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**Organizational-professional conflict and the whistleblowing
intentions of professional accountants**

Chiasson, Michael Anthony, D.B.A.

Louisiana Tech University, 1994

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ORGANIZATIONAL-PROFESSIONAL CONFLICT AND
THE WHISTLEBLOWING INTENTIONS OF
PROFESSIONAL ACCOUNTANTS

by

Michael A. Chiasson, B.S., M.B.A.

A Dissertation Presented in Partial Fulfillment
of the Requirements for the Degree
Doctor of Business Administration

COLLEGE OF ADMINISTRATION AND BUSINESS
LOUISIANA TECH UNIVERSITY

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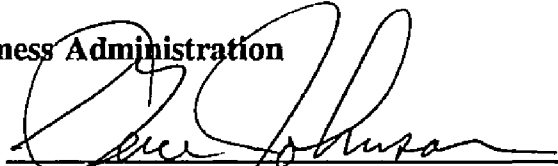
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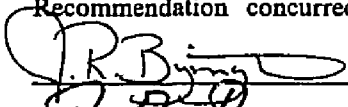
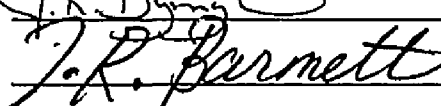
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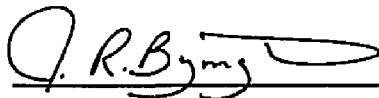
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ABSTRACT

The purpose of this research was to study the professional accountant's potentially conflicting role as a member of both the accounting profession and an employing organization to better understand how this conflict might affect the accountant's external whistleblowing intentions. More specifically, the study examined whether the professional accountant's external whistleblowing intentions were affected by his levels of organizational commitment, professional commitment, and organizational-professional conflict.

This was the first study to examine organizational commitment, professional commitment, and organizational-professional conflict in relation to external whistleblowing intentions. This was also the first study to examine the relationships between whistleblowing and both professional commitment and organizational-professional conflict.

The sample included 300 usable responses from a sample of 1000 professional accountants selected from the membership rosters of the Institute of Internal Auditors, the Institute of Management Accountants, and the American

Institute of Certified Public Accountants. Path Analysis was used to test the hypothesized relationships.

The results indicated that there was a direct relationship between external whistleblowing intentions and professional commitment, and indirect relationships between external whistleblowing intentions and both organizational commitment and organizational-professional conflict. Implications and directions for future research are provided in the study.

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CHAPTER 1

INTRODUCTION

Whistleblowing--defined as disclosure by organization members of an employer's illegal, immoral, or illegitimate practices that are under the control of their employers to persons or organizations who may be able to affect action (Near and Meceli 1985)--has emerged as one of the most controversial issues facing management today (Jos 1991). The growth of attention in this area is due to a perceived increase in employees' reporting of illegal, immoral, or illegitimate activities to individuals or groups capable of bringing about change (Keenan and Krueger 1992; Ewing 1983).

Management often views the whistleblower as a threat to the authority structure of the organization. This perception that the adverse effects of whistleblowing outweigh the benefits often leads to retaliation rather than support (Keenan and Krueger 1992; Jos 1991; Near and Jensen 1983). This, however, need not always be the case. Whistleblowers can provide management with information that may prove beneficial in preventing the organization from suffering unnecessary losses or embarrassment. For

example, organizations can benefit when whistleblowing reports enable them to correct unsafe products or working conditions. Adverse consequences, such as harm to employees, customers, or society can be avoided. Thus, a supportive response to whistleblowing can prevent unnecessary losses, lawsuits, and negative publicity.

In the United States, there is positive approval and encouragement of whistleblowing in the public sector. The U.S. public appears to believe that whistleblowing assists in improving business efficiency and eliminating waste, misfeasance, and malfeasance in government (Vinten 1992). At the federal level, Barnett (1992a) reports that there are several provisions available to protect public sector whistleblowers. For example, there are several anti-retaliation provisions in civil rights laws and labor laws designed to protect whistleblowers who exercise specific rights under these statutes (Kohn and Kohn 1986). Additionally, the U.S. Merit System Protection Board (MSPB) protects federal employees who blow the whistle on fraud and waste (U.S. MSPB 1984). The Federal Whistleblowers Protection Act of 1989 increased protection available to federal government whistleblowers who disclose governmental waste, and fraud. Public sector whistleblowers also have constitutional protection under the U.S. Constitutions First and Fourteenth Amendments (Kohn and Kohn 1986). At the state level, more than 30

states have enacted laws protecting whistleblowers in the public sector (Barnett 1992a; Benson 1992; Massengill and Petersen 1989; Webber 1989).

Protection for private sector employees lags behind that of the public sector. Only a small number of the whistleblower statues extend protection to the private sector (Barnett 1992a). Of the 30 states with whistleblower statues, only about one-half have extended protection to employees in the private sector. Therefore, most whistleblowers who work in the private sector have little statutory protection against adverse personnel actions related to their whistleblowing (Barnett 1992a).

Although most whistleblowers in the private sector lack statutory protection, many are still encouraged to blow the whistle to internal sources. A Conference Board review in 1987 found a high proportion of major corporations paying more attention to employee health, quality control, and other ethical problems (Benson 1992). Many businesses are instituting whistleblowing policies as part of their codes of ethics, to provide channels to report illegal, immoral, or illegitimate activities (Barnett 1992b).

Whistleblowing may be either internal or external to the organization. Internal whistleblowing involves informing relevant organization members about an illegal, immoral, or illegitimate act by either using established

lines of authority, or by circumventing established communication lines (Vinten 1992; Ponemon 1991). External whistleblowing involves going completely outside of the organization to voice concerns over organizational wrongdoing (Vinten 1992). External whistleblowing may consist of reports to the media, to regulatory agencies, or to law enforcement officials.

Of the two forms of whistleblowing, external disclosure causes the greatest amount of turmoil. Internal whistleblowing reports provide organizations an opportunity to investigate and correct wrongdoing, thus avoiding the negative consequences of external whistleblowing reports (Dworkin and Near 1987). External disclosures bring unwanted public attention to organizations, leading to negative publicity, regulatory investigations, and legal liability. Thus, external whistleblowing reports usually put organizations in their worst possible light (Barnett 1992c, Barnett, Cochran, and Taylor 1993). Also, external whistleblowing creates an atmosphere of unpleasantness that could result in retaliation against the whistleblower (Vinten 1992; Near and Jensen 1983).

One way to reduce the negative consequences of external whistleblowing is for management to encourage employees to report wrongdoing within the organization. This line of action could prove beneficial to both the

whistleblower and the organization. This objective could be accomplished by developing formal whistleblowing policies to encourage internal disclosures. Recent studies (Barnett, Cochran, and Taylor 1993; Barnett and Cochran 1991) suggest that some organizations have formal whistleblowing policies that allow employees to voice legal, moral, and/or ethical concerns, and that these policies may increase the likelihood that employees will blow the whistle internally.

In addition to being able to report questionable activities, policies must clearly guarantee that whistleblowing will not damage the employee's career, and that retaliation in any form will not be tolerated. For example, 67 percent of the managers in a recent study responded that their organizations' whistleblowing policies contained such provisions (Barnett and Cochran 1991).

If employees report illegal, illegitimate, or immoral activities to organization managers, the organization has a chance to respond and correct the indiscretion without suffering adverse effects of media publication. If employees report to external sources, the organization's reputation may suffer resulting in adverse consequences in the future (Dworkin and Near 1987). Thus, it is in the best interest of the organization for management to provide policies and channels that encourage employees to

voice their concerns within the organization rather than to external sources (Barnett, Cochran, and Taylor 1993; Keenan and Krueger 1992; Near 1989; Weller 1988; Raelin 1987; Graham 1986; Macula and Near 1985).

Professional Accountants as Whistleblowers

The term professional accountant is not widely used in the accounting literature. The term is used in this study to describe any accountant that is a member of either the Institute of Internal Auditors (IIA), the Institute of Management Accountants (IMA), or the American Institute of Certified Public Accountants (AICPA). This group of accountants is defined as professionals because they have met the minimum requirements necessary to become a member of one or more of these professional organizations.

There has been a great deal of controversy over whistleblowing in the field of professional accounting (Benson 1992; Courtemanche 1988). One reason for the confusion is the professional accountant's conflicting roles. The professional accountant is a member of a profession, as well as a member of an organization. As a member of a profession, the accountant is required to uphold the standards of the profession and his/her behavior is monitored by a peer group that is external to the employing organization. As a member of the organization, the accountant is expected to adhere to the

organization's policies and to promote the goals of management (Tidrick 1992; Ponemon 1991; Harrell, Chewning, and Taylor 1986).

The Internal Auditor
as Whistleblower

If the internal audit function is to work properly, there must be a constructive relationship between the internal auditor and management. This relationship must consist of trust on the part of management and loyalty on the part of the internal auditor (Courtemanche 1988). It is often argued that if the internal auditor plays the role of whistleblower, this relationship will be violated and the auditor will be unable to accomplish the broad scope of objectives envisioned by the Institute of Internal Auditors. This dilemma is expressed in the IIA code of ethics (1988):

Article II. Members, in holding the trust of their employers, shall exhibit loyalty in all matters pertaining to the affairs of the employer or to whomever they may be rendering a service. However, members shall not knowingly be a party to any illegal or improper activity.

Article VIII. Members shall be prudent in the use of information acquired in the course of their duties. They shall not use confidential information for any personal gain nor in a manner which would be contrary to law or detrimental to the welfare of their organization.

Article IX. Members, in expressing an opinion, shall use all reasonable care to obtain factual evidence to warrant such expression. In their reporting, members shall reveal such material facts known to them which, if not

revealed, could either distort the report of the results of operations under review or conceal unlawful practice.

According to Article IX, it is the responsibility of the internal auditor to report to management any illegal, illegitimate, or immoral activity that may distort the report of the financial position of the organization. Thus, internal whistleblowing can be viewed as a role prescribed activity for the internal auditor, and as such should not be viewed as a violation of the auditor's loyalty to the employer.

The IIA code of ethics, however, does not indicate that internal auditors should report illegal, illegitimate, or immoral activities to external sources. In fact, reporting such activities to the media, to regulatory agencies, or to law enforcement agencies without the approval of their employers would be viewed as a direct violation of Articles II and VIII of the IIA code of ethics (Courtemanche 1988).

In its Position Paper on Whistleblowing (1988), the Institute of Internal Auditors takes the position that when an organization's internal audit function adheres to the Standards for the Professional Practice of Internal Auditing and the IIA Code of Ethics, there should be no need to report in an unauthorized manner to anyone outside the organization. In situations where the above conditions are not strictly adhered to, the IIA states

that the internal auditor is still obligated to report through the normal channels. If management or the board of directors does not resolve the matter satisfactorily, the auditor should seek legal advice. In addition, the position paper is not intended to restrict the internal auditor from exercising rights granted under any state or federal whistleblowing statutes.

The Management Accountant
as Whistleblower

Management Accountants, like internal auditors, have an obligation to the organizations they serve, their profession, the public, and themselves. The Institute of Management Accountants (IMA) in its Standards of Ethical Conduct for Management Accountants (1992) states that:

Management accountants have a responsibility:

to refrain from disclosing confidential information acquired in the course of their work except when authorized, unless legally obligated to do so.

to communicate unfavorable as well as favorable information and professional judgments or opinions.

to disclose fully all relevant information that could reasonably be expected to influence an intended user's understanding of the reports, comments, and recommendations presented.

When the management accountant is faced with an illegal, illegitimate, or immoral activity, the IMA's code of ethical conduct states that the management accountant has a responsibility to communicate this information.

This responsibility to communicate unfavorable information can be interpreted as a responsibility for the management accountant to act as a whistleblower.

If management accountants are to assume the role of whistleblower, to whom should they report their findings? The IMA provides guidance for its members in resolving such conflicts. The Institute of Management Accountants takes the position that its members should follow the established policies of the employing organization. If the organization's policies do not resolve the conflict, the management accountant should then follow the IMA's prescribed course of action. The IMA's code of conduct advises the management accountant to:

Discuss such problems with the immediate superior except when it appears that the superior is involved, in which case the problem should be presented to the next higher management level. If satisfactory resolution cannot be presented, submit the issue to the next higher managerial level.

If the immediate superior is the chief executive officer, or equivalent, the acceptable reviewing authority may be a group such as the audit committee, executive committee, board of directors, or owners. Contact with levels above the immediate superior should be initiated with the superior's knowledge, assuming the superior is not involved.

If the ethical conflict still exists after exhausting all levels of internal review, the management accountant may have no other recourse on significant matters than to resign from the organization and to submit an informative memorandum to an appropriate representative of the organization.

Except where legally prescribed, communication of such problems to authorities or individuals not employed or engaged by the organization is not considered appropriate.

Therefore, if the management accountant is committed to his/her profession and follows the IMA's code of ethical conduct, he/she should report wrongdoing through the proper channels within the organization. If after exhausting internal sources the management accountant is unable to resolve the conflict he/she may have to disassociate himself from the organization. The IMA's code of conduct specifically states that members should not communicate such problems to outside sources.

The Certified Public
Accountant as Whistleblower

The American Institute of Certified Public Accountants (AICPA) has a much broader code of professional conduct than does either the IIA or the IMA. However, the AICPA has not taken a position on whistleblowing, nor has it provided a clear procedure for resolving conflict.

If an AICPA member is faced with an illegal, illegitimate, or immoral activity, the AICPA code of conduct (1988) provides the following guidance:

The principles of the Code of Professional Conduct of the AICPA expresses the profession's recognition of its responsibilities to the public, to clients, and to colleagues.

Article II, Paragraph 02--In discharging their professional responsibilities, members may

encounter conflicting pressures . . . In resolving those conflicts, members should act with integrity, guided by the precept that when members fulfill their responsibility to the public, clients' and employers' interests are best served.

Rule 301--Confidential client information. A member in public practice shall not disclose any confidential client information without the specific consent of the client.

This rule shall not be construed (1) to relieve a member of his or her professional obligations under rules 202 and 203, (2) to affect in any way the member's obligation to comply with a validly issued and enforceable subpoena or summons, (3) to prohibit review of a member's professional practice under AICPA or state CPA society authorization, or (4) to preclude a member from initiating a complaint with or responding to any inquiry made by a recognized investigative or disciplinary body.

Members of a recognized investigative or disciplinary body and professional practice reviewers shall not use to their own advantage or disclose any member's confidential client information that comes to their attention in carrying out their official responsibilities. However, this prohibition shall not restrict the exchange of information with a recognized investigative or disciplinary body or affect, in any way, compliance with a validly issued and enforceable subpoena or summons.

According to the AICPA's code of conduct, a member should not disclose any confidential information without the specific consent of the client. Therefore, the first course of action should be to report the wrongdoing to internal sources. If the member is unable to resolve the conflict relying on internal sources, his/her next course of action would be to either drop the issue, or report the wrongdoing to an external source.

The AICPA's code of conduct states that the Certified Public Accountant has a responsibility to the public. Therefore, dropping the issue may not always be a viable course of action. If this is the circumstance, the only other option available is to report the wrongdoing to an external source. Rule 301 requires the member to obtain client consent before reporting to an external source. Once the member has consent, he/she may report the wrongdoing externally. However, if the organization is unwilling to resolve the conflict itself, it is unlikely that the CPA will be granted consent to report to an external source.

The "consent requirement" in Rule 301 should not prevent a member from reporting a wrongdoing to an external source. Rule 301 further states that "this rule shall not be construed . . . to preclude a member from initiating a complaint with . . . a recognized investigative or disciplinary body." Rule 301, therefore, does not prevent a member from blowing the whistle to external sources, it only limits the channels that may be used.

It is also important to realize that although Rule 301 is specifically addressed to members in public practice, it should provide guidance to all AICPA members. The Code of Professional Conduct was adopted to provide guidance and rules to all members--those in public

practice, in industry, in government, and in education--in the performance of their professional responsibilities.

Statement of the Problem

When a professional accountant is confronted with an illegal, illegitimate, or immoral activity, he must decide how to respond. The accountant can remove himself from the organization, remain silent, report to management, or report to outside sources. The IIA, IMA, and AICPA codes of conduct suggest that it is the accountant's responsibility to report wrongdoing to the appropriate level of management or the board of directors. If the problem is not appropriately resolved, the accountant is faced with the dilemma of whether or not to report the incident to external sources.

The Institute of Internal Auditors, the Institute of Management Accountants, and the American Institute of Certified Public Accountants, as well as most organizations, discourage external whistleblowing. Why then do professional accountants report to external sources? The decision to report to external sources may be affected by several factors both personal and situational. Macula and Near (1992) identify several factors that may affect the individual's choice of action. Personal characteristics that may affect the whistleblowing decision include the individual's perceived moral responsibility for the welfare of mankind,

self-confidence, locus of control, professional status, and job satisfaction. Situational variables that may have an effect on the whistleblowing decision include: seriousness of the wrongdoing, support for the whistleblowing action, whistleblowing policies, and status of the wrongdoer.

In addition to the previously investigated variables cited above, the accountant's decision may also be affected by the individual's level of organizational commitment, professional commitment, and organizational-professional conflict. Each of these three variables has been shown to affect an individual's workplace behaviors (Harrell, Chewning, and Taylor 1986; Aranya and Ferris 1984; Norris and Niebuhr 1983). Additionally, research findings indicate that organizational commitment is related to whistleblowing behavior (Kolarska and Aldrich 1980, Westin 1981; Macula and Near 1986; Macula and Near 1988; Glazer and Glazer 1989; Macula, Near, and Schwenk 1991). Researchers, however, have not investigated the effects of professional commitment and organizational-professional conflict on whistleblowing behaviors.

Another situational variable that may affect the professional accountant's decision to report to external sources is the beneficiary of the whistleblowing action. For example, the professional accountant may be willing to go to external sources to protect society, but may not

feel compelled to do so to protect coworkers or the organization.

Purpose of the Study

The influence of organizations on the behaviors of professionals is of concern to researchers. The purpose of this research was to study the professional accountant's potentially conflicting role as a member of both the profession and the employing organization to better understand how this conflict might affect the accountant's external whistleblowing intentions. More specifically the study examined the relationship among four variables: organizational commitment, professional commitment, organizational-professional conflict and external whistleblowing intentions. Specific hypotheses regarding the variables of interest are discussed in Chapter 3. It is also important to note that this study is not attempting to build a model of whistleblowing behavior. It is simply examining the relationships between organizational commitment, professional commitment, organizational-professional conflict and external whistleblowing intentions.

Outline of Methodology

A review of the relevant literature pertaining to organizational commitment, professional commitment, and organizational-professional conflict is presented in

Chapter 2 of this study. From this review, three hypotheses are developed. These hypotheses relate to the relationships between organizational commitment, professional commitment, organizational-professional conflict and external whistleblowing intentions. To test the hypotheses, data were collected by sending a mail survey to a sample of 1000 professional accountants. The sample was selected by means of a random stratified sample of accountants from the membership rosters of the Institute of Internal Auditors, Institute of Management Accountants, and the American Institute of Certified Public Accountants.

The data collected in the study were analyzed using factor analysis and path analysis statistical procedures. First, the scales used to measure organizational commitment, professional commitment, organizational-professional conflict, and external whistleblowing intentions were factor analyzed to determine if the scales were measuring the underlying constructs they were intended to measure. The main statistical methodology used in this study of professional accountants' whistleblowing intentions was path analysis. This procedure was used to test the hypothesized relationships among the variables. An overview of the methodological process for the study is presented in Figure 1.1.

Research Purpose

To empirically examine professional accountant's potentially conflicting roles as both members of their profession and employees of their organization to better understand how this conflict might affect the accountant's external whistleblowing intentions. Further, to examine the relationship between OC, PC, OPC, and external whistleblowing intentions.

Literature Review

A review of the literature to support the research hypothesis.

Hypotheses

Three hypotheses are developed. These hypotheses relate to the relationships between OC, PC, OPC, and external whistleblowing intentions.

Data Collection

Data collected by mail survey sent to 1000 professional accountants.

Sample

A random stratified sample of accountants selected from the membership rosters of the IIA, IMA, and AICPA.

Analysis Technique

Path Analysis
Factor Analysis

FIGURE 1.1

METHODOLOGICAL PROCESS

Dissertation Overview

The first chapter of this study introduces the concept of whistleblowing and provides justification for the study. Chapter 2 consists of a review of the relevant literature as it relates to the variables of interest included in this study. Chapter 3 contains the formal hypotheses, operationalization of variables, the research instrument, the sampling plan, and the statistical methodology. Chapter 4 presents the results of the data analysis, and it includes the testing of the model and hypotheses. Chapter 5 presents the findings, directions for future research, limitations, and contributions of the study. It also includes suggestions for future research.

CHAPTER 2

LITERATURE REVIEW

The purpose of this chapter is to review the relevant literature with the purpose of explaining and understanding whistleblowing behaviors of professional accountants in organizations. The first section of the chapter focuses on existing theories that researchers have relied upon to help explain whistleblowing behaviors. The next sections present a whistleblowing model and the purpose of the study. The final sections review the literature related to each of the variables included in the hypothesized theoretical framework.

Theoretical Development

Currently, there is no comprehensive theory of whistleblowing (Miceli and Near 1992; Miceli and Near 1988). Therefore, in efforts to understand and explain whistleblowing behaviors researchers must draw upon research concerning similar behaviors for theoretical justification of research propositions. Various authors have viewed whistleblowing from different perspectives. Four common taxonomies used in examining whistleblowing are listed: (1) prosocial behavior, (2) organizational

citizenship, (3) political behavior, and (4) principled dissent. Each of these perspectives offers insight into understanding whistleblowing.

Of these four perspectives, prosocial behavior is probably the most relevant. Prosocial behavior theories encompass a wider range of activities and allow all types of whistleblowing to be defined as prosocial behaviors. When whistleblowing is viewed from one of the other three perspectives, certain types of whistleblowing acts cannot be defined as an organizational citizenship behavior, political behavior, or principled dissent.

Whistleblowing as Prosocial Behavior

Whistleblowing has been identified as a type of prosocial behavior (Brief and Motowidlo 1986; Dozier and Miceli 1985). Staub (1978) defines prosocial behavior as positive social behavior that is intended to benefit other persons. Brief and Motowidlo (1986) provide a much broader working definition to guide research on prosocial behavior in organizational settings. Brief and Motowidlo define prosocial organizational behavior as:

behavior which is (a) performed by a member of an organization, (b) directed toward an individual, group, or organization with whom he or she interacts while carrying out his or her organizational role, and (c) performed with the intention of promoting the welfare of the individual, group, or organization toward which it is directed.

Whistleblowing, as defined by Near and Miceli (1985), consists of disclosure by organization members of an employer's illegal, immoral, or illegitimate practices that are under the control of their employers to persons or organizations who may be able to affect action. Dozier and Miceli (1985) argue that whistleblowing is not purely altruistic, but rather prosocial. An altruistic behavior is not directed at self-gain, is voluntary, and results in good (Leeds 1963). A prosocial behavior may benefit the individual, as well as other individuals or organizations.

Whistleblowing reports may be either to internal sources or to external sources. If the wrongdoing is reported to someone within the organization that can affect action, this behavior can be clearly viewed as an effort to benefit the organization and can be clearly defined as a prosocial act directed toward the organization (Brief and Motowidlo 1986). On the other hand, Staw (1984) argued that external reports of wrongdoing should not be viewed as prosocial acts. Staw (1984) pointed out that if organizational wrongdoing is reported to persons outside the organization, the whistleblowing act can be viewed as threatening to the organization and is, therefore, not a prosocial act directed toward the organization. However, according to Brief & Motowidlo's (1986) expanded definition of

prosocial organizational behavior, external whistleblowing reports may also be viewed as prosocial acts. Brief and Motowidlo (1986) point out that an external report "might be a prosocial act with other organizations, individuals, or even society-at-large as the target intended to benefit." Accordingly, both internal and external whistleblowing acts may be viewed as prosocial behaviors.

Whistleblowing as Organizational Citizenship Behavior

Graham (1983) viewed whistleblowing as a type of organizational citizenship behavior. Organ (1988) described organizational citizenship behavior as individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and in the aggregate promotes the efficient and effective functioning of the organization. Organ (1988) and Smith, Organ, and Near (1983) further identified two broad categories of organizational citizenship behaviors: (a) behaviors that benefit the organization in general and (b) behaviors that immediately benefit specific individuals and indirectly through this means contribute to the organization. Smith, Organ, and Near (1983) suggested that citizenship behavior is a form of prosocial behavior. Therefore, behaviors that benefit the organization in general represent prosocial acts directed toward the organization. Accordingly, whistleblowing that is

intended to benefit the organization may be viewed as an organizational citizenship behavior. Although there is not complete agreement with Graham (1983) that all whistleblowing may be viewed as a type of organizational citizenship behavior, there should be agreement that whistleblowing that is intended to benefit the organization and/or its employees may be viewed as a type of organization citizenship behavior.

Whistleblowing as Political Behavior

Categorizing whistleblowing as a political behavior depends on the how political behavior is defined. Whistleblowing was first identified as a political behavior by Cavanagh, Moberg, and Velasquez (1981). According to Cavanagh, Moberg, and Velasquez (1981), political behavior is the use of either sanctioned or unsanctioned means to reach unsanctioned ends. According to this definition, Near and Miceli (1987) and Miceli and Near (1992) argue that whistleblowing is a type of political behavior, because if an action is meant to correct a wrongdoing by a person who lacks authority to institute change, then the end is unsanctioned.

Farrell and Petersen (1982) defined political behavior in organizations as those activities that are not required as part of one's organizational role but that influence, or attempt to influence, the distribution of

advantages and disadvantages within the organization. Using this definition, role prescribed whistleblowing would not be considered a political behavior. For example, in the case of the professional accountant, internal whistleblowing is role-prescribed by professional codes of conduct and would therefore, be excluded from political behavior.

Other researchers (Ferris, Russ, and Fandt 1989) define political behavior in ways that appear to exclude whistleblowing (Miceli and Near 1992). Ferris, Russ, and Fandt (1989) characterized organizational politics as a "social process . . . to maximize . . . self-interests." Whistleblowing, however, is not always aimed at benefiting the whistleblower, and is rarely designed to maximize self-interest (Miceli and Near 1992).

Whistleblowing as Principled Dissent

Whistleblowing is represented as a form of dissent, if the nature of the perceived activity that triggers the employees concern involves an activity that the employee considers to be illegal, immoral, or illegitimate (Miceli and Near 1992). Principled organizational dissent is defined by Graham (1986) as a protest and/or effort to change the organizational status quo because of a conscientious objection to current policy or practice (Graham 1986).

Graham (1986) defined a typology based on Hirschman's (1970) research on exit, voice, and loyalty. This typology conceives of the employee as having several options when faced with an illegal, immoral, or illegitimate act. According to Graham, dissatisfied employees have the options of remaining silent, dissenting internally, or dissenting externally. In addition, they must also choose between either staying with or leaving the organization. Whistleblowing is considered to be only dissent that involves reporting to an external source.

In summary, whistleblowing can be viewed as a type of prosocial, citizenship, and political behavior, and as a principled dissent. Each of these perspectives can be useful in understanding whistleblowing behavior. Of the four perspectives presented, the prosocial behavior has received the greatest amount of attention in the literature.

Whistleblowing Model

Miceli and Near (1992) present a proposed model of the whistleblowing process based on prosocial behavior theory. The model is viewed from the prospective of the individual, and it follows through five stages beginning with the wrongdoing and following through to the individual's assessment of the organization's reactions. The stages of the model are as follows:

- Stage 1: The occurrence of wrongdoing
- Stage 2: Pre-whistleblowing decision making process
- Stage 3: Action taken by focal member
- Stage 4: The reactions of others to whistleblowing and to the whistleblower
- Stage 5: Assessment of the reactions of others.

An overview of the whistleblowing model is presented in Figure 2.1. The following sections describe the activities that take place at each stage of the model.

Stage 1: The Occurrence of Wrongdoing

The occurrence of wrongdoing, also known as the triggering event, is the activity that the whistleblower considers to be illegitimate, immoral, or illegal. The triggering event "triggers" a decision making process that constitutes stage 2 of the model.

Stage 2: Pre-Whistleblowing Decision Making Process

The second stage of the whistleblowing model involves a pre-whistleblowing decision making process that will ultimately lead to the focal person taking some sort of action. Near and Miceli (1987) and Miceli and Near (1992) identify four steps which take place during this decision making process.

The first step involves recognition of the wrongdoing. This is where the focal member compares his/her standards of what constitutes wrongdoing with his/her perception of what has taken place. In step 2,

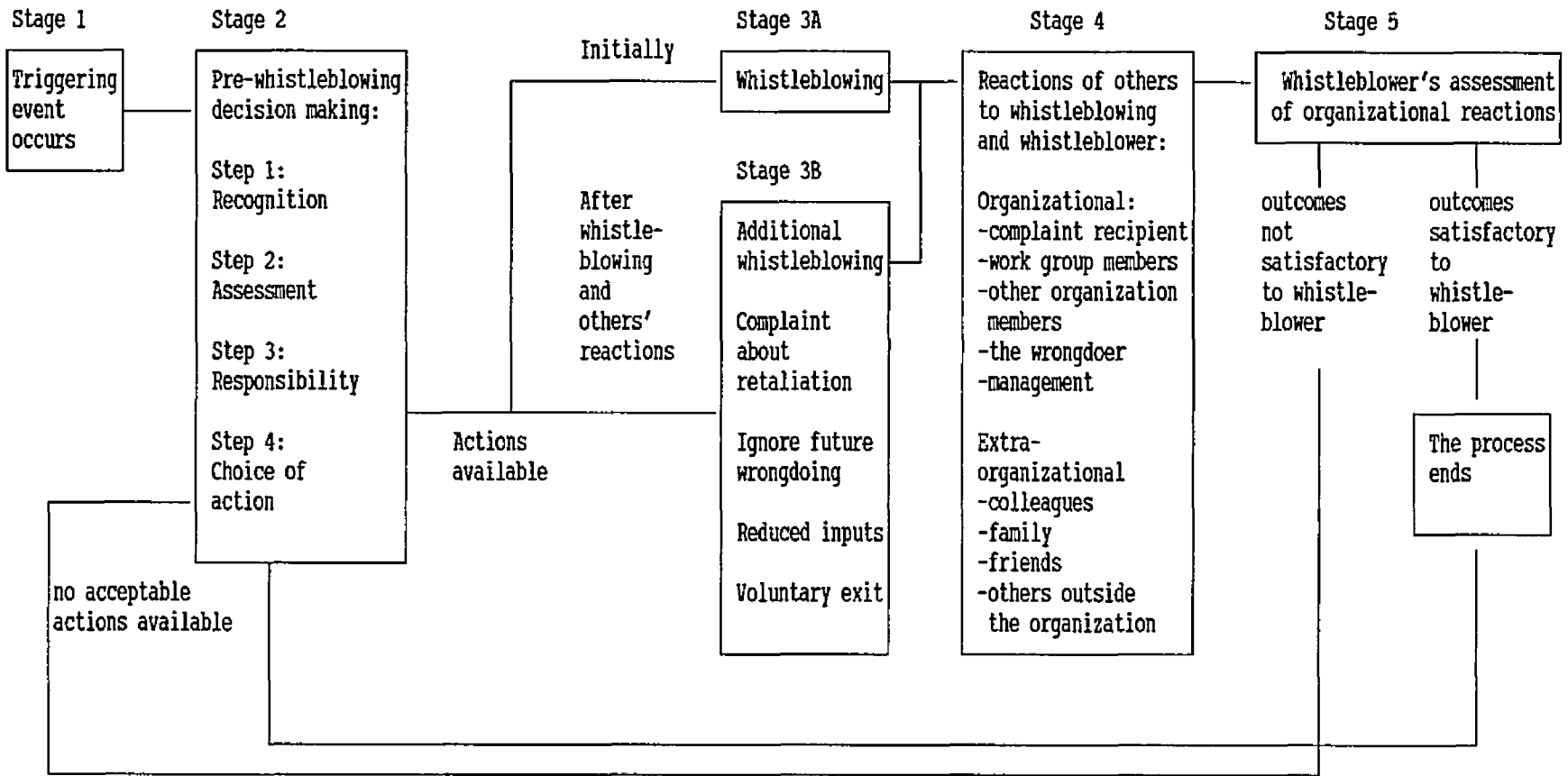


FIGURE 2.1

A WHISTLEBLOWING MODEL

Source: Niceli and Near 1992

assessment, the focal member considers whether the wrongdoing is deserving of some sort of action. In step 3, responsibility, the focal member considers whether he/she is responsible for taking action. If the focal member feels responsible for taking action, the decision process continues. If he does not feel responsible, the process is terminated and silence follows. It is also important to note that the process may also stop at either step 1 or step 2 if the focal member answers either of those questions negatively.

In the fourth step of the decision making process the focal member decides on a choice of action. Here the focal member examines the available options. If the focal member does not consider any of the available options acceptable, silence occurs. If the focal member decides that whistleblowing is an acceptable action, the whistleblowing model continues with Stage 3.

Stage 3: Action Taken by Focal Member

Stage 3 in the whistleblowing model is divided into two parts. In stage 3A, the whistleblower reports the wrongdoing to at least one party, (it is important to remember that the whistleblowing report must be made to someone that the whistleblower believes can affect action (Near and Miceli 1985)). Stage 3B takes place after the focal member has blown the whistle and the consequences

are determined to be unsatisfactory by the whistleblower. At this point, the whistleblower may decide to take additional action. There are numerous actions that might take place. For example, Glazer and Glazer (1989) found that after receiving unfavorable results or retaliation from internal whistleblowing reports, most whistleblowers then turned to external sources in an attempt to resolve the wrongdoing. Other courses of actions may include filing additional complaints within the organization, remaining silent, reducing the level of commitment, or leaving the organization.

Stage 4: Reactions of Others
to Whistleblowing and to the
Whistleblower

Stage 4 follows the whistleblowing act. At this stage, members of the whistleblower's organization, as well as outsiders who may know of the whistleblowing, will react both to the whistleblowing and the whistleblower. Reactions can come from a variety of sources. First, a reaction is expected from the complaint recipient. The complaint recipient must decide if an investigation of the wrongdoing is in order, whether it is deserving of action, or whether he is responsible for taking action. The recipient's response may be positive and supportive, negative and retaliative, or some extent between. Reactions may also come from others who are aware of the whistleblowing. Within the organization reactions may

come from work group members, other organization members, managers, or the wrongdoer. Outside the organization reactions may come from professional organizations, colleagues, media, law enforcement agencies, or friends and family.

Stage 5: Assessment of the Reactions to Others

The fifth stage involves an assessment by the whistleblower of the reactions of others. If the whistleblower is satisfied with the reactions of others, no further action will take place. However, if the whistleblower is unsatisfied, further action may take place (return to stage 2). Near and Jensen (1983) provide preliminary evidence that the outcome is viewed as satisfactory if a change in managerial behavior has been brought about.

Ending the Whistleblowing Process

The whistleblowing process is depicted by Miceli and Near (1992) as a five stage process. However, the process does not necessarily end at stage five. The whistleblowing process will end when the whistleblower is satisfied with the outcome of his/her efforts. The process may also end when the whistleblower is dissatisfied with the outcomes but considers that there are no further action alternatives that will produce

satisfactory results. Further, Miceli and Near (1992) point out that this is an exploratory model and that all of its implications have not been tested.

Focus of the Study

This study investigates stages 2 and 3A of Miceli and Near's whistleblowing model. In stage 2, the whistleblower is confronted with a wrongdoing and he/she must decide whether the wrongdoing is deserving of some sort of action and whether or not he/she is responsible for taking action. In this study the respondents are presented with 14 wrongdoings, and they must decide whether or not to blow the whistle in each case. In stage 3A, the whistleblower takes action by reporting the perceived illegal, immoral, or illegitimate act to at least one party that the whistleblower believes can affect action. At this stage, the whistleblower can make either single or multiple reports. Thus, he may report to both internal and external sources.

This study focuses on stages 2 and 3A because these are the stages where the accountant must determine if action should be taken, as well as what type of action to take. For each of the 14 items presented in this study the professional accountant should be willing to blow the whistle. From the professional accountant's standpoint, the profession dictates that the professional accountant should make whistleblowing reports to appropriate sources

within the organization. The codes of conduct of the Institute of Internal Auditors, the Institute of Management Accountants and the American Institute of Certified Public Accountants either prohibit or strongly discourage external whistleblowing. Therefore, at stage 3A, the professional accountant should make whistleblowing reports to internal sources rather than to external sources. This is, however, not always the case.

Research Variables

The hypothesized relationships in this study involve four variables. The framework of these relationships is presented in Chapter 3. The variables used in the study are organizational commitment, professional commitment, organizational-professional conflict, and external whistleblowing intentions. Existing theoretical and empirical literature dealing with these variables is presented in the following subsections.

Organizational Commitment

Organizational commitment has been widely studied as a predictor of employee turnover, job satisfaction, absenteeism, and tardiness (Lee, Ashford, Walsh, and Mowday 1992; Wittig-Berman and Lang 1990; Harrell, Chewning, and Taylor 1986; Aranya and Ferris 1984; Norris and Niebuhr 1983). Also, several researchers have theorized that organizational commitment may result in a

variety of other potentially beneficial outcomes, such as prosocial behaviors and organizational citizenship behaviors (Williams and Anderson 1991; Wittig-Berman and Lang 1990; Brief and Motowidlo 1986).

Organizational commitment has been generally defined as the relative strength of an individual's identification with and involvement in an organization (Mowday, Steers, and Porter 1979). It is generally assumed that a positive attitude toward the organization, reflected in a high level of organizational commitment, relates to behaviors favorable to organizational effectiveness (Randall, Fedor, and Longenecker 1990). For example, high levels of organizational commitment are believed to be associated with low turnover, low absenteeism, limited tardiness, and enhanced job performance (Mowday, Steers, and Porter 1979). Although the above workplace behaviors have been widely studied as outcomes of organizational commitment, very little is known about how organizational commitment affects other workplace behaviors.

Research suggests that whistleblowers may be highly committed to their organizations (Miceli, Near, and Schwenk 1991; Glazer and Glazer 1989; Near and Miceli 1985; Westin 1981; Kolarska and Aldrich 1980). Additionally, preliminary evidence indicates that individuals that are highly committed to the organization tend to be internal whistleblowers (Glazer and Glazer

1989; Westin 1981; Kolarska and Aldrich 1980). A recent study of Directors of Internal Auditing (Miceli, Near, and Schwenk 1991), found that of the auditors that observed wrongdoing, those that were less committed to their organizations were less likely to blow the whistle. In a test of Hirschman's (1970) proposition that whistleblowers act because they believe it to be in the long-term best interest of the organization, Miceli and Near (1988) found that whistleblowing was associated with more positive job responses.

In an examination of case studies, Westin (1981) found that the majority of corporate whistleblowers considered themselves to be loyal to the organization. Of those interviewed, the majority indicated that they first tried to voice their concerns within the organization, through normal reporting channels, in an effort to make management aware of practices that could eventually lead to trouble for the organization. Only after meeting with resistance and reprisal did they turn to external sources. These whistleblowers believed that they were acting out of loyalty to the organization when they decided to report wrongdoing.

A similar case study (Glazer and Glazer 1989) found that whistleblowers are conservative people devoted to their work and their organizations. Most are successful until they are asked to violate their own standards of

appropriate workplace behavior. Additionally, they believed they were defending the true mission of their organizations by resisting illicit practices.

These findings (Glazer and Glazer 1989; Westin 1981) are corroborated by Eliston, Keenan, Lockhart, and Schaich (1985) who believe that whistleblowing is most likely to occur if individuals are (a) committed to the formal goals of the organization, (b) identify with the organization, and (c) have a strong sense of professional responsibility. Westin's (1981) findings are also supported by others that have argued that loyalty would increase the likelihood of whistleblowing (Graham 1983; Kolarska and Aldrich 1980), because committed employees want to help the organization to correct its wrongdoing before they cause damage to the organization.

Evidence that whistleblowing may be viewed as a prosocial behavior when it is directed toward the organization has been presented (Brief and Motowidlo 1986; Dozier and Miceli 1985; Graham 1983). That is, if the wrongdoing is revealed to persons within the organization it could be interpreted as an effort to benefit the organization. Whistleblowers call attention to questionable practices in order to benefit the organization because they believe the activity is not consistent with the organization's stated values (Miceli and Near 1988).

Further, because of the similarity between the behavioral implications of organizational commitment and prosocial behavior toward the organization, Brief & Motowidlo (1986) conclude that organizational commitment is a good predictor of prosocial behavior toward the organization. These findings indicate that individuals that are highly committed to the organization should engage in prosocial behaviors that benefit the organization (internal whistleblowing).

Others have taken the opposing position and have proposed that high organizational commitment may be negatively related to whistleblowing (Farrell and Petersen 1982). This view contends that highly committed employees may view whistleblowing as a disloyal behavior because it involves criticism of the organization. Larmer (1992) contends, however, that whistleblowing should not be viewed as a disloyal behavior. He states that loyalty does not imply that employees have a duty to refrain from reporting the immoral actions of those to whom they are loyal. Larmer (1992) presents the argument that the employee who blows the whistle may be demonstrating greater loyalty than the employee who simply ignores the immoral conduct, in as much as he/she is attempting to prevent his/her employer from engaging in self-destructive behavior. A summary of the empirical findings relating to

organizational commitment and whistleblowing is presented in Table 2.1.

Research findings indicate that when blowing the whistle, committed employees are attempting to help the organization. Additionally, committed employees report that they resorted to external whistleblowing only when they met with resistance and reprisal. Based on the findings reported, if an organization responds to internal whistleblowing reports without retaliating against the whistleblower, they should be able to reduce external whistleblowing. It is, therefore, expected that there will be an inverse relationship between organizational commitment and external whistleblowing intentions.

Professional Commitment

Organizational commitment of professionals is often examined in conjunction with professional commitment because of the conflict that may result between the two.

According to the classical sociological theory of professions (Parsons 1954; Goode 1957; Hughes 1963), society grants power and prestige to professions because professionals possess bodies of knowledge which are linked to the central needs and values of the social system. In return, society expects professionals to be committed to the service of the public (Aranya and Ferris 1984).

Therefore, professional accountants must be able to maintain some level of independence in performing their organizational duties in order to fulfill their responsibility to serve the public.

TABLE 2.1

SUMMARY OF RESEARCH LITERATURE PERTAINING
TO ORGANIZATIONAL COMMITMENT

Authors	Relevant Findings
<u>Organizational Commitment and Whistleblowing</u>	
Kolarska & Aldrich 1980	Found that loyalty increased the likelihood of internal whistleblowing. Also, found that committed employees want to help the organization correct wrongdoing.
Westin 1981	Found that whistleblowers consider themselves to be loyal to the organization. Found that loyalty increased the chances of employees voicing through internal channels.
Eliston, Keenan Lockhart, & Schaich 1985	Found that whistleblowers tended a) to be committed to the formal goals of the organization, b) to identify with the organization, and c) to have a strong sense of professional responsibility.
Miceli & Near 1986	Whistleblowers call attention to questionable practices to benefit the organization.
Miceli & Near 1988	Whistleblowing is more likely to occur when employees have positive reactions to their work, recognized for good performance, and they perceived the organization to be responsive to complaints.
Glazer & Glazer 1989	Found that internal whistleblowers are devoted to their work and organization.
Miceli, Near, & Schwenk 1991	Whistleblowers are likely to be valued, committed employees who feel morally compelled or role-prescribed to report wrongdoing.

Professional commitment refers to the relative strength of identification with and involvement in a particular profession, as well as the willingness to exert effort on behalf of the profession and the desire to maintain membership in the profession (Aranya and Ferris 1984). Professional commitment is most often examined as a predictor of workplace behaviors, most commonly employee turnover and job satisfaction (Harrell, Chewning, and Taylor 1986; Norris and Niebuhr 1983).

In a study of accountants employed by "Big Eight" accounting firms, Norris and Niebuhr (1983) found that professionalism was strongly related to job satisfaction. Additionally, they found that professionals tend to identify with other professionals and seek their peers as referent groups, rather than internal co-workers. In a study of internal auditors Harrell, Chewning, and Taylor (1986) found a significant negative relationship between professional commitment and employee turnover intent. Both studies provide evidence that professional commitment affects workplace behaviors.

Miceli and Near (1988) and Miceli and Near (1984) examined the relationship between professionals and whistleblowing. They found that professionals expect fewer risks in challenging the authority structure of the organization. Additionally, they found that professionals

(i.e., high pay levels and high education) tended to be internal whistleblowers.

Miceli, Near, and Schwenk (1991) found that internal auditors were more likely to report wrongdoing when they felt compelled morally or when such reporting was encouraged by role prescription. Kolarska and Aldrich (1980) reported that in positions in which whistleblowing is role-prescribed, employees share a strong belief that the organization will respond to internal reports. Based on these findings, professional accountants that are committed to their profession should feel compelled to report wrongdoing internally rather than externally. A brief summary of the relevant findings relating to professional commitment and whistleblowing is presented in Table 2.2.

Organizational-Professional Conflict

The concept of organizational-professional conflict stems from the notion that a professional's behavior is dictated by a code of ethics which is established and monitored by the professional's peers and is also influenced by the professional's employing organization. When the behavior expected by the organization differs from the behavior expected by the profession, conflict between the demands of the profession and the demands of the organization is experienced. This conflict has been

TABLE 2.2

SUMMARY OF RESEARCH LITERATURE PERTAINING
TO PROFESSIONAL COMMITMENT

Authors	Relevant Findings
<u>Professional Commitment and Whistleblowing</u>	
Kolarska & Aldrich 1980	Found that internal whistleblowing increases when whistleblowing is role-prescribed.
Miceli & Near 1984	Professionals expect fewer risks in challenging the authority structure of the organization.
Miceli & Near 1988	Whistleblowing was more likely to occur when employee held a professional position. (no distinction between internal and external)
Miceli, Roach, & Near 1988	Professionals tended to be anonymous internal whistleblowers.

shown to have an affect on the professional's workplace behaviors (Harrell, Chewning, and Taylor 1986; Aranya and Ferris 1984; Norris and Niebuhr 1983). Such conflict may also affect the professional's whistleblowing intentions.

Research has addressed the conflict that exists between the requirements of membership in an organization and membership in a profession (Sorenson and Sorenson 1974; Aranya and Ferris 1984; Harrell, Chewning, and Taylor 1986; Harrell, Taylor, and Chewning 1989; Pei and Davis 1989). Research indicates that this conflict is greater for professionals who are members of commercial or industrial organizations rather than professional organizations. Aranya and Ferris (1984) found that certified public accountants (CPAs) and chartered accountants (CAs) employed by commercial organizations perceived more conflict to exist between the requirements of their organizations and the requirements of their professions than did CPAs and CAs employed by public accounting firms. In explanation of these findings, Aranya and Ferris (1984) suggest that the goals of commercial or industrial organizations may often conflict with the professional requirements of CPAs and CAs, while the goals of public accounting firms probably coincide closely with the professional requirements of CPAs and CAs. With this in mind, one would expect the potential for conflict between the demands of management

accountants' and internal auditors' organizations and the demands of their professions to be high, for management accountants and internal auditors are usually members of commercial or industrial organizations.

The conflict that the professional accountant experiences between the goals and demands of the organization and his/her personal professional goals and demands may impact upon the whistleblowing decision of the professional accountant. If the accountant is to perform his/her job effectively, he/she must not let his/her decisions or objectivity be influenced by the goals of the organization. Professional judgment is essential if the accountant's work is to be relied upon by third parties.

There has been little research on how organizational-professional conflict affects the objectivity of professional accountants. In a study of 58 internal auditors Harrell, Taylor, and Chewning (1989) examined management's ability to bias the professional objectivity of internal auditors. They found that internal auditors that were not members of the Institute of Internal Auditors were biased by management. Institute of Internal Auditor members, however, resisted managements' efforts to bias their objectivity. These findings suggest that internal auditors that were members of the IIA had a greater understanding of acceptable practices and were, therefore, less likely to follow the suggestions of

management. These findings may also apply to accountants that are members of other professional groups. For example, those accountants that are members of the AICPA or the IMA may have a knowledge of the appropriate way to respond to wrongdoing and may therefore, be less likely to report the wrongdoing to external sources. Table 2.3 presents a summary of the findings relevant to organizational-professional conflict.

Summary

A review of the whistleblowing literature provides preliminary evidence that an individual's levels of organizational commitment, professional commitment and perceived organizational-professional conflict may be related to the individual's external whistleblowing intentions. Although there currently is no comprehensive theory of whistleblowing, researchers can draw from research on behavior in other areas. Brief and Motowidlo (1986) have presented evidence that whistleblowing may be viewed as a prosocial behavior.

The literature provides evidence that organizational commitment may lead to increased internal whistleblowing. Specifically, Kolarska and Aldrich (1980) and Westin (1981) found that loyalty increased the likelihood of internal whistleblowing, and most committed employees want to help the organization correct wrongdoing. In attempts to correct wrongdoing, most respondents indicated that

TABLE 2.3

SUMMARY OF RESEARCH LITERATURE PERTAINING
TO ORGANIZATIONAL-PROFESSIONAL
CONFLICT

Authors	Relevant Findings
<u>Organizational-Professional Conflict</u>	
Aranya & Ferris 1984	CPA's and CA's in commercial organizations perceived more conflict than those in public accounting firms.
Harrell, Chewning, & Taylor 1989	IIA members were less likely to be biased by management than were non-members.

they first attempted to report wrongdoing internally and only after meeting resistance internally did they turn to external sources. These findings are corroborated by Miceli and Near (1984), Miceli and Near (1988), Glazer and Glazer (1989), and Miceli, Near, and Schwenk (1991) whose findings indicate that most whistleblowers tended to be valued committed employees that called attention to questionable practices to benefit the organization.

Although the relationship between professional commitment and whistleblowing has not been previously studied, previous research on professional commitment indicates that a relationship may exist. Professional commitment has been found to be a good predictor of other workplace behaviors, most commonly employee turnover and job satisfaction (Harrell, Chewning, and Taylor 1986; Norris and Niebuhr 1983).

Miceli and Near (1984) and Miceli and Near (1988) examined the relationship between professionals and whistleblowing; their findings indicate that professionals expect fewer risks in challenging the authority structure of the organization and that they tended to be internal whistleblowers. Additionally, whistleblowing has been defined as a role prescribed behavior for professional accountants. Miceli, Near, and Schwenk (1991) found that internal auditors were more likely to report wrongdoing when they felt compelled morally or by role prescription.

Organizational-professional conflict has been shown to have an effect on the professional's workplace behaviors (Harrell, Chewning, and Taylor 1986; Aranya and Ferris 1984; Norris and Niebuhr 1983). Conflict, however, had not previously been studied in relation to whistleblowing. Specific hypotheses relating to each of the research variables are presented in Chapter 3.

CHAPTER 3

METHODOLOGY

This chapter presents the hypotheses and methodology employed in this study of professional accountants' whistleblowing behaviors. The first section presents the theoretical model and the hypotheses to be tested empirically. The next section is concerned with defining the variables and operationalizing the constructs. The third section presents the research instrument. The design of the study is considered in the fourth section, and the final part of the chapter discusses the statistical methodology employed.

Formal Hypotheses

Formal hypotheses developed in this chapter were derived from the literature review presented in chapter two. The hypothesized relationships between the selected variables are presented in Figure 3.1. External whistleblowing intentions were hypothesized to be a function of organizational commitment, professional commitment, and organizational-professional conflict. Specific hypotheses regarding the relationships among these variables follow.

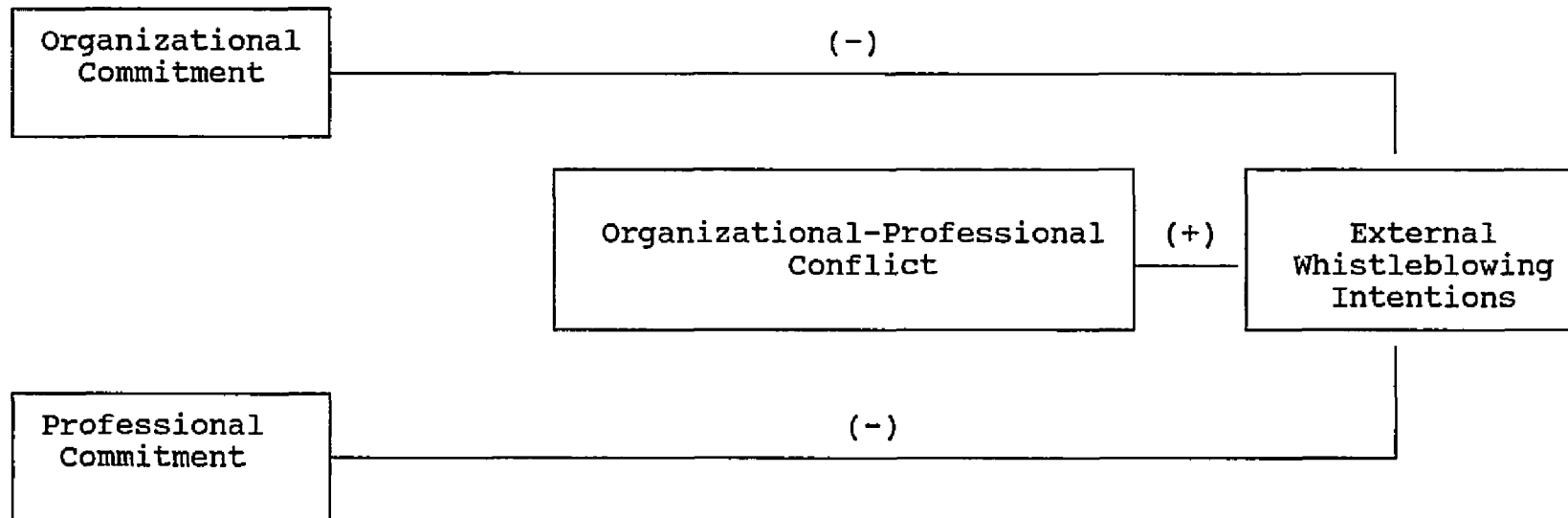


FIGURE 3.1

HYPOTHESIZED RELATIONSHIPS OF ORGANIZATIONAL AND PROFESSIONAL
COMMITMENT AND ORGANIZATIONAL-PROFESSIONAL CONFLICT
AND EXTERNAL WHISTLEBLOWING INTENTIONS

Organizational Commitment

The level of an individual's commitment stems from a belief in and acceptance of the goals and values of the organization and/or profession (Randall, Fedor, and Longenecker 1989; Harrell, Chewning, and Taylor 1986; Buchanan 1974). Researchers have theorized that organizational commitment may result in prosocial behaviors (Brief and Motowidlo 1986; Williams and Anderson 1991; Wittig-Berman and Lang 1990). Additionally, it is generally assumed that a positive attitude toward the organization reflected in a high level of organizational commitment relates to behaviors favorable to organizational effectiveness (Randall, Fedor, and Longenecker 1990).

Whistleblowing may be viewed as a prosocial behavior when it is directed toward the organization, co-workers, or the public (Brief and Motowidlo 1986; Dozier and Miceli 1985; Graham 1986). Finally, individuals engage in prosocial behaviors (internal whistleblowing) in an effort to benefit the organization because they believe the wrongdoing is inconsistent with the organization's stated values (Miceli and Near 1988).

Research findings (Miceli, Near, and Schwenk 1991; Glazer and Glazer 1989; Miceli and Near 1988; Eliston et al. 1985; Westin 1981) indicate that employees that were highly committed to their organizations tended to be

internal whistleblowers. Most external whistleblowers indicated that they did so only after meeting with resistance and reprisal (Westin 1981). Based on these findings, if organizations respond to internal whistleblowing reports, employees should be less likely to report to external sources. It was, therefore, expected that an individual's level of organizational commitment would be negatively related to that individual's tendency to blow the whistle to external sources.

Hypothesis 1: Organizational commitment will be negatively associated with the professional accountant's external whistleblowing intentions.

Professional Commitment

Although the relationship between professional commitment and whistleblowing has not been previously studied, preliminary evidence relating to professional status and whistleblowing suggest that there would be an inverse relationship between professional commitment and external whistleblowing intentions. Previous research (Miceli, Near, and Schwenk 1991; Miceli and Near 1988; Miceli and Near 1984) indicated that whistleblowing was more likely to occur when it was role prescribed. According to the codes of conduct of the American Institute of Certified Public Accountants (AICPA), the Institute of Management Accountants (IMA), and the Institute of Internal Auditors (IIA), whistleblowing may

be viewed as a role prescribed behavior for professional accountants. However, the codes of conduct suggest that members should refrain from external whistleblowing. Based on the evidence presented and a review of the codes of conduct of the accounting profession, if a professional accountant was committed to the accounting profession, then the professional accountant should not engage in external whistleblowing.

Hypothesis 2: Professional commitment will be negatively associated with the professional accountant's external whistleblowing intentions.

Organizational-Professional Conflict

Organizational-professional conflict is thought to occur when professional goals are incompatible with organizational goals (Sorenson 1967). Research findings (Aranya and Ferris 1984) indicate that an accountant's perceived level of organizational-professional conflict is directly related to the individual's levels of organizational commitment and professional commitment. Aranya and Ferris (1984) found that individuals that were highly commitment to both the organization and the profession (i.e., highly compatible organizational and professional goals) tended to perceive low levels of organizational-professional conflict, and individual's with low levels of commitment to both the organization and

the profession (i.e., incompatible organizational and professional goals) tended to perceive high levels of organizational-professional conflict.

Thus, if organizational commitment and professional commitment are related to organizational-professional conflict, and if organizational commitment and professional status are related to whistleblowing, it is logical to assume that a professional accountant's level of organizational-professional conflict may be related to that individual's decisions about whether or not to blow the whistle. Past research (Adams 1965; Brief and Motowidlo 1986; Dozier and Miceli 1985; Westin 1981) indicates that individuals that are highly committed to their organizations tend to be internal whistleblowers. Additionally, Miceli and Near (1984) and Miceli and Near (1988) found that professionals tended to be internal whistleblowers. Based on these findings, professional accountants with low levels of perceived organizational-professional conflict (i.e., highly compatible organizational and professional goals) should be more likely to report wrongdoing to internal sources, rather than to external sources; and professional accountants with high levels of perceived organizational-professional conflict (i.e., incompatible organizational and professional goals) should be more likely to report to external sources.

Hypothesis 3: Organizational-Professional conflict will be positively associated with the professional accountant's external whistleblowing intentions.

Operationalization of Variables

Organizational Commitment

Organizational commitment is defined in terms of an individual's identification with and involvement in a particular organization. Organizational commitment is characterized by three factors: (1) a strong belief in and acceptance of the organization's goals and values, (2) a willingness to exert considerable effort on behalf of the organization, and (3) a strong desire to maintain membership in the organization (Mowday, Steers, and Porter 1979).

Organizational commitment was measured using a 9-item questionnaire adapted from the 15-item questionnaire developed by Porter, Steers, and Mowday (1974). The 9-item version of the organizational commitment questionnaire exhibits a high correlation with the original 15-item scale (Mowday, Steers, and Porter 1979) and has been widely used in the literature (Morrow 1993; Meyer, Paunonen, Gellatly, Goffin, and Jackson 1989; Mowday, Steers, and Porter 1979; Angle and Perry 1981). The nine-item commitment scale has been shown to have an average reliability of .86 (Morrow 1998).

In this study, the subjects were asked to indicate their level of agreement with each statement by choosing from a seven-point Likert scale ranging from "strongly agree" to "strongly disagree." The responses for each item were summed and averaged to obtain an overall score. A score of one indicated the lowest level of organizational commitment and a score of seven indicated the highest level of organizational commitment. In addition to the analysis using the summed score, descriptive statistics were calculated for each item in the scale. The descriptive statistics for this scale are presented in Chapter 4. The organizational commitment scale items are shown in Table 3.1.

Professional Commitment

Professional commitment is characterized by the development of personal professional goals, the attachment to, and identification with those goals. Since both the accountant's commitment to the organization and to the profession are of interest in the study it is necessary to measure the two commitments in a similar way, thereby reducing the chance that observed differences in commitments could be attributable to differences in measures (Aranya and Ferris 1984). Following the approach of others (Aranya and Ferris 1984; Harrell, Chewing, and Taylor 1986; Colarilli and Bishop 1990), the organizational commitment scale was used as a basis in

TABLE 3.1

ORGANIZATIONAL COMMITMENT SCALE

-
1. I am willing to put in a great deal of effort beyond that normally expected to help this organization.
 2. I talk up this organization as a great organization for which to work.
 3. I would accept almost any type of job assignment in order to keep working for this organization.
 4. I find that my values and the organization's values are very similar.
 5. I am proud to tell others that I am a part of this organization.
 6. This organization really inspires the very best in me in the way of job performance.
 7. I am extremely glad that I chose this organization to work for over others I was considering at the time.
 8. I really care about the future of this organization.
 9. For me, this is the best of all possible organizations for which to work.
-

developing a professional commitment scale. The internal consistency reliability of the professional commitment scale based on the three studies previously cited ranged from .87 to .89 (Morrow, 1993).

The professional commitment scale contained nine questions with a seven-point verbally anchored scale ranging from "strongly-agree" to "strongly disagree." The professional commitment scale contains the same questions as the organizational commitment scale, with the words "accounting profession" replacing the word "organization." An overall professional commitment score was obtained by summing and averaging the items in the scale. A score of one indicated the lowest level of professional commitment and a score of seven indicated the highest level of professional commitment. Additionally, each item in the professional commitment scale was analyzed individually; the descriptive statistics relating to the individual items are presented in Chapter 4. The professional commitment scale items are presented in Table 3.2.

Organizational-Professional Conflict

The concept of organizational-professional conflict stems from the notion that a professional's behavior is believed to be guided by a code of ethics which has been established by the individual's professional peers. Therefore, the professional's behavior is monitored by a

TABLE 3.2

PROFESSIONAL COMMITMENT SCALE

-
1. I am willing to put in a great deal of effort beyond that normally expected in order to help the accounting profession be successful.
 2. I talk up the accounting profession to my friends as a great profession in which to work.
 3. I would accept almost any type of job assignment in order to keep working in accounting.
 4. I find that my values and the accounting profession's values are very similar.
 5. I am proud to tell others that I am a part of the accounting profession.
 6. The accounting profession really inspires the very best in me in the way of job performance.
 7. I am extremely glad that I chose the accounting profession to work in, over others I was considering at the time.
 8. I really care about the future of the accounting profession.
 9. For me, accounting is the best of all professions for which to work.
-

peer group that is external to the professional's employing organization. Additionally, the individual is a member of the employing organization. The employing organization, therefore, also influences the professional's behavior. When the behavior expected by the professional peer group and the behavior expected by the employing organization differs, the individual experiences conflict between the demands of the profession and the demands of the employing organization (Harrell, Chewing, and Taylor 1986).

Most prior studies involving professional accountants have typically inferred conflict from the relationship between organizational and professional commitment. There are, however, other variables that may also affect the professional's level of organizational-professional conflict. To increase the validity of the results, Aranya and Ferris (1984) and Harrell, Chewing, and Taylor (1986) directly measured the level of perceived organizational-professional conflict. The same method was employed in this study. To assess the level of perceived organizational-professional conflict, subjects were requested to indicate their level of agreement with the following statements:

- (1) In my organization, there is a conflict between the work standards and/or procedures required by the organization and my ability to act according to my professional judgment, and

(2) The type and structure of my employment framework gives me the opportunity to fully express myself as a professional.

Responses were indicated using a seven-point verbally anchored response scale of "strongly agree" to "strongly disagree." The overall organizational-professional conflict score represented the mean of the responses to the two statements. A score of one indicated the lowest perceived level of organizational-professional conflict and a score of seven indicated the highest level of perceived organizational-professional conflict. The two-item organizational-professional conflict scale has had limited use in research, and there were no previously reported reliability measures for the scale.

Whistleblowing Intentions

According to prosocial behavior research, prosocial acts can be directed toward three targets, identified by Brief and Motowidlo (1986) as being either co-workers, the organization as a unit, or consumers. The whistleblower intends to benefit victims of the wrongdoing, although there may also be other intended beneficiaries (Miceli, Near, and Schwenk 1991).

In this study, subjects were presented with a series of situations involving wrongdoing aimed at the three classes of victims. The respondents were presented with 14 activities (see Table 3.3) taken from a previous study by Miceli, Near, and Schwenk (1991). Each respondent was

TABLE 3.3

PERCEIVED ILLEGAL, IMMORAL, OR ILLEGITIMATE ITEMS

-
1. employees stealing organization funds and/or property
 2. employees accepting bribes or kickbacks
 3. employees abusing their official position to obtain substantial personal services or favors
 4. employees giving unfair advantage to a contractor, consultant, or vendor
 5. employees creating or tolerating a situation that poses a danger to public health or safety
 6. management permitting development or production of unsafe products
 7. management permitting development or production of products not in compliance with government regulations
 8. management covering up poor performance, whether financial figures or non-financial measures
 9. management making overly optimistic and false projections of future performance
 10. management permitting working conditions that could endanger the safety of or cause physical harm to employees
 11. employees creating or tolerating unsafe working conditions
 12. waste of organization assets caused by inappropriate parties receiving money, goods, or services
 13. waste caused by the purchase of unnecessary or deficient goods or services
 14. waste of organization assets caused by badly managed organizational operations
-

asked to indicate the probability of their reporting each wrongdoing both internally and externally. Responses were recorded using a seven-point verbally anchored Likert scale ranging from "highly probable" to "highly improbable." Whistleblowing responses were obtained for each item in the scale, as well as for the scale as a whole by summing and averaging the responses for the 14 items in the scale. Additionally, whistleblowing scores were obtained by dividing the scale into two factors. The results of the factor analysis are discussed in Chapter 4.

Demographic Variables

As in the case of personal and situational variables, demographic variables may also be associated with an individual's decision to blow the whistle. Three demographic variables that have been shown to be associated with whistleblowing were included in this study as control variables. The demographic variables included in the study are gender, age, and years of experience.

Research findings have suggested that gender may be associated with the decision to blow the whistle. Several studies (Miceli, Dozier, and Near 1991; Miceli and Near 1988) have suggested that males are more likely to blow the whistle than are females. Fritzsche (1988), however, found that in a study of marketing managers using hypothetical wrongdoing female managers expressed a stronger intention to blow the whistle. Respondents were

asked to indicate their gender by checking either male or female.

Miceli and Near (1991) argue that it is difficult to predict whether younger individuals will be more likely to blow the whistle than would older individuals. Research findings (Miceli and Near 1988; Miceli and Near 1984), however, indicate that older employees may be more likely to blow the whistle. Respondents ages were measured as a self reported variable.

Years of experience may also influence an individual's decision to blow the whistle. More experienced employees may be more likely to blow the whistle because they have a greater investment in the organization than do newcomers (Miceli and Near 1991). Additionally, Kolarska and Aldrich (1980) found that the more experienced employee may care to a greater extent about what happens in the organization and may therefore, be more willing to blow the whistle. Years of experience was measured by having the respondents report the number of years of experience that he had with his current employer.

Research Instrument

The research instrument was composed of 87 questions and was 4 pages in length. Section I was designed to gather classification and demographic data. Section II was composed of the organizational commitment scale, the professional commitment scale, and the

organizational-professional conflict scale. Section III was designed to determine if the respondent actually observed any of the 14 behaviors within his/her organization and whether or not he/she actually "blew the whistle" on the wrongdoing. Section IV referred to the 14 behaviors which were used to measure the respondents whistleblowing intentions. A sample of the questionnaire appears as Appendix A.

Sample and Data Collection

The sampling frame for this study was comprised of accountants in industry that were members of the Institute of Internal Auditors (IIA), members of the Institute of Management Accountants (IMA), and members of the American Institute of Certified Public Accountants (AICPA). The sample was limited to individuals that were IIA, IMA, or AICPA members to ensure that all participants were members of the accounting profession. A random stratified sample of 1000 accountants was selected from the membership rosters of the IIA, IMA, and AICPA.

The research instrument was mailed to the participants, along with a cover letter, and a postage-paid return envelope. The cover letter (Appendix B) explained the purpose of the study and asked for each accountant's cooperation in filling out the survey. The pre-addressed postage-paid envelope was provided to help save time and costs for the respondents.

Statistical Methodology

Factor Analysis

Factor analysis is an analytical technique that is concerned with identifying a structure within a set of variables (Stewart 1981). Its use involves the study of interrelationships among variables in an effort to find a new smaller set of variables, which expresses that which is common among the original variables (Stewart 1981). Statistical analysis performed in this study employed scales which have been utilized in previous studies, as well as scales which have not been previously used. The organizational commitment, professional commitment, and organizational-professional conflict scales have all been used in previous research. In the use of these scales researchers frequently rely on summated or mean scores as indicators of the construct the scales are intended to measure. Factor analysis of the commitment scales frequently supports a one factor solution for the reduced nine-item scales utilized in this study.

However, past research has relied on actual whistleblowing behaviors rather than on whistleblowing intentions. The whistleblowing scale developed for this study contained 14 items which were adapted from previous whistleblowing studies. The scale was intended to measure whistleblowing activities aimed at benefiting three groups the organization, employees, and the public. Therefore,

it was expected that the whistleblowing scale would contain between one and three factors.

A principal components factor analysis utilizing a Varimax rotation was conducted to evaluate the factor structure of the organizational commitment, professional commitment, organizational-professional conflict, and external whistleblowing intention scales. The principal components model is considered appropriate when the objective is to summarize most of the original information in a minimum number of factors (Hair, Anderson, and Tatham 1987). The Varimax rotation centers on simplifying the columns of the factor matrix. The maximum simplification is reached when there are only 1's and 0's in a single column. The varimax method maximizes the sum of variances of required loadings of the factor matrix. The interpretation of the factors is easiest when the variable-factor correlations are either close to positive or negative one, indicating a close association between the variable and the factor, or when the variable-factor correlations are near zero, indicating a clear lack of association (Hair, Anderson, and Tatham 1987).

The number of retained factors for each scale was determined using several criterion. First, prior knowledge about each scale was considered. Additionally, researchers often consider the Eigenvalue rule, which retains only factors with Eigenvalues greater than one.

The rationale for this method is that only factors that contain at least as much information as a single variable should be retained. Another method suggested by Hair, Anderson, and Tatham (1987) is the percentage of variance explained. Hair suggested that 60 percent of the total variance explained is considered a satisfactory solution. Finally, scree plots were considered. Scree plots are obtained by plotting the Eigenvalues against the factors; the point where the curve begins to straighten out is considered the maximum number of factors to retain. As a general rule, Hair, Anderson, and Tatham (1987) notes that the scree plot method will result in between one and three additional factors being considered as significant than will the Eigenvalue rule. Results of the factor analyses are presented in Chapter 4.

Path Analysis

The main statistical methodology used in this study of accountant's whistleblowing intentions was path analysis. This procedure was used to test the hypothesized relationships presented in Figure 3.1. Path analysis consists of a series of regression analyses. Path analysis differs from multiple regression analysis, however, because it allows the researcher to examine the direct and indirect effects that one variable has upon another (Harrell, Chewning, and Taylor 1986; Asher 1976).

Path coefficients were estimated through a series of regression analyses, with the regression beta coefficients serving as the path coefficient estimates (Harrell, Chewning, and Taylor 1986; Asher 1976). Initially, external whistleblowing intention was considered as the regression equation dependent variable, with organizational commitment (OC), professional commitment (PC), organizational-professional conflict (OPC), gender (SEX), age (AGE), and years of experience (YEAR) considered the regression equation independent variables. Although, the variables of interest in this study were organizational commitment, professional commitment and organizational-professional conflict, the variables gender, age, and years of experience were included in the regression equations as control variables. Each of these variables has been shown to be related to whistleblowing (Miceli and Near 1988; Near and Miceli 1985). Additional regression equations were estimated with OC, PC, and OPC, in turn, serving as the dependent variable with the remaining variables, with the exception of external whistleblowing intentions, in each instance being considered as the regression equation independent variables. A detailed statistical analysis is presented in Chapter 4.

Summary

This chapter presented the hypotheses and methodology employed in this study of professional accountant's whistleblowing behaviors. Three hypotheses were developed based on the literature review presented in Chapter 2. The literature suggested that organizational commitment and professional commitment should be inversely related to external whistleblowing intentions and that organizational-professional conflict should be positively associated with external whistleblowing intentions. Path analysis was used to test the hypothesized relationships. The results of the analysis are presented in the Chapter 4.

The scales used to measure organizational commitment, professional commitment, and organizational-professional conflict have all been used in previous research. The scale used to measure external whistleblowing intentions was developed for this study. The items composing the study were drawn from previous whistleblowing studies. A factor analysis of each scale is presented in Chapter 4. Additionally, a complete questionnaire containing all scales is presented in Appendix A.

CHAPTER 4

RESULTS

This chapter presents the results of the study. The first section provides demographic information on respondent profiles. The following sections examine nonresponse bias, scale reliability, and descriptive statistics on each of the main constructs included in the study. The final section presents the results of the tests of hypotheses.

Demographic Characteristics

Questionnaires were mailed to 1000 members of the Institute of Internal Auditors (IIA), Institute of Management Accountants (IMA), and the American Institute of Certified Public Accountants (AICPA). A total of 318 questionnaires were returned. Of these, 300 were usable, yielding a response rate of 30 percent. Eighteen respondents were not included in the study per their request. Reasons for not filling out the questionnaires included: retired, attending school, and not interested in participating. The mean age of the respondents was 33.4 years. Respondents were predominantly male (74.1 percent), and married (73.1 percent).

A majority of the professional accountants reported having been with their company for less than 10 years (62.8 percent) with a mean of 9.5 years of experience. The job categories of the respondents were: financial accounting (39.7 percent), cost/managerial accounting (11.7 percent), internal auditing (26.7 percent), tax accounting (6 percent), and others (15 percent). Approximately 22 percent reported membership in the IIA, 27 percent reported membership in the IMA, and 51 percent reported membership in the AICPA. Additionally, 25 percent reported membership in two or more professional organizations.

Nonresponse Bias

One potential problem for any study utilizing a mail survey is non-response bias. Persons who return the survey may differ from persons who do not return the survey. If persons who respond differ substantially from those who do not, the results do not directly allow one to say how the entire sample would have responded (Armstrong and Overton 1977). Therefore, it was necessary to determine if nonresponse bias was present before generalizations about the group of accountants could be made based on the sample results.

One method to test for the nonresponse problem suggested by Armstrong and Overton (1977) and Larson and Catton (1959) is extrapolation. Extrapolation methods are

based on the assumption that subjects who respond less readily are more like nonrespondents. "Less readily" has been defined as answering late, or as requiring more prodding to answer. One method of extrapolation is time trend. This method is based on the assumption that persons responding late tend to be more similar to nonrespondents (Armstrong and Overton 1977; Larson and Catton 1959). In the absence of knowledge about nonrespondents, comparisons of questionnaires returned early and those returned later should provide reasonable results about nonrespondent problems (Larson and Catton 1959).

The 300 returned questionnaires were arranged according to the dates received and were divided into three subgroups. The first 100 respondents were considered "early respondents" and the last 100 respondents were considered "late respondents." Using Multivariate Analysis of Variance, univariate F-tests were calculated for each variable to determine if there were significant differences in group means between early and late respondents. The results of the analyses are presented in Table 4.1. The results indicated that no significant differences existed between the early and late respondents to the survey instrument used in the study.

TABLE 4.1
EVALUATION OF DIFFERENCES AMONG EARLY
AND LATE RESPONDENTS

Variable	Group	Mean	F-statistic	Prob F=0
AGE	Early	34.33	.34	.5607
	Late	32.94		
YEAR	Early	9.88	.78	.3773
	Late	8.81		
OC	Early	5.12	.95	.3303
	Late	5.29		
PC	Early	4.85	.26	.6083
	Late	4.94		
OPC	Early	2.87	.00	.9813
	Late	2.88		
WB	Early	2.92	.02	.8904
	Late	2.89		

YEAR = Years of experience with company
 OC = Organizational commitment
 PC = Professional commitment
 OPC = Organizational-professional conflict
 WB = External whistleblowing intentions

Measurement Scale Characteristics

There were four variables of interest in this study. Two of these variables, organizational commitment and professional commitment were measured using scales that have been widely used and have been shown to exhibit a high degree of reliability. The scale used to measure organizational-professional conflict has had limited use and no information had been presented on the reliability of this scale. The external whistleblowing intentions scale was developed for this study; therefore, the reliability of this scale was also unknown.

Psychometric Properties

Errors regarding measurement of constructs must be evaluated in order to provide a basis for inferences regarding relationships between measured values and true values. This basis may be obtained by measuring the reliability of the scales utilized in the research questionnaire. Coefficient Alpha was used as an estimate of reliability. In the early stages of research, Nunnally (1978) suggested that a satisfactory level of reliability should be .70 or higher. As presented in Table 4.2, the reliabilities for the organizational commitment, professional commitment, and external whistleblowing scales were all above .70. The organizational-professional conflict scale, however, had a reliability of

TABLE 4.2
SCALE RELIABILITY

Construct	Coefficient Alpha
Organizational Commitment	.9166
Professional Commitment	.9321
Organizational-Professional Conflict	.5466
External Whistleblowing Intentions	.9624
Reporting Violations of Organizational Ethics	.9555
Reporting Dangerous Acts	.9462

only .55. Results obtained using this scale should be interpreted with caution.

Three separate coefficient alphas were computed for external whistleblowing intentions. First, reliability was assessed using all 14 items from the external whistleblowing scale. The reliability of the 14-item scale was .9624. A factor analysis of the external whistleblowing scale indicated that the external whistleblowing scale was composed of two factors. Coefficient Alphas were computed for each of these factors. The first factor, reporting violations of organizational ethics, contained nine items. This factor had a Coefficient Alpha of .9555. The second factor, reporting dangerous acts, contained five items and had a Coefficient Alpha of .9462.

Descriptive Statistics

External Whistleblowing Intentions. The external whistleblowing intentions scale was developed for this study. The scale consists of 14 Likert format questions with responses for each item ranging from one to seven. A score of one indicates that it is highly improbable that the respondent would blow the whistle to an external source, while a score of seven indicates that it is highly probable that the respondent would blow the whistle to an external source.

For the initial analysis of the external whistleblowing scale, respondents scores were obtained in two ways. First, a mean score for each respondent was obtained by summing the scores for each item and dividing by 14 (the number of items in the scale). In addition to the overall mean for the 14-item scale, each item in the whistleblowing scale was analyzed individually.

The mean score for external whistleblowing intentions for this study was 2.97 with a standard deviation of 1.69. This indicates a low probability of respondents whistleblowing to external sources. Descriptive statistics on external whistleblowing intentions are presented in Table 4.3.

In the analysis of the individual items, the means ranged from a low of 2.27 for "reporting waste of organizational assets caused by badly managed organizational operations" to a high of 3.72 for "reporting management permitting working conditions that could endanger the safety of or cause physical harm to employees." Descriptive statistics for each of the 14 items in the external whistleblowing scale are presented in Table 4.4. Five items in the questionnaire involved reporting dangerous acts. Of the 14 items composing the questionnaire, the 5 items involving dangerous acts had the highest means. The items included reporting the following: (1) employees creating or tolerating a

TABLE 4.3
DESCRIPTIVE STATISTICS

Statistic	OC	PC	OPC	OC*PC
Scale Range	1-7	1-7	1-7	
Mean	5.29	5.00	2.82	26.90
Median	5.56	5.22	2.5	27.16
SD	1.18	1.22	1.46	9.50
Skewness	-1.26	-1.12	.67	-.22
Kurtosis	1.91	2.00	.06	-.13

Statistic	WB	ETHIC	SAFE
Scale Range	1-7	1-7	1-7
Mean	2.97	2.66	1.70
Median	2.71	2.11	3.40
SD	1.69	1.69	2.04
Skewness	.58	.89	.18
Kurtosis	-.50	-.08	-1.21

OC = Organizational commitment
PC = Professional commitment
OPC = Organizational-professional conflict
OC*PC = Multiplicative interaction of OC and PC
WB = External whistleblowing intentions
ETHIC = Reporting violations of organizational ethics
SAFE = Reporting dangerous acts

TABLE 4.4
EXTERNAL WHISTLEBLOWING INTENTIONS

Item*	Mean	Standard Deviation
74. employees stealing funds	3.06	2.16
75. employees accepting bribes	3.09	2.21
76. employees abusing position	2.65	2.00
77. employees giving advantage	2.56	1.96
78. situation posing danger	3.49	2.25
79. unsafe products	3.71	2.39
80. government regulations	3.37	2.22
81. covering up poor performance	2.83	2.05
82. false projections	2.57	1.89
83. unsafe working conditions	3.72	2.25
84. employees creating unsafe conditions	3.26	2.14
85. waste of organizational assets	2.62	1.96
86. purchase of unnecessary goods	2.31	1.69
87. poorly managed operations	2.27	1.74

* for complete question see Appendix A

situation that poses a danger to public health or safety (mean 3.49), (2) management permitting development or production of unsafe products (mean 3.71), (3) management permitting development of products not in compliance with government regulations (mean 3.37), (4) management permitting working conditions that could endanger the safety of or cause physical harm to employees (mean 3.72), and (5) employees creating or tolerating unsafe working conditions (mean 3.26). This indicates that the respondents perceived these five items to be more serious and were, therefore, more willing to report externally. This is consistent with a recent study (Johnson, Byington, Johnston, and Hale 1993) which indicated that internal auditors were more likely to report externally when the wrongdoing involved damage to the public, consumers, or the environment, rather than to the organization.

An analysis of external whistleblowing intentions by gender indicates that the external whistleblowing intentions of males was slightly higher than that of females. The mean score for males was 2.98 with a standard deviation of 1.72 compared to a mean of 2.92 and a standard deviation of 1.6 for the female respondents. This is consistent with previous studies (Miceli, Near, and Schwenk 1991; Miceli and Near 1988) that indicate that males are more likely to blow the whistle than are females.

An analysis of external whistleblowing intentions by professional certification indicates that the Certified Internal Auditors (CIA) were the most likely group to blow the whistle to external sources. The mean score for CIA's external whistleblowing intentions was 3.13 with a standard deviation of 1.82. Following the CIA's, the Certified Public Accountants (CPA) reported the second highest level of external whistleblowing intentions, with the Certified Management Accountants (CMA) indicating the lowest level of external whistleblowing intentions. The mean scores for the CPA's and CMA's were 3.06 and 2.42, with standard deviations of 1.56 and 1.31 respectively.

The external whistleblowing intentions scale was intended to measure whistleblowing activities aimed at benefiting three groups: the organization, employees, and the public. It was expected that the whistleblowing scale would contain between one and three factors. Results of the factor analysis of the external whistleblowing scale are presented in Table 4.5. Two of the Eigenvalues for the external whistleblowing scale were above one, indicating a two-factor solution. The Eigenvalues for the first two factors were 9.41 and 1.47. The Eigenvalue for the third factor was .8697. The scree plot indicated two or possibly three factors; the third factor, however, added only a small amount to the percentage of variance explained (6.21 percent). A review of the factor scores

TABLE 4.5
EXTERNAL WHISTLEBLOWING INTENTIONS SCALE
FACTOR ANALYSIS

Factor Loadings:			
Item Number	Factor 1	Factor 2	Factor 3
74	.7854	-.2062	-.4905
75	.8083	-.1492	-.4991
76	.8700	-.2225	-.1993
77	.8668	-.2236	-.1519
78	.8079	.4177	-.0279
79	.7533	.5528	.0279
80	.7992	.4044	-.0148
81	.8242	-.1048	.2267
82	.8270	-.2352	.2348
83	.7784	.4623	.0672
84	.8504	.3117	.0857
85	.8736	-.2342	.1432
86	.8415	-.3410	.2507
87	.7853	-.3307	.8398
Eigenvalue	9.4176	1.4655	.8697
Percent of Variance Explained	67.27	10.47	6.21

revealed that each of the items in the scale loaded heavily on the first factor, indicating a one-factor solution.

A second factor analysis was performed retaining the two factors with Eigenvalues greater than one. The results of this analysis are presented in Table 4.6. The results of the second factor analysis strongly suggested a two-factor solution. The Eigenvalues for the two factors were 9.41 and 1.47, and together explained almost 78 percent of the variance. The results of the second analysis were consistent with the descriptive statistics computed for the external whistleblowing scale. The five items with the highest means loaded heavily on the second factor; and the other nine items loaded heavily on the first factor. Based upon these results two factors were retained.

The first factor consisted of nine items. Each of these items measured whistleblowing intentions that were intended to benefit either employees or the organization. This factor contained such items as the probability of reporting the following: (1) employees stealing organization funds and/or property, (2) employees accepting bribes or kickbacks, (3) management making overly optimistic projections, and (4) waste of organizational assets. Each of these items affect individuals or groups within the organization. This

TABLE 4.6
EXTERNAL WHISTLEBLOWING INTENTIONS SCALE
FACTOR ANALYSIS

Factor Loadings:		
Item Number	Factor 1	Factor 2
74	.7426	.3285
75	.7249	.3874
76	.8188	.3686
77	.8171	.3658
78	.3711	.8303
79	.2442	.9019
80	.3726	.8145
81	.7097	.4321
82	.7932	.3318
83	.3203	.8468
84	.4705	.7740
85	.8289	.3617
86	.8705	.2581
87	.8202	.2312
Eigenvalue	9.4176	1.4655
Percent of Variance Explained	67.27	10.47
Total Variance Explained	77.74	

factor could be described as "reporting violations of organizational ethics."

The second factor consisted of five items which were intended to benefit employees and the public. Each of the five items was concerned with endangerment to either employees or the public. This factor contained such items as reporting the following: (1) employees creating or tolerating a situation that poses a danger to public health or safety, (2) management permitting development or production of unsafe products, and (3) employees creating or tolerating unsafe working conditions. This factor could be labeled "reporting dangerous acts."

In summary, the factor analysis indicated two factors which are easily interpretable as "violations of organizational ethics" and "dangerous acts." Factor one explained 67.27 percent of the variance, and had an Eigenvalue of 9.42. The variance explained by the second factor was 10.47 percent and the Eigenvalue was 1.47. In total, the two retained factors explained about 78 percent of the variance.

Organizational Commitment. The organizational commitment scale consisted of nine items. Possible scores for each item ranged from one to seven. The commitment score for each respondent was obtained by summing the scores for each item and dividing by nine. A mean score of one indicates the lowest level of commitment, while a

mean score of seven indicates the highest level of organizational commitment. Descriptive statistics are also presented for each individual item in the organizational commitment scale. The descriptive statistics for the individual items are presented in Table 4.7.

Descriptive statistics for the mean level of organizational commitment are presented in Table 4.3. The mean level of organizational commitment was 5.29 with a standard deviation of 1.18. The mean level of organizational commitment found in this study was similar to that reported by Miceli, Near, and Schwenk (1991). They reported organizational commitment as a summated score rather than an average. The mean level of organizational commitment was 46.48; this was equivalent to an average score of 5.16.

Results of the factor analysis of the organizational commitment scale are presented in Table 4.8. The organizational commitment scale used in this study consists of nine items and has been shown to exhibit an average reliability of .86 (Morrow 1993). Factor analysis of the nine-item commitment scale generally yields a single factor solution, lending support to the interpretation that the scale measures a single underlying construct (Mowday, Steers, and Porter 1979).

TABLE 4.7
ORGANIZATIONAL COMMITMENT

Item*	Mean	Standard Deviation
23. willing to put in effort	6.15	1.20
24. talk up this organization	5.57	1.48
25. would accept any type job	3.51	1.87
26. values similar to organization's	5.14	1.61
27. proud to be part of organization	5.86	1.38
28. organization inspires best in me	4.94	1.66
29. glad to work for this organization	5.48	1.57
30. care about future of organization	6.25	1.27
31. best organization to work for	4.69	1.70

* for complete question see Appendix A

TABLE 4.8
ORGANIZATIONAL COMMITMENT SCALE
FACTOR ANALYSIS

Factor Loadings:

Item Number	Factor 1*	Factor 2
23	.6172	-.2038
24	.8860	-.0629
25	.4756	.8329
26	.8300	.0029
27	.8970	-.1459
28	.8556	.0370
29	.8149	-.1445
30	.7617	-.1890
31	.8141	.1769
Eigenvalue	5.4248	.8497
Percent of Variance Explained	61.39	9.44

* Retained Factor

With respect to the data for this study, the factor analysis indicated a one-factor solution. With regard to the factor structure the minimum Eigenvalue rule clearly supported the one-factor solution. The variance explained by the single factor was 61.39 percent and the Eigenvalue was 5.52. The second factor had an Eigenvalue of .85 and explained only 9.44 percent of the variance. Each of the nine items in the scale loaded heavily on a single factor. The lowest loading occurred for item number 25 (factor loading .48). This question asked respondents if they would accept any type of job assignment in order to keep working for the organization.

Professional Commitment. Following the approach of others (Aranya and Ferris 1984; Harrell, Chewing, and Taylor 1986; Colarilli and Bishop 1990) the organizational commitment scale was used as a basis for the professional commitment scale. The reliability of this scale based on the three studies cited ranged from .87 to .89 (Morrow 1993). The professional commitment scale was formed by substituting the word "profession" for the word "organization" in the nine questions in the organizational commitment scale. Possible scores for each item ranged from one to seven. A professional commitment score was obtained by summing the scores of each item in the professional commitment scale and dividing by nine. A score of one indicates the lowest level of professional

commitment, while a score of seven indicates the highest level of professional commitment. Table 4.3 presents descriptive statistics for professional commitment. The mean level of professional commitment was 5.01 with a standard deviation of 1.22. Descriptive statistics are also presented for each item in the professional commitment scale (see Table 4.9).

Results of the factor analysis of the professional commitment scale supported a one-factor solution. The results of the factor analysis are presented in Table 4.10. Morrow and Wirth (1989) suggest that the professional commitment scale is probably unidimensional. With regard to the factor structure, the analysis indicated a one-factor solution. The variance explained by the one factor was 66.15 percent and the Eigenvalue was 5.95. The next factor had an Eigenvalue of .83 and explained only 9.17 percent of the variance. Like the organizational commitment scale, all nine items loaded heavily on the first factor. Again, the question asking if the respondent would accept almost any type of job assignment in order to keep working in accounting had the lowest factor loading for the professional commitment scale (.65).

TABLE 4.9
PROFESSIONAL COMMITMENT

Item*	Mean	Standard Deviation
32. willing to put in effort	4.96	1.41
33. talk up this profession	4.99	1.43
34. would accept any type of job	3.62	1.75
35. values similar to profession's	5.54	1.39
36. proud to be part of profession	5.74	1.37
37. profession inspires best in me	4.98	1.48
38. glad to work in this profession	5.27	1.62
39. care about future of profession	5.48	1.43
40. best profession to work in	4.49	1.74

*for complete question see Appendix A

TABLE 4.10
PROFESSIONAL COMMITMENT SCALE
FACTOR ANALYSIS

Factor Loadings:

Item Number	Factor 1*	Factor 2
32	.7282	-.2399
33	.8610	-.1498
34	.6494	-.6165
35	.8035	.3841
36	.8570	.3263
37	.8844	.1293
38	.8564	-.0103
39	.8313	.2221
40	.8207	-.2126

Eigenvalue	5.9535	.8254
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Percent of Variance Explained	66.15	9.17
----------------------------------	-------	------

* Retained Factor

Organizational-Professional Conflict. Most prior studies involving professional accountants have inferred conflict from the relationship between organizational and professional commitment. These studies derived a measure of organizational-professional conflict by taking the multiplicative interaction of organizational commitment and professional commitment. To increase the validity of the results, Aranya and Ferris (1984) and Harrell, Chewning, and Taylor (1986) directly measured the level of perceived organizational-professional conflict using the two-item organizational-professional conflict scale. Both methods were used in this study.

The organizational-professional conflict scale contained two items. This scale measures the respondent's perceived level of organizational-professional conflict. Possible scores for each item range from one to seven. The perceived organizational professional conflict score was obtained by averaging the scores reported on the two items. A mean score for perceived OPC was thus provided for each respondent. A score of one indicates the lowest level of perceived conflict, while a seven indicates the highest level of perceived conflict.

The mean level of perceived organizational-professional conflict was 2.82 with a standard deviation of 1.47. Table 4.3 presents descriptive statistics for the mean level of perceived organizational-professional

conflict. Additionally, descriptive statistics are presented in Table 4.11 for the individual items composing the organizational-professional conflict scale.

A second measure of organizational-professional conflict was inferred from the relationship between organizational and professional commitment (Aranya and Ferris 1984). This measure of organizational-professional conflict represents the multiplicative interaction of organizational and professional commitment (OC*PC). The mean level of OC*PC was 26.90 with a standard deviation of 9.50. Table 4.3 presents descriptive statistics for this measure of organizational-professional conflict.

The organizational-professional conflict scale developed by Aranya and Ferris (1984) contains two items that theoretically measure the level of perceived organizational-professional conflict. The scale has had limited use in research (Aranya and Ferris 1984; Harrell, Chewning, and Taylor 1986). A factor analysis was performed to lend support to the proposition that these two items measure one underlying construct. The results of the factor analysis are presented in Table 4.12. The results of the factor analysis yielded a one-factor solution indicating that the organizational-professional conflict scale measures a single underlying construct. Both items loaded heavily on the retained factor (.83 and .83). This factor explained 68.80 percent of the variance

TABLE 4.11
ORGANIZATIONAL-PROFESSIONAL CONFLICT

Item	Mean	Standard Deviation
41. The type and structure of my employment framework gives me the opportunity to fully express myself as a professional. (reverse coded)	2.95	1.66
42. In my organization, there is conflict between the work standards and/or procedures required by the organization and my ability to act according to my professional judgment.	2.68	1.89

TABLE 4.12
 ORGANIZATIONAL-PROFESSIONAL CONFLICT
 SCALE FACTOR ANALYSIS

Factor Loadings:

Item Number	Factor 1*	Factor 2
41	.8295	-.5585
42	.8295	.5585
Eigenvalue	1.3761	.6239
Percent of Variance Explained	68.80	31.20

* Retained Factor

and had an Eigenvalue of 1.38. The second factor had an Eigenvalue of .62 and explained 31.2 percent of the variance.

Correlations

Correlations among all summates and factor scores were computed and presented in matrix format as Table 4.13. Significant correlations among variables at the .05 level are discussed in the following section.

Years of experience (YEAR) was positively correlated with age (AGE). YEAR was also positively correlated with the multiplicative interaction of organizational commitment and professional commitment (OC*PC). This indicates that organizational-professional conflict may increase with the length of employment with the organization.

Organizational commitment (OC) was positively correlated with professional commitment (PC) and OC*PC. The positive association between OC and OC*PC was the opposite of that reported by Aranya and Ferris (1984). Additionally, organizational commitment was negatively correlated with organizational-professional conflict (OPC).

Professional commitment was positively correlated with OC, external whistleblowing intentions (WB), reporting violations of organizational ethics (ETHIC) and OC*PC. The association between professional commitment

TABLE 4.13
CORRELATION MATRIX

	SEX	AGE	YEAR	OC	PC	OPC
SEX	1.0000					
AGE	-.0138 (.811)	1.0000				
YEAR	.1046 (.069)	.3288 (.683)	1.0000			
OC	.1049 (.069)	-.0236 (.683)	.0909 (.115)	1.0000		
PC	.0434 (.453)	.0477 (.410)	.0406 (.483)	.2790 (.000)	1.0000	
OPC	-.0218 (.707)	-.0085 (.883)	0.0024 (.967)	-.5592 (.000)	-.1237 (.031)	1.0000
WB	.0147 (.800)	-.0298 (.607)	-.0326 (.574)	.0427 (.460)	.1744 (.002)	-.0566 (.328)
ETHIC	.1000 (.083)	-.0030 (.959)	.0198 (.732)	.0768 (.184)	.1876 (.001)	-.0827 (.152)
SAFE	-.0918 (.112)	-.0413 (.476)	-.0729 (.207)	-.0254 (.662)	.0480 (.407)	.0096 (.869)
OC*PC	.0798 (.167)	.0597 (.302)	.1171 (.042)	.7705 (.000)	.7891 (.000)	-.4504 (.000)
FOC	.1052 (.067)	-.0244 (.674)	.0850 (.141)	.9959 (.000)	.2685 (.000)	-.5623 (.000)
FPC	.0421 (.467)	.0478 (.409)	.0402 (.487)	.2822 (.000)	.9986 (.000)	-.1258 (.029)
FOPC	-.0239 (.680)	-.0077 (.895)	-.0066 (.909)	-.5692 (.000)	-.1346 (.019)	.9991 (.000)

TABLE 4.13 (Continued)

	WB	ETHIC	SAFE	OC*PC	FOC	FPC
WB	1.0000					
ETHIC	.7564 (.000)	1.0000				
SAFE	.6538 (.000)	-.0000 (1.00)	1.0000			
OC*PC	.1227 (.033)	.1550 (.007)	.0060 (.918)	1.0000		
FOC	.0583 (.314)	.0916 (.112)	-.0187 (.746)	.7589 (.000)	1.0000	
FPC	.1760 (.002)	.1861 (.001)	.0520 (.369)	.7894 (.000)	.2739 (.000)	1.0000
FOPC	-.0547 (.344)	-.0833 (.149)	.0133 (.818)	-.4643 (.000)	-.5714 (.000)	-.1365 (.017)

p-values shown in parentheses

SEX = Gender
 AGE = Age
 YEAR = Years of experience with company
 OC = Organizational commitment
 PC = Professional commitment
 OPC = Organizational-professional conflict
 WB = External whistleblowing intentions
 ETHIC = Reporting violations of organizational ethics
 SAFE = Reporting dangerous acts
 OC*PC = Multiplicative interaction of OC and PC
 FOC = Organizational commitment factor 1
 FPC = Professional commitment factor 1
 FOPC = Organizational-professional conflict factor 1

and external whistleblowing intentions was not in the direction hypothesized. Professional commitment was also negatively correlated with OPC; this was consistent with the findings of Harrell, Chewning, and Taylor (1986).

Organizational-Professional conflict was negatively correlated with OC, PC and OC*PC. External whistleblowing intentions was positively correlated with PC, ETHIC, reporting dangerous acts (SAFE), and OC*PC.

Correlations were also computed for the three factor scores for organizational commitment, professional commitment, and organizational-professional conflict. The OC factor was positively correlated with OC, PC, and OC*PC, and it was negatively correlated with OPC. The PC factor was positively correlated with OC, PC, WB, ETHIC, OC*PC, OC factor. The PC factor was negatively correlated with OPC. The OPC factor was positively correlated with OPC and was negatively correlated with OC, PC, OC*PC, OC factor, and PC factor.

Tests of Hypotheses

From the review of the literature presented in Chapter 2, three hypotheses were developed. The hypothesized relationships between organizational commitment, professional commitment, organizational-professional conflict, and external whistleblowing intentions are presented in Figure 4.1. Path analysis was used to examine the hypothesized relationships. Path

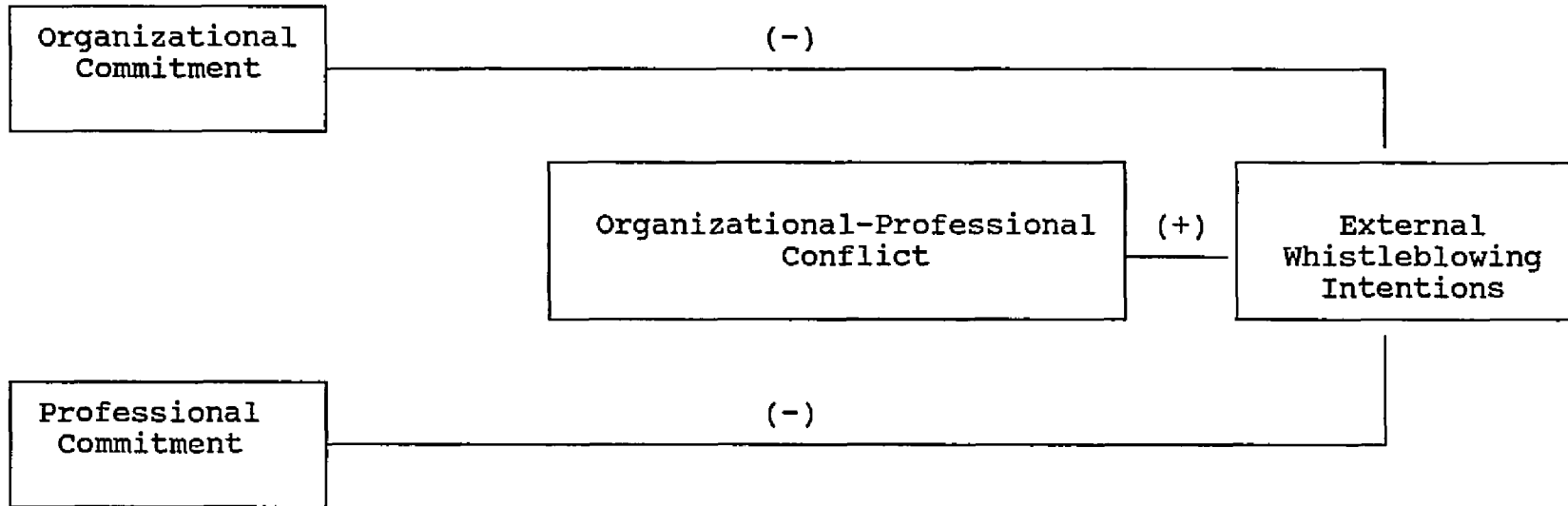


FIGURE 4.1

HYPOTHESIZED RELATIONSHIPS OF ORGANIZATIONAL AND PROFESSIONAL
COMMITMENT AND ORGANIZATIONAL-PROFESSIONAL CONFLICT
AND EXTERNAL WHISTLEBLOWING INTENTIONS

coefficients were estimated through a series of regression analyses, with the regression beta coefficients serving as the path coefficient estimates (Harrell, Chewing, and Taylor 1986; Asher 1976). In order to test the proposed relationships, one must determine whether the proposed direct relationships exist, as well as whether any unanticipated direct relationships exist that were not proposed to exist (Asher 1976). Initially, external whistleblowing intentions was considered as the regression equation dependent variable, with OC, PC, OPC, SEX, AGE, and YEAR considered the regression equation independent variables. A significant beta coefficient ($\alpha = .05$) for one of these independent variables implies that, when the effects due to the other independent variables have been controlled for, a direct relationship exists between the independent variable and external whistleblowing intentions. Additional regression equations were estimated with OC, PC, and OPC, in turn, serving as the dependent variable with the remaining variables, with the exception of external whistleblowing intentions, in each instance being considered as the regression equation independent variables. The use of regression analysis in this manner indicates the existence of both direct and indirect relationships among the variables without indicating the direction of those relationships. Therefore, reliance upon logical relationships and

previous research is required (Harrell, Chewning, and Taylor 1986).

Organizational Commitment
and External Whistleblowing
Intentions

Hypotheses 1: Organizational commitment will be negatively associated with the professional accountant's external whistleblowing intentions.

A review of the correlation matrix (Table 4.13) indicated that there were no significant relationships between organizational commitment and external whistleblowing intentions, reporting violations of organizational ethics, and reporting dangerous acts. These results were supported by the path analysis that indicated that there were no significant negative relationships between organizational commitment and external whistleblowing intentions, reporting violations of organizational ethics, and reporting dangerous acts (Table 4.14).

The statistical analysis did not provide support for a negative association between organizational commitment and either of the three external whistleblowing measures. Therefore, hypothesis one was rejected. The data indicated that a direct significant path does not exist between organizational commitment and external whistleblowing intentions.

TABLE 4.14
DIRECT AND INDIRECT PATHS

Relationship	Direct Effect	Indirect Effect	Total Correlation
OC on WB		.05	.04
PC on WB	.24		.17
OPC on WB		-.02	-.06
OC on OPC	-.43		-.55
PC on OPC		-.09	-.12
OC on PC	.21		.28
OC on ETHIC		.03	.07
PC on ETHIC	.15		.19
OPC on ETHIC		.01	-.08

OC = Organizational commitment
 PC = Professional commitment
 OPC = Organizational-professional conflict
 ETHIC = Reporting violations of organizational ethics

Professional Commitment and
External Whistleblowing
Intentions

Hypotheses 2: Professional commitment will be negatively associated with the professional accountant's external whistleblowing intentions.

The correlation analysis indicated that there were significant relationships between professional commitment and external whistleblowing intentions, and between professional commitment and reporting violations of organizational ethics. However, both of these associations were positive rather than negative. The results of the path analysis provided similar results (Table 4.14). Significant direct paths existed between professional commitment and external whistleblowing intentions, and between professional commitment and reporting violations of organizational ethics. Again, however, both of these paths were positive rather than negative.

The statistical analysis did not provide support for a significant negative association between professional commitment and external whistleblowing intentions, reporting violations of organizational ethics, and reporting dangerous acts. Therefore, hypothesis two was rejected.

Organizational-Professional
Conflict and External
Whistleblowing Intentions

Hypotheses 3: Organizational-Professional conflict will be positively associated with the professional accountant's external whistleblowing intentions.

The correlation analysis indicated that there were no significant associations between organizational-professional conflict and external whistleblowing intentions, reporting violations of organizational ethics, and reporting dangerous acts. These results were partially supported by the path analysis which indicated that there were no direct paths between organizational-professional conflict and external whistleblowing intentions, reporting violations of organizational ethics, and reporting dangerous acts. There were, however, two indirect paths that existed. The first path indicated a negative indirect relationship between organizational-professional conflict and external whistleblowing intentions. The other path indicated a positive indirect relationship between organizational-professional conflict and reporting violations of organizational ethics.

The regression analysis failed to find support for a positive association between organizational-professional conflict and external whistleblowing intentions, reporting violations of organizational ethics, and reporting dangerous acts. Therefore, hypothesis three was rejected.

Summary of Results

The regression analysis procedures described previously were employed to examine the relationships proposed in the original model (Figure 4.1). Results of the path analysis indicated that none of the hypothesized relationships existed. Figure 4.2 presents the model of relationships suggested by the regression procedures. Only one significant path existed with respect to external whistleblowing intentions; professional commitment was positively related to external whistleblowing intentions. Additionally, a direct positive relationship was revealed between professional commitment and reporting violations of organizational ethics. The R-square for the model depicted in Figure 4.2 was only .03.

Table 4.14 summarizes the direct and indirect relationships among the variables. The direct effects were determined by the beta coefficients obtained in the regression equations. The indirect effect, however, was determined by calculating all possible paths from the cause to the effect (Collins, Munter, and Clancy 1984). Organizational-professional conflict and professional commitment were significantly related to organizational commitment. Professional commitment, in turn, was significantly related to external whistleblowing intentions. Additionally, professional commitment was significantly related to reporting violations of

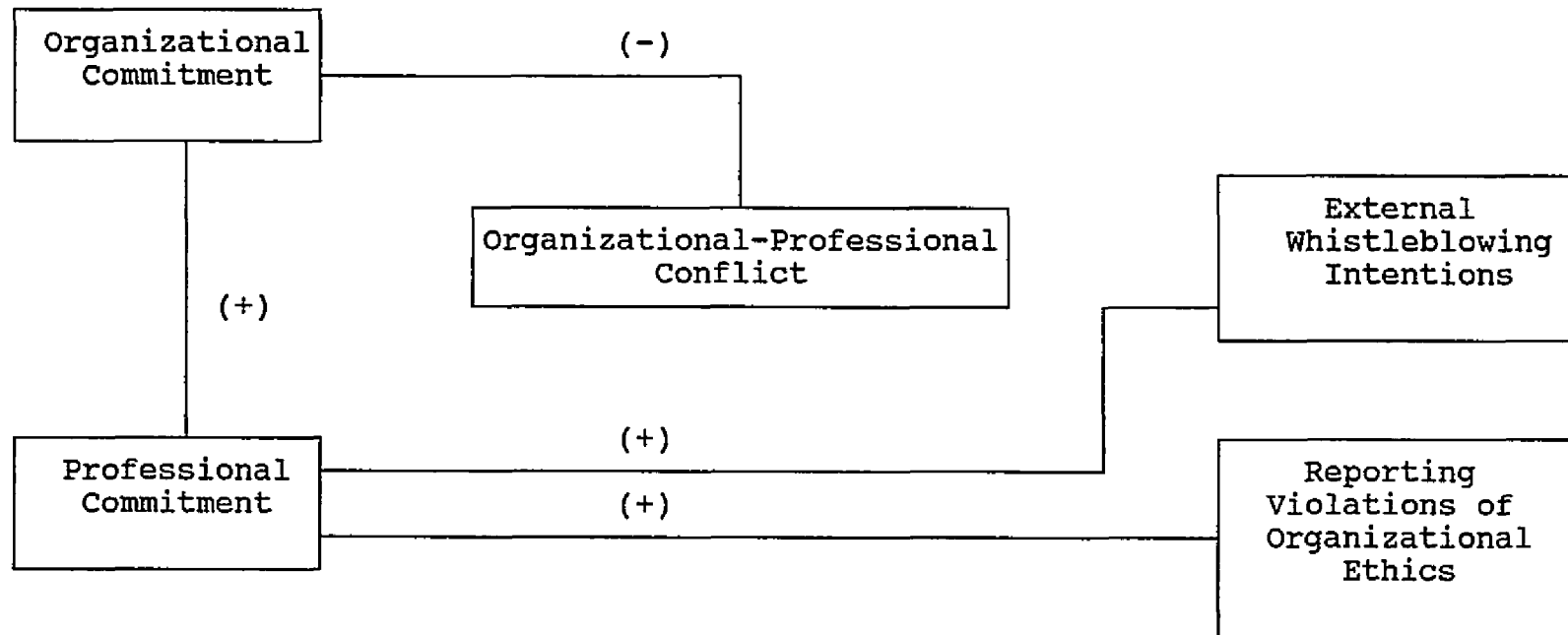


FIGURE 4.2

RELATIONSHIPS BETWEEN ORGANIZATIONAL AND PROFESSIONAL COMMITMENT
AND ORGANIZATIONAL-PROFESSIONAL CONFLICT AND
EXTERNAL WHISTLEBLOWING INTENTIONS

organizational ethics. Reporting dangerous acts was not significantly related to any of the proposed variables.

CHAPTER 5

CONCLUSIONS

The purpose of this chapter is to present and discuss the results of the study. First, discussions of the research findings and conclusions are presented. Practical implications are considered in the next section, and directions for future research are suggested in the third. Limitations of the study are discussed in the fourth section; and finally, contributions of the study are presented in the fifth section.

Findings

External whistleblowing intentions were hypothesized to be negatively related to organizational commitment and professional commitment, while being positively related to organizational-professional conflict. The data for this study failed to find support for any of the three hypothesized relationships. However, path analysis did reveal other significant relationships that had not been hypothesized.

Significant indirect paths were found to exist between organizational commitment and external whistleblowing intentions and between organizational

commitment and reporting violations of organizational ethics. The path analysis also supported a positive relationship between professional commitment and two of the external whistleblowing items. Direct paths between professional commitment and both external whistleblowing intentions and reporting violations of organizational ethics were also supported.

Indirect paths were revealed between organizational-professional conflict and both external whistleblowing intentions and reporting violations of organizational ethics. There was a negative indirect relationship between organizational-professional conflict and external whistleblowing intentions and a significant positive relationship between organizational-professional conflict and reporting violations of organizational ethics.

Explanations

Organizational Commitment

The literature on organizational commitment and whistleblowing indicated that employees that were highly committed to the organization were more likely to blow the whistle than were employees that were not highly committed. Additionally, the research indicated that these employees tended to blow the whistle to internal sources rather than to external sources. The literature suggested that employees tended to report to external sources only after meeting with resistance and reprisal.

Therefore, it was expected that if a professional accountant was highly committed to the employing organization, he/she would be less likely to blow the whistle to external sources than would a professional accountant that was not highly committed to the employing organization. However, this study failed to find support for the hypothesis that organizational commitment was negatively related to external whistleblowing intentions. The findings of this study appear to be inconsistent with previous studies. This apparently conflicting result may have been due to the fact that previous studies examined actual whistleblowing behaviors, while this study examined external whistleblowing intentions. Additionally, the analysis in this study was performed using only external whistleblowing intentions. Respondents were not asked whether or not they would report to internal sources before reporting to external sources.

Professional Commitment

The data for this study failed to support the hypothesis that professional commitment was negatively related to external whistleblowing intentions. Professional commitment had not been previously studied in conjunction with whistleblowing. Miceli and Near (1988), however, found that professionals tended to be anonymous internal whistleblowers. Additionally, the codes of conduct for the Institute of Internal Auditors (IIA),

Institute of Management Accountants (IMA), and the American Institute of Certified Public Accountants (AICPA) strongly discourage members from reporting to external sources. Although there is limited research regarding professionals and whistleblowing, the findings of the Miceli and Near (1988) study and the codes of conduct for professional accountants suggest that professional accountants should blow the whistle to internal sources rather than to external sources. According to the codes of conduct of the IIA, IMA, and AICPA, professional accountants are prescribed by role to be internal whistleblowers. The findings of this study were in conflict with both the Miceli and Near (1988) findings and the codes of conduct of the Institute of Internal Auditors, Institute of Management Accountants and the American Institute of Certified Public Accountants.

Again, this apparent conflict may have resulted because this study examined whistleblowing intentions rather than actual whistleblowing behaviors. Subjects who reported high probabilities of blowing the whistle to external sources might not actually blow the whistle if actually confronted with the situation (Miceli and Near 1992). Additionally, although the codes of conduct of the IIA, IMA, and AICPA strongly discourage blowing the whistle to external sources, professional accountants may not be willing to comply with the codes of ethics under

all circumstances. The professional accountant's decision to blow the whistle to external sources may be influenced by his/her's personal standards of ethics, as well as other factors. Professional accountants are expected to have a high level of moral development, and this high level of moral development might drive professional accountants to report to external sources when necessary to resolve wrongdoing. This is consistent with the findings of this study that indicated that professional accountants were more likely to report "dangerous acts" rather than "violations of organizational ethics" to external sources. The mean score for "reporting dangerous acts" was 3.51 compared to a mean score of 2.66 for "reporting violations of organizational ethics."

Organizational-Professional Conflict

Organizational-professional conflict stems from the notion that a professional's behavior is dictated by a code of ethics which is established and monitored by the professional's peers and is also influenced by the professional's employing organization. When the behavior expected by the organization differs from the behavior expected by the profession, the professional experiences conflict between the demands of the profession and the demands of the organization. It was hypothesized that as the level of perceived organizational-professional

conflict increased, the professional accountant would be more likely to resolve wrongdoing by blowing the whistle to external sources. The data for this study failed to find support for the hypothesis that organizational-professional conflict was positively related to external whistleblowing intentions.

The results of this study indicated that organizational-professional conflict was not directly related to external whistleblowing intentions but was, however, indirectly related to external whistleblowing intentions through its relation to organizational and professional commitment. These results suggest, that professional accountants do not blow the whistle as a direct result of perceived conflict.

Directions for Future Research

Of the three variables of interest in this research, only professional commitment was directly related to external whistleblowing intentions. Future research should examine if the professional accountant's knowledge of the codes of conduct for their profession, as well as if their knowledge of whether or not the profession provides assistance on reporting wrongdoing, affects the professional accountant's decision to blow the whistle.

One limitation of the study was the use of whistleblowing intentions rather than actual whistleblowing behaviors. Future research should examine

the relationships among organizational commitment, professional commitment, and perceived organizational-professional conflict to actual whistleblowing behaviors.

Additionally, three groups of professional accountants were included in the study. Future research should examine whether or not the whistleblowing behaviors of the members of the Institute of Internal Auditors, members of the Institute of Management Accountants, and members of the American Institute of Certified Public Accountants differ from one another and from "others."

Limitations

Behavioral Intentions

Actual whistleblowing behavior was not measured in this research. The inability to measure whistleblowing behavior must be considered as a limitation of the study. It is both impractical and unethical to present subjects with a wrongdoing and then observe and record their behaviors. An alternative approach is to present subjects with hypothetical wrongdoing and ask them to respond to the wrongdoing. For this study, participants were presented with 14 scenarios involving wrongdoing, and they were asked to indicate the probability of their blowing the whistle if they observed such situations. There are, however, problems with this approach. Responses are hypothetical and may be subject to social desirability bias. Additionally, subjects who report high

probabilities of blowing the whistle if confronted with a particular situation might not actually blow the whistle if actually confronted with the situation (Miceli and Near 1992). Since the majority of the respondents have probably never actually blown the whistle and may never have observed wrongdoing, their own prediction of their probability of blowing the whistle is probably unreliable at best and consciously distorted, at worst (Miceli and Near 1992).

Sample Composition

The sampling frame for this study was drawn from the membership rosters of the Institute of Internal Auditors, the Institute of Management Accountants, and the American Institute of Certified Public Accountants. The results may not be generalizable to other populations.

Contributions of the Study

This study made significant contributions to the research literature regarding whistleblowing. First, this is the only study in which organizational commitment, professional commitment, and organizational-professional conflict were all studied as a group in relation to external whistleblowing intentions. This is also the first study on whistleblowing to examine the relationships between whistleblowing and both professional commitment and organizational-professional conflict.

The findings of this study contributed to the understanding of whistleblowing behaviors. Professional commitment was found to be significantly related to both external whistleblowing intentions and reporting violations of organizational ethics. Organizational-professional conflict was found to have an indirect negative influence on external whistleblowing intentions, and to have an indirect positive influence on reporting violations of organizational ethics.

The purpose of this study was to investigate the relationships among organizational commitment, professional commitment, organizational-professional conflict, and external whistleblowing intentions. Although the study failed to provide support for the hypothesized relationships, the study contributed new knowledge to the field of whistleblowing research.

APPENDICES

APPENDIX A

QUESTIONNAIRE

SECTION 1

Please answer the following questions by filling in or checking the appropriate spaces.

-
1. Sex: Male Female
 2. Age: _____
 3. Marital Status: Single Married
 Widowed Separated/Divorced
 4. Number of Years with Company: _____
 5. Current Job Title: _____
 6. Years in Current Position: _____
 7. Supervisory Experience: Yes No
 8. Total Number of Employees in Organization: _____
 9. Annual Gross Sales: _____
 10. Primary Industry which the Organization Operates
(SIC code if known): _____
 11. Primary Job Function: Financial Acct.
 Cost/Managerial Acct.
 Tax Acct.
 Internal Auditing
 Other
 12. Professional Certifications: CPA
 CIA
 CMA
 Other
(Specify _____)

13. Does your profession have a written code of conduct? _____Y _____N
14. If yes, are you familiar with the code of conduct? _____Y _____N
15. Does your profession provide guidance on procedures for reporting corporate wrongdoing, conflicts, or sensitive issues? _____Y _____N
16. Does your profession discipline its members for violations of codes of conduct? _____Y _____N
17. Does your company have an audit committee? _____Y _____N
18. Does your company have a written code of conduct that addresses illegal acts and/or violations of corporate policy? _____Y _____N
- If yes, does the code include:
19. Procedures for violations of company policy? _____Y _____N
20. Procedures for reporting illegal acts? _____Y _____N
21. A designated individual or office to whom violations should be reported? _____Y _____N
22. A guarantee that employees who report violations will not suffer retaliation? _____Y _____N

SECTION 2

INSTRUCTIONS: For questions 23-42, indicate the extent of your agreement or disagreement with the following statements. Please use the following response scale and write the number corresponding to your level of agreement or disagreement in the space provided by each statement.

-
- 1 = Strongly disagree
 2 = Moderately disagree
 3 = Slightly disagree
 4 = Neither agree or disagree
 5 = Slightly agree
 6 = Moderately agree
 7 = Strongly agree
-

- ___23. I am willing to put in a great deal of effort beyond that normally expected in order to help this organization.
- ___24. I talk up this organization as a great organization for which to work.
- ___25. I would accept almost any type of job assignment in order to keep working for this organization.
- ___26. I find that my values and the organization's values are very similar.
- ___27. I am proud to tell others that I am part of this organization.
- ___28. This organization really inspires the very best in me in the way of job performance.
- ___29. I am extremely glad that I chose this organization to work for over others I was considering at the time.
- ___30. I really care about the future of this organization.
- ___31. For me, this is the best of all possible organizations for which to work.
- ___32. I am willing to put in a great deal of effort beyond that normally expected in order to help the accounting profession be successful.
- ___33. I talk up the accounting profession to my friends as a great profession in which to work.
- ___34. I would accept almost any type of job assignment in order to keep working in accounting.
- ___35. I find that my values and the accounting profession's values are very similar.
- ___36. I am proud to tell others that I am a part of the accounting profession.
- ___37. The accounting profession really inspires the very best in me in the way of job performance.
- ___38. I am extremely glad that I chose the accounting profession to work in, over others that I was considering at the time.

39. I really care about the future of the accounting profession.
40. For me, accounting is the best of all professions for which to work.
41. The type and structure of my employment gives me the opportunity to fully express myself as a professional.
42. In my organization, there is conflict between the work standards and/or procedures required by the organization and my ability to act according to my professional judgment.

SECTION 3

INSTRUCTIONS: The following items describe actual behaviors that you might have observed. During the past 12 months, have you personally observed or obtained direct evidence of any of the following activities within your organization? Please indicate "Yes" or "No" as appropriate.

-
- | | | |
|---|----------------------------|----------------------------|
| 43. employees stealing organization funds and/or property | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 44. employees accepting bribes or kickbacks | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 45. employees abusing their official position to obtain substantial personal services or favors | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 46. employees giving unfair advantage to a contractor, consultant, or vendor | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 47. employees creating or tolerating a situation that poses a danger to public health or safety | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 48. management permitting development or production of unsafe products | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 49. management permitting development or production of products not in compliance with government regulations | <input type="checkbox"/> Y | <input type="checkbox"/> N |
| 50. management covering up poor performance, whether financial figures or non-financial figures | <input type="checkbox"/> Y | <input type="checkbox"/> N |

51. management making overly optimistic and false projections of future performance Y N
52. management permitting working conditions that could endanger the safety of employees Y N
53. Employees creating or tolerating unsafe working conditions Y N
54. Waste of organization assets caused by inappropriate parties receiving money, goods, or services Y N
55. Waste caused by the purchase of unnecessary or deficient goods or services Y N
56. Waste of organization assets caused by badly managed organizational operations Y N

IF YOU ANSWERED "YES" TO ANY OF THE ABOVE ITEMS, PLEASE CONTINUE BELOW. IF YOU DID NOT ANSWER "YES" TO ANY OF THE ABOVE ITEMS, PLEASE CONTINUE WITH SECTION 4. THANK YOU!!

57. Of the items you answered "YES" to above, please indicate which one you consider to be the most serious.

With regard to the item you indicated in question 57, please respond "YES" or "NO" for questions 58-59.

58. My job role required me to report the activity. Y N
59. I felt morally compelled to report the activity. Y N

Keep the same activity in mind. Items 60-73 concerns whether or not you reported your knowledge of the activity to others either inside or outside the organization. Please place an "X" by each answer that describes an individual or group to whom you reported your knowledge of the activity.

- ___60. I did not report my knowledge of the activity to anyone inside or outside of the organization. If you did not report to anyone, please continue with Section 4.
- ___61. Department head of the department responsible for the activity
If yes:
62. Is this your department head? ___Y ___N
- ___63. Your department head, if different than #61
- ___64. The Chief Executive Officer/Chief Financial Officer
- ___65. The audit committee of the Board of Directors
- ___66. The owners of the organization
- ___67. Any other party inside the organization (Please specify below)_____
- ___68. External auditors
- ___69. The media
- ___70. A government regulatory agency
- ___71. A professional organization
- ___72. A law enforcement official
- ___73. Any other party outside the organization (Please specify below)_____

SECTION 4

The following items concern your attitudes about behaviors that sometimes occur within organizations. Please indicate the probability that you would report such activity within the organization and/or outside the organization.

74. Employees stealing organization funds and/or property

The probability of you reporting internally is:
highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
highly probable __:__:__:__:__:__ highly improbable

75. Employees accepting bribes or kickbacks.

The probability of you reporting internally is:
 highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
 highly probable __:__:__:__:__:__ highly improbable

76. Employees abusing their official position to obtain substantial personal services or favors.

The probability of you reporting internally is:
 highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
 highly probable __:__:__:__:__:__ highly improbable

77. Employees giving unfair advantage to a contractor, consultant, or vendor.

The probability of you reporting internally is:
 highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
 highly probable __:__:__:__:__:__ highly improbable

78. Employees creating or tolerating a situation that poses a danger to public health or safety.

The probability of you reporting internally is:
 highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
 highly probable __:__:__:__:__:__ highly improbable

79. Management permitting development or production of unsafe products.

The probability of you reporting internally is:
 highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
 highly probable __:__:__:__:__:__ highly improbable

80. Management permitting development of products not in compliance with government regulations.

The probability of you reporting internally is:
highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
highly probable __:__:__:__:__:__ highly improbable

81. Management covering up poor performance, whether financial figures or non-financial measures.

The probability of you reporting internally is:
highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
highly probable __:__:__:__:__:__ highly improbable

82. Management making overly optimistic and false projections of future performance.

The probability of you reporting internally is:
highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
highly probable __:__:__:__:__:__ highly improbable

83. Management permitting working conditions that could endanger the safety of or cause physical harm to employees.

The probability of you reporting internally is:
highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
highly probable __:__:__:__:__:__ highly improbable

84. Employees creating or tolerating unsafe working conditions.

The probability of you reporting internally is:
highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
highly probable __:__:__:__:__:__ highly improbable

85. Waste of organizational assets caused by inappropriate parties receiving money, goods, or services.

The probability of you reporting internally is:
highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
highly probable __:__:__:__:__:__ highly improbable

86. Waste caused by the purchase of unnecessary or deficient goods or services.

The probability of you reporting internally is:
highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
highly probable __:__:__:__:__:__ highly improbable

87. Waste of organizational assets caused by badly managed organizational operations.

The probability of you reporting internally is:
highly probable __:__:__:__:__:__ highly improbable

The probability of you reporting externally is:
highly probable __:__:__:__:__:__ highly improbable

THANK YOU VERY MUCH FOR TAKING THE TIME TO COMPLETE THIS QUESTIONNAIRE. YOUR TIME AND EFFORT IS GREATLY APPRECIATED. PLEASE PLACE THE QUESTIONNAIRE IN THE PRE-ADDRESSED POSTAGE-PAID ENVELOPE AND MAIL PROMPTLY. THANK YOU!!

APPENDIX B

COVER LETTER

Dear Professional Accountant:

I am a doctoral candidate conducting a nationwide survey of accountants to gather data for my dissertation. The purpose of the study is to develop a better understanding of those factors which affect individual's whistleblowing intentions.

Your name was selected from a random sample of accountants with membership in either the IIA, IMA, or the AICPA. Your response is very important to the accuracy of my study. I know that your time is valuable, but I would appreciate it if you would take a few minutes to complete the enclosed questionnaire. To help save time, I have enclosed a pre-addressed postage-paid reply envelope.

Your completion of the questionnaire is critical to my study and our understanding of whistleblowing. Please complete and return the questionnaire as soon as possible. Your anonymity is guaranteed. Your responses cannot be identified according to individuals.

Thank you in advance for your assistance.

Sincerely Yours,

Michael Chiasson
Doctoral Candidate

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