

The Influence of Ethical Judgment on Whistleblowing Decision Making Mediated by Mood

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ABSTRACT

The aim of this research is to determine the influence of ethical judgment on whistleblowing decision making which is mediated by mood. The location of the research was carried out at PT. Pertamina Hulu Rokan with a sample size of 248 and consisting of 3 work areas. Data collection techniques use questionnaires and distributing questionnaires using Google Form. The data analysis technique in this research is Structural Equation Modelling (SEM) using SMArtPLS as a data processing tool. The results of this research show that ethical judgment has a positive and significant effect on whistleblowing decision making which is mediated by mood, so it is known that mood can mediate the relationship between ethical judgment and whistleblowing decision making. Apart from that, this research is also expected to contribute to the development of human resource management theory and practice, especially in increasing employee professionalism through these factors

ARTICLE HISTORY

Received 1 Oktober 2023
Revised 10 Oktober 2023
Accepted 28 Oktober 2023

KEYWORDS

Ethical Judgment,
Whistleblowing Decisions, and
Mood

Introduction

Despite the fact that initiative exploration has a long custom in authoritative cerebrum Whistleblowing refers to the actions of individuals who disclose or report ethical or legal violations that occur within an organization, especially when they have internal knowledge of the violations. Whistleblowing can play an important role in maintaining organizational ethics and integrity, as well as preventing unethical or illegal behavior. However, the decision to whistleblower is not always easy, and psychological factors such as mood and ethical and organizational judgments can influence an individual's intention and judgment to report a violation.

Whistleblowing is an important issue in the field of ethics. The implementation of the whistleblowing system has not been applied to many companies in Indonesia, only applied to large companies. The justification method is like everyone does and if this is legal, then this is ethically used as an excuse for committing deviations, not to mention the risk of threats to whistleblowers such as unilateral dismissal, so that it becomes a fear for employees to decide to do whistleblowing, even though whistleblowing is very necessary, so that if it happens deviation and someone reveals it, then that person is tantamount to sounding an emergency alarm that there is an action that does not meet the company's ethical standards. This whistleblower serves as a reminder or direction for the company to stay on track.

Chiu's (2003) research found that ethical considerations influence the intention to carry out whistleblowing by being influenced by the whistleblower's psychology (mood).

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Ethical considerations are a factor in the emergence of intentional behavior regarding moral issues that occur. The relationship between ethical judgment, mood and whistleblowing intention has been empirically proven regarding disclosure of fraud (Barnett et al in Chiu, 2003).

Seeing this case, the role of ethical judgment is very necessary. The role of ethical judgment is needed when a dilemma occurs when choosing alternative decisions related to the company's internal control. From this ethical judgment, you can describe what kind of internal control they implement. In Rodgers and Susana's (2001) research, understanding the process of individual ethical consideration can lead to more efficient and profitable procedures and results. This can mean that ethical considerations can lead to good internal control so as to produce procedures and results that can benefit the company, in other words can achieve company goals.

Ethical considerations are needed when making decisions that must consider whether the decision is ethical or not. Professional behavior is required when making ethical considerations. The most effective way to prevent and deter fraud is to implement a culture of honesty, ethical thinking and acting as well as the whistleblowing system itself. Such methods can create an environment that supports acceptable behavior and expectations for employees, and also that employees can use these methods to provide their direction. Rozmita Dewi (2017). Not only by implementing a culture of honesty, the company must also implement a Whistleblowing System which is a place for a whistleblower to report fraud committed by an internal company person, this must also be accompanied by an ethical assessment. This aims to reveal fraud that causes the company to suffer losses and prevent fraud from increasing. Dewi Indriasih (2021).

Apart from that, the psychological factors mentioned above such as mood can influence ethical judgment and also whistleblowing intention. Chiu's (2003) research suggests that a positive effect or positive mood will influence employees' whistleblowing decisions if they are aware of a violation, whereas negative mood (negative affect) will cause anxiety and fear of committing it. So that psychological factors in employees are factors that can also determine important decision making at work. People who behave ethically at least make decisions based on their emotions and feelings, positive emotions also increase their ability to solve problems, positive people find good solutions in solving problems. . (Wardani, 2018).

According to Semendawai et al (2011) Whistleblowing is a risky and difficult action, which requires careful consideration from individuals who have knowledge of organizational violations. The decision to report a violation is often influenced by factors such as feelings of ethical judgment, risk perception, positive mood, organizational culture and organizational environment. Apart from these factors, mood is also one of the factors that can decide someone to do whistleblowing to strengthen this assumption. In research by Hu et al (2018), it was found that a positive mood at work can increase an individual's intention to do whistleblowing. Then, from Julia's (2009) research, one of the factors in deciding to carry out whistleblowing is Ethical judgment, with this ethical decision, employees who feel confident and are also supported and given social support by colleagues and superiors are more likely to report ethical violations. However, from the results of observations made temporarily there are several problems, including.

Ethical uncertainty of employees at PT. PHRs are often faced with ethical dilemmas in the decision to report or not report violations. They must consider the impact on their careers, the potential consequences, and their ethical responsibilities to society and the environment. Lack of Support Fear of retaliation or disapproval from superiors and co-workers can prevent employees from whistleblowing, even though they have knowledge of violations that may have a major impact on both themselves and the company.

From the explanation of the background and previous research, it can be seen that ethical judgment can influence whistleblowing decision making and the role of employee mood is also a factor that can influence the relationship between ethical judgment variables and the decision to carry out whistleblowing. So, from all aspects, factors and variables, it is still necessary to understand in depth how the ethical judgment of employees at PT. PHR can influence employees' intentions and assessments to carry out whistleblowing and a positive mood can also support integrity and encourage more active whistleblowing actions.

Theoretical support

Ethical Judgement

According to Aziz & Cahyonowati (2015) ethical judgment is a process where an individual assesses which alternatives are morally correct and other alternatives are morally wrong. This ability is very important and needed by every individual to carry out their respective duties. Sparks & Pan (2010) state that ethical judgment is an individual's personal evaluation regarding ethical or unethical behavior or actions. Kutcher (2013) defines ethical judgment as a time when a situation occurs that requires taking and assessing more ethical actions.

In taking this action, a person must consider questions such as, what is the best action to be used as a solution" and "why is this action better than another action". Ethical judgment is an important part of the decision-making process. To make good, healthy decisions and solve problems effectively, a person must have some basic cognitive skills that enable them to complete the decision-making process totally and systematically. The basic cognitive skills in question are that individuals must understand what ethical issues are, know the code of ethics that can be applied to the situation, use reason to determine what the best decision is, reflect on the situation to ensure the decision made is the best decision, and plan how to implement the decision made.

According to Cointe, Bonnet, & Boissier (2016), ethics is a practical philosophical discipline regarding how humans should act and move. Ethics uses ethical principles to reconcile the morals, desires and capacities of agents. Cointe et al., (2016) also stated that judgment is the ability to distinguish the most satisfactory option in a situation regarding a set of ethical principles and ethical judgment allows an individual to make decisions in accordance with a set of ethical principles and preferences.

Mood

According to Maire (2013), mood is a condition experienced in human life, to a greater extent, mood can be influenced by the way one individual interacts with another individual in the social environment. Meanwhile, according to Thayer (in Halgin & Whitbourn, 2011) mood is feelings that tend to be less intense, and which occur in situations and conditions that are being experienced. Mood can influence daily activities,

and can also influence the ways in which the individual thinks and acts. Martin et. Al (in Ilham, 2019) explains that mood is a grammatical source for creating interactive moves in dialogue.

According to Thayer (in Halgin & Whitbourn, 2011) mood is feelings that tend to be less intense and that occur because of the situation and conditions that are being experienced. Feelings of sadness, happiness, anxiety, anger and nervousness are among the moods that can happen to everyone, including employees and often occur in life and can affect daily activities. Mood can influence the ways in which an individual thinks and acts. Mood can come at any time, people an hour before can still be laughing, joking, and very enthusiastic about talking and then become quiet all day for no apparent reason or there are other problems that affect mood (Malentika, 2016).

According to Fauziyah (2017) mood is feelings that tend to be less intense that occur because of the situations and conditions experienced by the individual. Moods can come suddenly, unexpected events, and moods can even affect daily activities and the way we think and act.

Wistleblowing

Whistleblowing is an effort to reveal violations or reveal actions that are against the provisions and against the law, all forms of unethical actions to be carried out that could cause the company to suffer losses. The government has defined whistleblowing as a mechanism for submitting complaints about alleged criminal acts of corruption that have occurred or will occur involving employees and other people related to alleged criminal acts of corruption committed within the organization where they work (MenPANRB Circular Letter No.08/M.PAN- RB/06/2012).

Semendawai et al (2011:19) say that whistleblowing is a system for disclosing acts of violation or disclosing unlawful acts or other acts that can harm the organization or stakeholders. Disclosures using the Whistleblowing system are usually carried out by audit and internal audit committees or carried out by individuals to all members of an organization, company, institution, agency or other types of actions which can lead to various frauds and violations occurring. To get maximum results, of course this is usually done in secret. Dewi Indriasih, 2021).

Another definition states that whistleblowing is the action of a worker who decides to report to internal or external authorities about illegal and unethical things that occur in the work environment or organization (Hanif and Odiatma, 2017: 14). Whistleblowing is an action carried out by a person or several employees to report fraud that occurs in an organization, whether committed by the company or their superiors, to other parties (Elias, 2008).

Hypothesis Development

SET proposes that people trade various kinds of assets, and the interaction can bring as explained above, ethical judgment is thinking based on careful consideration. Variables from previous research have a positive and significant influence on Whistleblowing decision making, where the atmosphere has a strong enough influence on ethical thinking or ethical judgment which can influence decisions. employees to carry out whistleblowing. This is known from previous research conducted by Julia et al (2009).

It is known that a positive employee mood can strengthen the employee's desire to make a whistleblowing decision, which is if the employee's mood is in a positive condition, namely active, energetic, enthusiastic. and enthusiastic, the employee's intention to carry out whistleblowing will increase and can support decisions to act professionally, one of which is the whistleblowing decision.

A positive mood can influence decision-making actions. Julia's (2009) research results state that if an organization has a culture that upholds honesty and professionalism as well as a good whistleblowing system, it will have a positive influence on employee decision making to carry out whistleblowing. Likewise, where there is a positive influence from mood that influences Whistleblowing decision making and other thought processes, this is related to positive affect related to pleasant thoughts, and the content is considered more positive, so that positive affect or positive mood is stronger in influencing Whistleblowing decision making. Research conducted by Julia (2009) also states that an organizational culture that upholds honesty and professionalism will improve the positive mood of employees and they will be more likely to help people and protect their organization.

According to Chiu (2002), ethical judgment is a person's thoughts as a whole, namely about a difficult problem. A person's ethical decisions can emerge and lead to an ethical subjective evaluation of the individual, resulting in whistleblowing. Meanwhile, according to Barnett et al. (2008) someone who considers whistleblowing to be an ethical act will be more likely to report mistakes committed by colleagues or superiors. Ethical judgment refers to considering what ethical actions an individual must take to make the right decision.

According to research by Julia (2009), a positive path coefficient indicates a positive influence. Individuals who consider whistleblowing to be an ethical act will be more likely to report mistakes committed by their colleagues or superiors, compared to individuals who consider whistleblowing to be an unethical act.

Humans as implementers of tasks in organizations certainly have dynamic feelings which will quickly change according to organizational conditions and the feelings they feel while working so that they can influence decision making while working, as well as decision making for whistleblowing.

According to Julia's (2009) research, there is a positive influence of mood which influences employees' ethical thinking in Whistleblowing decision making and other thought processes, this is related to positive affect related to pleasant thoughts, and the content is considered more positive, so positive affect or positive mood is stronger in influencing Whistleblowing decision making. Research conducted by Julia (2009) also states that when people are in a positive mood, they are more likely to think ethically and make decisions rationally and help everyone, especially protect their organization, and be constructive for their organization.

Research Framework

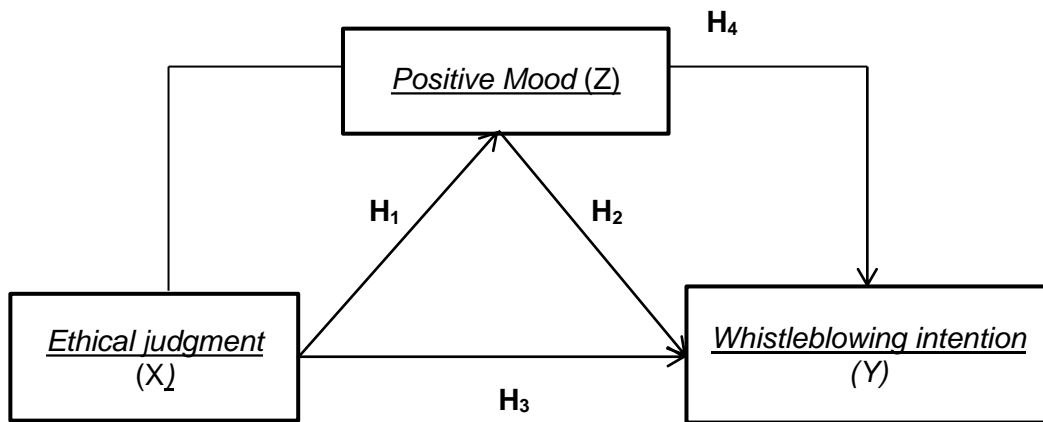


Figure 1. Research Framework.

Research method

Quantitative Method

The method used in this research is quantitative descriptive. According to Sugiyono (2013: 10 – 11) quantitative data is a characteristic of a variable whose values are expressed in numerical form. The research approach that the researcher will carry out uses a quantitative approach, where the quantitative approach is research in the form of numbers to test a hypothesis. A quantitative research approach is used to research certain populations or samples, data collection using research instruments, quantitative or statistical data analysis, with the aim of testing the hypothesis that has been established by Sugiyono (2013).

According to Haradani (2020), quantitative research can be described as research that relies on the use of numbers in the process of collecting, analyzing and presenting data. The quantitative approach in this research emphasizes analysis of numerical data which is then analyzed using appropriate statistical methods.

Results

Analisis SEM-PLS

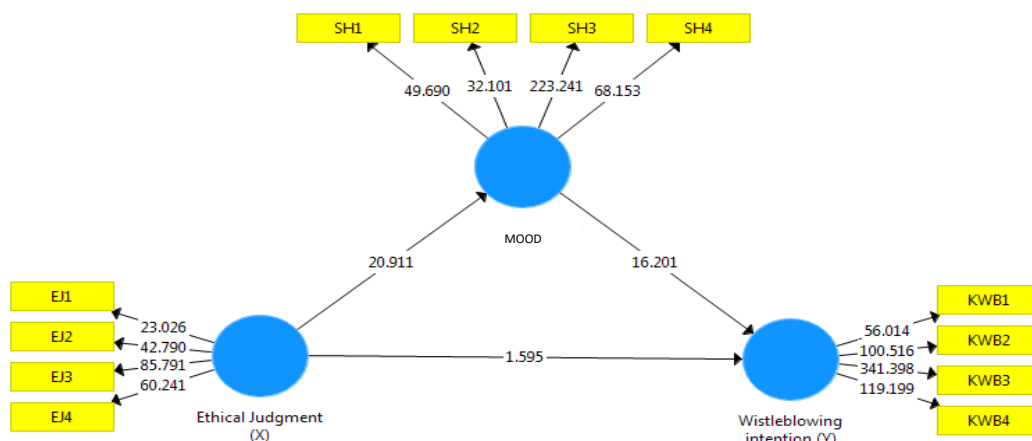


Figure 2. Path Chart.

Significance Test Results

Table 1. Significance Test Results

Relationship between variables		Path Coefficient		Significance Level	
Eksogen	Endogen	Coeff.	P-value	value	Ket.
Ethical Judgment (X)	Mood (Z)	0.702	0.000	P<0.005	Significant Positive
Ethical Judgment (X)	Wistleblowing Intention (Y)	0.490	0.000	P<0.005	Significant Positive
Mood (Z)	Wistleblowing Intention (Y)	0.582	0.000	P<0.005	Significant Positive

Notes. Data Olahan, 2023

The influence of ethical judgment on employee mood with a t statistical value of 15,281 > 2.00665 (t-table) with a p-value of 0.000 < 0.05, with an influence coefficient value of 0.702 which shows the direction of the influence is positive so it can be concluded that H0 is rejected and the first hypothesis or H1 is accepted, which means that ethical judgment has a positive and significant effect on employee mood.

The Influence of Mood on Whistleblowing Decision Making with a t statistic value of 16,904 > 2.00665 (t-table) with a p-value of 0.000 < 0.05, with an influence coefficient value of 0.582 which indicates a positive direction of influence so it can be concluded that H0 is rejected and the second hypothesis or H2 is accepted, which means that mood has a positive and significant effect on Whistleblowing Decision Making

The influence of ethical judgment on whistleblowing decision making with a t statistic value of 15,281 > 2.00665 (t-table) with a p-value of 0.000 < 0.05, with an influence coefficient value of 0.490 which indicates a positive direction of influence so it can be concluded that H0 is rejected and the second hypothesis or H3 is accepted, which means that ethical judgment has a positive and significant effect on whistleblowing decision making.

Discussions

Based on the research results, ethical judgment has a positive and significant effect on employee mood. Ethical judgment is thinking based on careful consideration. Variables from previous research have a positive and significant influence on decision making, where good mood has quite a strong influence on ethical thinking or ethical judgment because what one thinks can also be based on What one is feeling can influence one's ethical thinking because this is a psychological factor.

The results of this research are also in line with the panel research conducted by Julia et al (2009) and also Naldo (2018), it is known that a positive employee mood can strengthen their ethical judgment or ethical thinking to make decisions in their work, which if the employee's mood is in good condition. positive, namely active, energetic, enthusiastic and passionate, employees will think more critically and ethically in carrying out their work and can support decisions to act professionally at work.

The results of research through data analysis show that mood has a positive and significant effect on whistleblowing decision making. Likewise, where there is a positive influence from mood which influences whistleblowing decision making and other thought

processes, this is related to positive affect related to pleasant thoughts, and the content is considered more positive, so that positive affect or positive mood is stronger and more loyal. towards the company will be able to influence Whistleblowing decision making.

The results of this research are also in line with research conducted by Julia (2009) which states that mood has a strong influence on employee decision making to carry out whistleblowing. It is known that a positive employee mood can strengthen the employee's desire to make a whistleblowing decision, which is If the employee's mood is in a positive condition, namely active, energetic, enthusiastic and enthusiastic, then the employee's intention to carry out whistleblowing will increase and can support decisions. Andri Taripudin's research (2020) also states that an organizational culture that upholds honesty and professionalism will improve the mood or positive mood of employees and they become more inclined to help people and protect their organization and report violations that could be detrimental to their company.

The research results show that ethical judgment has a positive and significant effect on whistleblowing decision making. A person's ethical decision can arise and lead to an ethical subjective evaluation of the individual, resulting in whistleblowing reporting or disclosure. Due to a problem that occurs in the company which could cause losses.

According to Julia's (2009) research, individuals who consider whistleblowing to be an ethical act are more likely to report mistakes committed by colleagues or superiors, compared to individuals who consider whistleblowing to be an unethical act, and this is also in line with Eva Fadillah's (2014) research. Ethical actions will make it more likely to report mistakes made by colleagues or superiors.

The research results show that mood mediates the relationship between Ethical judgment and Whistleblowing Decision Making. The results of this research are also in line with Julia's (2009) research where there is a positive influence of mood which influences employees' ethical thinking in Whistleblowing decision making and other thinking processes, this is related with positive affect associated with pleasant thoughts, and the content is considered more positive, so that positive affect or positive mood is stronger in influencing Whistleblowing decision making.

Humans as executors of tasks in organizations certainly have dynamic feelings which will quickly change according to organizational conditions and the feelings they feel while working so that they can influence decision making while working, as well as decision making for whistleblowing, which in practice is the mood can influence an employee's ethical decision in taking an action to report a fraud, negative affect will give rise to fear and anxiety about carrying out a job or decision, while positive affect or modd positive will give rise to self-confidence and enthusiasm in working and making reporting decisions

Conclusion

Based on the results of the research and discussion used in accordance with the proposed hypothesis, the following conclusions can be drawn:

1. Ethical judgment has a positive and significant effect on mood. This means that ethical judgments or ethical decisions can also influence mood, such as the impact of ethical judgments on working conditions and also relationships between employees which can create a work environment that can influence employee mood.

2. Mood has a positive and significant effect on Whistleblowing Decision Making. This means that Whistleblowing decision making can be influenced by the employee's mood, a decision to report can be influenced by psychological factors such as anxiety or being in a good mood.
3. Ethical judgment has a positive and significant effect on Whistleblowing Decision Making. This means that ethical actions will be more likely to report mistakes committed by colleagues or superiors, compared to individuals who consider whistleblowing to be an unethical action.
4. Ethical judgment has a positive and significant effect on Whistleblowing Decision Making which is mediated by mood. This means that positive affect is related to pleasant thoughts, and the content is considered more positive, so that positive affect or positive mood is stronger in influencing the ethical assessment process and also whistleblowing decision making.

Acknowledgement

We thank the anonymous reviewers for their valuable support and guidance in improving the quality of the paper. Furthermore, we thank Adi Rahmat and Yogi Yunefri for his feedback on earlier versions of the paper. Besides, we also thank Universitas Lancang Kuning, Indonesia, for their assistance and support along the undertaken of this research.

Disclosure statement

No potential conflict of interest was reported by the authors.

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