

# Determinant of internal auditor's intention to perform whistleblowing: a proposed model

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## Abstract

So many years passed after SOX, fraud in corporation does not show a significant decrease, and only 7 percent of the cases were revealed through a whistleblowing system. BPR is an organization that have a significant weakness in fraud. This paper aims to formulate a research model related to the determination of the intention of internal auditors at BPR to take whistleblowing actions. The model proposed in this paper is derived from Theory of Planned Behavior and Social Cognitif Theory. Variables used in this model are attitude, social norm, perceived behavioural control, self efficacy, and outcome expectation. This research is expected to make a theoretical, scientific, insightful, and literary contribution related to the factors that influence the intention of an internal auditor at BPR to conduct whistleblowing in terms of the TPB and SCT model.

Keywords: Whistleblowing, Internal Auditor, Theory of Planned Behavior

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## Introduction

An intensive study regarding whistleblowing activity is now frequently conducted, starting in the beginning of 2000's, when a number of big financial scandals occurred in some companies such as Enron, Arthur & Anderson and Worldcom (Saud, 2016). Those scandals brought great effect to the global financial sector. Enron, for instance, in 2001, was cunningly successful to increase its income, which was US\$ 600,000,000 (Six Hundred Million US Dollar) as well as to hide its debt (as much as US\$ 1,200,000,000 (One Billion Two Hundred Million US Dollar)), and they did it no matter how (Setiawati & Sari, 2016).

Those major scandals enforced American stock market regulators to create a new regulation namely *Sarbanes Oxley Act of 2002* (SOX). SOX encouraged strengthening of internal control system in a company. One of the ways to strengthen this internal control system is to apply the obligation of developing whistleblowing system within companies (Saud, 2016). It is expected that existence of effective whistleblowing system in a company will lure the interest and participation of employees in reporting any visible fraud performed in their companies. Enhancement of employee's active initiation and participation in reporting frauds occur in their companies will strengthen implementation of internal controlling system built in the companies (Saud, 2006)

Although regulation related to the whistleblowing development has been completely made, the level of fraud performed by corporations in this world remains greater from year to year (Setyawati, Ardiyani, & Sutrisno, 2015). The result of survey conducted by PricewaterhouseCoopers (2018) implies that the level of fraud and economic crime raised up from 36 percent in 2016 to 49 percent in 2018. This survey result also indicates that 24 percent of the frauds were performed by company managements and 68 percent of it were performed by outer parties who had relation with the companies, such as vendors, suppliers and customers (PricewaterhouseCoopers, 2018). Another intriguing fact revealed by this survey was that only 7 percent of reported fraud cases was discovered by whistleblowing system embedded in the companies. It implies that implementation of whistleblowing system (which is being developed by the corporations in the world) is still obstructed.

One profession which is worthy to be noticed when talking about whistleblowing system ineffectiveness goes to internal auditor (Nugraha, Azlina, & Julita, 2017). Internal auditors possess important role in monitoring economic fraud. The function of internal auditors is to evaluate, as

well as to give contribution for the enhancement of governance, risk management and supervision process of companies (Pickett, 2010). According to Pickett (2010), the function of internal auditors includes three main dimensions which are enhancement of governance, risk management and supervision process.

Furthermore, Pickett (2010) says that internal auditors should identify and measure significant risks, and then determine suitable response to the risks. This statement means that internal audit must be able to identify all the significant risks, including risks caused by frauds performed in organizations or companies. Internal auditors must also stipulate the appropriate response to the frauds. However, Internal auditor's obligations in handling economic frauds are not merely identifying risks and finding solutions. They are also obliged to run their functions as the supervisor who monitors high level economic risk and frauds.

Activity of internal auditors should be performed preventively and repressively. Internal auditors should try to prevent occurrence of frauds and convey occurrence of fraud in order to minimize loss that will be suffered by the company. One of the ways or mechanisms that can be utilized by internal auditors is to perform whistleblowing (Nugraha et al., 2017). Internal auditors should never be hesitated to convey any kind of economic fraud. This should be performed to implement the functions of internal auditors that have been discussed above.

Internal auditors possess the right to handle economic fraud occurred in companies. Semendawai et al. (2011) say that internal auditors are granted the official job to report occurrence of economic frauds. In spite of the fact that members of other organizations possess the right to report frauds too, the authority of internal auditors will give them a better comprehension of economical fraud (Semendawai et al., 2011).

Nowadays, the function of internal auditors as internal supervising tool is needed by nearly all of existing companies (Pickett, 2010). One instance of companies who require internal audit is Bank Perkreditan Rakyat (Rural or People Bank) or so called as BPR. BPR is a kind of bank with narrower operation scale when compared to that of the common banks. Generally, activities of BPR are to perform micro lending transaction and micro saving transaction. BPR does not offer insurance and forex trading (Mokhtar, Nartea, Zealand, & Gan, 2012). Product in the form of credit which is offered by BPR is usually adaptive to the needs of countryside society or the people who live in BPR operation area (Mokhtar et al., 2012).

Lembaga Penjamin Simpanan/Deposit Guarantee Institution (LPS) stated that, by 2005, they have handled 98 problematic banks: 97 BPR were closed, 1 General Bank was closed and 1 General Bank was saved (Ulfah, 2019). Furthermore, LPS stated that the cause of bankruptcy suffered by BPR was mainly economical fraud rather than competition level. Weakness of BPR, according to Financial Service Authority (OJK), was spotted on the capital, governance and human resources (Sitorus, 2017). Heavy tasks borne by BPR management are the obligation to apply internal control which is suitable with the size as well as to utilize the existing capital structure and human resources in order to optimize profit. Internal auditors in BPR should work properly (as mentioned by Pickett (2010)) when implementing whistleblowing for supporting task from management. Internal auditor should be willing and daring to convey economical frauds which are occurred in BPR in order to minimize loss which may come to the company.

Due to the importance of internal auditor's function in enhancing supervision effectiveness, development of a research model which identifies internal audit determinant for performing whistleblowing. Therefore, the objective of this paper was to develop research model that will be able to identify factors which affect whistleblowing operation by merging two theories, including 'Theory of Planned Behavior' and 'Social Cognitive Theory'.

## Literature Review

### Theory of Planned Behavior (TPB)

Theory of planned Behavior is one of the classical theories which can be used to analyze factors that affect somebody's intention to perform an act. This theory was developed by Ajzen (1985).

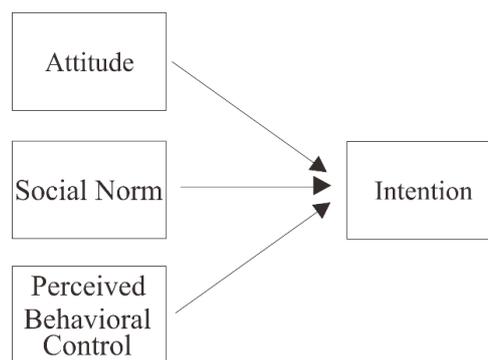
Ajzen (1985) states that TPB is a further development of the previous theory, which was Theory of Reasoned Action (TRA). TPB complements TRA by arguing that intention to perform an act is not triggered merely by motivational factor, but also control factor within a person. For instance, the opportunity and resource for performing an action (Ajzen, 1991).

Focus point of the model of TPB is that motive or intention possessed by a person. TPB believe that human's possibility to do a certain action depends on their motive or intention (Ajzen, 1991; Dewberry & Jackson, 2018). This motive or intention can be considered to be the willingness to invest an effort for doing an action (Daxini, Ryan, Donoghue, & Barnes, 2019). The deeper the person's motive/intention the higher the possibility to perform action (Ajzen, 1991; Daxini et al., 2019).

Ajzen (1991), says that this motive or intention is affected by the three factors, which are attitude toward an act, subjective norm and perceived behavioral control. Attitude can be defined as somebody's evaluation, either positive or negative evaluation, to an action (Daxini et al., 2019). Another explanation of manner of attitude is that it is an appraisal, whether it is favorable or unfavorable appraisal, to an act or behavior (Japutra, Maria, Loureiro, Molinillo, & Ekinci, 2019). The higher or the more positive somebody's appraisal to an action, the higher the intention to perform the action (Daxini et al., 2019; Japutra et al., 2019).

The second factor/variable in the model of TPB is subjective norm. Subjective norm is a level of social force or expectation which can be possessed or felt by an individual, and it comes from other person who is considered to be the significant reference for determining whether to perform a certain action (Japutra et al., 2019). The higher the subjective norm, the higher the intention to perform the action (Daxini et al., 2019; Japutra et al., 2019).

The third factor is perceived behavioral control. This variable can be said as the result of the old TRA development (Ajzen, 1991). Ajzen (1991) argues that somebody's intention to perform an act does not depend only on motivational aspect, but also depends on the aspect of actual control to perform the action. Human's actual control against an act can be in the form of opportunity and resource (Ajzen, 1991). Daxini et al. (2019) argue that human's perceived behavioral control is an individual perception on the easiness to perform action as well as the perception on facilitating condition that will support implementation, which is usually mentioned as situational constraint. The higher the perception on taking control of their own behavior in performing action, the higher the intention to perform the action (Daxini et al., 2019; Japutra et al., 2019).



**Figure 1.** Theory of Planned Behavior

One of the TPB superiorities when compared to that of any other theories, especially TRA, is that TPB sees the factors (which may affect human's intention) through both dimensions, which are motivation and ability (Ajzen, 1991). Someone's intention, according to TPB, is not only triggered by motivation, but also availability of opportunity and resource to perform action (Ajzen, 1991).

It is so often that availability is beyond the reach of individual competence. Therefore, capability of TPB in analyzing a fact that somebody's control against self-demeanor may be lacking, should be considered to be the superiority of TPB (Jogiyanto, 2007).

### **Social Cognitive Theory (SCT)**

The second model, that is usually employed when performing research on human's motive/intention for doing a certain action, is Social Cognitive Theory (SCT). This theory is developed by Bandura (1989). Wang, Hung & Huang (2019) suggest that relation of reciprocal causation occurs in the model of SCT. In this model of reciprocal causation, Internal factors of an individual such as cognitive, affective, biological event, behavioral pattern and the influence of environment are serving as interactive determinant which are affecting each other in two directions (Wang et al., 2019). SCT defines human's behavior as an interaction which is triadic, dynamic and giving the vibe of reciprocal causation between individual factor, behavior and environment factor (Wang et al., 2019).

Interactions within individual behavior form a cognitive process. Cognitive process of an individual is affected by a perception about self-efficacy and the expectation for the outcome (Wang et al., 2019). Self-efficacy can be defined as individual belief about self –capacity to accomplish a mission or a certain job (Eizen&Desivilya, 2005). The gap between internal standard and the accomplishment, which may encourage or even discourage the person, really depends on self-efficacy (whether oneself believe that they could accomplished that has been stipulated (Bandura, 1989). A person who is highly confident that he or she can finish the job successfully will develop businessand proceed whatever he or she is doing regardless the fact that they are encountering difficulties (Eizen&Desivilya, 2005).

The second factor in this model is outcome expectancies. Bandura (1989) argues that outcome expectancies is a kind of incentive that enforce observational learning. The hope for expectancies is a part or a component of human's cognitive process which is connected to personal objective context, moral and standard that will determine decision to perform an action and the way to perform the action (Wang et al., 2019).

### **Definition of Whistleblowing**

Whistleblowing is about reporting human unethical actions to the third party (Dungan, Waytz, & Young, 2015). Generally, whistleblowing is usually interpreted as an action performed by employee in the form of announcing, either publicly or privately, that their organization or company is involved in the corruption or other illegal and amoral activities which can roundly bring effect to the organization or company(Nisar, Prabhakar, &Torchia, 2019). Another definition of whistleblowing is the action of reporting performed by employee, member of organization or ex-employee regarding illegal acts performed by organization which may bring negative effect to the public need (Valentine &Godkin, 2019). By considering those definitions, it can be said that whistleblowing is the action to report an individual, or even an organization/company, who performs illegal acts that could harm the company itself or public need (Dungan et al., 2015; Nisar et al., 2019; Valentine &Godkin, 2019).

Vandekerckhove (2006) says that whistleblowing is formed by six forming elements. Those forming elements are: action, outcome, actor, subject, target and recipient. Whistleblowing is a conveying action, and the outcome of this action is in the form of public or non-public report that will be submitted to authorities. This conveying action (regarding illegal and amoral acts performed by member of organization or external parties) is performed by employee or member of organization (Vandekerckhove, 2006).

A person who performs whistleblowing can be called as whistleblower. Whistleblower is the one who report or convey an action which breaks the law, which is occurred in the organization or company in which the whistleblower are working for (Siringoringo, 2015). Siringoringo (2015)

says that whistleblower usually possess adequate data and information access regarding the illegal acts occurred in their organization.

Semendawai et al. (2011) mention that a person can be considered to be the whistleblower if they fulfill two basic criteria. The first criteria is a whistleblower must be the one who conveys information to authority or mass media (Semendawai et al., 2011). This reporting is expected to discover the act of fraud in the company. In the first step, a whistleblower may internally report the fraud to the authority in their organization (Semendawai et al., 2011). If the reporting seems to be handled inadequately, then the whistleblower may report the fraud to head of office, director, commissioner, even to mass media, although it is undeniable that internal parties prefer to hide the reported case rather than handling it (Semendawai et al., 2011).

The second criterion of whistleblower is that the person should be the part of organization where the fraud takes place. In other words, the person should be the 'insider' (Semendawai et al., 2011). The fraud should be occurred in the company which provides job to the insider. Moreover, Semendawai et al. (2011) say that whistleblower is usually one of the culprits of that organized fraud, who decides to report it. Hence, whistleblower is the person who really understands and comprehends the occurring fraud because he or she is in the environment where the fraud takes place (Semendawai et al., 2011). Semendawai et al. (2011) mention that whistleblower criteria can be halved into whistleblower of private sector and whistleblower of government sector. The first category is whistleblower of private sector. This whistleblower is the one who works in private company, not in a public/government company. Whistleblowers of private company are popping up due to the nowadays abundance number of fraud which takes place in private sector, affecting negatively not only the company, but also society (Semendawai et al., 2011). Although private company is operated using private capital, it is not uncommon that private parties are having business relationship with government companies such as tax office, custom duty, licensing service and other instances.

The second one is whistleblower of government sector. This kind of whistleblower is working for government instances and may report the frauds occurred in government sectors. Semendawai et al. (2011) mention that the number of government sector whistleblower is smaller than that of the private sector one. This is because collegialism in the bureaucracy of government instance has been the main reference to the government instances (Semendawai et al., 2011). Usually, government whistleblower is the culprit of or suspect of the crime who eventually conveys which parties who are joining him/her in the fraud while undergoing justice process.

### **Importance of Whistleblowing**

Certainly, whistleblowing has its own role in an organization or company. The first thing that ought to be understood is that company or organization may bear a great amount of *cost* when they are suffered from an action of fraud (Near & Miceli, 2016). Consequences that have to be borne by the company or organization can be in the form of financial consequences, such as loss of asset and et cetera, or reputational consequences such as product withdrawal, lawsuit, etc. (Near & Miceli, 2016). Based on that analysis, we can say that whistleblowing is expected to be able to suppress the level of fraud activity which may occur in a company, so that the kinds further effect caused by fraud such as the losses that have been mentioned above can be suppressed or avoided too (Near & Miceli, 2016).

Semendawai et al. (2011) mention that whistleblowing plays a key role in maintaining health of company/organization end even the health of national economic condition. This is because the effect \ emerged from the action of fraud can be multidimensional. Financial scandal does not merely bankrupt a company. It also reduces investors, which may trigger the shaking in national capital market. Meanwhile, company bankruptcy may increase the amount of unemployment in a country (Semendawai et al., 2011). Through that statement, it can be seen clearly that whistleblowing is important in guarding national economic condition of a country.

## Definition of Internal Audit

The Institute of Internal Auditor (IIA) defines internal audit as independent and objective assurance as well as consultation which has been designed for enhancing value and operational activity of an organization (Pickett, 2010). Pickett (2010) states that internal audit helps companies to accomplish their objectives by creating an approach of systematic discipline to evaluate and increase risk management effectiveness, control and governance process.

Another definition of internal audit is declared by CIPFA. CIPFA defines internal audit as a service in an organization which judges objectively and independently (Pickett, 2010). Internal Audit is an assurance function which provide independent and objective opinions for companies regarding company's objective accomplishment (Pickett, 2010). This second definition underlines the assessment process of internal control effectiveness within an organization to reach stipulated purposes.

## Internal Audit in Whistleblowing Process

Internal auditors have a close relationship with whistleblowing process in an organization because internal auditors, unlike any other part of organization, are granted legal authority to report irregularity or fraud in an organization (Semendawai et al., 2011). This authority differentiates internal auditor with the other individuals or members in an organization. This authority also grants internal auditor with a better comprehension regarding the act of fraud that cannot be obtained by the other members.

The obligation of internal auditor is to rate efficiency and to protect organization asset (Pickett, 2010). The authority of internal auditor is so large, including reporting fraud in performing the job. This authority grants higher capacity in seeing the activity of fraud in an organization and it fully supports the process of whistleblowing within organization (Semendawai et al., 2011).

## Previous Studies

There is a previous research which performs discussion about TPB. The research was conducted by Judge, Warren-myers, & Paladino (2019) and the title was *Using the theory of planned behavior to predict intentions to purchase sustainable housing*. This research observer the factors that affect intention of a person to buy a house with sustainability certification. Difference between the research conducted by Judge et al. (2019) and this research was that the one that was conducted by Judge et al. (2019) did not contain SCT variable. Judge et al. (2019) only used the variable of TPB model, as in attitude, subjective norm and perceived behavioral control, with *green consumer* identity employed as factor of moderating agent.

The result of Judge et al (2019) study implies that all TPB variables had significant effects on somebody's intention to buy a sustainability-certified house. Predictor brought the most significant effect, which was subjective norm. TPB mode which was used in that research was capable to explain 65 percent of the factors (which affects somebody's intention to buy sustainability-certified house)

The next research regarding TPB is the one conducted by Saud (2016) under the title of *Pengaruh Sikap dan Persepsi Kontrol Perilaku Terhadap Niat Whistleblowing Internal-External dengan Persepsi Dukungan Organisasi Sebagai Variable Pemoderasi*. Being similar to this research, the research conducted by Saud (2016) observed the factors which affect somebody's intention to perform whistleblowing. Difference between Saud's (2016) research and this research was spotted on the subject and independent variable. The subject of Saud's research was the employees of Universitas Muhammadiyah Yogyakarta (UMY) and it only used TPB model. As a replacement, the research included variable of organizational support as moderating agent.

The research which was conducted by Saud (2016) used three independent variables, which were attitude, control perception and organizational support as variable of moderating agent. The result of that study indicated that variable of attitude and organizational support had positive

effects on the intention to perform whistleblowing, but variable of control perception did not bring significant effect to the intention to perform whistleblowing.

Other researches regarding TPB is the one conducted by Cheng & Chu (2014) under the title of *Behavioral Factors Affecting Students' Intentions to Enroll in Business Ethics Courses: A Comparison of the Theory of Planned Behavior and Social Cognitive Theory Using Self-Identity as a Moderator*. The research used the TPB developed by Ajzen and the SCT, which was developed by Bandura, to analyze student's intention to take business ethic course. The research was conducted by sending questioners to 324 students. The result of that research implies that independent variable of attitude, subjective norm, perceived behavior control, self-efficacy and outcome expectancy affected the intention significantly.

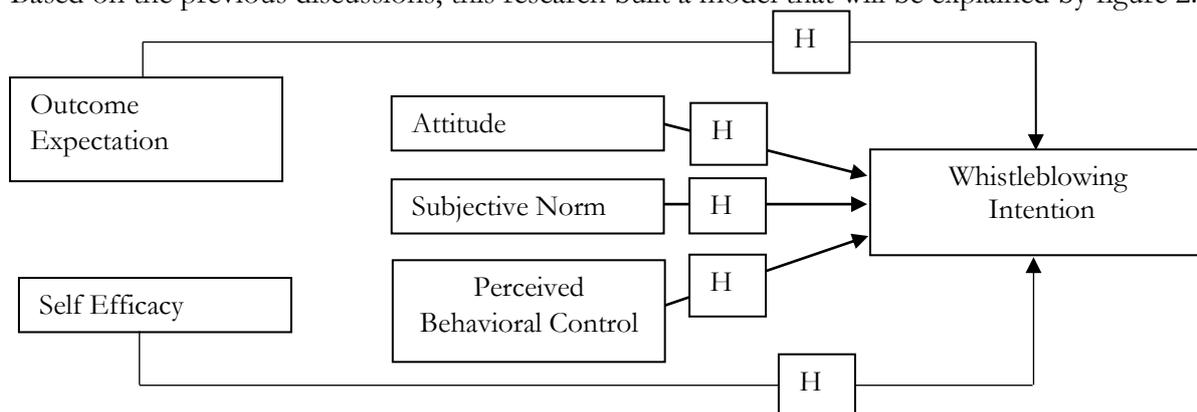
Similarity between the research conducted by Cheng & Chu (2014) and this research was that the employed model was TPN and SCT. Meanwhile, the difference between the research conducted by Cheng & Chu (2014) and this research was in the observed independent variable, because the research conducted by Cheng & Chu (2014) observed student's intention to take a certain course, while this research observed internal auditor's intention to perform whistleblowing.

The next research is the one conducted by Solikhah (2014) under the title "*An Application of Theory of Planned Behavior Towards CPA Career in Indonesia*". The research used TPB model for analyzing student's intention to be the future CPA. Independent variables employed by the study were attitude, subjective norm and perceived behavior control. The research was performed by sending questioners to the respondent. The result of the study implies that all the variables in TPB model (attitude, subjective norm and perceived behavior control) affected student's intention to choose CPA as their career.

The last research is the one conducted by Hidayati et al. (2016) under the title of '*Pengaruh Komitmen Profesi dan Self Efficacy terhadap Niat untuk melakukan Whistleblowing*'. The research was conducted by sending questioners to respondents. The amount of respondents was 51. The result of Hidayati's (2016) research implies that variable of self-efficacy positively affected the intention to perform whistleblowing.

### Formulated Model

Based on the previous discussions, this research built a model that will be explained by figure 2.



**Figure 2.** Determinant of Intention to Perform Whistleblowing

Explanation of prediction development regarding relation between variables in figure 2 is as follows:

- a) Effect of Attitude on BPR Internal Auditor's Intention to Perform an Act of Whistleblowing Demeanor or attitude can be defined as an evaluation performed by a person to stipulate whether a certain action should be considered as positive or negative action (Daxini et al., 2019). Another definition of demeanor/attitude is that it is a kind of human's appraisal whether a certain behavior is favorable or unfavorable (Japutra et al., 2019). At the first place,

a person will assess an action that is about to be performed and the possibility to perform the action. The higher or the more positive the assessment result of an action (or behavior), the higher the intention to perform the action (Daxini et al., 2019; Japutra et al., 2019). The opinions conveyed by Japutra et al. (2019) and Daxini et al. (2019) indicate positive relation between attitude and intention to perform a certain action.

The theory suggested by Daxini et al. (2019) and Japutra et al. (2019) was in line with the result of Saud's (2016), Judge's et al (2019), Cheng & Chu's (2014), and Solikhah's (2014) research. Those four researches imply that variable of demeanor/attitude positively and significantly affected somebody's intention for performing action. Based on the above description, it can be predicted that *attitude positively affects BPT internal auditor's intention to perform an act of whistleblowing*

b) Effect of Subjective Norm on BPR Internal Auditor's Intention to Perform an Act of Whistleblowing

Subjective norm is a level of social pressure and expectation which can be possessed or felt by an individual, and it comes from another person who is considered to be the significant reference for determining whether to perform a certain action (Daxini et al., 2019). Subjective norm can also be defined as perceived social pressure (which can be felt by an individual) to perform a certain action (Japutra et al., 2019). The higher the subjective norm, the higher the encouragement to perform the action, and it may lead to higher intention (Daxini et al., 2019; Japutra et al., 2019).

The opinion declared by Daxini et al. (2019) and Japutra et al. (2019) was in line with the result of Judge's et al (2019), Cheng & Chu's (2014), and Solikhah's (2014) research. Those researches imply that variable of subjective norm positively and significantly affected somebody's intention to perform an action. Based on the above description, it can be assumed that *subjective norm positively affects the BPR internal auditor's intention to perform an act of whistleblowing*.

c) Effect of Perceived Behavioral Control on BPR Internal Auditor's Intention to Perform an Act of Whistleblowing

Daxini et al. (2019) argued that perceived behavioral control is individual perception regarding easiness to perform an act as well as facilitating condition for performing action. It is usually called as situational constraint. This variable differentiates TPB model the previous model namely TRA (Ajzen, 1991). Ajzen (1991) says that somebody's intention to perform an act does not merely depend on motivational aspect, but also depend on the person's actual control to perform a certain action. The form of actual control could be opportunity and resources (which are possessed by a person) to perform an action. The higher the perception on self-control against behavior, the higher the intention to perform action (Ajzen, 1991; Daxini et al., 2019)

The opinion conveyed by Ajzen (1991) and Daxini et al. (2019) is in line with the result of Judge's et al (2019), Cheng & Chu's (2014), and Solikhah's (2014) research. Those researches imply that variable of perceived behavior control positively and significantly affected somebody's intention to perform an action.

The opinion conveyed by Ajzen (1991) and Daxini et al. (2019) will be completely relevant when being connected to internal auditor's intention in performing whistleblowing. A single internal auditor will obtain great opportunity and resource to perform whistleblowing because he or she possess official authority to check and report frauds which are happening in an organization (Semendawai et al., 2011).

Based on the above description, it can be assumed that *perceives behavior control positively affects the BPR internal auditor's intention to perform an act of whistleblowing*.

d) Effect of Self-efficacy on BPR Internal Auditor's Intention to Perform an Act of Whistleblowing

Self-efficacy can be defined as individual belief about self –capacity to accomplish a mission or a certain job (Eizen & Desivilya, 2005). A person who is highly confident that he or she can finish the job successfully will develop business and proceed whatever he or she is doing regardless the fact that they are encountering difficulties, thus, the intention to perform an action will become higher (Eizen & Desivilya, 2005).

The opinion is in line with the result of Hidayati's et al (2019) and Cheng & Chu's (2014) research. The result of those two research imply that self-efficacy positively and significantly effecting somebody's intention to perform and action. If connected to intention of internal auditor to perform whistleblowing, then internal auditor should highly believe in their capability, because an internal auditor possesses legal authority to check and report an action of fraud occurs in organization (Semendawai et al., 2011).

Based on the above description, it can be assumed that *self-efficacy positively affects the BPR internal auditor's intention to perform an act of whistleblowing.*

e) Effect of Outcome Expectancy on BPR Internal Auditor's Intention to Perform an Act of Whistleblowing

Bandura (1989) argues that the outcome expectancies is a kind of incentive that enforce observational learning. The outcome expectancy is a part or a component of human's cognitive process which is connected to personal objective context, moral and standard that will determine decision to perform an action and the way to perform the action (Wang et al., 2019). The higher the expectation for the outcome of a certain action, the higher the intention to perform an action as the yield of cognitive process that runs within oneself (Bandura, 1989; Wang et al., 2019)

The opinion conveyed by Bandura (1989) and Wang et al. (2019) is supported by the result of Cheng & Chu's (2014) research. The result of Cheng & Chu's (2014) research implies that outcome expectancy or outcome expectancy affected student's intention to take business ethic course positively and significantly.

Based on the above description, it can be assumed that *outcome expectancy positively affects the BPR internal auditor's intention to perform an act of whistleblowing.*

## Discussion

To these days, the amount of researches regarding the intention to perform whistleblowing, with BPR as the subject, is quite scanty. The amount of literatures which discusses demeanor of BPR internal auditor regarding the act of whistleblowing is not that abundance too. The research conducted by Sukonengrom (2018) and Fajri (2017) observed the act of whistleblowing. The research conducted by Sukonengrom (2018) and Fajri (2017) observed the intention to perform whistleblowing, but the subject was employee, not internal auditor. Beside, despite the big amount of respondent, but the observed institution was just a single BPR, that the result could only be applied to one BPR.

A study regarding activity of whistleblowing among Internal auditors who work in BPR would be important due to the closeness of relation between internal auditors and the action of fraud which has been elaborated above. The study should find which factors that may affect internal auditor's intention to perform whistleblowing. The factors can be counted on by policy makers in companies/organizations when building whistleblowing system, especially for their internal auditors.

So far, a study on the intention to perform whistleblowing has been certainly performed so many times. But, it is so often that previous studies only perform repetition and replication of particular variables although they have different research subjects. Several variables that are frequently employed in the research of whistleblowing include professionalism (Hidayati et al., 2016; Joneta, 2016; Mela, Zarefar, & Andreas, 2016; Setiawati & Sari, 2016), organization commitment (Bagustianto & Nurkholis, 2015; Sari & Ariyanto, 2017; Setiawati & Sari, 2016;

Setyawati et al., 2015), moral intensity (Sari & Ariyanto, 2017; Setiawati & Sari, 2016; Urumsah, Syahputra, & Wicaksono, 2018), personal cost (Bagustianto & Nurkholis, 2015; Nugraha et al., 2017; Setyawati et al., 2015), and fraud seriousness (Bagustianto & Nurkholis, 2015; Setyawati et al., 2015). The weakness of those previous studies is that the applied variables were merely the replication of that of earlier studies and they had no strong theoretical basis. Reason behind the chosen variables were usually not conveyed explicitly because variable selection was performed based on earlier studies.

Alternative of factors which affect internal auditor's intention to perform whistleblowing can be found in two classical models which are Theory of Planned Behavior (TPB) and Social Cognitive Theory (SCT). These two models can be used in determining factors which affect somebody's intention to perform whistleblowing. Ajzen (1992) states that TPB is the improvement of the preceding theory, which is Theory of Reasoned Action (TRA). TPB is a frequently-used model in conducting research on the intention to perform an action, such as the one conducted by Piazza et al. (2019) which observed the utilization of mobile device and the one conducted by Dewberry & Jackson (2018) which observes student's retention.

TPB mentions that there are three factors which can trigger somebody's intention to perform an action (Ajzen, 1991). These three factors are attitude, subjective norm and perceived behavioral control. Those three factors can be used in predicting factors which affects internal auditor's intention to perform whistleblowing.

The first predictor is attitude. Attitude will be considered as positive if the internal auditors considers the activity of whistleblowing as beneficial for the auditors. The second predictor is social norm. Intention to perform whistleblowing is also affected by social norm, in the form of additional motivation from society who live around internal auditor. The third predictor is perceived behavioral control. Perceived behavioral control is the perception from internal auditors regarding the kind of obstruction or easiness that will be encountered in performing whistleblowing (Bagustianto & Nurkholis, 2015)

The second model that can be used is Social Cognitive Theory (SCT). SCT has not yet been used widely in the whistleblowing research. SCT argues that somebody's intention to perform an action can pop up from two factors, which are self-efficacy and outcome expectancies. Those two factors can be used in predicting factors that would affect internal auditor's intention to perform whistleblowing. The first predictor is self-efficacy. Self-efficacy is a kind of self-confidence, that oneself will be successful in performing an act in a certain situation (Williams, 2010). An internal auditor will perform whistleblowing when they believe that they will be successful in performing whistleblowing. The second predictor is outcome expectancy. Internal auditor will ponder possibility of result or consequence that will be generated by the activity of whistleblowing.

The model of TPB and SCT (which have been mentioned above) can be used as predictor of BPR internal auditor's intention to perform whistleblowing. Utilization of these two models would lead researches to gain clearer theoretical basis, so that the researches will not be performed by just replicating earlier researches. Utilization of these two models is expected to strengthen literature which is related to somebody's intention to perform whistleblowing.

From the model which has been explained in figure 2, research problems that need to be answered is: 1) Does attitude affect intention of BPR internal auditor in performing whistleblowing; 2) Does subjective norm affect intention of BPR internal auditor in performing whistleblowing; 3) Does perceived behavioral control affect intention of BPR internal auditor in performing whistleblowing; 4) Does self-efficacy affect intention of BPR internal auditor in performing whistleblowing; 5) Does outcome expectancies affect intention of BPR internal auditor in performing whistleblowing?

## Conclusion

It has been explained in the introduction that the purpose of this paper was to formulate research model related to determinant of internal auditor intention in performing the act of whistleblowing.

For contributing previous researches, this research combined planned behavior theory and social cognitive theory.

Purposes of this study were: 1) To analyze the effect of attitude on the intention of BPR internal auditor in performing whistleblowing; 2) To analyze the effect of subjective norm on the intention of BPR internal auditor in performing whistleblowing; 3) To analyze the effect of perceived behavioral control on the intention of BPR internal auditor in performing whistleblowing; 4) To analyze the effect of self-efficacy on the intention of BPR internal auditor in performing whistleblowing; 5) To analyze the effect of outcome expectancies on the intention of BPR internal auditor in performing whistleblowing.

It is expected that the formulated research model will be useful for this following parties. It is expected that this research would be able to give theoretical, scholarly, insight and literature regarding factors which affect intention of BPR internal auditor to perform whistleblowing, reviewed by using the model of Theory of Planned Behavior (TPB) and Social Cognitive Theory (SCT).

This research is a kind of application from knowledge or insight obtained during attending lecture process. This research is a kind of proof from TPB and SCT model which has been obtained by researchers during lecture, and then it will be connected with the intention of internal auditors to perform whistleblowing.

The formulated model needs to be reviewed because it may be beneficial for Bank Perkreditan Rakyat (Rural Bank). It is expected that this research will be the literature or reference which can be used for building whistleblowing system in BPR. It is expected that this research will provide literature or reference for BPR in developing whistleblowing system, so that the built whistleblowing system will be able to strengthen the function of internal control, especially in reducing level of fraud.

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