

Retaliation, Obedience Pressure, and Investigative Decisions on Whistleblowing Allegations: An Experimental Study

Frida Fanani Rohma¹ ✉ and Rahayu Dewi Zakiyah²

^{1,2}Accounting Department, Universitas Trunojoyo Madura
PO BOX 2 Kamal, Bangkalan, Jawa Timur, Indonesia

DOI:

Submitted: June 16th, 2022 Revised: July 22th, 2022 Accepted: August 30th, 2022 Published: September 6th, 2022

Abstract

Research purposes: We investigate the interplay between retaliation and obedience pressure and the effect of the interplay on investigative decisions on whistleblowing allegations. The obedience pressure theory was employed to elaborate on the effect of obedience pressure and retaliation on individual behaviors.

Methods: This research used experimental laboratory method with a between-subjects 2x2 factorial design. Retaliation is manipulated into two, i.e., strong vs. weak, and obedience pressure is also manipulated into two, i.e., high vs. low. Accounting students were the research participants and served as substitutes for practitioners to avoid any social desirability bias.

Findings: This research found the moderating effect of obedience pressure on retaliation and investigative decisions on whistleblowing allegations relationship. Individuals' inclination to be a steward may be the factor elucidating their behaviors under the retaliation and obedience pressure conditions. Egoist reasoning boosts individual predisposition to avoid potential risks s/he may have to face.

Novelty: This study fills a gap in the literature on whistleblowing which has been discussed a lot from the whistleblowing perspective. This study expand the study by highlighting the retaliation and obedience pressure as environmental factor that determine the whistleblowing effectiveness from recipient perspectives.

Keywords:

Retaliation, Obedience Pressure, Steward, Egoist Reasoning, Investigation

How to cite (APA 7th Style)

Rohma, F. F. & Zakiyah, R. D. (2022). *Retaliation, Obedience Pressure, and Investigative Decisions on Whistleblowing Allegations: An Experimental Study*. *Jurnal Dinamika Akuntansi*, 14(2), 156-166.

INTRODUCTION

The use of the whistleblowing system as one of the control mechanisms is massively blossoming over the development of fraud scandals (Rockness and Rockness, 2005; Hecther, 2008; Seifert et al., 2010; Taylor and Curtis, 2010; Kalpan et al., 2010; Alleyne et al., 2013; Peecher et al., 2013; Gao et al., 2015). The stream of research has investigated the factors driving individuals to do whistleblowing such as the ethical climate principle (Ahmad et al., 2014; Appah, 2017; Aydan and Kaya, 2018), organizational commitment (Bagustianto and Nurkholis, 2015; Hanjani et al., 2019; Safitri and Silalahi, 2019), personal costs (Alleyne et al., 2013; Lestari and Yaya, 2017;

author (✉)

E-mail: frida.frohma@trunojoyo.ac.id, +6285608277664

Bernawati and Napitupulu, 2018), the level of seriousness of the violation (Mustapha and Siaw, 2012; Winardi, 2013; Setyawati et al., 2015; Lestari and Yaya, 2017; Appah, 2017), and gender (Appah, 2017; Chang et al., 2017; Bernawati and Napitupulu, 2018; Aydan and Kaya, 2018). And yet, previous analyses exhibit individuals' low trust in the whistleblowing system. According to Applebaum et al. (2006), a study by the Ethics Resource Center in the US disclosed 44% of employees do not report wrongdoings they find. Additionally, several individuals are nurturing a propensity to not report any fraud they know (Rothschild and Miethe, 1999).

This phenomenon, in which individuals show aversion to reporting frauds, is fueled by, such as, investigators' low responses to reports from the whistleblowing system. As confirmed by the Indonesia Corruption Watch (ICW) (2020), from a case perspective, legal enforcer institutions indicate low transparency in combating corruption cases. Weak trust from whistleblowers can be caused by the low decision to follow up investigations by investigators. This makes the development of research that encourages whistleblowing intentions is not enough to answer the issue of the effectiveness of the whistleblowing system. Accordingly, intensive attempts to explore the determinants of investigative decisions on the aims of the whistleblowing system are demanded.

Retaliation constitutes one of the key factors impacting individual behaviors in the social environment. Fraud disclosure comes with a multitude of consequences, and retaliation is the main factor in almost all fraud cases (Rocha and Kleiner, 2005). Current examinations also convey retaliation influencing individual slants towards/against fraud disclosure (Miceli and Near, 1988; Near et al., 1995; Near et al. 2004; Mesmer-Magnus and Viswesvaran, 2005; Arnold and Ponemon, 1991; Lianarachchi and Newdick, 2009). However, an effective fraud disclosure does not necessarily depend on the whistleblower aspect as the key to fraud disclosure is the investigator, who will be responsible for following up on fraud reported through the whistleblowing system. That being so, they may have a higher potential for retaliation than whistleblowers. Therefore, it is critical for investigating the effect of retaliation levels on investigative decisions on whistleblowing allegations.

We must not abandon the fact that working for an organization, individuals will always have to face obedience pressure from their employer. It may affect the role of investigators in determining investigative decisions. The obedience theory by Milgram (1963) asserts that individuals will comply with instructions afforded by others whom they regard to be superior even though the instructions may contradict their values and beliefs. Individuals are susceptible to conduct inappropriate actions when confronting obedience pressure (DeZoort and Lord, 1994). An employer may not be hesitant about punishing subordinates if any wrongdoings, omissions, or dissents are found (Gummer, 1985). Thus, the environmental condition which inflicts obedience pressure on investigators may influence their consideration for investigative decisions on whistleblowing allegations.

Individuals may maintain the tendency to eschew self-harming risks as a result of obedience pressure to their employer. Accordingly, it is also crucial to investigate whether obedience pressure can be a factor which impact the relationship between retaliation and individuals' inclination to fraud disclosure. As such, in this observation, we also research the factor of obedience pressure which allegedly influences the relationship between retaliation and investigative decisions on whistleblowing allegations.

A 2x2 factorial design between-subjects experimental method was exerted. Retaliation threats were manipulated to be strong vs. weak, and obedience pressure was manipulated to be high vs. low. As pointed out by the results, individuals' predisposition to be a steward may explain no partial effect of retaliation threats and obedience pressure on investigative decisions on whistleblowing allegations. Additionally, the effects of the interaction between retaliation threats and obedience pressure on investigative decisions on whistleblowing allegations are found.

In this study, we deliver some implications. Firstly, in theoretic, this research presents a result that individuals' propensity to be a steward may explicate their positive behaviors when

they are facing retaliation and obedience pressure conditions. Secondly, empirically, it expands the previous scrutiny by taking recipients' perspectives into account. We also find the complexity of social conditions and environment, covering the interplay impacting the behavioral pattern of investigative decisions on whistleblowing allegations, faced by investigators. Thirdly, in practical, the results of this research, which illuminates that retaliation and obedience pressure may influence individuals' behaviors, may contribute to management which is addressing relevant problems.

Obedience Theory

As in the obedience theory, individuals with obedience pressure will be afflicted with psychological issues because of behavior-related decision-making compelled by the superior's desire, bringing about inappropriate decisions (Milgram, 1963). Also, obedience pressure will encourage them to override responsibilities for making judgments and decisions after they are authorized because they do a certain action (Davis, DeZoort, and Kopp, 2006). This psychological shift eliminates individuals' perceived responsibilities for their actions because any potentially dangerous consequence may revert to the regulating superior (Chong and Syarifuddin, 2010).

Individuals will likely execute unethical actions under superior pressure (Burger, 2009). The obedience theory also spells out the ability of obedience pressure to foster individuals to commit frauds in works (Baird and Zelin, 2009; Murphy and Dacin, 2011). Auditors are more likely to make unethical decisions when facing their employer's obedience pressure (DeZoort and Lord, 1994). As such, obedience pressure may induce investigators to a deviating act, which is disregarding their responsibilities for judging and making decisions, due to the superior's command not to investigate cases caused by whistleblowing allegations.

Retaliation

Fraud disclosure comes with a substantial body of consequences and retaliation which seemingly exist in nearly all cases (Rocha and Kleiner, 2005). Bok (1980) identifies several forms of retaliation, e.g., giving jobs without responsibilities, giving more jobs, and giving jobs which call for a new skill or qualification as a form of retaliation for the disclosers. Retaliation may also be accorded in the form of coercion to silence or work termination (Mesmer-Magnus and Viswesvaran, 2005; Parmelee et al., 1982). Parties perceiving retaliation are not only those who report frauds but also investigators who are in charge of disclosing the frauds reported. This shows how retaliation can influence individual/investigator decisions on whistleblowing allegations when they are confronting the potency of retaliation by perpetrators.

Rocha and Kleiner (2005) disentangle consequences and retaliation engendered by fraud disclosure. Some analyses showcase that retaliation makes up one of the determinants of fraud disclosing actions (Miceli and Near, 1988; Miceli and Near, 1989; Near and Jensen, 1983; (Near et al., 2004; Near and Miceli, 1985; Lianarachchi and Newdick, 2009). It also affects individual decisions on disclosing a fraud (Mesmer-Magnus and Viswesvaran, 2005). The party who has to face the highest risk of fraud disclosure, which is retaliation, is the investigators. Hence, the degree of the potency of retaliation may impact their decision on whistleblowing allegations. The first hypothesis is, therefore:

H₁: The tendency to make investigative decisions on whistleblowing allegations will be higher in individuals with a weak retaliation condition than that in a strong one.

One of the big problems in a company is an abuse of authority. Several superiors, on some occasions, may also exploit their authorities to perform inappropriately, leading to authority-related abuse (Ryan and Oestreich, 1991). Individuals facing obedience pressure from the superior, by the obedience theory, will likely comply with and carry out his/her commandment even if the commandment counters the value, principles, and beliefs they abide by DeZoort and Lord (1994) show off auditors' susceptibility under obedience pressure. When confronting obedience pressure, individuals will experience tension between responsibilities taken and violative instruction from

the superior (Kelman and Hamilton, 1989). Thus, investigators identifying a fraud but under obedience pressure will likely adhere to their employer's order to be silent and not follow up on whistleblowing allegations. The second hypothesis is, therefore:

H₂ : The tendency to make investigative decisions on whistleblowing allegations will be higher in individuals under a low obedience pressure condition than that in a high one.

Previous literature elaborates on the effect of retaliation on the individual inclination to disclose a fraud (Miceli and Near, 1988; Near and Jensen, 1983; Near et al., 1995; Near et al., 2004; Keenan, 1995; Mesmer-Magnus and Viswesvaran, 2005; Arnold and Ponemon, 1991; Lianarachchi and Newdick, 2009; Meita, 2015). Retaliation may impinge not only on whistleblowers but also on investigators, even with a larger portion of retaliation.

It is elemental to notice that in accounting literature, accountants cannot evade pressure (DeZoort and Lord, 1994). In other words, in decision-making, investigators will confront both retaliation and obedience pressure. Based on the obedience theory, individuals, within a social field, constitute the subject of pressure from the superior regulating a company (Milgram, 1963). Retaliation, a phenomenon adhering to fraud cases, will have a connection to obedience pressure. Accordingly, obedience pressure is allegedly one of the factors affecting the relationship between retaliation and investigative decisions on whistleblowing allegations. The third hypothesis is, therefore:

H₃: Obedience pressure moderates the relationship between retaliation and investigative decisions on whistleblowing allegations.

METHODS

Experimental Design

This research used experimental method with factorial design 2x2 between-subjects. The researcher acts directly as an experimenter in this study by providing manipulation of the independent variable (retaliation) and moderating (obedience pressure). Retaliation was manipulated into two conditions, namely strong and weak. Meanwhile, obedience pressure was manipulated into two, high and low, as demonstrated in Table 1. Accounting students were the research participants and served as substitutes for practitioners to avoid any social desirability bias. Nevertheless, this decision might also trigger knowledge biases. To dampen the bias potency, only students who had taken Business and Profession Ethics, Auditing, and Management Control System were selected. As such, participants engaging in this research had been equipped with adequate apprehension of business ethic concepts, potential cases in auditing, and organization control mechanisms.

Experimental Procedure

The experimental stages in this research were preliminary examination to identify the degree of internalization and the nuclear examination. The second examination was composed of five stages, i.e., distributing the experiment randomly, working on experimental tasks, filling out manipulation checks, filling in demographic information, and collecting data, as delineated in Figure 1. Experimental materials were scenarios of retaliation and obedience pressure. Research instruments are adapted from Arnold and Ponemon (1991) and Baird and Zelin (2009) with some case modifications based on the investigators' perspectives.

Table 1. Experimental Design

Retaliation	Obdience Pressure	
	High	Low
Strong	Cell 1	Cell 2
Weak	Cell 3	Cell 4

Source: Data Processed, 2022

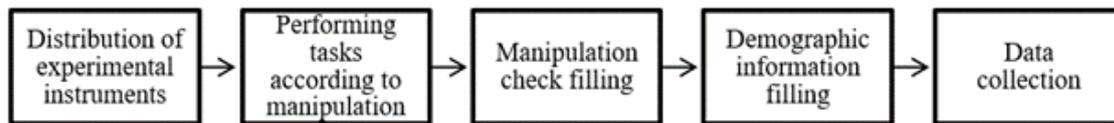


Figure 1. Experimental Procedure
(Source: Data Processed, 2022)

Operational Definition and Treatment

The independent variable was retaliation investigators have to face after making investigative decisions on whistleblowing allegations. Retaliation was manipulated into two treatments: strong (penalty) and weak (affiliation). With several modifications, retaliation manipulation referred to Arnold and Ponemon (1991). Participant under condition strong retaliation was in the form of disciplinary actions, e.g., threats towards individuals or their properties, lawsuits, job determination, even imprisonment. Moreover, participant under condition weak retaliation referred to the relationship with individuals within or outside an organization, such as with other individuals afflicted with a more severe effect bred by investigative decisions on whistleblowing allegations. In order to minimize the occurrence of errors, participants were randomly assigned to each treatment regardless of their demographic characteristics. In this study, high retaliation is denoted by the number 1. Meanwhile, low retaliation is denoted by the number 0. The moderating variable is obedience pressure. Obedience pressure constituted a process where individuals perceived pressure from the authority (superior) expressed from their commands. Referring to Baird and Zelin (2009), obedience pressure was manipulated into two, which are high obedience pressure and low obedience pressure. Participant under condition high obedience pressure was the pressure from an employee to their subordinate without the second party's intention to take the action instructed. In contrast, Participant under condition low obedience pressure was the pressure from an employee to their subordinate who was anxious to undertake the action instructed. In other words, the second type of obedience pressure was also self-obedience pressure. In order to minimize the occurrence of errors in the experiment, participants were randomly assigned to each treatment regardless of their demographic characteristics. In this study, high obedience pressure is denoted by the number 1. Meanwhile, low obedience pressure is denoted by the number 0. The dependent variable was investigative decisions on whistleblowing allegations. Investigative decisions on whistleblowing allegations were measured using a Likert scale. Scale 1-3 indicated the improbability of participants disclosing a fraud. The smaller the scale, the lower the participants' intention to make an investigative decision on whistleblowing allegations. Scale 4-6 indicated the probability of participants making an investigative decision on whistleblowing allegations. Accordingly, our six-point-type Likert scale did not allow participants to choose a neutral option when they were facing an ethical dilemmatic condition.

Data Quality Test

In this study, to ensure adequate data quality, it is necessary to test content validity and construct validity. Validity testing is done by Focus Group Discussion with experts, namely academics and practitioners who are experts in their fields. This activity is to ensure that the manipulations given to each condition are appropriate and adequate. In addition, before the experiment was conducted, pilot tests were also conducted on participants who had the same qualifications as the participants in the experiment. In addition, to ensure that the test results and the experimental model are free of errors, two tests are carried out before testing the hypothesis. First, testing the effect of participant demographic characteristics on investigative decisions on whistleblowing allegations. Second, testing randomized treatment with χ^2 .

Hypothesis test

This study uses ANOVA to test the hypothesis. This study uses ANOVA for several reasons.

First, examining the asymmetric relationship, ANOVA investigates the asymmetric relationship between the independent variables measured by a nonmetric scale (categorical or nominal) and the dependent variable with a ratio and interval metric scale (Gudono, 2015:43). Second, this study has one dependent variable on a ratio metric scale (Gudono, 2015: 43). Third, the independent variables are categorically limited, for example the type of treatment, the type of object and so on (Gudono, 2015:43). In addition, Gudono (2015:43) also explains that research using experimental methods really needs ANOVA because it wants to observe the effect of treatment which has a limited level or type on a dependent variable measured by a ratio (metric) scale.

Hypothesis testing using ANOVA, which was carried out in three stages. The first stage is to examine the main effect, namely the influence of a factor on changes in the dependent variable, which is seen from the changes in the dependent variable due to changes in the level of the factor (Nahartyo and Utami, 2016:104). The second stage is to examine the interaction effect, namely the influence of a factor on the dependent variable which can depend on other factors (Nahartyo and Utami, 2016: 104). The third stage, is to test the simple effect, namely the difference in scores between the dependent variable in cell 1 and cell 2 (Nahartyo and Utami, 2016:104).

RESULTS AND DISCUSSION

Demographic Characteristic and Randomization Tests

Seventy participants were employed, but three of them failed the manipulation check. The manipulation check is aimed to ascertain if participants have internalized treatments provided. Participants passing the manipulation check can answer the manipulation check questions correctly in line with the information rendered in the experimental task scenario. Eventually, we find 67 participants who are eligible for further analysis.

Before the hypothesis test, some analyses are made to eschew errors prevalent in the research model. The analyses are of demographic characteristics and randomization on investigative decisions on whistleblowing allegations. The result of the analysis is indicated in Table 2. The first analysis reveals the effect of Grade Point Average (GPA) demography on investigative decisions on whistleblowing allegations. In Table 2, $F = 0.333$, $p > 0.802$, indicating no GPA effect on investigative decisions on whistleblowing allegations. The second analysis is focused on the effect of sex demography on investigative decisions on whistleblowing allegations.

In Table 2, $F = 3.076$, $p > 0.084$ so participants' sex does not impact investigative decisions on whistleblowing allegations. The third analysis is aimed to investigate the effect of age demography on investigative decisions on whistleblowing allegations. The analysis results in Table 2 present $F = 2.692$, $p > 0.106$, pointing out no effect of participants' age on investigative decisions on whistleblowing allegations. The results of all analyses suggest that all participant characteristics have no influence on investigative decisions on whistleblowing allegations.

Table 2. Demographic Characteristics

Variables	F	P-Value
Grade-Point Average (GPA)	0.333	0.802
Gender	3.076	0.084
Age	2.692	0.106

Source: Processed Data, 2022

Table 3. Randomization

Variables	χ^2
Grade-Point Average (GPA)	0.279
Gender	0.182
Age	0.489

Source: Processed Data, 2022

Table 3 shows the randomization test result. We have carried out a randomization test when the research instrument is distributed to participants. Nonetheless, to achieve the intended result, we conducted a further randomization test using χ^2 . In Table 3, from testing the demographic characters of GPA, sex, and, age of the participants, we elicit $\chi^2 > 0.279$, $\chi^2 > 0.182$, and $\chi^2 > 0.489$, respectively. The Chi-squared of the three demographic characteristics showcased a significance level > 0.05 . This shows no significant difference in GPA, gender, and age between experimental treatments. Hence, there is no randomization issue, thereby confirming successful randomization and ensuring that all participant characteristics and randomization do not affect investigative decisions on whistleblowing allegations.

Hypothesis Test

Before the hypothesis test, a variance homogeneity test is made. The result in table 4, Kolomogorov Smirnov test $p > 0.073$ and Levene's test is demonstrated, $F = 1.546$; $p > 0.211$, exhibiting residual data berdistribusi normal and no variance homogeneity problem, and that being so, allowing the hypothesis test, whose result is indicated in Table 5.

Hypothesis 1 predicts that individuals with weak retaliation may be more likely to retain a predisposition to make investigative decisions on whistleblowing allegations if compared to those with strong retaliation. On average, investigative decisions on whistleblowing allegations are more likely to be made under a weak retaliation condition (the mean marginal value of 8.171) than that under a strong retaliation condition (the mean marginal value of 7.386). Notwithstanding this, in Table 5, $F = 2.304$; $p > 0.134$. Therefore, even though the result is commensurate with Hypothesis 1, the degree of the difference is insignificant. Thus, H1 is not supported.

Hypothesis 2 predicts that individuals with low obedience pressure are more likely to make investigative decisions on whistleblowing allegations than those with high obedience pressure. On average, investigative decisions on whistleblowing allegations are more likely to be made under a low obedience pressure condition (the mean marginal value of 8.089) than that under a strong one (the mean marginal value of 7.469). Regardless of this, in Table 5, $F = 1.438$; $p > 0.235$. Thus, though, on average, the result is congruent with Hypothesis 2. Statistically, the degree of the difference is insignificant. Thus, H2 is not supported.

Hypothesis 3 predicts that obedience pressure moderates the relationship between retaliation and investigative decisions on whistleblowing allegations. In Table 5, $F = 4.970$; $p > 0.029$. Under a retaliation condition, investigative decisions on whistleblowing allegations grow stronger under obedience pressure. Accordingly, H3 is supported.

Discussion

Hypothesis 1 predicts that individuals with weak retaliation may be more likely to retain a predisposition to make investigative decisions on whistleblowing allegations if compared to

Table 4. ANOVA Assumption Test

Test	F	p-value
Kolmogorov-Smirnov		0.073
Levene' test	1.546	0.211

Source: Processed Data, 2022

Table 5. Hypothesis Test

Variables	F	p-value
Retaliation	2.304	0.134
Obedience Pressure	1.438	0.235
Retaliation*Obedience Pressure	4.970	0.029

R Squared: 0.087, AdjR2: 0.044

(Source: Processed Data, 2022)

those with strong retaliation. The statistical analysis demonstrates a pattern wherein individuals with strong retaliation will be more likely to make investigative decisions on whistleblowing allegations than those with weak retaliation. And yet, the degree of the difference is insignificant, and accordingly, H1 is not supported.

The result counters Miceli and Near (1988), Miceli and Near (1989), Near and Jensen (1983), Near et al. (1995), Near et al. (2004), and Lianarachchi and Newdick (2009), who outline that retaliation is the determinant of propensity to fraud disclosure. However, it is consistent with the stewardship theory by Donaldson and Davis (1991) that individuals may optimize their utility to attain organizational goals instead of self-goals. Individuals should be responsible for the organization and capable of determining strategies by taking external parties in mind to maintain the organization's assets and properties (Davis et al., 1997).

Individuals nurture a preference for being a steward, resulting in responsibility for any activity orienting to accomplishing organizational goals. Due to such responsibility, retaliation will not significantly affect their investigative decisions on whistleblowing allegations. Individual tendency to uphold honesty in working will motivate them to make investigative decisions despite the risk of retaliation, which can incur the result of the investigation.

Hypothesis 2 predicts that the tendency to make investigative decisions on whistleblowing allegations is lower than that under a low one under a high obedience pressure condition. The analysis result demonstrates a pattern in which individuals with high obedience pressure retain a higher inclination to make investigative decisions on whistleblowing allegations than those with low obedience pressure. However, the degree of the difference is insignificant, and H2 is not supported. This result does not correspond with the obedience theory by Milgram (1963), that individuals will likely comply with their superior's commandment even if it contradicts the value, principle, and belief they adhere to.

The results have shown no effect of obedience pressure on investigative decisions on whistleblowing allegations. In other words, individuals will maintain their predisposition to or not make investigative decisions on whistleblowing allegations despite their employer's fiat. By the stewardship theory by Donaldson and Davis (1991), individuals nurture a propensity to be a steward endeavoring to optimize group utility to achieve their objectives. The propensity prompts individuals to perceive responsibility for organizational interests, eliminating any retaliation on investigative decisions on whistleblowing allegations.

The employer's leadership style can also elucidate the behavior. An authoritative leadership style will negate any opportunity for employees to express ideas, suggestions, and other considerations during a decision-making process (Hasibuan, 2007:17). Hence, this leadership style fails to consider employee feelings and prosperity. Meanwhile, another leadership style, i.e., the participative one, in practice, emphasizes persuasion to create cooperation or equal participation between the employer and subordinates in making decisions, propelling the second party's loyalty to the first one. Nevertheless, in this research, obedience pressure refers to an authoritative one in the experimental scenario. In conclusion, that being so, obedience pressure from an authoritarian employer may allow subordinates to commit inappropriate actions in light of the lack of loyalty to the first party in either positive or negative context.

Hypothesis 3 predicts that obedience pressure, when interacting with retaliation, may impact investigative decisions on whistleblowing allegations. The hypothesis-3 test result points out the influence of the interaction between retaliation and obedience pressure on investigative decisions on whistleblowing allegations. In conforming with DeZoort and Lord (1994), the result is that pressure and threats are two integral parts of problems of being an accountant. That being so, in making a decision, investigators will be confronting obedience pressure. Predicated on the pressure theory, individuals in the social field are pressure objects who should comply with the superior authority (Milgram, 1963). As a phenomenon following a fraud case, Retaliation correlates with individual obedience pressure faced at the organizational level. Therefore, obedience pressure is one of the factors affecting the relationship between retaliation and

investigative decisions on whistleblowing allegations.

Accounting literature untangles the proof that public accountants are vulnerable to the impact of obedience pressure and other social influences (DeZoort and Lord, 1994). This means that in decision-making, individuals are facing obedience pressure and retaliation, the combination of which results in a psychological conflict, for they have to make decisions that counter the value, principles, and beliefs they hold. According to obedience theory, individuals may face a conflict with their final decision as it may violate their values and beliefs. Here, they eschew potential risks when encountering the pressure to abide by their superior (Milgram, 1963). Thus, obedience pressure constitutes one of the factors that influence the relationship between retaliation and individual tendency to make investigative decisions on whistleblowing allegations.

Different consequences will follow investigative decisions on whistleblowing allegations. On account of their egoist consideration, individuals will likely prioritize their businesses and seek to evade potential harmful risks. Accordingly, they will prefer making investigative decisions on whistleblowing allegations to being afflicted with more significant job losses based on the fraud cases found. A seemingly significant number of accounting scandals affect each perpetrator's values. As such, although obedience pressure and retaliation besiege individuals with loss consequence considerations, they will likely decide to avoid more significant loss risks, e.g., fraud scandals impacting their long-term image

CONCLUSION

This research aimed to predict the effect of retaliation and obedience pressure on investigative decisions on whistleblowing allegations. The results demonstrate the moderating effect of obedience pressure on retaliation and investigative decisions on whistleblowing allegations relationship. Individuals as rational economic people tend to avoid higher risks, evaluators will tend to behave differently in determining the follow-up to the complainant's accusations in a condition of retaliation and obedience pressure as a form of behavior to avoid risk. This research has several limitations, e.g., This study only considers the variables of retaliation and obedience pressure as organizational factors. Meanwhile, the organizational scope may be very complex. The choice of these variables is because obedience pressure often occurs in the scope of the organization, either directly or indirectly. In addition, this study uses an online system, so it cannot control the network which causes some participants who fill out not to complete. These conditions, can lead to maturation. Therefore, participants who did not answer completely were removed from the participant list. This research considers explicitly and analyses organizational factors because an organizational context is paramount in spurring individuals in the work environment and their work behaviors.

ACKNOWLEDGMENT

This research was funded by the Institution of Research and Community Services, Universitas Trunojoyo Madura, Indonesia [Grant Number: 3175/UN46.4.1/PT.01.03/2021].

REFERENCES

- Ahmad, Syahrul Ahmar, Rahimah Mohamed Yunos, Raja Adzrin Raja Ahmad, and Zuraidah Mohd Sanusi. 2014. "Whistleblowing Behaviour: The Influence of Ethical Climates Theory." *Procedia - Social and Behavioral Sciences* 164(August):445–50. doi: 10.1016/j.sbspro.2014.11.101.
- Alleyne, Philmore, Mohammad Hudaib, and Richard Pike. 2013. "Towards a Conceptual Model of Whistle-Blowing Intentions among External Auditors." *British Accounting Review* 45(1):10–23. doi: 10.1016/j.bar.2012.12.003.
- Appah, Ebimobowei. 2017. "Determinants of Internal Auditors' Whistleblowing Intentions of Selected Quoted Companies in Nigeria." *International Journal of African and Asian Studies* 36(2015):17–29.
- Applebaum, S. H., K.Grewal, and H.Mousseau. 2006. "Whistle Blowing: International Implications and Critical Case Indicators." *Journal of American Academy of Business* 10:7–13.

- Arnold, D. F., and Lawrence A. Ponemon. 1991. "Internal Auditors Perceptions of Whistle Blowing and the Influence of Moral Reasoning: An Experiment." *Auditing: A Journal of Practice and Theory* 10:1–15.
- Aydan, Seda, and Sidika Kaya. 2018. "Ethical Climate as a Moderator between Organizational Trust and Whistle-Blowing among Nurses and Secretaries." *Pakistan Journal of Medical Sciences* 34(2):429–34.
- Bagustianto, Rizki, and Nurkholis. 2015. "Faktor-Faktor Yang Mempengaruhi Minat Pegawai Negeri Sipil (PNS) Untuk Melakukan Tindakan Whistleblowing (Studi Pada PNS BPK RI)." *Jurnal Ekonomi Dan Keuangan* 19(2):276–95.
- Baird, Jane E., and Robert C. Zelin. 2009. "An Examination of Obedience Pressure on Perception of Fraudulent Acts and the Likelihood of Committing Occupational Fraud." *Journal of Forensic Studies in Accounting and Business* 33(1):1–14.
- Bernawati, Yustrida, and Giovani Beatrice Napitupulu. 2018. "The Effect of Organizational, Individual, and Demographic Factors on the Whistle-Blowing Intention." 1(01):1–12.
- Bok, S. 1980. *Whistleblowing and Professional Responsibilities*. In D. Callahan & S. Bok (Eds.), *Ethics Teaching in Higher Education* (Pp. 277-295). New York: Plenum Press.
- Burger, Jerry M. 2009. "Replicating Milgram: Would People Still Obey Today?" *American Psychologist* 64(1):1–11. doi: <https://doi.org/10.1037/a0010932>.
- Chang, Yongjin, Mark Wilding, and Min Chul Shin. 2017. "Determinants of Whistleblowing Intention: Evidence from the South Korean Government." *Public Performance and Management Review* 40(4):676–700. doi: 10.1080/15309576.2017.1318761.
- Chong, Vincent K., and Imran Syarifuddin. 2010. "The Effect of Obedience Pressure and Authoritarianism on Managers' Project Evaluation Decisions." *Journal of Advances in Accounting, Incorporating Advances in International Accounting* 26(2):185–94.
- Davis, James H., F. David Schoorman, and Lex Donaldson. 1997. "Toward a Stewardship Theory of Management." *Academy of Management Review* 22(1):20–47.
- Davis, Stan, F. Todd DeZoort, and Lori S. Kopp. 2006. "The Effect of Obedience Pressure and Perceived Responsibility on Management Accountants' Creation of Budgetary Slack." *Behavioral Research in Accounting* 18(1):19–35. doi: 10.2308/bria.2006.18.1.19.
- DeZoort, F. Todd, and A. T. Lord. 1994. "An Investigation of Obedience Pressure Effects on Auditors' Judgments." *Behavioral Research in Accounting* 6(1):1–30.
- Donaldson, Lex, and James H. Davis. 1991. "Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns." *Australian Journal of Management* 49–66.
- Gao, J., R. Greenberg, and B. Wong-On-Wing. 2015. "Whistleblowing Intentions of Lower-Level Employees: The Effect of Reporting Channel, Bystanders, and Wrongdoer Power Status." *Journal of Business Ethics* 126(1):85–99. doi: <https://doi.org/10.1007/s10551-013-2008-4>.
- Gudono. 2015. *Analisis Data Multivariat Edisi 4*. Yogyakarta: BPFE Yogyakarta.
- Gummer, B. 1985. "Committing the Truth: Whistleblowing, Organization Dissent, and the Honorable Bureaucrat." *Journal of Administration in Social Work* 9:89–102.
- Hanjani, Andreani, Agus Purwanto, and RR Karlina Aprilia Kusumadewi. 2019. "The Impact of Ethical Judgment, Locus of Control, and Organizational Commitments to Whistleblowing." *Journal of Auditing, Finance, and Forensic Accounting* 6(2):97–104. doi: 10.21107/jaffa.v6i2.4937.
- Hasibuan, Malayu SP. 2007. *Manajemen Sumber Daya Manusia (Human Resources Management)*. Jakarta: Gunung Agung.
- Hetcher, M. 2008. "The Rise and Fall of Normative Control." *Accounting, Organizations and Society* 33:363–76.
- Indonesia Corruption Watch (ICW). 2020. *Laporan Pemantauan Tren Penindakan Kasus Korupsi Semester I 2020*. Jakarta: ICW.
- Kalpan, Steven, Kelly Richmond Pope, and Janet A. Samuels. 2010. "The Effect of Social Confrontation on Individuals' Intentions to Internally Report Fraud." *Behavioral Research in Accounting* 22(2):52–67.
- Keenan, J. P. 1995. "Whistleblowing and the First-Level Manager: Determinants of Feeling Obligated to Blow the Whistle." *Journal of Social Behavior & Personality* 10(3):571–684.
- Kelman, H. C., and V. L. Hamilton. 1989. *Crimes of Obedience: Toward a Social Psychology of Authority and Responsibility*. New Haven, CT: Yale University Press.
- Lestari, Rohmaida, and Rizal Yaya. 2017. "Whistleblowing Dan Faktor-Faktor Yang Mempengaruhi Niat Melaksanakannya Oleh Aparatur Sipil Negara." *Jurnal Akuntansi XXI(03):226–50*.
- Lianarachchi, Gregory, and Chris Newdick. 2009. "The Impact of Moral Reasoning and Retaliation on Whistle-Blowing: New Zealand Evidence." *Journal of Business Ethics* 89:37–57.

- Mesmer-Magnus, Jessica, and Chockalingam Viswesvaran. 2005. "Convergence Between Measures of Work-to-Family and Family-to-Work Conflict: A Meta-Analytic Examination." *Journal of Vocational Behavior* 67(215–232).
- Miceli, Marcia P., and Janet p. Near. 1988. "Retaliation Against Role Prescribed Whistleblowers: The Case of Internal Auditors." Paper Presented at the 48th Annual Meeting of the Academy of Management, Anaheim, CA.
- Miceli, Marcia P., and Janet p. Near. 1989. "The Incidence of Wrongdoing, Whistle-Blowing, and Retaliation: Results of a Naturally Occurring Field Experiment." *Employee Responsibilities and Rights Journal* 2:91–108.
- Milgram, Stanley. 1963. "Behavioral Study of Obedience." *Journal of Abnormal and Social Psychology* 67(4):371–78. doi: 10.1037/h0040525.
- Murphy, Pamela R., and M. Tina Dacin. 2011. "Psychological Pathways to Fraud: Understanding and Preventing Fraud in Organizations." *Psychological Path Way to Fraud: Understanding and Preventing Fraud in Organization* 101(4):601–18.
- Mustapha, Mazlina, and Ling Siaw. 2012. "Whistle Blowing: Perceptions of Future Accountants." *International Proceedings of Economics Development & Research* 38:135–39.
- Nahartyo, Ertambang, and Intiyas Utami. 2016. *Panduan Praktis Riset Eksperimen (Experimental Research Practical Guide)*. Jakarta: PT. Indeks.
- Near, Janet p., and Tamila C. Jensen. 1983. "The Whistleblowing Process: Retaliation and Perceived Effectiveness." *Work and Organisations* 3–28.
- Near, Janet p., and Marcia P. Miceli. 1985. "Organizational Dissidence: The Case of Whistle-Blowing." *Journal of Business Ethics* 4(1):1–16.
- Near, Janet P., Micheal T. Rehg, James R. Van Scotter, and Marcia P. Miceli. 2004. "Does Type of Wrongdoing Affect the Whistle-Blowing Process?" *Business Ethics Quarterly* 14(2):219–42.
- Near, Janet p., Katherine C. Ryan, and Marcia P. Miceli. 1995. "Results of a Human Resource Management "Experiment": Whistleblowing in the Federal Bureaucracy 1980 1992." *Proceedings of the Academy Management, Vancouver, Canada* 369–73.
- Parmerlee, M. A., Janet p. Near, and Tamila C. Jensen. 1982. "Correlates of Whistleblowers' Perceptions of Organizational Retaliation." *Administrative Science Quarterly* 27(1):17–34.
- Peecher, Mark E., Ira Solomon, and Ken T. Trotman. 2013. "An Accountability Framework for Financial Statement Auditors and Related Research Questions." *Accounting, Organizations and Society* 38:596–620.
- Rocha, Ester, and Brian H. Kleiner. 2005. "To Blow or Not to Blow the Whistle? That Is the Question." *Management Research News* 28((11/12)):80–87.
- Rockness, Howard, and Joanne Rockness. 2005. "Legislated Ethics: From Enron to Sarbanes-Oxley, the Impact on Corporate America." *Journal of Business Ethics* 57:31–54.
- Rothschild, Joyce, and Terance D. Miethe. 1999. "Whistle-Blower Disclosures and Management Retaliation: The Battle to Control Information about Organization Corruption." *Work and Occupations* 26(1):107–28. doi: 10.1177/0730888499026001006.
- Ryan, K. D., and D. K. Oestreich. 1991. *Driving Fear out of the Workplace: How to Overcome Invisible Barrier to Quality, Productivity, and Innovation*. sun Fransisco, CA: Jossey-Bass Publisher.
- Safitri, Devi, and Sem Paulus Silalahi. 2019. "Faktor – Faktor Yang Mempengaruhi Minat Aparatur Sipil Negara Untuk Melakukan Tindakan Whistleblowing." *Jurnal Profita* 12(1):10. doi: 10.22441/profita.2019.v12.01.002.
- Seifert, Deborah L., John T. Sweeney, Jeff Joireman, and John M. Thornton. 2010. "The Influence of Organizational Justice on Accountant Whistleblowing." *Accounting, Organizations and Society* 35(7):707–17. doi: 10.1016/j.aos.2010.09.002.
- Setyawati, Intan, Komala Ardiyani, and Catur Ragil Sutrisno. 2015. "Faktor-Faktor Yang Mempengaruhi Niat Untuk Melakukan Whistleblowing Internal." *Jurnal Ekonomi Dan Bisnis*, 17(2):22–33.
- Taylor, Eileen Z., and Mary B. Curtis. 2010. "An Examination of the Layers of Workplace Influences in Ethical Judgments: Whistleblowing Likelihood and Perseverance in Public Accounting." *Journal of Business Ethics* 93(1):21–37. doi: 10.1007/s10551-009-0179-9.
- Winardi, Rijadh Djatu. 2013. "The Influence of Individual and Situational Factors on Lower-Level Civil Servants' Whistle-Blowing Intention in Indonesia." *Journal of Indonesian Economy and Business* 28(3)(3):361–76.