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Rationality and Non-Rationality Testing to Different Form of Whistleblowing

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ABSTRACT
Whistleblowing is an incredibly effective method of preventing and identifying fraud. Indeed, a variety of circumstances contribute to an employee's choice to file a whistle-blower complaint. The goal of this research is to illustrate the effect of perceived danger severity and perceived wrongdoing severity on whistleblowing intention using emotion as a moderator. This research used a quantitative approach. The major source of data was questionnaires issued to workers at a variety of businesses. A total of 207 samples were taken. In our investigation, we used SEM-PLS. Threat perception has an impact on negative mood and has a detrimental effect on whistleblowing intention, according to the research. Whereas the perceived gravity of misbehaviour improves one's mood and raises the possibility of whistleblowing.

Keyword: Whistleblowing Intention, Perceived Seriousness of the Threat, Perceived Seriousness of Wrong doing, Negative Emotion, Positive Emotion.

1. INTRODUCTION

Fraud in organizations has been getting close attention over the past decades. There are some fraud cases in the past few decades, such as WorldCom and Enron in the United States, Indofarma, Lippo Bank, and Kimia Farma in Indonesia (Siregar and Tenoyo, 2015). According to a 2020 research by the Association of Certified Fraud Examiners (ACFE), Indonesia is the country with the highest fraud rate in the Asia-Pacific region, with 36 cases investigated between January 2018 and September 2019. Fraud or violations that happen will undoubtedly result in huge losses. To minimize fraud, each organization tries to instill honesty and brave in all employees to report fraud or violations if they find out.

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Whistleblowing is one of several types of ethical behavior (Francalanza and Buttigieg, 2016). Near et al. (2004) define whistleblowing as "the disclosure by organization members (former or current) of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organizations that may be able to affect action." Based on the definition, it can be said that whistleblowing can reduce and eradicate fraud in the organization.

Before determining whether to expose wrongdoing, a whistleblower would go through some deliberations (Culiberg and Mihelič, 2017). Latan et al. (2019) define the perceived seriousness of threats as "a whistleblowers' assessment of the actual level of risk they may incur in the future as a result of uncovering wrongdoing." Perceived seriousness of threats could negatively influence whistleblower's career and life (Latan et al., 2018) and encourages to choose quiet and forbear from report immoral activities (Brown et al. 2016; MacGregor and Stuebs, 2014). Such as being laid off from work, getting harassment verbally, getting pressure, and treated unfairly by coworkers, thus could reduce whistleblowing intention (Martin, 2014; Latan et al., 2018).

Before whistle-blower acts, they will determine whether an activity could be classified as harmful or illegal; this establishes the seriousness of the wrongdoing (Rehg et al., 2008; Cassematis and Wortley, 2013). An employee will be even more remarkable and willing to act if the more serious wrongdoing is found, making it possible for the employee to blow the whistle (Taylor and Curtis, 2010). Thus, the perceived gravity of misconduct has an effect on employee reporting of wrongdoing in the workplace.

This paper responds to the call of Latan et al. (2019) research about perceived seriousness of wrongdoing and threat influence whistleblowing intention with rationalization as moderating role. According to Latan et al. (2019), respondents with a higher degree of rationalization would have a better awareness of prospective damage and the gravity of wrongdoings. The rationalization process could decrease the perceived threats as an obstacle to reporting wrongdoing (Smaili and Arroyo, 2019). Nevertheless, this study investigated the rationale behind an employee's choice to blow the whistle. Recently, regarding whistleblowing intention and ethical decision making, a non-rationality strategy has also been considered (Henik, 2015; Schwartz, 2016). There are only some studies that have discussed non-rationalist approaches in the explanation of whistleblowing intentions (Henik, 2015; Latan et al. 2019).

Taking into Latan et al (2019)'s research recommendation, this research like to expand the study by analyzing non-rationality approaches such as emotion (Latan et al. 2017). Employees' emotions are critical in increasing employee ethical appraisal and supporting non-rationalist decision-making (Schwartz, 2016). Emotions are divided into 2, which are negative emotions and positive emotions. Hollings (2012) argued that emotions might have influenced decisions; for instance, feelings of fear and lack of confidence can affect the potential whistleblowers' intention to report wrongdoing. While someone with positive emotions more courageous against risks (Hu et al. 2014).

This study will choose employees of the company as the respondent of this study. The private and public company has the highest number of fraud cases compared to government agencies (ACFE, 2020). According to ACFE (2016), in blow the whistle, employees are the most complicated subjects. Employees are important to the whistleblowing process and are uniquely qualified to blow the whistle (Bouville, 2007) because they are the very first people in their workplace to know or suspect possible malpractice.

2. LITERATURE REVIEW AND HYPOTHESIS

Perceived seriousness of threats is an individual's assessment of the risk that might occur in the future due to disclosing

violations (Latan et al., 2019). Generally, whistleblowers often find themselves in conditions where the consequences of their actions threaten them. The perceived threat has a negative connotation for the whistleblowers (Latan et al., 2019) and is related to the consequences present or will occur soon. The level of threat can be not serious to very serious. Threats must be considered bluff or taken seriously depending on the perceived threat level and the observers' mental condition (Kenny et al. 2018). The costs or consequences of reporting might reduce the belief of support existence and protection for whistleblowers (Curtis, 2006), and observers consider inviting possible consequences (Henik, 2007). According to Reckers-Sauciuc and Lowe (2010), the perceived seriousness of the threat had a negative effect on the chance of observers confirming their plan to speak out. Thus, the researcher contends that when onlookers participate in activities that are seen to be serious, they will have no intention of blowing the whistle.

H1. Threats' perceived seriousness is inversely connected to Whistleblowing Intention.

According to Park and Lewis (2018), the threat of retaliation has a severe impact on the whistleblowers' emotional, behavioral, mental health, and physical. Based on Connelly et al. (2004), specific events or situations strongly influence triggering certain emotions. The perceived seriousness of threats causes worry and uneasiness, which influence the observer's choice to report crime (Hollings, 2012; Latan et al. 2019). Negative emotions, such as feelings of powerlessness and pessimism, arise from losing control over a situation and result in individuals giving up on the situation (Connelly et al. 2004). According to Gaudine and Thorne (2001), negative responses may induce people to concentrate only on themselves, since they stress the personal consequences of disclosing rather than not reporting. Thus, negative emotions can be related to a lower intention to report immoral activities to supervisors within the organization (Curtis, 2006) and outside the organization because they want to avoid accepting the consequences. As a result, witnesses who exhibit strong negative emotional reactions will reinforce the association between perceived threat severity and whistleblowing intention, hence decreasing the observer's desire to blow the whistle.

H2. Negative Emotions operate as a moderator and increase the connection between Threats' Perceived Seriousness and Whistleblowing Intention (internally, externally, anonymous)

The perceived seriousness of wrongdoing relates to the extent to which certain wrongful activities might be detrimental to impacted persons by creating drastic consequences (Gundlach et al., 2003). Observers will assess whether the activities are categorized as dangerous or harmful before acting; this is done to measure the seriousness of the wrongdoing or violation (Rehg et al., 2008; Cassematis and Wortley, 2013). Miceli et al. (2008) assert that the perceived seriousness of misbehavior has a favorable effect on the likelihood of whistleblowing intention. Serious misbehavior is seen to have a greater potential for causing severe damage. As a result, the choice to reveal the misconduct is more likely to be motivated by such circumstances (Alleyne et al., 2017; Keil et al., 2018). Thus, the researcher contends that when viewers see alleged misconduct, they will be more motivated to blow the whistle.

H3. Perceived Seriousness of Wrongdoing is a favorable predictor of Whistleblowing Intention.

Heilman et al. (2010) stated that emotions influence an individual in making ethical decisions. When observers find serious wrongdoing or fraud, it could affect the observer's emotions before making ethical judgments (Latan et al., 2017). Observers' emotions influ-

ence their ethical judgment to decide whistleblowing (Henik, 2007, Latan et al., 2017). Hu et al. (2014) said that someone with positive emotions more courageous against risks. Positive emotions often encourage actions such as giving helpful comments, defending the company, spreading kindness, participating in self-development activities, and assisting colleagues (George and Jones, 2001). Connelly et al. (2004) discovered that positive feeling (e.g., pride, optimism, and wonder) enhances an individual's ethical intentions in proportion to their degree of moral development. As a result, witnesses who exhibit a high level of positive emotion will reinforce the relationship between perceived gravity of wrongdoing and whistleblowing intention, which will result in increased intention to blow the whistle.

H4. Positive Emotions act as moderator and improve the link between Perceived Seriousness of Wrongdoing and Intention to Whistleblower (internally, externally, anonymous)

3. METHODS

Sampling and Instrument

To explore the correlation between variables, the researcher used the quantitative method. The quantitative method emphasizes 'quantification in data collection and analysis (Bryman and Bell, 2015). The target sample of the research is employees in several companies in Indonesia. The method of measurement in this research used a Likert scale to determine a person's assessment of each statement given.

The researcher used primary data in this study. Data will be obtained first-hand by the researcher on variables of interest for specific research purposes. There are fourth sections in the questionnaires. The first section of the questionnaires is about informed consent. The second section discusses demographic information such as gender, work experience, business type, position, academic credentials, and salary. The third is about the scenario. The fourth is about the statement regarding the variables.

Because of the difficulty of observing wrongdoing directly in the workplace, we prefer to choose a case scenario approach in this study (Latan et al. 2019). This research refers to the case scenario questionnaire model used by Latan et al. (2019), which is modified according to the respondent's work environment. Respondents will be asked to provide their assessment of all variables based on a case scenario**.**

Measurement of Variables

Latan et al. (2019) define Perceived Seriousness of Threats (PST) as "a whistle-blowers' assessment of the actual level of risk they may incur in the future as a result of uncovering wrongdoing." To measure perceived seriousness of threats variable using six items by Rehg et al. (2008) with using a 5 point of Likert scales from1= "not likely" to 5= "very likely." An example of a statement was," Risk of being laid off from the company."

The Perceived Seriousness of Wrongdoings (PSW) is a term that relates to the extent to which wrongdoing may be damaging by causing grave consequences for people affected (Gundlach et al. 2003). To measure perceived seriousness of wrongdoing variable using three items by Curtis (2006) with using 5 points of Likert scales from 1= "not very serious" to 5= "very serious." An example of a statement was," Level of the seriousness of the violation or fraud discovered."

Emotion is a reaction of the body and mind to a specific object or relatively temporary situation (Fox et al. 2018). Emotion's variables were measured using four items by Connelly et al. (2004). In the questionnaires, respondents will be asked about their emotional level in response to a given scenario. There are two kinds of emotions: Negative Emotion (N-EMT) and Positive Emotion (P-EMT). All emotions were quantified using a five-point Likert scale, with 1 indicating "Strongly disagree" and 5 indicating "Strongly agree". The example of negative and positive emotion

statements was, "Feel like there was nothing I could do", "Feel that I have accomplished something significant or necessary".

The term "whistleblowing intention" relates to respondents' ability to disclose a violation that has happened. Park et al. (2008) assessed the whistleblowing intention variable using 10 items. This variable has three types of reporting channels, which are Anonymous Whistle-blowing Intention (A-WBI), Internal Whistleblowing Intention (I-WBI), External Whistleblowing Intention (E-WBI). To quantify all whistleblower intention this study using a five-point Likert scale ranging from 1 to 5, where 1 equals "not at all" and 5 equals "very". A statement may read, "Inform the director of those results."

To measure all whistleblowing intention variables using 5 points of Likert scale from 1= "not at all" to 5= "very much." An example of a statement was," Tell the director about those findings."

Statistical Analysis

This research used descriptive statistics to provide an overview of the sample data profile. The testing technique used in this research is SEM-based with the Partial Least Square (PLS) method through WarpPLS 7.0 software. SEM-PLS enables researchers to estimate a complicated model that contains several constructs and indicator variables which intended to elucidate causal relationships (Sarstedt et al. 2017).

4. RESULTS AND DISCUSSION

Demographic Analysis

In this study, data were obtained from employees of several companies in Indonesia. The questionnaire was distributed through social media, including Instagram, Line, and WhatsApp. The researcher got a total of 244 questionnaires, but 37 questionnaires were deleted because of incomplete data. The following demographic variables were determined via a questionnaire distributed to respondents (Appendix 1).

Appendix 1 shows the demographic data of respondents. The total sample is 207 respondents. The female respondent is more dominant with the percentage of 62%, which amounted to 129 people, compared with male respondents with the percentage of 38%, which amounted to 78 people. The respondent of work experience was 2-5 years at 54% amounted 111 people, 6-9 years at 24% amounted 50 people, 10-13 years at 11% amounted 23 people, 14-17 years at 8% amounted 17 people, and more than 17 years at 6% amounted six people. The respondents of position in the workplace with dominant respondents were junior staff at 43% amounted 88 people, senior staff at 27% amounted 56 people, supervisor at 12% amounted 24 people, manager at 14% amounted 29 people, general manager at 4% amounted eight people, and director 1% amounted two people. The respondents of academic qualification were diploma (D3/D4) at 16% amounted 34 people, bachelor's degree (S1) at 67% amounted 138 people which the majority respondent for academic qualification, master's degree (S2) at 16% amounted 33 people, and doctor's degree (S3) at 1% amounted two people. The respondent of salary was less than 5 million IDR at 23% amounted 548 people, 5-8 million IDR at 43% amounted to 88 people which is the majority respondent of salary, 9-15 million IDR at 18% amounted to 38 people, and more than 15 million IDR at 16% amounted 33 people. For the type of company business obtained respondents from manufacture industry at 17% amounted 35 people, property and real estate industry at 6% amounted 12 people, aviation industry 7% amounted 15 people, transportation industry at 9% amounted 19 people, agriculture industry at 4% amounted eight people, construction industry at 3% amounted six people, education industry at 5% amounted ten people, pharmacy and healthcare industry at 9% amounted 18 people, finance industry at 10% amounted 20 people, trading industry at 14% amounted 29 people,

hospitality industry at 9% amounted 18 people, advertising industry at 3% amounted six people, telecommunication and technology industry at 5% amounted 11 people.

Descriptive Analysis

This study used WarpPLS 7.0 to test twelve hypotheses. The mean, standard deviation (SD), and correlation of the latent variable are shown in Figure 1. For the independence variable indicates the perceived seriousness of threats has (M = 3.38, SD 1.26) and the perceived seriousness of wrongdoing has (M = 3.95, SD = 0.97). Table 2 also indicates the moderation level of negative emotion (M = 3.17, SD = 1.31) and positive emotion (M = 3.64, SD = 1.37). For the dependent variables indicates the internal whistleblowing intention has (M = 3.58. SD = 1.32), the external whistleblowing intention has (M = 2.59. SD = 1.26), and the anonymous whistleblowing intention has (M = 3.62. SD = 1.23).

Evaluation of Measurement Models

Convergent validity is determined by verifying that a group of indicators reflects and underpins one hidden variable using the average variance extracted (AVE) value (Hair et al. 2019). AVE values of 0.5 or above are considered acceptable; this suggests that a single latent variable may explain for more than half of the variation in the average of the indicators (Hair et al. 2019). The factor loading value must also be taken into account during the validity test. It is advised to use a loading factor greater than 0.7. (Hair et al. 2019). As seen in Appendix 2, all created variables fulfill the convergent validity criteria.

The discriminant validity test is based on the Fornell-Lacker criteria, which compares the square root of the AVE value to the correlation coefficients of other constructs (Hair et al. 2019). The square root of each construct's AVE value must be larger than the correlation coefficient between the constructs in a model. In Figure 2, the bolded diagonal column values show the square root of the AVE value, and the square root value of the AVE for the latent variable is larger than its correlation in the same column. For example, the square root of the AVE value

Figure 1. **Descriptive Statistics and Correlations**

	Mean	SD	1	2	3	4	5	6	7
PST	3.38	1.26	1.00						
PSW	3.95	0.97	- 0.42***	1.00					
N-EMT	3.17	1.31	0.83***	-0.53***	1.00				
P-EMT	3.64	1.37	-0.65***	0.68***	-0.67***	1.00			
I-WBI	3.58	1.32	-0.61***	0.75***	-0.71***	0.83***	1.00		
E-WBI	2.59	1.26	-0.21***	0.40***	-0.30***	0.57***	0.58***	1.00	
A-WBI	3.62	1.23	-0.46***	0.54***	-0.51***	0.63***	0.73***	0.49***	1.00

Source: Processed Data

Figure 2. **Discriminant Validity**

	PST	PSW	N-EMT	P-EMT	I-WBI	E-WBI	A-WBI
PST	**0.835**						
PSW	-0.416***	**0.850**					
N-EMT	0.830***	-0.526***	**0.942**				
P-EMT	-0.646***	0.681***	-0.672***	**0.934**			
I-WBI	-0.614***	0.745***	-0.705***	0.832***	**0.911**		
E-WBI	-0.209***	0.398***	-0.298***	0.565***	0.583***	**0.884**	
A-WBI	-0.450***	0.540***	-0.513***	0.625***	0.726***	0.493***	**0.901**

Diagonal columns in bold are square roots of AVE.
*** Sig. at $p < 0.01$

Source: Processed Data

for "Perceived seriousness of threats (PST)" is 0.850, and it is higher than the value in the same column, which are -0.460, 0.842, -0.698, -0.698, -0.684, -0.226, and -0.456. The discriminant validity test results indicate that this study fulfilled the criteria on the validity discriminant test.

The reliability test is carried out to test how consistent the measurement result is if the measurement is repeated twice or more. In determining the reliability test, use the Composite Reliability (CR) value and Cronbach's alpha value (Hair et al. 2019). The interpretation of the Composite Reliability (CR) and Cronbach alpha scores is the same. Hair et al. (2019) suggests a value greater than 0.7 as sufficient or acceptable, whereas if the value is more significant than 0.8 and 0.9, it means very satisfying. Higher values usually indicate higher levels of reliability. In Figure 3 shows that the Cronbach alpha and composite reliability value is higher than 0.7. The reliability test results indicate that this study fulfilled the criteria on the reliability test.

Analysis of Structural Model

The researcher tested the collinearity required to fulfill the analysis that used the variance inflation factor (VIF). Hair et al. (2011) state that a standard threshold is a VIF value above 10. Figure 4 show that the VIF value of perceived seriousness of the threat, perceived seriousness of wrongdoing, negative emotion, positive emotion, internal - external - anonymous whistleblowing intention is lower than 10.

R^2 is used to express the percentage of construct variation in the model or the extent to which all independent variables can account for the variance of the dependent variable (Shmueli and Koppius, 2011). Hair et al. (2011) argues that R^2 values of 0.75 considered substantial or high, 0.50 considered moderate, and 0.25 considered weak. R^2 shows a more significant variance if the R^2 value is closer to 1 (Hair et al. 2019). In Figure 5, Internal Whistleblowing Intention has an R2 of 0.67, indicating that 67 percent of this variable is impacted by perceived seriousness of threats and perceived seriousness of wrongdoing, whereas 33% is influenced by factors other than the variables examined in this research. Simultaneously, External Whistleblowing Intention has an R2 of 0.28, indicating that 28% of Internal Whistleblowing Intention is explained by perceived seriousness of threats and perceived seriousness of wrongdoing, whereas 72% of External Whistleblowing Intention is explained by factors other than the variables used in this study. R2 0.46 indicates that 46% of Anonymous Whistleblowing Intention is explained by perceived seriousness of threats and perceived seriousness of

Figure 3. **Composite Reliability and Cronbach's Alpha**

Latent Variable	Composite Reliability	Cronbach's Alpha
Perceived Seriousness of Threats	0.932	0.912
Perceived Seriousness of Wrongdoings	0.886	0.807
Negative - Emotion	0.940	0.873
Positive - Emotion	0.932	0.853
Internal - Whistleblowing Intention	0.951	0.931
External - Whistleblowing Intention	0.935	0.907
Anonymous - Whistleblowing Intention	0.896	0.767

Source: Processed Data

Figure 4. **VIF Value**

	PST	PSW	N-EMT	P-EMT	I-WBI	E-WBI	A-WBI
Full Collin. VIF	3.754	2.765	4.070	4.158	6.258	1.866	2.238

Source: Processed Data

wrongdoing, whereas 54% of anonymous Whistleblowing Intention is explained by factors other than the variables utilized in this study.

The inner model can be assessed by examining the Model Fit value, which includes the Average path coefficient (APC), the Average R-squared (ARS), the Average Adjusted R-squared (AARS), the block VIF (AVIF), and the Average complete collinearity VIF (AFVIF). APC, ARS, and AARS should be statistically significant at p 0.05; this study met these requirements with APC = 0.219, ARS = 0.469, and AARS = 0.459, all of which were statistically significant at p 0.001. The average of the block VIF (AVIF) and the average of the complete collinearity VIF (AFVIF) should be less than five and preferably less than 3.3. With an AVIF of 1.397 and an AFVIF of 3.087, this study met the requirements.

Hypothesis Test

The purpose of hypothesis testing is to ascertain the existence of a negative or positive relationship between independent, dependent, and mediating variables. As seen in Figure 5 and Figure 6, the perceived seriousness of threats and internal whistleblowing intention have a negative and significant association, with path coefficient = -0.410 and p 0.01, respectively, supporting Hypothesis 1a. The perceived seriousness of threats and external whistleblowing intention have a negative and statistically significant association with path coefficient = -0.177 and p 0.01, which supports Hypothesis 1b. The perceived seriousness of threats and the aim of anonymous whistleblowers have a significant negative connection with path coefficient = -0.510 and p 0.01, which supports Hypothesis 1c.

The perceived seriousness of wrongdoing and internal whistleblowing intention are positively and significantly related, with path coefficient = 0.089 and p 0.1, respectively, supporting Hypothesis 3a. The link between perceived seriousness of wrongdoing and internal whistleblowing intention is negative and significant, with path coefficient = -0.099 and p 0.1, indicating that Hypothesis 3b is not supported. The link between perceived seriousness of wrongdoing and anonymous whistleblowing intention is positive but not significant, with path coefficient = 0.035 and p > 0.1, indicating that Hypothesis 3c is not supported.

For moderating relationship results, negative emotion moderated the relationship between internal whistle-blowing intention with positive path coefficient = 0.136 and p < 0.05, which Hypothesis 2a is supported. Negative emotion moderates the relationship between external whistleblowing intention with positive path coefficient = 0.260 and p < 0.01, which Hypothesis 2b is supported. Negative emotion does not moderate the relationship between anonymous whistleblowing intention with path coefficient = 0.136 and p > 0.1, which Hypothesis 2c is not supported.

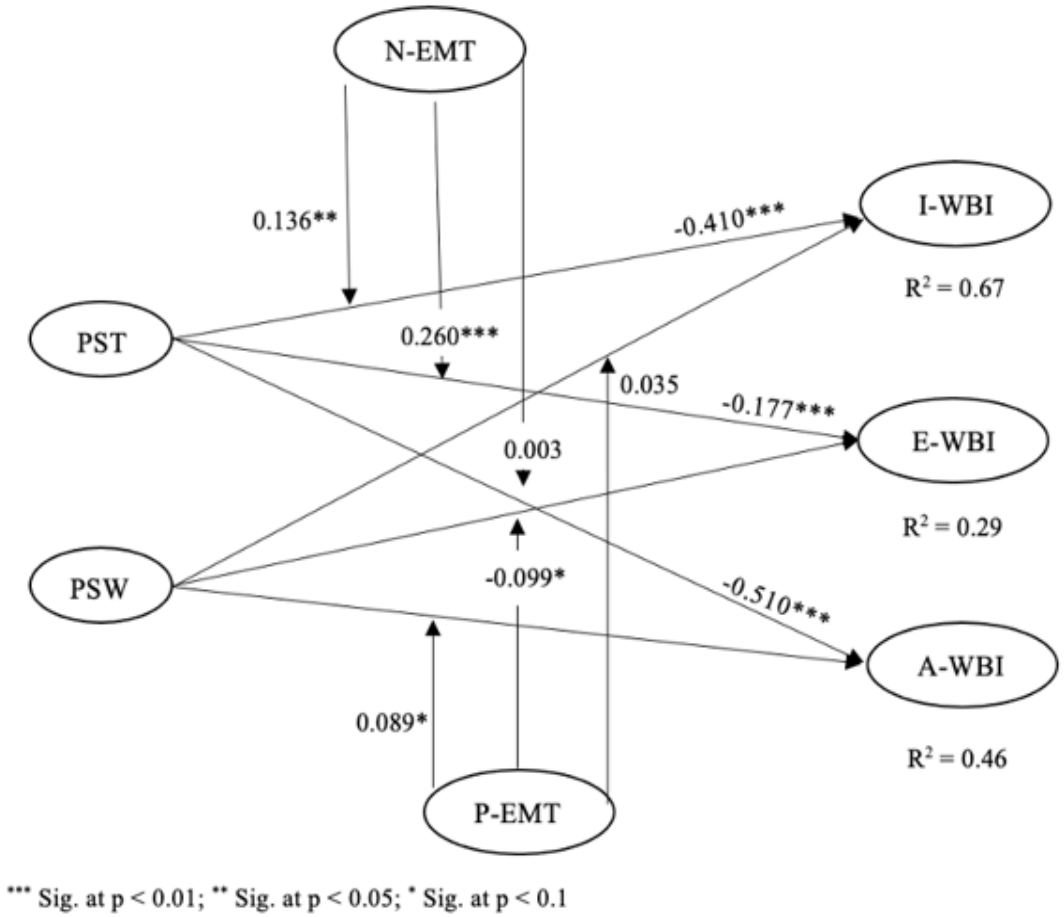
Figure 5. **PLS Result**

Variable	Path to				
	I-WBI	E-WBI	A-WBI	N-EMT*PST	P-EMT*PSW
Direct Effect					
Perceived seriousness of threats	-0.410***	-0.177***			
Perceived seriousness of the wrongdoing	0.456***	0.222***			
Moderating Effect					
Internal -Whistleblowing Intention				0.136**	0.089*
External - Whistleblowing Intention				0.260***	-0.099*
Anonymous - Whistleblowing Intention				0.003	0.035
R^2	0.665	0.283	0.460		

*** Sig. at p < 0.01; ** Sig. at p < 0.05; * Sig. at p < 0.1

Source: Processed Data

Figure 6. **PLS Result**



Source: Processed Data

Positive emotion moderates the relationship between internal whistleblowing intention with positive path coefficient = 0.089 and $p < 0.1$, which Hypothesis 4a is supported. Positive emotion moderated the relationship between external whistleblowing intention but with negative path, coefficient = -0.099 and $p < 0.1$, which Hypothesis 4b is not supported. Positive emotion does not moderate the relationship between anonymous whistleblowing intention with path coefficient = 0.035 and $p > 0.1$, which Hypothesis 4c is not supported.

DISCUSSION

This study hypothesized and investigated a relationship between the perceived seriousness of emotions and their perceived seriousness, both positive and negative. Additionally, the influence of whistleblowing purpose was examined on three dimensions: internal, external, and anonymous.

To begin, this study showed a significant negative correlation between perceived threat severity and whistleblowing intention (internal, external, anonymous). The study confirmed and extended the findings of Reckers-Sauciuc and Lowe (2010) that observers who felt threatened were less likely to affirm their intention to speak up. The data suggest that when threats are seen as serious, the desire to whistleblower decreases. As a consequence, we believe that Hypotheses 1a, 1b, and 1c are correct.

The second finding is that negative emotion has a positive moderating influence on the connection between perceived threat severity and internal and external whistleblowing intention. As a result, Hypotheses 2a and 2b are accepted. According to Hollings (2012)

and Latan et al. (2019), the perceived seriousness of threats results in fear and lack of confidence, which influence the observer's decision to report wrongdoing. Negative emotions, such as powerlessness and pessimism, result from humans losing control of a situation and ultimately end in persons abandoning the scenario (Connelly et al. 2004). In other words, a high level of negative emotion strengthens the association between perceived threat severity and whistleblowing intention, further reducing the observer's intention to blow the whistle internally and outwardly. Negative emotion, on the other hand, does not act as a moderator in the relationship between perceived threat severity and anonymous whistleblowing intention. As a result, Hypothesis 2c is unsupported.

Third, perceived seriousness of wrongdoing is positively and significantly connected with whistleblowing (internal, external, anonymous). The study confirmed and expanded Miceli et al (2008)'s conclusion that perceived gravity of misbehavior had a favorable influence on the likelihood of whistleblowing intention. Additionally, Latan et al. (2019) discovered that the perceived gravity of wrongdoing had a beneficial effect on internal, external, and anonymous whistleblowing intention. The data indicate that when threats are deemed significant, the desire to report increases. As a result of this finding, hypotheses 3a, 3b, and 3c are all supported.

Fourth, it is discovered that a positive mood has a good moderating effect on the relationship between perceived severity of wrongdoing and internal whistleblowing intention. According to Connelly et al. (2004), positive emotions (e.g., pride, optimism, and wonder) increase an individual's ethical intentions in proportion to their moral development level. In other words, a high degree of positive emotion enhances the relationship between perceived wrongdoing's importance and internal whistleblowing intention, resulting in an increase in internal whistleblowing intention. As a result of this finding, Hypothesis 4a is validated. However, it is observed that a positive mood has a moderating effect on the relationship between perceived wrongdoing severity and external whistleblowing intention. In other words, a high degree of positive emotion diminishes the relationship between perceived gravity of wrongdoing and external whistleblowing intention, hence decreasing the intention to externally blow the whistle. According to Appendix 1, more than half of all respondents, including junior employees, senior staff, and supervisors, have high positive emotional reactions but lack outward whistleblowing intentions. Additionally, it is established that pleasant emotion has no influence on the link between the perceived seriousness of wrongdoing and the anonymous whistleblowing goal. According to Latan et al. (2019), suitable persons with an unbiased profile inside the business, i.e., those who lack hierarchical power, prefer to disclose wrongdoing through internal channels, since this increases observers' trust in reporting errors. As a result, Hypotheses 4b and 4c do not hold up to scrutiny.

Whistleblowing has been discussed among researchers in various fields and recognized to disclose wrongdoings in organizations. In the matter of theoretical implication, this study found new evidence to the whistleblowing literature. The purpose of this study was to examine the impact of emotion in the link between perceived seriousness of threats, perceived seriousness of wrongdoing, and whistleblowing intention. The data confirm our contention that an employee's mood can influence the perceived significance of threats and perceived seriousness of misbehavior when it comes to activating the desire to whistleblower.

In a matter of practical implications, the findings of this study could be beneficial for the management in companies/ organizations to know the factors that affect whistleblowing intention. The concern about fraud/wrongdoing in the organization has increased, and it has

a considerable impact on its financial statements. If a fraud/wrongdoing occurs, the financial statements will be attached incorrectly and cause loss to many parties. Therefore, imperative to understand why the employee observing wrongdoing may decide to remain silent or blow the whistle. Observers' emotions influence their intention to report wrongdoing.

Our findings suggest that senior management should help whistle-blowers by offering accessible reporting channels and decreasing the possibility of reprisal. This is critical to boost observers' confidence in organizations. Additionally, organizations must enhance the effectiveness of their whistleblowing system by establishing a precise reporting mechanism, establishing clear authority lines, and assisting employees in recognizing the seriousness of workplace wrongdoing as early as possible through the provision of fraud/wrongdoing education training. Not only for businesses, but also for governments, the role of whistle-blower protection programs and policies is critical in preventing all forms of retaliation against whistle-blowers, including harassment, punishment, and other forms of retaliation, because protection can increase the intention of observers to report errors to an external channel.

5. CONCLUSION

The purpose of this study is to evaluate how emotion moderates the influence of perceived seriousness of wrongdoing threats and misconduct on whistleblowing intention. This research gathered 207 data points from employees at a variety of firms throughout Indonesia. WarpPLS 7.0 was used to test twelve hypotheses. Nine of the hypotheses are accepted, while three are rejected.

The study's findings show that the perceived seriousness of threats has a deleterious influence on the intention of internal, external, anonymous whistleblowers. While the perceived seriousness of misbehavior benefits the objective of internal-external-anonymous whistleblowers. Additionally, negative emotion functions as a moderator of the relationship between perceived threat seriousness and internal-external whistleblowing intention; negative emotion acts as a strengthener of the relationship between perceived threat severity and internal-external whistleblowing intention. On the other hand, negative emotion has no role in mediating the association between perceived threat intensity and anonymous whistleblowing intention. Additionally, happy emotion functions as a mediator between perceived severity of wrongdoing and internal whistleblowing intention; positive emotion contributes to strengthen the relationship between perceived severity of wrongdoing and internal whistleblowing intention. Good emotion, on the other hand, functions as a buffer between perceived gravity of wrongdoing and outward whistleblowing intention; positive emotion acts as a shock absorber between perceived seriousness of wrongdoing and external whistleblowing intention. On the other hand, positive feeling does not operate as a mediator between perceived violation severity and anonymous whistleblowing aim.

There are few limitations of this study. First, emotion variables in this study were measured only using two items. Therefore, future research could look for other emotional variables that connect and might affect whistleblowing intention. According to Jalan (2020), emotions like as shame, guilt, and rage influence and have a substantial impact on ethical decision-making, particularly in the intention to whistleblower, which may have severe consequences for businesses. Second, the results of this study show that mean of external whistleblowing intention has low value. It means most respondents choose to report internally rather than externally. Therefore, future research could consider other variables that might affect external and internal whistleblowing intention, such as loyalty. According to Lewis (2011), loyalty to the organization can reduce the

intention to whistle externally. Last, this study had a total of 168 respondents from junior staff, senior staff, and supervisors who had weak responses to external whistleblowing intention. Therefore, future research might conduct with a more significant sample of high positions in the workplace.

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Appendix 1. **Demographic Data**

Demographic Parameter	N	%	Mean						
			PST	PSW	N-EMT	P-EMT	I-WBI	E-WBI	A-WBI
Gender									
• Female	129	62%	3.40	4.01	3.17	3.68	3.61	2.56	3.65
• Male	78	38%	3.33	3.86	3.17	3.56	3.53	2.63	3.57
Work Experience (years)									
• 2-5	111	54%	3.82	3.77	3.71	3.24	3.24	2.39	3.32
• 6-9	50	24%	3.26	3.96	3.11	3.73	3.54	2.52	3.87
• 10-13	23	11%	2.67	4.30	2.17	4.39	4.25	3.02	4.07
• 14-17	17	8%	2.27	4.39	1.68	4.53	4.60	3.18	4.09
• >17	6	3%	1.97	4.67	1.67	4.67	4.75	3.38	4.08
Position									
• Junior staff	88	43%	3.91	3.70	3.94	3.13	3.09	2.32	3.18
• Senior staff	56	27%	3.49	3.90	3.26	3.57	3.46	2.35	3.74
• Supervisor	24	12%	2.88	4.25	2.31	4.21	4.18	2.89	4.17
• Manager	29	14%	2.42	4.38	1.93	4.38	4.40	3.07	4.16
• General Manager	8	4%	2.06	4.42	1.50	5.00	4.75	4.06	4.13
• Director	2	1%	1.83	4.50	1.75	4.75	4.75	4.25	3.50
Academic qualification									
• Diploma	34	16%	4.14	3.67	4.04	2.84	2.73	2.10	2.82
• Bachelor's degree	138	67%	3.47	3.89	3.31	3.59	3.52	2.56	3.66
• Master's degree	33	16%	2.26	4.46	1.76	4.58	4.62	3.10	4.21
• Doctor's degree	2	1%	2.08	4.50	1.75	4.75	4.88	4.25	5.00
Salary									
• < 5 million IDR	48	23%	4.08	3.64	4.01	2.97	2.91	2.34	3.07
• 5 - 8 million IDR	88	43%	3.54	3.87	3.44	3.49	3.44	2.35	3.53
• 9 - 15 million IDR	38	18%	2.95	4.12	2.61	4.03	3.94	2.66	4.08
• > 15 million IDR	33	16%	2.41	4.41	1.88	4.55	4.50	3.48	4.12
Type of Company Business									
• Manufacture	35	17%	3.59	3.90	3.49	3.39	3.45	2.47	3.17
• Property and real estate	12	6%	3.18	3.72	3.00	3.92	3.52	2.52	3.83
• Aviation	15	7%	3.11	4.16	2.93	4.00	3.75	2.88	3.97
• Transportation	19	9%	3.31	3.79	3.05	3.63	3.50	2.46	3.53
• Agriculture	8	4%	3.48	3.29	3.19	3.00	3.16	2.53	3.63
• Construction	6	3%	4.08	3.89	3.92	3.58	3.67	3.29	3.75
• Education	10	5%	3.05	3.80	3.40	3.75	3.35	2.25	3.35
• Pharmacy & healthcare	18	9%	3.37	4.07	3.00	3.56	3.75	2.79	3.92
• Finance	20	10%	3.35	4.13	2.88	3.88	3.79	2.79	3.83
• Trading	29	14%	3.46	3.95	3.24	3.52	3.52	2.59	3.53
• Hospitality	18	9%	3.14	4.30	2.92	3.92	3.79	2.44	3.64
• Advertising	6	3%	3.67	4.28	3.08	3.75	3.96	2.42	3.92
• Telecommunication and technology	11	5%	3.30	3.70	3.32	3.50	3.39	2.39	3.86

Appendix 2. **Mean, Standart Deviation, Factor Loading, and AVE**

Latent Variable	Mean	SD	Loading	P-Value
Perceived seriousness of Threats (AVE=0.697)				
Risk of being laid off from the company	3.150	1.377	0.832	<0.001
Being treated unfairly within the company	3.386	1.245	0.868	<0.001
Get verbal harassment or intimidation	3.725	1.082	0.801	<0.001
Risk of losing reputation	3.377	1.208	0.860	<0.001
Get pressure from co-workers	3.696	1.114	0.752	<0.001
Get poor performance appraisal	2.923	1.307	0.888	<0.001
Perceived Seriousness of Wrongdoings (AVE=0.722)				
Level of the seriousness of the violation or fraud discovered	3.855	1.037	0.868	<0.001
The potential harm of those frauds	4.048	0.907	0.852	<0.001
Financial, reputational, or other harm caused	3.947	0.951	0.828	<0.001
Negative - Emotion (AVE=0.888)				
Think that a change will not necessarily improve my situation (pessimism)	3.227	1.408	0.942	<0.001
Feel like there was nothing I could do (powerlessness)	3.111	1.355	0.942	<0.001
Positive - Emotion (AVE=0.872)				
Feel that I have really accomplished something significant or important (pride)	3.686	1.297	0.934	<0.001
Find how incredible it is if I have an influence in others' lives (awe)	3.585	1.322	0.934	<0.001
Internal - Whistleblowing Intention (AVE=0.830)				
Report it to the appropriate persons within the company	3.628	1.323	0.910	<0.001
Use channels provided by the company (e.g., complaint box) to report or disclose those findings	3.676	1.268	0.882	<0.001
Let upper-level management know about it	3.560	1.353	0.913	<0.001
Tell director about those findings	3.454	1.328	0.937	<0.001
External - Whistleblowing Intention (AVE=0.781)				
Report or disclose those findings to the appropriate authorities outside of the company	2.681	1.264	0.899	<0.001
Use channels outside of the company to report or disclose those findings	2.667	1.277	0.873	<0.001
Provide information about those findings outside agencies	2.478	1.202	0.898	<0.001
Inform the public about those findings	2.517	1.273	0.865	<0.001
Anonymous - Whistleblowing Intention (AVE=0.811)				
Report or disclose those findings using an assumed name	3.643	1.186	0.901	<0.001
Report or disclose those findings but don't provide any personal information	3.599	1.273	0.901	<0.001