing

Procedural justice is the second dimension of organizational justice. Procedural justice focuses on the process of making fair decisions. This concept assumes that justice appears when the decision-making process determines the work outcome is considered appropriate or reasonable. If employees perceive that the performance appraisal procedure is not by the rules, they will assume that there is no justice in the organization. Conversely, employees who are treated relatively feel obliged to reciprocate organizational justice by positive action (Moorman 1991; Soni, Maroun, and Padia 2015; Seifert et al. 2010).

To support whistleblowing policies, Sarbanes-Oxley 2002 requires that organizations have a written whistleblowing policy. This policy aims to protect the confidentiality of the reporter's identity. The organization is also obliged to prohibit retaliation against whistleblowers. When the organization shows activities that lead to the realization of justice, individuals get support for disclosing fraudulent information. When the organization has a fair whistleblowing procedure, employees consider that whistleblowing is an act that is normatively correct to do and also is a fair way to stop violations from occurring (Near, Dworkin, and Miceli 1993). Thus, fair procedural justice increases employees' possibility of whistleblowing (Seifert et al. 2010; Soni, Maroun, and Padia 2015; Ugaddan and Park 2018). Thus, the hypothesis formulated is:

H2: The employee who experiences the fair procedural justice have a higher of whistleblowing intention than the employee who experience unfair procedural justice.

Interactional justice and whistleblowing

Interactional justice is the third dimension of organizational justice. The variable consists of two conditions: interpersonal justice and informational justice (Colquitt et al. 2001; Rabie and Malek 2020). Interpersonal justice reflects the treatment that individuals receive when superiors apply an organizational procedure, such as being valued or respected (Colquitt and Greenberg 2003). Informational justice emphasizes the act of justification for decisions and honesty (Colquitt and Greenberg 2003; Scott, Colquitt, and Zapata-Phelan 2007). Most interactional justice forms from personal interactions between managers and

subordinates (Seifert et al. 2010; Soni, Maroun, and Padia 2015).

In the context of whistleblowing, even though the organization has a fair formal procedure for reporting fraud, there are still opportunities for injustice to occur in informal interactions between whistleblowers and management. Without realizing it, this condition can damage the formal process order (Near, Dworkin, and Miceli 1993; Miceli, Near, and Dworkin 2008). For example, superiors threaten to retaliate against employee whistleblowing (Mesmer-Magnus and Viswesvaran 2005; Rehg et al. 2008). Conversely, superiors who support whistleblowing behavior will appreciate the whistleblower's good intentions. Leaders are willing to protect whistleblowers from threats of retaliation and promote high-performance evaluation results. This effort will create fair interactions between superiors and employees (Rehg et al. 2008; Miceli, Near, and Dworkin 2008). Whistleblowers are more likely to receive retaliation if do not get support from the superior (Near, Dworkin, and Miceli 1993). The existence of functional interactions while increasing the self-confidence and moral obligations of employees reveal fraudulent or unethical behavior (Rabie and Malek 2020). The higher of fair interactional justice perceived, the higher of individual's intention to whistleblowing. Thus, the hypothesis formulated is:

H3: The employee who experiences the fair interactional justice have a higher of whistleblowing intention than the employee who experience unfair interactional justice.

Whistleblowing intention in private and public sector employee

Most of the whistleblowing studies concentrate on private sector organizations (Nayır, Rehg, and Asa 2018). Several studies state that public and private sector organizations have different organizational structures (Hvidman and Andersen 2014). It is difficult to compare the decision-making processes in the two sectors. Differences in organizational structure and corporate culture will lead to different attitudes and ways of making individual decisions (Karl and Sutton 1998; Naff and Crum 1999; Rupp and Bell 2010). On the other hand, other researchers have found that the two organizations have a lot in common. Thus, the way individuals respond to opportunities and overcome

obstacles in the organization is not much different (Brewer and Brewer Jr. 2011).

When disclosing fraudulent information, private sector organizations usually have strict and consistent whistleblowing procedures and arrangements. These organizations have a higher degree of flexibility and risk affinity (Bozeman and Kingsley 1998). The organization has prepared various strategies to deal with uncertainty over the risk of fraud, such as anonymous whistleblowing channels, protection from threats of retaliation, and superiors' actions to follow up on complaints. Therefore, private employees who perceive high organizational fairness have a higher likelihood of whistleblowing.

The research on public sector organizations shows different results. In the public sector, employees experience fair organizational justice have loyalty to corporate values (Johnson 2003), as well as high loyalty to their leader and colleagues. Loyalty to their colleagues is much stronger than a commitment to the organization (Heck 1992; Nayır, Rehğ, and Asa 2018). When there is a fraudulent, it is often not reported. In a corruption study, the colleagues of corruptors have suspicions or evidence that indicates corruption acts. However, their colleagues are often just observing, not reporting the fraudulent to other parties. They keep this information to themselves (De Graaf and Huberts 2008). Therefore, public employees tend to have lower whistleblowing than employees in the private sector. Thus, the hypothesis formulated is:

H4: Private sector employees have higher whistleblowing intentions than public sector employees.

RESEARCH METHODS

Experimental design

This study used an experimental laboratory method. The research subjects were 124 full-time employees in the private and public sectors. Participant as a final semester accounting student at one of the private universities in Denpasar. The reasons for choosing accounting employees as participants are because employees have more confidentiality accounting information than auditors or external consultants (Seifert et al. 2010). All participants have at least one year of work experience so that it is easy to understand

the organization's case scenario. This experiment design using a between-subject with a 2x2x2 factorial design. Participants were randomly assigned to eight groups to ensure that each group had equivalent subject characteristics. Each group received one different treatment.

Operational definition and variable measurement

The dependent variable is whistleblowing intention. The intention is a good predictor of actual behavior (Ajzen 1991). All this time, there have been difficulties in investigating or directly observing whistleblowing behavior in the workplace (Victor, Trevino, and Shapiro 1993). The use of whistleblowing intention is considered entirely appropriate in this study. The independent variables consist of distributive justice, procedural justice, and interactional justice. Procedural justice reflects the consistency of companies in implementing a policy. The fair procedural fairness demonstrates applying unbiased and consistent whistleblowing procedures, including the use of a hotline system and the commitment of superiors to maintain the whistleblower's identity. In unfair procedural justice shows contrary conditions. Interactional justice describes respectful and courteous behavior towards others. This experiment illustrates fair interactional justice through superiors' support for employees to blow the whistle. The superior also recommends the employee to get a reward or high-performance result. The unfair interactional indicated by the different situations, such as superiors not supporting whistleblowing. The superior assumes that whistleblowing as spying action of other employees. Superiors do not hesitate to give a low-performance because they are unwilling to work together to cover up other colleagues' mistakes. Distributive justice is related to the outcome perception that obtained after doing an action. Fair outcomes illustrate by management's efforts to investigate complaints to stop the fraudulent occurs immediately. Unfair distributive justice condition is shown by management failure to investigate and stop reported cases of fraud.

Experimental procedure

This study used a single-blind experiment. The participants did not get information about the research, but the experimenter knew the experiment's objectives. The experimental protocol is given in the form of a power-point so

that participants can carry out all stages of the experiment correctly. The research instrument describes in the form of a module. The researcher's assistants will randomly distribute modules to participants.

This research emphasizes the experimental realism approach, namely the provision of realistic cases or tasks for participants (Ashton 1998). Researchers adapted the fraudulent case in the real world and whistleblowing policies in the workplace (Ashton 1998; Naj 1992; Rustiarini et al. 2019). Participants asked to assume as if they are in a situation in the scenario. The case scenario was adapted from previous research (Seifert et al. 2010; Mesmer-Magnus and Viswesvaran 2005; Seifert 2006). The case scenario illustrates the occurrence of fraud in the form of a fictitious financial record conducted by CFO. The participant considers reporting the CFO's actions to the CEO.

To determine the participant understanding of the given scenario manipulation, participants must answer the perception question "are the procedures, interaction, and outcomes of the whistleblowing policy fair?" Participants' answers depend on the scenario obtained. Further, there is a question representing the dependent variable, namely, "Will you report the CFO's actions to the CEO?" Participants respond to the questions using a seven-point Likert scale, namely "definitely will not report" and "will report." In the end, participants asked to answer three manipulation check questions to evaluate the participants' understanding of the scenario obtained. If the two of the three participant's answers are false, the answer will not be analyzed in the next test.

Data analysis technique

This test uses the Parametric Analysis of Variance (Anova) test and the independent t-test. Anova testing is used for the research design

test, while the independent t-test for the research hypothesis. Suppose the test results have a probability value smaller than $\alpha = 0.05$. There are differences in whistleblowing intentions between employees who experience fair organizational justice and unfair organizational justice.

RESULTS AND DISCUSSION

Manipulation Check

One way to provide confidence that participants understand experimental manipulation well is through manipulation checking. The participant asked to answer three multiple-choice questions. If the participant can answer two of the three questions, the participant passes the manipulation check.

In the early stages of the experiment, there were 135 participants. Eleven participants did not pass the manipulation check. Thus, there were 124 participants (91.85 percent) who participated in this experiment. Of the total participants, as many as 79.03 percent of participants were female. Most of the participants were under 25 years old (91.94 percent) and had 2-5 years of work experience (89.52 percent). The majority of participants work in the private sector organization, about 78.23 percent, the remaining 21.77 percent in the public sector organization.

The test of homogeneity of variance result shows a probability value higher than 0.05. These findings reveal that the dependent variable in this study has a homogeneous variance. The research design test using Anova shows that the independent variables have a probability value lower than 0.05. Thus, the three elements of organizational justice affect whistleblowing intention. Before testing the hypothesis, the researcher conducted a descriptive statistical test. The results of the descriptive statistical analysis presented in Table 1.

Table 1. Descriptive Statistic of Dependent Variable

Distributive Justice	Fair Procedural Justice		Unfair Procedural Justice	
	Interactional Justice		Interactional Justice	
	Fair	Unfair	Fair	Unfair
Fair	Group 1 Mean: 6.19 SD: 0.83 n: 16	Group 2 Mean: 5.75 SD: 1.00 n: 16	Group 5 Mean: 5.27 SD: 1.53 n: 15	Group 6 Mean: 4.67 SD: 0.82 n: 15

Distributive Justice	Fair Procedural Justice		Unfair Procedural Justice	
	Interactional Justice		Interactional Justice	
	Fair	Unfair	Fair	Unfair
Unfair	Group 3 Mean: 5.56 SD: 0.96 n: 16	Group 4 Mean: 4.47 SD: 1.59 n: 15	Group 7 Mean: 5.40 SD: 1.35 n: 15	Group 8 Mean: 4.63 SD: 1.15 n: 16

Source: calculation result

In Table 1, Group 1 has the highest average whistleblowing intention (6.19). The lowest average whistleblowing intention is in Group 8 (1.15).

Hypotheses Testing Results

Hypotheses 1, 2, and 3 examine the three elements of organizational justice on whistleblowing intention. The results are presented in Table 2.

Table 2. Results of the Whistleblowing Intention Difference Test of Between Subjects

Hypothesis	Group	N	Treatment	Means of Group	Means	Standard Deviation	t Value	Probability Value
1	Group 1, 2, 5, 6 vs Group 3, 4, 7, 8	62	Fair distributive justice	5.48	0.47	0.23	2.05	0.04
		62	Unfair distributive justice	5.02				
2	Group 1, 2, 3, 4 vs Group 5, 6, 7, 8	62	Fair procedural justice	5.51	0.52	0.22	2.31	0.02
		62	Unfair procedural justice	4.98				
3	Group 1, 3, 5, 7 vs Group 2, 4, 6, 8	62	Fair interactional justice	5.61	0.73	0.22	3.26	0.00
		62	Unfair interactional justice	4.89				

Source: calculation result

Hypothesis 1 predicts the employee who experiences the fair distributive justice have a higher of whistleblowing intention than the employee who experience unfair distributive justice. Table 2 shows that the H1 test results have t value of 2.05 and a probability value of 0.04. The independent t-test results show that whistleblowing intention is higher in fair distributive justice ($x = 5.48$) than unfair distributive justice ($x = 5.02$). Thus, the results support hypothesis 1. Distributive justice emphasizes the harmony between input and output. Employees who feel that they have made a significant contribution to the organization expect a decent or reasonable outcome. In the whistleblowing context, employees who disclose the occurrence of fraudulent and are willing to take risks for their actions expect a reward proportional to their efforts. One form of outcome expected by whistleblowers is follow-up management to investigate and stop reported cases of fraud (Near, Dworkin, and Miceli 1993; Seifert et al. 2010). The

higher of fair distributive justice perceived, the higher of individual's intention to whistleblowing.

Hypothesis 2 predicts the employee who experiences the fair procedural justice have a higher of whistleblowing intention than the employee who experience unfair procedural justice. Table 2 shows that individuals who experience fair procedural justice ($x = 5.51$) have a higher whistleblowing intention than unfair experience ($x = 4.98$). The H2 test results have t value of 2.31 and a probability value of 0.02. Thus, the results support 2. Employees who experience fair procedural justice are motivated to follow whistleblowing procedures and rules. Organizations that have formal whistleblowing procedures and implement these policies consistently will create procedural fairness in the employees. A fair whistleblowing procedure will maintain the confidentiality of the whistleblower's identity and reduce the whistleblower's fear of threats of retaliation (Miceli, Near, and Dworkin 2008; Kaplan and Schultz 2007; Brennan and Kelly

2007). Therefore, fair procedural justice increases employees' possibility of whistleblowing (Seifert et al. 2010; Soni, Maroun, and Padia 2015; Ugaddan and Park 2018).

Hypothesis 3 predicts the employee who experiences the fair interactional justice have a higher of whistleblowing intention than the employee who experience unfair interactional justice. Table 2 shows the whistleblowing intention is higher when individuals experience fair interactional justice ($x = 5.61$) than unfair interactional justice ($x = 4.89$). The H3 test results have t value of 3.26 and a probability value of 0.00. Thus, the results support hypothesis 3. The fair interactional justice characterizes with superiors support for employee whistleblowing intention. Superiors protect these employees and recommend whistleblowers to get rewards. They safeguard the company and its stakeholders from fraud. Managerial support is the most important thing for employees to expect before taking a whistleblowing action. Management who responds to whistleblower behavior proactively and positively will encourage employees to report fraud that occurs. Whistleblowing becomes a moral responsibility of employees to protect the

organization from fraudulent (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008; Soni, Maroun, and Padia 2015). The higher of fair interactional justice perceived, the higher of individual's intention to whistleblowing.

Based on Table 2, the three dimensions of organizational justice can increase employee intention to do whistleblowing. This finding support a survey result conducted on actual whistleblowers that organizational justice promotes whistleblowing intention (Ugaddan and Park 2018; Namazi and Ebrahimi 2017). Thus, the existence of a clear whistleblowing channel, support from an authority, and the management willingness to follow-up the fraudulent report will encourage employees to blow the whistle (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008; Seifert et al. 2010; Soni, Maroun, and Padia 2015). Of the three elements, interactional justice provides the most significant influence on whistleblowing intention.

Hypothesis 4 predicts that private-sector employees have higher whistleblowing intentions than public sector employees. The results of testing hypothesis 4 are presented in Table 3.

Table 3. Results of the Whistleblowing Intention between Private and Public Employee

Hypothesis	N	Treatment	Means of Group	Means	Standard Deviation	t Value	Probability Value
4	97	Private sector employee	5.27	0.13	0.35	0.37	0.56
	27	Public sector employee	5.13				

Source: calculation result

Table 4 shows no difference in whistleblowing intention between private and public sector employees ($t = 0.37$, $\alpha = 0.56$). These findings indicate that although private and public sector organizations have different structures and cultures, this condition does not differentiate between individual intentions to report fraud. The employees are motivated to provide public services to stakeholders, such as the government, officials, and community (Nayır, Rehg, and Asa 2018). Employees who understand that all public service activities come from the community (collected through tax payments) certainly try to provide good public services to the community. Today, several public sector organizations are equipped with a whistleblowing system. The availability of a whistleblowing system is a form of authority's support to create transparency in public

organizations. Thus, employees who are aware of fraudulent can report it through the system provided. Employee whistleblowing intention is consistent with ethics in public service (Brewer and Selden 1998; Nayır, Rehg, and Asa 2018). This study supports previous research that no significant differences between accountants in the private and public sectors (Toolami et al. 2020).

Considering that most experimental participants were women (79.03%), this study conducted an additional test to analyze the gender effect on whistleblowing intention. In several significant scandals, women become the center of the world's attention because of their role as whistleblowers. In 2002, Time Magazine gave awards to women who exposed the scandals of the companies they worked for (Simon 2013). Women tend to be sensitive to fraudulent. Women tend to

have high conservatism, are careful, and are more conscientious (Merawati and Mahaputra 2017). They cannot keep the secret when a situation is not right. A meta-analysis study reveals that women have a higher ethical attitude than men (Borkowski and Ugras 1998). In whistleblowing, women are more willing to report fraudulent committed by

their peers (Taylor and Curtis 2013). Referring to previous research (Chang and Yen 2007; Madein and Sholihin 2015), this study conducted a sensitivity test using Ancova. The test results in Table 4 show that the probability value for the gender variable is 0.000. Thus, the gender variable does not affect employees' intention to do whistleblowing.

Table 4. Ancova Analysis (Gender Analysis)

Source	Sum of Square	df	Mean Square	F	Sig
Corrected model	40.580	8	5.072	3.586	0.001
Intercept	2701.587	1	2701.587	10.892	0.000
Distributive justice	6.209	1	6.209	4.389	0.038
Procedural justice	7.759	1	7.759	5.486	0.021
Interactional justice	16.426	1	16.426	11.612	0.001
Gender	0.055	1	0.055	0.309	0.844
Error	162.670	115	1.415		
Total	3621.000	124			
Corrected Total	203.250	123			

Source: calculation result

CONCLUSION

Whistleblowing is one of the organizational control tools. This study uses 124 accounting employees to examine the three elements of organizational justice on whistleblowing intention. The results show that the higher of employee's perception of distributive justice, procedural justice, and also interactional justice, the higher of employee's intention to do whistleblowing. Of the three elements, interactional justice has the most significant influence on whistleblowing intentions. A fair whistleblowing policy increases whistleblowing intention. Another interesting finding, there are not differences of whistleblowing intention between private and public sector employees. Although this result is contrary to the hypothesis formulated, these findings indicate that public sector employees have high public service motivation. When fraud

occurs, employees do not hesitate to disclose the fraudulent. The gender analysis proves that this variable does not affect employee decision making to do whistleblowing.

This study has several limitations. First, the results cannot be generalized to different population groups. This study uses specific case scenarios for accounting employees. Besides, this study only focuses on the organizational justice content correlated with the decision to disclose the fraudulent. Thus, further research must adapt the case scenario to the participants used. Second, the experimental results reveal that the whistleblowing intentions between private and public employees are not different. These findings allow further research to use additional variables to moderate the relationship between organizational justice and whistleblowing intention.

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