

ETHICAL AWARENESS, PERCEIVED SERIOUSNESS OF WRONGDOING, RATIONALISATION, AND WHISTLEBLOWING INTENTION

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Abstract: *This study examines the impacts of employees' perceived seriousness of wrongdoing, ethical awareness, and rationalisation on whistleblowing intention. Early research emphasising the effect of outside variables, including opportunity, pressure, and incentive, on the intention to whistleblow serves as the driving force of this study. The individual's internal elements, crucial in determining the intention to whistleblow, were not in-depth disclosed in these earlier studies. The internal employee characteristics that promote whistleblowing are measured by considering the rationalisation, ethical awareness, and perceived seriousness of wrongdoing. A quantitative approach using case scenario questionnaires is used to examine this study. Structural equation modelling (SEM) and partial least squares (PLS) assess data from 164 respondents from six government officers in Jakarta, Indonesia. This study indicates that employees' intentions to report unethical situations and actions are not influenced by the perceived seriousness of the wrongdoing; however, when ethical awareness is present, it can be used to rationalise whistleblowing intentions and actions, thereby mitigating the negative effects of the unethical situations on businesses.*

Keywords: *Ethical Awareness, Perceived Seriousness of Wrongdoing, Public Sector Officers, Rationalisation*

INTRODUCTION

This study examines how employees' perceptions of wrongdoing, ethical awareness, and rationalization influence their intention to report wrongdoing in the public sector. Whistleblowing serves as a crucial tool for organisations to uncover fraudulent activities, according to the Association of Certified Fraud Examiners ([Association of Certified Fraud Examiners 2024](#)) noting that 43% of fraud cases are identified through tips from whistleblowers. Notably, 52% of whistleblower reports come from employees, highlighting the importance of

fostering an environment where staff feel encouraged to report unethical behaviours. By fostering a culture of whistleblowing for ethical and legal violations, organizations can identify fraud more swiftly and significantly minimize potential losses.

While prior research often considers the diamond model of whistleblowing, emphasizing the roles of opportunity, rationalization, pressure, incentive, and whistleblower capabilities in encouraging employees to report unethical behaviours ([Fitriningrum et al. 2022](#)), such studies frequently overlook the internal

motivations that drive employees to disclose misconduct. Key personal elements, such as ethical awareness and the perceived seriousness of wrongdoing, are crucial in motivating employees to report fraud. Employees are more likely to report misconduct when they recognize the potential harm it could cause to others or the organization ([Culiberg et al. 2017](#); [Latan et al. 2018](#)).

Additionally, prior research about whistleblowing in the public sector tends to be limited. The whistleblowing issue is particularly challenging for public sector employees, who may feel emotional loyalty to their organizations, making them reluctant to report misconduct ([Fitriiningrum et al. 2022](#)). In many public sector organizations, there is a lack of awareness regarding whistleblower policies, with 40% of Indonesian public sector workers unaware of such policies ([Sugiarto 2021](#)). This lack of knowledge can hinder their ability to identify and report wrongdoing, compounded by emotional attachments that may distort their perceptions of ethical issues. Additionally, the low rate of whistleblowing in Indonesia's public sector can be attributed to employees' lack of understanding of their responsibilities and fear of consequences.

The purpose of this research is to analyse the effect of rationalization, perceived seriousness of wrongdoing, and ethical awareness on whistleblowing intention. This study suggests that additional factors—specifically, perceived severity of wrongdoing, ethical awareness, and rationalization—play a significant role in influencing employees' decisions to report misconduct. Thus, more research is necessary to understand the impact of these internal factors on whistleblowing intentions in the Indonesian public sector.

A compelling framework for grasping the several dimensions of fraudulent behaviour is the fraud triangle theory ([Cressey 2017](#)). One of the components of the diamond model and the whistleblowing triangle is rationalisation, which is the mental process by which people justify

their immoral behaviours. Rationalization helps offenders to match their behaviour with their self-image as moral people, therefore reducing the cognitive dissonance and allowing them to keep their feeling of integrity, having acted unethically ([Yousaf et al. 2020](#)).

Rationalisation in the context of whistleblowing is typically linked to knowledge of and the purpose to reveal fraud or wrongdoing. According to an earlier study, whistleblowers should consider the rationale behind their choice since they should act to benefit the organisation or business rather than themselves ([Smaili & Arroyo 2019](#)). According to this definition, rationalisation is covered by whistleblowing, most likely a person's defence of a certain course of action. This selection and decision to act, which results in their intents, are heavily influenced by personal circumstances. Understanding rationalisation makes it easier to reveal the reasons for whistleblowers, which go beyond financial gain and loss ([Watts & Buckley 2017](#)). It discusses moral obligations and responsibilities as well as the risks and consequences. Determining the level of necessity and threat of whistleblowing requires cognitive reasoning as part of the rationalisation process ([Khan et al. 2022](#)). Therefore, the decision to report a whistleblower is a rationalisation of the motive and goal of the employee. Based on this description, the hypothesis develops as follows:

H₁: Rationalisation positively affects whistleblowing intention

Researchers in business ethics and many other related disciplines—including psychology, organizational behaviour, philosophy, and social economics—have long been interested in Ethical Decision Making (EDM). Researchers have been constantly creating models of EDM to fit the rising prevalence of unethical and illegal behaviours in companies and society. A rationality-based approach is a basic idea underlying several bodies of knowledge found in published EDM

studies. Among the most well-known and studied models of EDM is Four Component Model by Rest (1986), which suggested four separate processes of EDM: (1) becoming aware of a moral issue or ethical problem; (2) resulting in a moral judgment; (3) establishing moral intention; and (4) acting on these intentions through one's behaviour ([Brown and Trevon 2005 cited in Ko et al. 2017](#))

According to the EDM model, the degree of misconduct is another element that influences the decision of employees to report wrongdoing ([Schwartz 2016](#)). The degree of violence or harm caused by an act of wrongdoing or unethical behaviour determines how serious the wrongdoing is. One of the bases for employees to engage in whistleblowing is this level of harm or violence ([Latan et al. 2021](#)). Whistleblowing is encouraged more when the harm is greater. Early research has indicated that employees have a greater need to prevent and reveal unethical behaviour when it is more serious ([Apadore et al. 2018](#); [Latan et al. 2018](#); [Taylor & Curtis 2018](#)). In practice, the goal of whistleblowing may be impeded by factors other than the severity of this unethical behaviour. Employees may not understand the perceived seriousness of wrongdoing, notwithstanding the danger and consequences. This could happen if misconduct becomes a "common" occurrence or if employees have a bad view of one another, which demoralises staff members ([Miceli et al. 2012](#)). Employees are more prone to remain silent when they encounter these unpleasant situations. Similar circumstances also arise, especially when employees' relationships and incentives are involved ([Andon et al. 2018](#); [Pulungan et al. 2023](#)). Employees may be reluctant to report fraud or malfeasance under these circumstances. Their perception of how serious the wrongdoing does not prevent the harm or effect of these unethical circumstances, as one might anticipate. This description leads to the development of the hypothesis as:

H₂: The perceived seriousness of wrongdoing positively affects whistleblowing intention

As proposed by EDM, ethical awareness is taken into consideration when employees are asked to determine whether to report fraud or misconduct. Employees need to understand ethical problems and keep them in mind when making decisions. Knowledge and comprehension serve as the foundation for their decision-making and choice of action. Ethical awareness is the extent to which an individual's consciousness is elevated when confronted with a moral dilemma that must be resolved and may affect their own and other people's interests in an immoral way ([Butterfield et al. 2000](#); [Yolanda & Rudyanto 2022](#)). Consequently, ethical awareness requires consciousness. When employees make choices and decisions, their cognitive processes demand this awareness. Next, their choice turns into a judgment. This suggests that ethical awareness can predict moral judgment ([Latan et al. 2019](#); [Yolanda & Rudyanto 2022](#)). Individual circumstances have an impact on ethical awareness. Employees' cognition grows as they navigate moral quandaries and circumstances. The cognitive process during the ethical decision-making process involves recognising the nature of the situation and establishing priorities and judgment before acting ([Kaptein 2019](#)). This procedure demonstrates how moral and ethical awareness is crucial in making decisions and taking action. Based on this description, the hypothesis is developed as follows:

H₃: Ethical awareness positively affects whistleblowing intention

According to the rationale given above, it would seem that a lack of ethical understanding hinders the reporting of wrongdoing. Whistleblowing should be encouraged by the way the four elements of the fraud diamond model interact. In practice, though, these four elements are insufficient.

Other elements that promote the development of whistleblowing include the perception of wrongdoing, ethical awareness, and rationalisation, all of which are believed to have an impact on employees who engage in whistleblowing. However, it is necessary to test the level of these aspects' influence, which is the foundation for this study on how much perception of wrongdoing, ethical awareness, and rationalisation influence the intention of whistleblowing. This study contributes to whistleblowing literature and practices, particularly in the areas of ethics, whistleblowing, and the effects of perceived seriousness and rationalization. This study's findings are expected to provide valuable insights for businesses about the importance of internal control, especially in fostering an environment that encourages whistleblowing amongst employees. This, in turn, may help companies detect fraudulent acts more promptly.

METHOD

The respondents' information was gathered for this study using questionnaires and a quantitative methodology. The case scenario questionnaires are given to each responder directly--person or offline--is the focus of this study. The purpose of selecting the case scenario questionnaires was to increase the study's reliability. Each participant was given a single survey paper to discourage them from answering the questions more than once.

The study employs purposive sampling primarily because our population criteria are restricted to public sector employees. We distributed the e-survey to 212 individuals working in six departments of a local government, specifically selecting organizations that have authorized studies on this subject. The collected data is analysed by SmartPLS 4.0.8, a non-parametric statistical technique that examines a quite small sample size and complex models without assuming distributional data ([Sihombing et al. 2024](#)). Additionally, we did not examine the validity and reliability of the

instruments used, as these instruments have been previously tested and validated in earlier studies. Furthermore, the limited sample in our study presents an opportunity for future research to explore broader perspectives within the public sector. We chose six accessible local government departments that have authorized studies on the subject, providing an opportunity for future research to expand beyond these areas.

Data were gathered by concentrating solely on full-time employees of the public sector. The dissemination of the survey had a prearranged date and time. Using a 7-point Scala Likert scale, the scenario questionnaire has five sections. The questionnaire also included their preferences if they had to select the media for blowing their whistle, internal and external channels. The respondents' demographic information is presented in the first part. The first case that follows focuses on the aim of a whistleblower to report instances of fraud or wrongdoing. The responder must assess the seriousness of the wrongdoing from the prior case in section two for the third case section. The rationalisation that responders employ to address the fraud scenario is the subject of the fourth section. This section focuses on the respondent's justification for their course of action in handling the fraud scenario as it is presented in the case scenario. Ethical awareness is the main topic of the last part. The measurement, which consists of three question types, is modified by [Arnold et al. \(2013\)](#). The research model and operational definitions for the current research are illustrated in Figure 1 and detailed in Table 1, respectively.

RESULTS

The data for this study comes from 164 out of 212 respondents who work for six government departments. A portion of the total, around 48 respondents, are not included since they did not fulfill the study's conditions. Ninety-six respondents, or 58.54 per cent of the total, are female, and the remaining respondents are

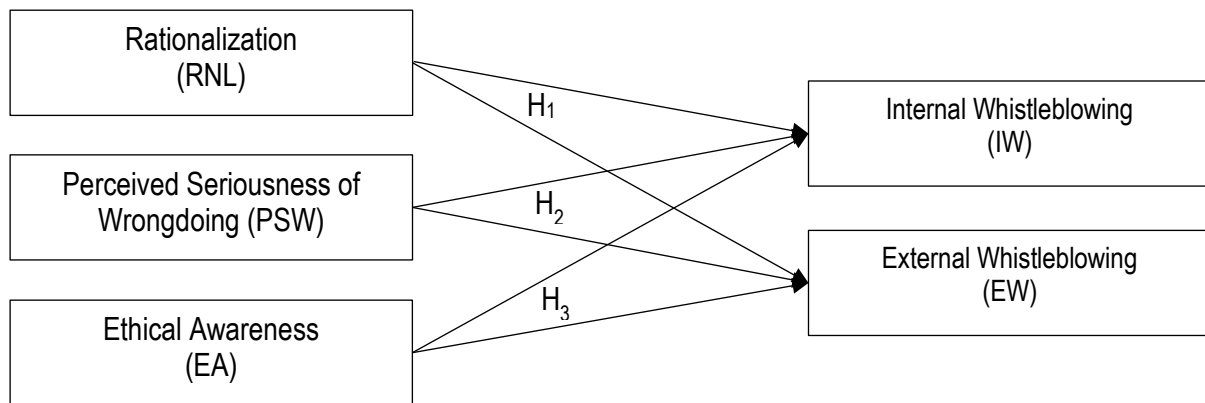


Figure 1. Research Model

Table 1. Measurement Instrument of Variables

| Variables | Definition | Indicators |
|--|---|---|
| Ethical Awareness (EAW) | When faced with moral dilemmas that need to be resolved, a person's degree of awareness may change, potentially having an impact on their own and others' interests in a way that goes against moral principles (Butterfield et al. 2000) | Three-question items developed by Arnold et al. (2013) |
| External Whistleblowing (EWSB) | When someone discovers that a corporation has engaged in fraud, they are said to have engaged in external whistleblowing. This is because the fraud will negatively impact the community and society as a whole (Park et al. 2020) | Four-question items developed by Park et al. (2020) |
| Internal Whistleblowing (IWSB) | When someone discovers that another employee has committed fraud, they may engage in internal whistleblowing by reporting the information to their supervisor (Miceli et al. 2012) | Four questions items developed by Park et al. (2020) |
| Perceived seriousness of wrongdoing (OSW) | The degree of harm that fraud, unethical behaviour, or unlawful action can do to individuals who are impacted by it (Latan et al. 2021) | Three measurement items developed by Latan et al. (2021) |
| Rationalisation (RNL) | Is the process of cognitive justification that serves as the foundation for the choice to raise the alarm (Smaili & Arroyo 2019) | Five measurement items developed by Latan et al. (2018) and Murphy (2012) |

male. When examining the respondents' age, 35.37 per cent are between the ages of 41 to 50 years old, while just 10.98 per cent are older than 50 years old. Only 15 respondents, or 9.15 per cent, have more than 25 years of tenure, whereas 68 respondents, or 41.46 per cent, have worked for eight to fifteen years. Twenty

respondents hold a master's degree, whereas the majority of respondents—roughly 76 per cent—have an undergraduate degree. Regarding their line of work, 54 respondents or 32.94 per cent of the total are employed by the health department, and only 9.76 per cent are

employed by the research and development agency.

Focusing exclusively on the data collected, the variables and sub-variables' construction validity were examined. One rationalisation factor, helping the victim in the situation, has less than 0.70 points on its loading factors. Then, it is eliminated from the research. As seen in Table 2, the remaining variables had loading factors greater than 0.70 points and average variance extracted (AVE) values less than 0.50 points. This indicates that the rest of these variables have adequate discriminant validity values and are legitimate. Based on the AVE value, the perceived seriousness of wrongdoing has the highest AVE of 0.906 points, while rationalisation has the lowest AVE of 0.691 points. The study's variables' reliability is shown by Cronbach's alpha. As shown in Table 2, the

majority of the variables have values greater than 0.70, indicating their reliability.

The testing of the hypotheses is done in light of these outcomes. This method's main focus is the route coefficient, which shows the degree of relationship between two items. According to the statistical findings, the adjusted R-squared for external whistleblowing from this six-straight approach is 0.496. This indicates that 49.6 per cent of the variance in external whistleblowing can be explained by the factors of perceived wrongdoing seriousness, ethical awareness, and rationalisation. In the meantime, internal whistleblowing has an adjusted R-squared of 0.515. This indicates that 51.5 per cent of the variance in internal whistleblowing can be explained by the perceived seriousness of wrongdoing, ethical awareness, and rationalisation, respectively.

Table 2. Instrument Test Results

| | Variables | Loading Factors | Cronbach's Alpha | Composite Reliability | Average Variance Extracted (AVE) |
|---------------|---|------------------------|-------------------------|------------------------------|---|
| EAW 1 | To what extent do you regard the action as unethical | 0.938 | 0.942 | 0.963 | 0.896 |
| EAW 2 | To what extent would the typical (internal) auditor at your level in your institution regard this action as unethical | 0.955 | | | |
| EAW 3 | To what extent would the typical (external) auditor at your level in your institution regard this action as unethical | 0.947 | | | |
| EWSB 1 | Report it to the appropriate authorities outside of the institution | 0.874 | 0.876 | 0.916 | 0.731 |
| EWSB 2 | Use reporting channels outside of the institution. | 0.913 | | | |
| EWSB 3 | Provide information outside of the information | 0.869 | | | |
| EWSB 4 | Inform the public about it | 0.757 | | | |
| IWSB 1 | Report it to the appropriate people within the institution | 0.862 | 0.922 | 0.945 | 0.811 |

| | Variables | Loading Factors | Cronbach's Alpha | Composite Reliability | Average Variance Extracted (AVE) |
|--------|--|-----------------|------------------|-----------------------|----------------------------------|
| IWSB 2 | Use the institution's internal reporting channels | 0.915 | | | |
| IWSB 3 | Let upper-level management know about it | 0.915 | | | |
| IWSB 4 | Tell the director about it | 0.909 | | | |
| PSW 1 | The severity of the fraud in the case | 0.969 | 0.948 | 0.967 | 0.906 |
| PSW 2 | The negative impact caused by fraud | 0.970 | | | |
| PSW 3 | The reputational and financial loss caused by the fraud | 0.915 | | | |
| RNL 2 | Helping someone else by disclosing wrongdoing | 0.778 | | | |
| RNL 3 | Did not consider whether the action was right or wrong at the time | 0.896 | | | |
| RNL 4 | Did not consider the consequences of this action | 0.830 | | | |
| RNL 5 | Did not think this action was so bad | 0.817 | | | |

Table 3 and Figure 2 indicate that not all variables have a statistically significant beneficial impact on the intention to whistleblow. The outcomes of rationalisation show that t-values of 7.281 and 3.778 points, respectively, have favourable and substantial benefits of rationalisation on internal and external whistleblowing. These findings support the acceptance of the first hypothesis (H_1). Meanwhile, the results of the structural equation modelling (SEM) demonstrate that the t-value of 0.333 and *P*-value of 0.370 points indicate that the perceived seriousness of wrongdoing does not appear to have an impact on external whistleblowing (PSW-EWSB). The t-value of 1.720 and *P*-value of 0.043 points indicate that the perceived seriousness of wrongdoing to internal whistleblowing (PSW-IWSB) is also determined to be in the same position. These findings suggest that perceived wrongdoing seriousness does not affect either internal or

external whistleblowing. As a result, the second hypothesis (H_2) cannot be accepted based on these findings. Finally, for t-values of 3.044 and 3.468 points, respectively, the ethical awareness results show substantial and favourable implications on both internal and outward whistleblowing intention. These findings support the acceptance of the third hypothesis (H_3).

DISCUSSION

This study highlights several significant findings about public servants' intent to report fraud or other wrongdoing, integrating the Ethical Decision Model with the rationalization process of whistleblowing. Whistleblowing is inherently linked to exposing unethical activities or fraud, and organizations should value this act as a necessary means of highlighting misconduct. The findings reveal that rationalization and ethical awareness significantly influence public sector employees' attitudes towards reporting

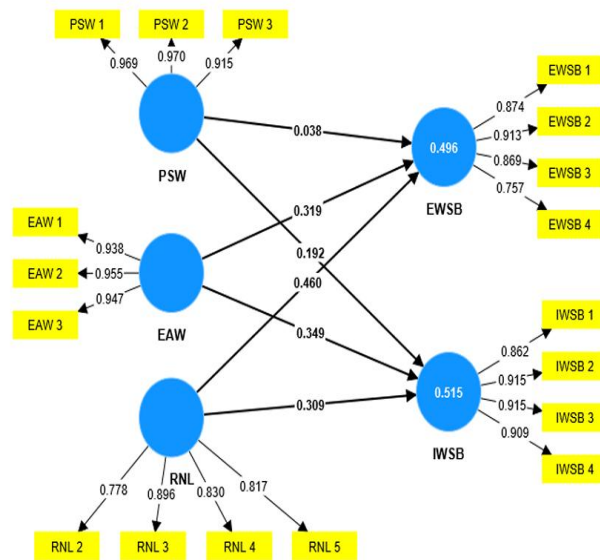


Figure 2. Path Diagram/Hypothesis Testing Results

Table 3. Structural Equation Modelling Results

| Path | Standardised | Estimated β Non-standardised | T-statistic | P-value |
|---|--------------|---------------------------------------|-------------|---------|
| Ethical Awareness → External Whistleblowing | 0.319 | 0.319 | 3.044 | 0.001 |
| Ethical Awareness → Internal Whistleblowing | 0.349 | 0.348 | 3.468 | 0.000 |
| Perceived Seriousness of Wrongdoing → External Whistleblowing | 0.038 | 0.037 | 0.333 | 0.370 |
| Perceived Seriousness of Wrongdoing → Internal Whistleblowing | 0.192 | 0.191 | 1.720 | 0.043 |
| Whistleblowing Rationalisation → External Whistleblowing | 0.461 | 0.466 | 7.281 | 0.000 |
| Whistleblowing Rationalisation → Internal Whistleblowing | 0.309 | 0.314 | 0.378 | 0.000 |

wrongdoing. According to the Ethical Decision Model, making ethical choices involves recognizing moral dilemmas, considering the implications of actions, and evaluating alternatives to reach a justified decision. This finding is consistent with [Latan et al. \(2019\)](#).

In the context of whistleblowing, ethical awareness acts as the catalyst for the decision-making process, prompting employees to acknowledge the existence of wrongdoing and assess its impact on the organization. The study also indicates that public sector officers' inclination to report wrongdoing to external authorities remains unaffected by the perceived seriousness of the misconduct. Unlike [Latan et al. \(2021\)](#), this study's finding shows that employees still tend to report more serious fraud to the internal party.

Whistleblowers identify harmful activities within an institution when they recognize ongoing wrongdoing and comprehend its significance ([Shonhadji 2022](#)). The first step in the ethical decision-making process is employee awareness. When staff are aware of unethical actions, they are often motivated to intervene, especially if the wrongdoing significantly impacts the organization. This awareness is essential for identifying potential issues and hazards ([Milliken 2018](#)). Ignoring these problems poses risks to the organization. Ethical sensitivity enhances awareness, helping employees recognize ethical issues. Those with ethical sensitivity can determine the ethical implications of a situation or item ([Arnold et al. 2013](#)).

For whistleblowers, the process of rationalization becomes crucial not only in recognizing unethical behavior but also in deciding how to respond. Such internal justification allows employees to weigh their moral obligations against the potential repercussions of reporting wrongdoing. The whistleblower's strategy is shaped by their ability to identify ethical issues and their consequences, often leading to either internal or external reporting. Employees are more likely to

take action in severe, unethical situations due to their moral concern, with rationalization serving as a bridge between awareness and action. This positioning frames whistleblowers as moral agents motivated to prevent wrongdoing, reinforcing their sense of duty.

Research shows that employees' willingness to report misconduct is significantly influenced by incentives and opportunities ([Apadore et al. 2018](#); [Defiantoro 2023](#); [Fitriiningrum et al. 2022](#); [Latan et al. 2021](#); [Smali & Arroyo 2019](#)). External factors can vary, but personal internal considerations—shaped by cognitive processes—are crucial in determining when wrongdoing is reported. In the framework of rationalization, employees often assess the costs and benefits of reporting, seeking justification amid potential risks and moral duties. This includes evaluating the threat level posed by the wrongdoing and considering their personal conduct, which profoundly affects behavior.

In contexts like Indonesia, where fear of retaliation may exist and support for whistleblowers is limited, strengthening this internal rationalization could facilitate more public servants feeling justified in taking action. By fostering a culture where ethical behavior is recognized and rewarded, organizations can empower employees to engage in whistleblowing with greater confidence. Ultimately, encouraging rationalization helps diminish the perceived risks associated with reporting while enhancing the likelihood of both internal and external whistleblowing actions.

Unlike rationalisation and ethical awareness have good effects, the perceived seriousness of wrongdoing has little bearing on the intentions of whistleblowers. According to preliminary research, employees may report fraud or unethical activity if they believe there has been wrongdoing ([Khan et al. 2022](#)). This happens as the employees evaluate and study the possible harm resulting from this unethical behaviour. In practice, this impression could not have a big enough influence on the employees'

willingness to disclose the wrongdoing or fraud. Whistleblowing may be impeded by relationships and incentives. This study's findings indicate that whistleblowing purpose is unaffected by the perceived seriousness of wrongdoing. Comprehending the traits of public sector officers who participated in this study, where relationships and culture are more robust, explains why the intention of whistleblowing may not be impacted by the perceived seriousness of wrongdoing. Keeping only the features of the responders, most of them have been employed for over seven years, and their relationships have developed via interaction and time spent together within the company. This emotional sense, care, and concern play a key role in preventing their whistleblowing action in Indonesian society, where the ideas of obligation or debt of compassion are stronger ([Fitriiningrum et al. 2022](#)). Employees may feel that their reports are not being appropriately followed up on, or they may be part of a mutual obligation ([Fitriiningrum et al. 2022](#); [Prabowo & Cooper 2016](#)). Therefore, an unethical situation can be regarded as typical or commonplace. There may be further explanations for why the employees' whistleblowing behaviour in this study was unaffected by the perceived seriousness of wrongdoing.

Although the results of this study indicate that there is no discernible difference between the two reporting routes, public sector officers should prioritise an internal channel ([Latan et al. 2021](#)). This is a result of the Indonesian government's vigorous promotion of the adoption of whistleblower mechanisms within all organisations. Because of their moral responsibilities and the standing of the organisations, public sector employees should also be concerned about using internal channels. In practice, the message's broad effects also have an impact on the media choice. External platforms like social media can significantly alter an organisation's reputation and behavior ([McFarland & Ployhart 2015](#); [Ngai et al. 2015](#)). Meanwhile, because the reporter's

identity can be hidden, using outside channels helps shield the whistleblower from dangers and repercussions. This could be the cause of their decision to report unethical circumstances or wrongdoing through both internal and external channels.

Despite the choice of reporting channels, internal individuals of whistleblowers are the basis for the process of action and decision-making. The cognitive process of whistleblowing intention is the foundation of this study, which focuses on three internal components. The decision of whistleblowers to reveal fraud or wrongdoing is influenced by several elements, including ethical awareness, rationalisation, and the perceived seriousness of wrongdoing ([Andon et al. 2018](#); [Khan et al. 2022](#); [Latan et al. 2021](#)). When admitting to a wrongdoing or fraud, the reporter needs to justify their actions. Disclosure encompasses more than simply costs and benefits, which is why this is done ([Watts & Buckley 2017](#)). Employees must use cognitive processes to justify their decisions and intentions due to the presence of dangers and moral obligations ([Schwartz 2016](#)). They must, however, have adequate justification and proof to take this action. Employees assess the degree of threat and evaluate their conduct through rationalisation ([Khan et al. 2022](#)). They assess and evaluate the circumstances before deciding on a course of action. Their justification has a significant impact on how they behave. This study's statistical findings show that rationalisation has a considerable and favourable impact on public sector employees' intentions to report wrongdoing or unethical circumstances both internally and externally, corroborating the current situation.

CONCLUSION AND RECOMMENDATIONS

In conclusion, this study underscores the pivotal role of employees' perceptions of wrongdoing, ethical awareness, and rationalization in shaping their intentions to engage in whistleblowing within the public sector. The findings show that ethical awareness

helps public servants identify and assess misconduct, influencing their decisions to report unethical behavior. This aligns with the Ethical Decision-Making Theory, as it encourages employees to navigate moral dilemmas and consider alternatives. Even when confronted with serious wrongdoing, employees preferred internal reporting, indicating the significance of organizational culture in their responses. The Fraud Triangle theory highlights the role of rationalization in employees' thought processes about whistleblowing, allowing them to justify their actions ([Prayoga & Sudarmaji 2019](#); [Puspitaningrum et al. 2019](#)). While the seriousness of the wrongdoing didn't greatly affect whistleblowing intentions, internal factors like ethical sensitivity were key drivers of behavior. To foster a culture of transparency and accountability, public sector organizations should enhance ethical awareness among their employees.

These results contribute to the body of empirical research showing that internal individual characteristics might serve as a catalyst and justification for workers to come forward with allegations of fraud or wrongdoing. In practice, their comprehension of the seriousness of wrongdoing needs to increase this awareness and justification. The organisation could cultivate this understanding and perspective to enhance its abilities.

This study's results show that the primary elements that promote the avoidance of fraud and unethical behaviour within the organisation are ethical awareness and rationalisation. Employee solidarity and fear, however, create barriers to reporting these unethical behaviours. Thus, organisations must support, value, and ensure whistleblowing within their borders. This study's theoretical ramifications include the discovery of additional factors, outside of the four components of the whistleblowing diamond model, that significantly impact employees' intentions and actions to come forward. A reporter needs to be ethically conscious of the outcomes of the cognitive

process they use to support judgments, in addition to incentive and pressure, rationalisation, opportunity, and capabilities.

By expanding on earlier research regarding fraud and whistleblowing, this study adds to the body of knowledge in accounting. The findings highlight the significance of employees' ethical awareness and rationalisation in encouraging the reporting of wrongdoing. These elements can be supported by the company or organisation to strengthen their control system and motivate employees to report wrongdoing or unethical activities that could harm their company's brand. Both the government and businesses should find these results valuable. Enhancing workers' rationalisation and ethical awareness will inevitably benefit the company and organisation. However, all of these explanations and understandings will not matter if employees are unaware of serious wrongdoing affecting the company and its operations.

Focusing exclusively on the public sector, the study's findings reveal that ethical awareness influences decisions, but it is constrained by the consequences of reporting activities. As a result, government organisations must promote ethical behaviour and raise ethical awareness by ensuring that their employees are transparent, accountable, and responsible. It is necessary to appropriately protect those who report unethical behaviour to lessen the barriers that keep employees from reporting. Government agencies can therefore operate an internal whistleblower system properly and ethically.

The findings of this study, which are based exclusively on a sample from six government departments, present notable limitations in terms of generalizability. The specific organizational culture, policies, and environmental factors within these departments may not reflect the wider landscape of public sector organizations or other types of institutions. This limited scope raises concerns about the applicability of the results to other

contexts, as different sectors and departments might exhibit varying attitudes and behaviors regarding whistleblowing. Furthermore, the interpersonal dynamics and relationships among employees in these departments could influence their perception of wrongdoing and their readiness to report it, potentially skewing the insights drawn from this study.

To enhance the robustness of future research, it is recommended that subsequent studies incorporate a more diverse sample encompassing a broader range of departments and organizations, including private sector entities. This will facilitate a comparative analysis that could uncover whether similar or contradictory factors influence the intentions behind internal and external whistleblowing across different sectors. Additionally, future research should explore the impact of organizational support mechanisms, such as

anonymity protections and reward systems, as well as cultural influences on whistleblowing behavior. By examining these variables, researchers can contribute to a more comprehensive understanding of whistleblowing dynamics across various contexts.

Next, to get a better sense of the employees' ethical awareness, perception of the seriousness of wrongdoing, and rationalisation, future research may examine a scenario identical to this one in the private sector. To obtain a deeper and more comprehensive understanding, research can be conducted both statistically and qualitatively. This study was also carried out inside the framework of Indonesian government offices, which have unique features that other organisations, institutions, or nations might not have. Research in other countries can provide a more thorough understanding.

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