



EMPLOYEE PERCEPTIONS OF WHISTLEBLOWING SYSTEM, ETHICS CODE AND VALUES: EMPIRICAL EVIDENCE FROM THE DIRECTORATE GENERAL OF TAXES

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ABSTRACT

This study aims to know the awareness of employees about the whistleblowing system, the code of ethics and values that is espoused by the Directorate General of Taxation (DGT) in Indonesia, perceptions' employee about the protection system for whistleblower and their families and follow-up of reporting, the award is selected by whistleblower and employee opinions DGT for the existence of the whistleblowing system implemented in DGT. The study included respondents who are employees of the DGT, who worked at Regional Tax Offices and Tax Offices.

Data obtained through the questionnaire was analyzed and coupled with library research with qualitative methods. A literature review is a part of qualitative methods to make the basis for the questionnaire data, drawing conclusions and further research into whistleblowing system of the Directorate General of Taxation. This study concluded that respondents have had awareness of the whistleblowing system. Existence of whistleblowing systems in the DGT was perceived by respondents to have a positive effect in the future. However, it needs for further understanding that the basic assessment to employee behavior is a code of ethics and values of the ministry of finance and the low confidence of respondents to the system of protection for whistleblower in whistleblowing at DGT. Some of the findings of this study were being discussed included in the last section of this study.

Penelitian ini bertujuan untuk mengetahui tingkat kesadaran pegawai tentang sistem whistleblowing, kode etik serta nilai-nilai yang dianut Direktorat Jenderal Pajak (DJP), penilaian pegawai terhadap sistem perlindungan terhadap pelapor dan keluarganya dan tindak lanjut pelaporan tersebut, bentuk penghargaan yang dipilih pelapor serta pendapat pegawai DJP atas keberadaan sistem whistleblowing yang diterapkan di DJP di Indonesia. Penelitian ini melibatkan responden yang merupakan pegawai DJP, yang bekerja di Kantor Wilayah, dan Kantor Pelayanan Pajak.

Data yang diperoleh melalui kuesioner dianalisa dan dibarengi dengan penelitian kepustakaan dengan metode kualitatif. Penelitian kepustakaan berupa penelaahan literatur sebagai dasar pembuatan data kuesioner, penarikan kesimpulan serta penelitian lebih lanjut tentang sistem pelaporan pelanggaran di DJP. Penelitian ini menyimpulkan bahwa responden memiliki kesadaran yang tinggi terhadap sistem whistleblowing. Eksistensi dari sistem whistleblowing di DJP ini dipandang oleh responden akan memberikan efek yang positif di masa yang akan datang, namun demikian perlunya pemahaman yang lebih lanjut bahwa dasar penilaian perilaku pegawai adalah kode etik dan nilai-nilai kementerian keuangan serta rendahnya keyakinan responden terhadap perlindungan untuk pelapor dalam sistem whistleblowing di DJP. Terhadap hal tersebut, beberapa temuan dari studi ini dibahas di bagian akhir penelitian ini.

1. INTRODUCTION

1.1. Background to the study

Public administration especially for central tax in Indonesia has to overcome numerous difficulties caused largely by the weak organisational structures, poorly trained tax officials, significant integrity issues and extensive non-compliance (Arnold, 2012:27). In the current context of the globalization of the world economy and the fluidity of cultural boundaries,

administrations in all countries also face a variety of issues, including the ethical problems concerned with the protection of employees who expose malpractice or misconduct in the workplace, transparent administration and good governance (Mbatha, 2005:4). Whistleblowing is the disclosure of information about perceived wrongdoing in an organization, or the risk thereof, to individuals or entities believed to be able to

effect action (Miceli, Dozier & Near, 1991; Miceli, 1984; Miceli, Near, 1984). The ultimate goal of whistleblowing is to protect the public interest. It achieves this by informing people or organizations that are in a position to prevent harm, to investigate or to take action against those responsible for wrongdoing (Association of Certified Fraud Examiners, 2009).

Directorate General of Taxes (DGT) organization, as part of Ministry of Finance, Republic of Indonesia, total operational offices of more than 500 units and total number of employees of more than 31,000 spreading throughout the archipelago, is the largest Directorate General within the Ministry of Finance of Republic of Indonesia (Source: <http://www.pajak.go.id>). Those resources are empowered in order to secure tax revenue which is becoming higher each year. Tax office performs the functions of delivering services, counselling, and supervision to taxpayers that is based on the taxpayer segmentations (Source: <http://www.pajak.go.id>).

Since early 2000 when the backdrop of the East Asian financial crisis, bureaucratic reform of DGT organization has begun to build a new of DGT in all aspects that can be face to the challenge in carrying out optimal tax revenue collection duty. Three factors had a significant role in shaping the tax administration reforms: the macro-fiscal situation, the structure of the tax regime, and the weak state of the DGT's operations (Brondolo, Silvani, Le Borgne & Bosch, 2008:1). The macro scope of reformation in DGT are tax policy reform aspect, modernize tax administration aspect, human resource management aspect, good governance aspect, counseling, services and public relation aspect and audit, collection and investigation as law enforcement aspect. In tax policy reform, with the completion of three tax law amendments package, the law on General Provisions and Tax Procedures in 2007, Income Tax law in 2008, and Value Added Tax and Sales Tax on Luxury Good law in 2009, it will continue on the formulation and finalization of unfinished implementation regulation. However, there is still a case of abuse of power by some alleged DGT employees, followed by sharp criticism from various parties, have decreased public trust on DGT (Arnold, 2012: 28).

One of the strategies to enhance discipline enforcement, to create good governance practice and to maintain early detection of occupational wrongdoing at DGT is the development of whistleblowing system by creating internal complaint channel through e-mail and telephone, and public complaint facilities through call centre (Kring Pajak 500200) and e-mail (pengaduan@pajak.go.id). DGT published regulation as stated in the Director General of Tax's Rule No. PER-22/PJ./2011 initially on 19 August 2011. It is about "Obligation to Report Manipulation and Handle of Manipulation Reporting (Whistleblowing) at all of DGT units". To deliver the message of the rule so that it can be well understand and practice, DGT had been already socialized to all employee of DGT in all territory of Indonesia.

For the purpose of this research, a whistleblower is an employee of DGT who makes an authorised disclosure of information about criminal or irregular conduct in DGT. There must be effective protection of the identity of the whistleblower and there must be effective follow-up of all bona fide (in good faith) disclosures (Mail and Guardian, 2003). A full protection to whistleblower is one precondition for a reasonable whistleblowing system. Without it is applied by the system, whistleblowing system only results a dilemma. Dilemmas therefore arise from situation that necessitates a choice between competing sets of beliefs, values and principles (Vyas-Doorgapersad and Ababio, 2006:388).

The basic principle as a guide to make a right action and to forbid a wrong action that means in accordance with moral laws stated by organization is ethics. Whistleblower has ethics code as a guidance to report that the action is not appropriate with the ethics. DGT has ethics code of employee stated that is promulgation as a rule of minister of finance number PMK-1/PM.3/2007 in 23 July 2007.

Values are the conscious, affective desires or wants of people that guide their behaviour (Holtzhausen, Natasja. 2007:27). DGT has standard of values that stated in rule of minister of finance number PMK-312/KMK.01/2011. Each value has a special meaning and is expected to provide clear guidance in the life of each individual employee either in work or organizational unit. This values are translated in a tangible form of behavior. Translating the values is embodied in the finance ministry rules of primary conduct.

1.2. Purpose of the study

This study has two purposes, to seek insight into employee perceptions about understandable to regulation of whistleblowing system, values, ethics code of DGT and to explore insight into employee perceptions about protection of whistleblower that is stated in PER-22/2011, the follow up mechanism of reporting, the existence of whistleblowing system in DGT and the reward that is giving to whistleblower. This paper also hopefully can be to contribute in going research of good governance through transparency of organization by whistleblowing system.

1.3. Research question

This study develops several research questions as follow :

- What were the factors to support application and implementation of whistleblowing system in DGT?
- What were the role of the ethics code and values of ministry of finance to support whistleblowing system in DGT?
- What were the suitable factors and conditions for protection system of whistleblower and their families?
- How did the perceptions' employee about existence of whistleblowing system in DGT?

- What do employee of DGT wants as a reward of whistleblower?

2. LITERATURE REVIEW

2.1. Perceptions

Perception is a form of noninferential awareness of the sorts of things that we normally take ourselves to be aware of when we perceive, such as everyday objects and events. (Noe,--). Taking perception is responded by acceptance directly from something or process someone knows a few things through the five senses (Ludigdo, 1999). Perception includes receiving, organizing, and interpretation of the stimulus that has been organized in a way that can influence behaviour and shape attitudes (Retnowati, 2003).

There are several important factors that are special causes of individual differences in behaviour that is the perception, attitude, personality and learning (Gibson, 1979). Through understanding the individual perception, one can predict how individual behaviour is based on their perception of what reality is, not about what is reality itself (Retnowati, 2003).

2.2. Whistleblowing System

In the 1970s, researchers coined the term “mum effect” to describe the natural human reluctance to transmit bad news (Tesser & Rosen, 1975). One class of determinants of the mum effect is “the communicator’s unwillingness to bear various costs associated with transmitting bad news” (Tesser & Rosen, 1975, p.201). Whistleblowers are organizational members who disclose information about dysfunctional organizational activities to persons or organizations that may be able to address the problem (Dozier & Miceli, 1985).

Since most employees may be following a social norm of behaviour by not reporting corrupt activities, it can be very hard for any external enforcing agency to detect and sanction these practices. Consequently, corrupt activities can go on for many years without being detected. Since most of the employees may be complying with the established norm of behaviour, denouncing the illicit activities can be costly and typically implies punishments for whistleblowers (e.g., ostracism; retaliation, including being fired from the organization; or even physical violence) (villena and villena,2010:3).

2.3. Definitions

The Whistleblowing is disclosure by organization members (former or current) of illegal, immoral or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action (Miceli and Near 1984:689) It is also the most commonly accepted and widely used definition in related empirical research (Tavakoli et al. 2003).

The Council of Europe’s Civil Law Convention on Corruption requires that the whistleblower should have ‘reasonable grounds to suspect’ wrongdoing. There is general agreement on the fundamental point

that a whistleblower whose has reasonable grounds to suspect wrongdoing should be protected by law, even if he is mistaken. (Stephenson and Levi, 2012)

2.4. Characteristics

According of Barker and Dawood (2004:21) there are three aspects about whistleblowing, firstly, the perceptions of an employee in the organization of morally incorrect behavior, secondly, the communication of such perceptions to parties outside of the organization and thirdly, the perception of those in authority that this particular communications should not have taken place.

If we want to see the whistleblowing system from cost perspective, Villena and Villena (2010:28) explain that the costs of whistleblowing include the monitoring and transaction costs associated with actually reporting a public official to the government. Monitoring cost associated with government transparency and freedom of information legislation. It means more government transparency and freedom of information legislation points to reduced monitoring costs. Transaction cost associated with reporting a corrupt public official to the government. Formally established legal protection for whistleblowers have reduced the transaction costs for whistleblowers to report corruption.

2.5. Law of Whistleblowing System

Whistleblower laws are designed to protect and encourage voluntary policing of misconduct in public institutions by safeguarding and rewarding individuals who expose wrongdoings. In the United States, whistleblower laws have a long history and have been enacted by both the federal government and individual states. (Goel and Nelson, 2013:1)

The objectives of this legislation are relatively consistent and clear to facilitate public interest disclosures—that is, to encourage whistleblowing, to ensure that disclosures by whistleblowers are properly dealt with—that is, properly assessed, investigated and auctioned, to ensure the protection of whistleblowers from reprisals taken against them as a result of their having made the disclosure (NSW Ombudsman 2004; Brown 2006:5). A key difference between Whistleblower law provisions and other, more direct enforcement activities (e.g., police, judiciary) is that Whistleblower law acts are voluntary (Goel & Nelson, 2013:6).

2.6. PER-22/PJ/2011

Directorate General of taxation (DGT) regulated the whistleblowing system through stated of rule of director general of taxation number PER-22/PJ./2011 at August 11, 2011 about Obligation to Report Infringement and Handling Reporting Infringements (Whistleblowing) at Environment of Directorate General of Taxation.

PER-22 regulates obligation to report every infringement, how to report, the channel for reporting, follow up of the report, confidentially of reporting

identity, the rights acquired of rapporteur including the awards for reporting. Identification of the identity whistleblower shall be kept confidential by all employees who have the authority or office has a duty to receives, process, follow up on complaints, and manage system complaints, including but not limited to employees associated with the Award for Reporting. Keeping the secret of identity of the whistleblower shall not apply in the case of the whistleblower ask or choose not to remain anonymous.

In PER-22/2011, whistleblower has right of protection from retaliation be in the shape of administrative of officialdom adverse him or herself, from transfer of duties or mutation for a whistleblower or whom is reported in the case of any physical threats to the whistleblower, getting legal assistance in accordance with the applicable provisions in the Ministry of Finance, getting request of assistance to the protection of the Indonesian National Police in the case has been handed over to the Law Enforcement Agencies in accordance with applicable regulations, getting request of assistance to the Agency for protection in the event the case has been handed over to the Law Enforcement Agencies in accordance with applicable regulations.

The award given to whistleblower is charter award and promotion to the echelon IV, promotion nomination until the echelon II, mutation liking, special promotions or extraordinary, training or short courses, and / or special benefit performance maximum of ten times the amount of the reporting or other equivalent benefit.

2.7. The Codes of Ethics

2.7.1. Ethics

The concept ethics has its origin in the Greek word *ethos* and refers to the inner disposition, while *ethos* (without the accent) refers to morality. The world ethics refers to guidelines that direct the behavior of public sector employees and could also be referred to as moral laws (Andrews, 1987:7). The *ethos* (or the moral) should be supported by particular values and norms as well as an ethical code of conduct that is acceptable to society (Denhardt, 1988:31)

Ethics in public administration define as the collection of moral principles, norms, values and obligations that serve as conduct rules to be observed by political office-bearers and officials to ensure openness, courtesy, responsiveness, respect for the law, excellence, efficiency and economy (Cloete in Bauer, 2002:167). The method for creating a moral agency in public administration is a two-stage ethics training initiative framed by the unified ethic and designed to justify practices, policies and programmes in the light of values, and also to clarify such values such as fairness, honesty and loyalty (Garofalo, 2004:17).

2.7.2. Public Service Ethics

It is imperative that public officials act morally and ethically at all times, as this is in the interest of the

public at large, thus for the public good (Holtzhausen, 2007:115). The spirit of public administration activities is based on the moral base of benevolence to all citizens. Benevolence is specifically used in this context to illustrate that without benevolence, public administration would just be governmental work. The activities of public officials should be towards all and this could lead to an ethical spirit of public administration and management (Frederickson, 1997:234)

A public official needs to comprehend the ethical nature of his or her profession in terms of the promotions of the public good as well as the manner in which he or she fulfils this role. Good governance rest on ethical considerations (Robson, 1999:157). Thus, the morality and ethics of the public sector rest on the morality and ethics of public officials who do not put self-interest first, and who are true to the work and fulfill their duties in accordance with all the necessary resources, as the public has the right to expect (Hummel, 1998:885).

2.7.3. Code of Ethics

Code of ethics is a set of rules for behavior prescribed by a higher authority to a specific homogeneous group of employees (Dreyer, 1971:26). Ethics rules can take several forms, but a code of ethics, that is, a single document providing guiding principles for problem areas, is the most common. A code of ethics should be the starting point for a broad inquiry into the ethical dilemmas of an organization (Kernaghan, 1986:16).

Ethics in public sector are found in the ethical and moral behavior of public officials and are incorporated into a code of ethics. A code of ethics can be used to combat the following activities which are generally regarded as unethical in public administration (Mbatha, 2005:62). It is important to ensure that a culture of professional ethics is entrenched in the public sector and expressed by public officials in their daily conduct. An instrument such as the public service code of ethics should inspire confidence in public organizations (Sangweni, 2005:s.n).

The code of ethics for public officials is an indication of how important the government rates the role which such as a code can play as a measure against unethical behavior and corruption on the part of the public official (Mbatha, 2005:71). Public official need to know the basic principles and standards they are expected to apply to their work and where the boundaries of acceptable behavior lie. The legal framework is the basis for communicating the minimum mandatory standards and principles of behavior for every public officials. (Holtzhausen, 2007:154).

2.7.4. PMK-01/PM.3/2007

Directorat General Taxation (DGT) of Indonesia has been already stated the rule about ethics code for employee since 23 July 2007 through the stipulation of PMK-01/PM.3/2007. These rules is the provisions of

Article 2 and Article 10 paragraph (2) of the Regulation of the Minister of Finance number 29/PMK.01/2007 on Guidelines for Discipline Improvement of employee in the Ministry of Finance, as amended by the Finance Minister Regulation No. 71/PMK.01/2007. Employee ethics code of DGT, referred to PMK-01/2007 are the guidelines attitudes, behaviors, and actions that bind employees in carrying out the duties and functions as well as in day-to-day social life. Ethics code infringement are all forms of speech, writing, or act contrary to the code of ethics of employee.

According to PMK-01/2007, ethics code aims to improve employee discipline; ensure the maintenance of standar operating procedure; ensure the smooth implementation of the tasks and conducive working environment; create and maintain conditions of work and professional conduct, and improve the image and performance of employees. Code of ethics contains obligations and prohibitions employees in carrying out their duties as well as in day-to-day social life. (PMK-01, 2007:article 3 and 4).

2.8. Values

2.8.1. Values

Values are general standards by which people live, views about what is desirable. Values refer to ethical standards, and entail deep emotional dedication to certain cognitive views of the value of objects normally relating to human activity (Hilliard and Ferreira, 2001:93).

Values therefore indicate the importance allocated by the individual to activities experienced and provide the individual worth a guideline for personal conduct. Furthermore, human beings distinguish not only between positive and negative aspects, but also between themselves and other individuals in that they may think, feel and react differently from others (Honekom, 1997:10; Mbatha, 2005:35).

Every group of individuals develops norms and values pertaining to ethical conduct which enable the other members of the group to predict each other's behaviour. Norms and values aid more effective communication and also facilitate co-operation. Norms and values are a collective agreement about what is necessary to survive, what works and what needs to be done to ensure co-operation (Moeller, 1998:120)

2.8.2. KMK-312/KMK.01/2012

In order to realize the Ministry of Finance as the best government institutions, qualified, dignified, trusted, respected, and admired, it is necessary unification of existing values and spread in each echelon units of the Ministry of Finance that need to be the basis and foundation for the Ministry of Finance institutions, leaders and all employees in the service, work, and behave.

There are five values of Ministry of Finance. Firstly, integrity is contained in the meaning that the thought, saying, behave, and act, and leadership to do well and right and always uphold the code of ethics and

moral principles. Secondly, professionalism contained in the sense that the work, leader ship and all employees to do it with complete and accurate based on the best competence and full of responsibility and commitment. Thirdly, synergy is contained in the meaning that the Chairman and all employees is committed to building partnerships and ensuring productive internal and harmonious partnership with stakeholders. Fourthly, services contained in the sense that in providing services, leadership and all employees to do it to the satisfaction of stakeholders and implemented wholeheartedly, transparent, fast, accurate, and secure. Lastly, perfection is contained in the meaning that the chairman and all employees continue to make improvements in all areas to be and give the best. Implementation of value is embodied in primary behavior.

2.9. Protection of Whistleblower

2.9.1. Background

The first Convention to recognize the special role of whistleblowing in anti-corruption, and to broaden the protection to cover any unjustified sanction, was the Council of Europe's Civil Law Convention on Corruption (1999), which states (Article 9): 'Each Party shall provide in its internal law for appropriate protection against any unjustified sanction for employees who have reasonable grounds to suspect corruption and who report in good faith their suspicion to responsible persons or authorities'. (Stephenson and Levi, 2012)

The report concluded by setting out best practices in legislation, and made the important general point that 'governments should understand that witness protection laws are insufficient to protect whistleblowers, the main reason being that whistleblowers need protection from possible retaliation from the very moment they make their disclosures and not only when a case comes to court – something an effective whistleblowing mechanism might be able to avoid in many instances'(Stephenson and Levi, 2012).

Whistleblowing often carries significant costs, most of which stem from the possibility of retaliation against the whistleblower. Actual retaliation may include intimidation, defamation of character, death threats, job loss, and negative impact on one's career, all of which can exact a psychological and physical toll on the whistleblower's health. (Gundlach, Douglas, & Martinko, 2003).

2.9.2. Type of Protection: Secrecy

Secrecy provides an opportunity to cover up unethical conduct and can therefore be regarded as an ally of corruption, suppressing dishonest practices. A significant correlation exists between excessive secrecy, confidentially and an increase in incidents of corruption and maladministration. (Hilliard, 1994:221-222). Michael Davis (1988:4) explains secrecy identity of whistleblower is very important because the situation for whistleblower will be difference, no one

within the organization will be able to hear the whistleblower's name without thinking unpleasant thoughts.

We think the value of open reporting should be underlined. Legal protection is an important way to reassure workers that it is right to raise issues of public concern in the normal way, i.e. openly. (Stephenson and Levi, 2012) It is important to distinguish anonymity and confidentiality, which are often confused and used interchangeably. Besides this, research results indicate that auditors attribute lower credibility and allocate fewer investigatory resources when the whistleblowing report is received through an anonymous channel (Hunton and Rose 2011).

2.10.Existence of Whistleblowing System

2.10.1. Corruption and Whistleblowing

If the probability that a whistleblower will detect a corrupt public official is greater than the probability of detection by an external agency from the government, then the effect of whistleblowing on the stability of corruption can be quite significant (Villena and Villena, 2010:29). In line with Stephenson and Levi (2012) that in recent years, the World Bank, the OECD and the United Nations have launched new initiatives to improve governance, in the belief that a reduction in corruption can improve the growth trajectory of developing countries (Chassang and Miquel, 2013:4) (See Mauro (1995) for early work highlighting the association of corruption and lack of growth.

Shleifer and Vishny (1993) and Acemoglu and Verdier (1998, 2000) provide theories of corruption that introduce distortions above and beyond the implicit tax that corruption imposes. Growing micro-economic evidence confirms the importance of corruption issues affecting public service provision and public expenditure in education or health (see Olken and Pande (2011) for a recent review), while recent experimental evidence suggests that appropriate incentive design can reduce misbehavior (Olken (2007), Duflo et al. Correct policy design is essential to keep information channels open under the threat of retaliation, and we suggest ways to measure underlying corruption using only unverifiable messages. (Chassang and Miquel, 2013:5)

2.10.2. Existency Supporting

Whistleblower provisions have been attracting the interest of both state and federal law-makers in the United States, in their efforts to improve governance and reduce the abuse of public funds. The global prevalence of whistleblower laws, however, is somewhat limited. These laws strengthen voluntary efforts to expose corruption and graft in public sector operations. In the context of corruption, potential whistleblowers might be direct respondents in corrupt transactions or outside observers (see Lambsdorff (2002)). (Goel and Nelson, 2013:16)

The crucial role of whistleblowing in uncovering and deterring secret or unaddressed wrongdoing has been established in practice and acknowledged by

previous work. The Council of Europe's Committee of Ministers stated in its reply to the PACE in 2011 that it shares their view that whistleblowers play an important role in increasing accountability and strengthening the fight against corruption and mismanagement, and agrees that their protection must be secured. Research shows that most whistleblowers try the internal route first (Stephenson and Levi, 2012).

2.10.3. Reward of Whistleblower

In his research, Ilyas J. Rona (2012:1) explores that the recent revitalization of the False Claims Act (FCA) in United States of America is in large measure the product of improved incentives provided to whistleblowers and a narrowing of the restrictions that limit their ability to file suits. The successful expansion of the FCA has prompted the Internal Revenue Service (IRS) and the Securities and Exchange Commission (SEC) to adopt similar whistleblower-reward programs, thus making whistleblowers the cornerstone of the federal government's efforts to combat fraud.

Empirical evidence shows that this reliance pays off only when whistleblower incentives are adequate. In order for these incentives to remain adequate, the financial and non-financial burdens on whistleblowers must be examined to ensure that whistleblowers are not dissuaded by the fear of financial or personal ruin. Furthermore, Rona (2012:22) writes while the financial incentives to become a whistleblower are attractive, empirical evidence shows that they are not paramount.

3. RESEARCH METHODOLOGY

3.1. Research Design

Qualitative research tried to reveal symptoms thoroughly and according to the context (holistic-contextual) through the collection of data from natural background by utilizing self-researchers as a key instrument (Mage and Priyowidodo, 2005) in other words, aims to research and find information as much of a phenomenon (Hariwijaya and Triton, 2005).

Research on the experience of one's mind to an event is the main aim of this research. It is in line with Kaelan's (2012:10) notion that ones of the qualitative research paradigm is that human beings are unique and multidimensional, therefore, human beings with all their cultural patterns may not only be subject to restrictions that certain (exact). As a material object of science, human action toward objects, actions, activities and communication with other human beings always embodied the meaning of quality. Therefore, in the study, the researchers not only observe things that are external, but he had to enter the minds of people who are constantly holding inference or interpretation of what was said or done. Morse (1994) explains qualitative research requires the researcher to enter into dialogue with others to gain experiential descriptions from which transcripts are derived and examined. Phrases from the transcripts are sought that

reflect respondents' perspectives. These are then synthesised to identify common structures of experience (Morse, 1994). These structures then provide the researcher with an understanding of the research object upon which later theory can be developed. Behavioral observations or actions of a person research is a particular phenomenon or situation inherent in qualitative research than a quantitative research method.

3.2. Data Collection Methods

This research used three step data collection methods. Firstly, in this study collected primary data and secondary data. Primary data is the data collected in the study was obtained from both the first source of the individual as a result of the questionnaire which was conducted by researchers. In this study data collection is done by using the survey method with list questionnaires sent by email to the respondents. Limiting of time and cost, the author used open question to replace gathering information from interviewing method. Secondary data is primary data that have been processed further and has been presented by the other party. Secondary data collection is done through scientific papers, journals and collection of information from newspapers and magazines are collected via the library, the internet and other places.

Questionnaire method used was the list of written questions in directly questionnaire sent directly to the respondents to get their perceptives. Types of questions asked in this study are closed and open. Most of the questions were designed to be closed-ended (multiple-choice) to fit with the objective of these research and the rest was open-ended to support the closed-ended questions with explanation of their perceptive. Another objective of open question is as indirect in-depth interview to substitute direct interview because of the limited of time and cost. Secondly, the questionnaires was sent to employee and collected from the levels of echelon III managers, echelon IV managers, tax auditors, assessment functional employee and employee staff in different areas in order to obtain various perceptions. In these methods, the respondents were advised to disclose their names or personal information for confidentially purpose. Collection, classifying and summarizing the results was done from April to July 2013. Lastly, primary data from literature were obtained from Directorate General of Taxation's website, journals, Indonesian government regulations and the others resource reference through internet or published books.

In qualitative research, which took the material objects literature, the first step is to read symbolically. New researchers to map the elements to be studied based on library research. Therefore, at the symbolic level, not necessary a thorough literature study but catching a synopsis of the literature, the chapters that compose, sub-chapter to the conclusion and solution. The second phase was read at the semantic level.

Researchers began collecting data by reading more decomposed, detailed and captures the essence of the data. At this stage of the analysis process began in the data that has been collected and for its relevance to the research being conducted. Data recording process is done from the analysis, can include several different types depending on the characteristics of the data. The first type is noted by quotation. This is the type of recorded data from the data source by quoting directly, without changing a word of the data source, or in other words, without changing a word of the author, who wrote the work (Nazir, 1998:124). The second type is noted in paraphrase, that capture the essence of data is then recorded on a data card, using sentences or words compiled by researchers themselves (Nazir, 1998:124). The third type is recorded in the synoptic, which is done by making an overview or summary (Nazir, 1998:124).

3.3. Research respondents and data analysis

To elaborate different perceptive so that enrich the idea and opinion, this study involved 126 respondents from different locations including those who worked in central office, regional and district offices. Among those respondents, as many as 40 respondents gave their perceptions through questionnaire method. The percentage respondents who gave their perceptions is very small if we compare the sum of employee who give their perception with the total employee of Directorate General of Taxation. From beginning this research did not intend to make generalisation, a small sample size can be said to appropriate. The research can be done in a small group therefore the big sample size is not prerequisite (Trumbull, 2005:104). Furthermore, the aim of qualitative sampling is not to create a representative sample, but more to reflect diversity (Kuzel, 1992; mays and Pope, 1995 cited in Barbour, 2008:53).

The data from respondents is combined with the participant observation. Kaelan (2012:102) explains that participant observation is a tool of strategy in research with objective to obtain comprehensive data. It is done by developing the deep familiarity with the members of group and their behaviors through intensive involvement in their nature's environment. In this observation, the researcher determines the objective of the research and takes place of himself as the object of the research (Satori, 2009:117). Susan Stainback (1998) explains that in participant observation, the researcher observes what people do, listen to what they say, and participates in their activities. In these research, the researcher acts as a full participation that means the researcher as observer to be full member of the group that was observed (Junker (Patton, 1980:131-132, Satori, 2009:118). Spradley (1980) explains that the researcher is doing componential analytic faced to subcategory and founds a characteristic, contrast, similarity or differences among category and relationship between one category and the others category. The open-ended questions was separated

from the multiple choice questions. According to Patton's (2002:463) notion (cited in Prasetyo, 2012:45), the responses from the open-ended questions were coded according to their categories of information as the first stage of data analysis. After all responses were categorised and coded, the next steps were looking for the patterns and connections both within and between categories. Assessing the patterns of similarities and differences respondents' responses were necessary in order to understand why people responded in particular ways. When all patterns and connection between multiple-choices questions and open-ended questions had been assessed, the further stage was interpreting data and connecting with the literatures.

In data analyze of literatures, there are a process to arrange sequence of data, organize them in a pattern, category and description of the basic unit. Researchers also conducted an interpretation and the interpretation of the analysis process, explaining the pattern or category, search for relations among the elements with other elements and then formulate findings grounded theory (Patto, 1980). Kaelan (2012:175) describes the interpretation of results through a process of inductive analysis though, but not to generalize, as is done in quantitative research, because the cultural phenomenon that is contained in the reality of life is difficult to conclude based model of inter-relationships between quantitative variables. The process of data analysis is data reduction, data classification and data display.

4. RESULTS AND FINDINGS

In doing inference analysis of qualitative data, not just a result of an inductive process alone, but also an intuitive interpretation process by direct observation based on his own experience as a part of object of research to find a description of the logical clarity of a material object of research. The perception of respondent is conclusion to some object created by the live experience that formed through the five senses. The perception of a member of organization about the rules that established by the employer formed by good communication and socialization by top management to deliver the aims and objectives and the operating procedures but it will be combined with the knowledge, confidence, norms and values from each employee.

4.1 Employee Perceptions about the whistleblowing system in DGT

Regarding the first group of questions of how much level of understanding and knowing of employee of DGT that PER-22 as law that makes provision for mechanisms or procedures in terms of which employees may as whistleblower, without fear of reprisals, disclose information relating to suspected or alleged criminal or other irregular conduct by their employers and put down degree of the dilemma of employee, it was perceived indifferently among respondents.

The perceptions' respondents about knowing and understanding, the intention and the goal, the channel to report, the procedure to report, obligations conceal identity except for special requirements, strong evidence as a prerequisite to reporting the wrongdoing are 90 % in average understanding and knowing all that parts. Otherwise, the perceptions' respondent that DGT has a protection and reward mechanism for whistleblower or in other word, enough protection for someone to be aspersion reported in the whistleblowing system in DGT are only 60 % in average. If we took opinion of Thompson (1992:981), it means the respondents who will be a whistleblower have a dilemma or psychological conflict to report wrongdoing situation when whistleblower has not enough trust to the system especially the protection and reward mechanism.

According to perceptions of respondents in virtual interview about what is mechanism not clear or exist at whistleblowing system of DGT on PER-22/PJ/2011, there are some perceptions. The protection of whistleblower must be more specific. It is not clear yet how to measure what is accurate prove of wrongdoing or infringement. It is necessary to make the mechanism to give any type award for whistleblower especially from internal that could be make a prejudice from others employee meanwhile in the same time the reward system must keep secrecy identity of whistleblower. Unclear of protection for whistleblowers and their families will be tend to 'silence organization'. In addition to the whistleblowing stream of literature, there is also a small, but related, body of literature that has begun to emerge around "organizational silence" (Morrison & Milliken, 2000). Unlike whistleblowing, which in a narrow sense applies only to situations involving wrongdoing, organizational silence includes withholding of information about potential problems or issues by employees. Morrison and Milliken (2000, p. 706) observe that "many organizations are caught in an apparent paradox in which most employees know the truth about certain issues and problems within the organization yet dare not speak that truth to their superiors." Although some interesting theoretical work has been done on organizational silence, most of it remains untested empirically. They theorize that employees pick up on these cues "about the safety of speaking up" and will remain silent if the cost of exercising voice is perceived to be too high (Morrison & Milliken, 2000, p. 714) (Keil, Tiwana, Sainsbury and Sneha, 2010).

To maintain understanding and knowing as the first level of implementation and application the whistleblowing system in DGT, from benefit-to-cost differential view developed by Keil, Tiwana, Sainsbury and Sneha (2010), there are the three most potent factors that are very much under the control of senior management—trust in supervisor, management responsiveness, and organizational climate conduciveness—all have something in common, namely that they can affect both the costs and benefits

in the benefit-to-cost differential construct. After all, senior management can (i) recruit and provide training to supervisors, (ii) choose to be responsive to the concerns reported by whistleblowers, and (iii) create an organizational culture that is conducive to whistleblowing in which bad news does not “get you killed.” On the benefit side of the differential, it may be advisable to create clear incentives for employees who bring forward information that could help resolve issues more quickly.

DGT as one of the government must support and encourage the legislative or the others agent of government that have obligation to make proposal of law to make the law of whistleblowing to increase the power of law of whistleblowing system, protection of whistleblower and certainty of law according to sort order in Indonesian laws and regulations in accordance with law No. 12 of 2011 that are the basic law of 1945 (UUD 1945), MPR decrees (TAP MPR), regulations replacement legislation (UU/Perpu), government regulations (PP), presidential decree (Perpres), provincial regulations and local regulations or city district (Perda).

From the structure and scope of PER-22/PJ./2011 about whistleblowing system law, it is designed to protect and encourage voluntary policing of misconduct in public institutions by safeguarding and rewarding individuals who expose wrongdoings. The objectives of this legislation are parallel with the previous research by Brown (2006:5) and NSW Ombudsman (2004a) that the objectives of law are relatively consistent and clear to facilitate public interest disclosures—that is, to encourage whistleblowing, to ensure that disclosures by whistleblowers are properly dealt with—that is, properly assessed, investigated and auctioned, to ensure the protection of whistleblowers from reprisals taken against them as a result of their having made the disclosure.

4.2 Code of Ethics and Values

The perceptions' employee of DGT as respondents that have already known and understand the obligations and prohibitions according to code of ethics is 90 % from participant. From this perceptive, it means the respondents have given sign that they are realize the importance of ethics code. This is in line with Esterhuy (1991:11) that ethics code is not only the ethical conduct of public officials, but also of the importance of ethics for the organizations within which public officials act.

The perceptions' employee of DGT as respondent about assessing the employee behaviour that is right or wrong based on ethics code is 86 %. This result is parallel with the statement by Kernaghan (1996:16) that ethics are concerned not only with distinguishing right from wrong and good from bad but also with the commitment to do what is right or what is good. Furthermore, this is consistent with Mbatha (2005:62) and Sangweni (2005:s.n) that a code of ethics can be used to combat the following activities which are

generally regarded as unethical in public administration and it is important to ensure that a culture of professional ethics is entrenched in the public sector and expressed by public officials in their daily conduct.

The perceptions' of respondents that the obligations and prohibitions in ethics code has already clear and complete is 88 %. Most of the participant have perceptive that ethics code of DGT has already clear and complete. Based to the theory by Dreyer (1971:26) that code of ethics is a set of rules for behaviour prescribed by a higher authority to a specific homogeneous group of employees and Holtzhausen (2007:154) that public official need to know the basic principles and standards they are expected to apply to their work and where the boundaries of acceptable behaviour lie and what their rights and obligations are in terms of exposing authentic or suspected wrongdoing within the public sector, such as clear rules and procedures for officials to follow, and a formal chain of responsibility, it is already clear stated the rule about ethics code for employee since 23 July 2007 through the stipulation of PMK-01/PM.3/2007 about the obligations and prohibitions and this is in line with the perceptions' respondents.

The perceptions' of respondents that have already known and understand the values of Finance Ministry is 90 %. It means that the respondents have perceptive that already known the values of Finance Ministry stated by regulation. Values refer to ethical standard that is direct to ethics code, according to Hilliard and Ferreira (2001:39) is entail deep emotional dedication to certain cognitive views of the value of objects normally relating to human activity. Values are the bottom line of mind set of every member of community to act, to assess and to make a decision or judgment. Values of Finance Ministry have been translated to daily behaviour through obligations and prohibitions in ethics code of DGT and primary behaviour. This is consistent with 86 % of the perceptions' of participant that the values of the Finance Ministry have been spelled out in the main rules of behaviours as a guide to behave.

83 % of respondents have perceptive that they assess behaviour of DGT employee that is right or wrong based on the existing main rules on the behaviour of the values of the Ministry of Finance. This findings was consistent with the statement of Honekom (1997:10), Mbatha (2005:35) and Moeller (1998:120) that values therefore indicate the importance allocated by the individual to activities experienced and provide the individual worth a guideline for personal conduct and every group of individuals develops norms and values pertaining to ethical conduct which enable the other members of the group to predict each other's behaviour.

From the perceptions' respondents about the statement that believing the standard of behaviour on the code of ethics and values of the Ministry of Finance in the DGT is the basis for assessing behaviour is right or wrong is 76 %. From this perspective, the

perceptions' respondents is relating with the whistleblowing system as whistleblower who acts to make judgment of employee behaviour. The respondents of this research are employee DGT that in fact is as public officials. Holtzhausen (2007:115) and Frederickson (1997:234) have stated that it is imperative that public officials act morally and ethically at all times with the spirit of public administration activities is based on the moral base of benevolence to all citizens. Benevolence is specifically used in this context to illustrate that without benevolence, public administration would just be governmental work. The activities of public officials should be towards all and this could lead to an ethical spirit of public administration and management. As public officials, sometime in certain circumstances or dilemma, they have looked the wrongdoing or something happened doing wrong that is based on ethics code and values, and in the same time he or she must act as whistleblower to report these. One of ethical act as public official is as whistleblower, meanwhile as statement of Kernaghan (1996:3-5) that public officials might even at times experience conflict between his/ her ethical preference and the demands of organization on the other stated in rule of ethics code. Because of that, Natasja Holtzhausen (2007:110) was stated that whistleblower may struggle between knowing of some form of wrongdoing and believing that it should be exposed on the one hand and loyalty to the person or group committing the wrongdoing on the other.

Through virtual interview, according obligations and prohibitions of ethics code of DGT, most of respondent have perceptions that ethics code, values and the main behaviours are already clear and the others respondents have perceptions that the rulers must make more clearly guidance to accommodate daily behaviour, for example, prohibition for employee to receive a free charge of transportation from tax payer when the employee of DGT make a visit to location of tax payer meanwhile taxi budget is limited.

Ethics and values are interrelated. Ethics is built by moral principles, norms and values. Ethics code of public administration is a collection of moral principles, values and norms with considering the vision and mission of the public administration. Ethics code is formed by a social community. Relationship between individuals in a community is formed through ethics code that has been set as together consensus to form the specific culture of the community. Every member present in the community would have to be subject to ethics code. This is consistent with the statement of Okedhji in Nethonzhe (2002:16-24) who has stated that the community has supreme power over the individual and the individual's first priority should be to serve the community through communal service.

Basic of behaviour that is perceive in one of community legalized into legal framework shall a guidance to make a justified of public official behaviour. Employee of public entities who act to be

whistleblower must have same manual book to be a holy book of code of ethics stated into clearly regulation so that he or she has minimum requirement of perception as a prerequisite condition to justify illegal or wrongdoing action.

4.3 Protection of Whistleblower

The perceptions' participant about the protection of whistleblower according to faith of sufficient protection for the whistleblower on whistleblowing system in DGT is only 48 %. A low level of confidence respondents against whistleblower protection could be caused by several things happening simultaneously. Firstly, it is seen by the perceptions' participant about level of sufficient protection for the family of whistleblower on whistleblowing system in DGT that is only 45 % of participant has good faith to the system. Secondly, this is in line with the perceptions' participant about the confidentiality of the identity of a person as a whistleblower that will always be maintained is only 50 %.

Otherwise, from others option to keep secrecy of whistleblower, 86 % of the participant has perceptive that the whistleblower shall notify his or her identity when reporting a case. According to Stephenson and Levi (2012), it is still arguable that it is necessary to expose the identity of whistleblower when reporting wrongdoing but from other side, secrecy identity of whistleblower will lead to increase of defamatory reporting. The respondents have assume that the truth of the report can be accounted is more important than secrecy identity of whistleblower when make a report of wrongdoing.

90 % of participant has perceptions that it needs to be a clear statement for whistleblower and the family about the security assurance at the time reported a case and for certain cases or situations, the whistleblower needs sufficient protection from the State Police or LPSK, although the case has not been assigned to Law Enforcement. The respondents have perceptive that they need more action to increase the level of protection to whistleblower. This result is parallel with the low confidence of respondents with the protection of whistleblower at this time.

The perceptions' participant that there is a need for sufficient protection for whistleblowers from retaliation that are personnel administration, although there has been a change in leadership or organizational structure in DGT is 93 %. In other side, the perceptions' participant that there are clear procedures for whistleblowers to report an official who abuses of power and / or use the authority to carry out actions to make retaliation is 79 %. For needing a mechanism or an additional clause to increase the protection to the whistle blower, 83 % of perceptions' participant has agreed with this statement. The perceptions' participant about procedures for reporting and follow-up reporting rights contained in whistleblowing system in the DGT has clear, complete and adequate is only 67 %.

The perceptions' participant is parallel with previous research by Stephenson and Levi (2012) that the study based on the 26 members of Europe union in 2009 who replied to a questionnaire concluded that most 'have no comprehensive laws for the protection of "whistle-blowers", though many have rules covering different aspects of "whistleblowing" in their laws governing employment relations, criminal procedure, media, and specific anti-corruption measures'. The report concluded by setting out best practices in legislation, and made the important general point that 'governments should understand that witness protection laws are insufficient to protect whistleblowers, the main reason being that whistleblowers need protection from possible retaliation from the very moment they make their disclosures and not only when a case comes to court – something an effective whistle-blowing mechanism might be able to avoid in many instances'.

From the perceptions' respondents, it is conclude that periodically reporting of action in whistleblowing system will be maintain confidentiality of whistleblower identity. Otherwise announcing case per case in whistleblowing system will lead to prejudice the internal circle employee of this case. The whistleblowing system usually involves employee as whistleblower that closed to the wrongdoing or the internal circle employee of the suspect. The effect of this phenomenon will make the whistleblower in dangerous situation.

From the virtual interview, researcher concludes that DGT must make more effective communication channel to spread the information of whistleblowing system especially for protection of whistleblower. Meanwhile, the rule of whistleblowing system in DGT according to my research has applied one concept under the Whistleblower Protection Act (United States of American Law) that the employer has the burden of proof of detriment. But, independency of investigator is quite different because the investigator of whistleblowing system in DGT even in form of team indirectly still under control of employer.

In relation with the cost of whistleblowing system theorized by Villena and Villena (2010), regulation of whistleblowing system through PER-22/PJ./2011 has decrease transaction cost by regulated the legal protection of whistleblower inside of that's rule but it is still not make enough faith for the employee to report the wrongdoing according to the result of questionnaire that only in 60 % of respondent have perception that there is have enough protection for someone to be aspersion reported in the whistleblowing system in DGT. In monitoring cost, The DGT transparency through financial statement, performance reporting in all aspect, publishing the latest regulation in all media and the freedom for stakeholders to get all of them freely and easily in periodically can reduce monitoring cost for whistleblower to report the wrongdoing.

4.4 Existence

Measuring the existence of whistleblowing system through the perceptions' participant about choosing the system, providing the positive effect and reducing the wrongdoing. 76 % of participant has perception that they will choose the whistleblowing system in the DGT in reporting a case than through other means or external path. Perceptions' participant about Whistleblowing system will provide a positive effect for DGT on future is 88 %. The respondents have a good faith that Whistleblowing system will reduce actions that are not in accordance with the code of ethics and values espoused DGT through 86 % agree of this opinion.

The whistleblowing system has extra point to against the corruption crime because it makes an early detection than the other ways especially from external, and plays an important role in increasing accountability and strengthening the fight wrongdoing and mismanagement. This is in line with Goel and Nelson (2013:16) that insiders are among the few people who are able to report cases of corruption (past or ongoing) and identify the risk of future wrongdoing. By helping to detect corruption cases, whistleblowers play a critical role in converting a vicious cycle of secrecy into a virtuous cycle. Detection of corruption is a pre-condition to initiate related investigations and prosecution. However, only if corruption cases are effectively prosecuted can a culture of corruption change.

Majority of perceptions' respondents agree existence of whistleblowing system. Helping DGT to watch behaviour employee, every employee will be more orderly and professional in service aspect, decreasing intention of employee to break ethics code and primary behaviour, increasing trust of people to DGT or giving good impression of community, improve performance and morality of DGT, increasing self control behaviour by him or herself, deterrent effect for employee to break the rule.

Voluntary of whistleblower is the key success of whistleblowing system. This is in line with Goel and Nelson (2013:6) that a key difference between Whistleblower law provisions and other, more direct enforcement activities (e.g., police, judiciary) is that Whistleblower law acts are voluntary. The perception of employee to legislation is measured by the faith of employee that disclosures by whistleblowers are properly dealt with—that is, properly assessed, investigated and auctioned to ensure the protection of whistleblowers from reprisals taken against them as a result of their having made the disclosure according to NSW Ombudsman (2004a) and Brown (2006:5). Strengthen voluntary effort of whistleblower must be built by good law of whistleblowing system especially the mechanism of reporting, protection of the whistleblower and his or her family, follow up the report and reward to the whistleblower.

4.5 Reward

The result of the questionnaires about the reward were 1. Most of the perceptions' respondents (67 %) choose award to whistleblower is mutation or rotation; 2. The second thing of the participant choosing is promotion or special promotion (53 %); 3. The third one of the perceptions' participant choosing about the award to whistleblower is training or short course (43 %); 4. The prize money to award the whistleblower is the last option of the respondents with 31 % agree with this and only 45 % from them has perception that the amount of prize money promised benefits for specific performance TKPN maximum of ten times the amount of the reporting or other similar benefits will be sufficient.

The results of most of the respondents' perceptions about the reward for whistleblowers tend to mutation or rotation. DGT must be concern and appreciate these results. According to literature, whistleblowing system is the effective way to against fraud, so Ilyas J. Rona (2012:1) argued that the whistleblower's perspective must be carefully examined to ensure that whistleblower incentives remain appropriate. Micelli and Near (1985) stated that the most actual benefit for the whistleblower and organization is the cessation of wrongdoing and improvement in the workplace environment or resolution of a perceived problem. Transparency International recommends that whistleblowers should receive some kind of professional or social recognition for having prevented excessive harm to the organization or society.

However, the results were not in line with the literature research by Rona (2012:22) which only by ensuring adequate financial incentives to whistleblowers can the government continue its recent success at recovering the billions lost to fraud annually. It concludes that the financial reward is the most popular reward for whistleblower but the perceptions' participant is totally difference. In other research from Villena and Villena (2010:29), that could be in line with the perceptions' respondents that a high level of economic incentives for whistleblowers can increasingly induce corrupt agents to become what we have called corrupt whistleblowers, which, in turn, can make honest behavior and honest whistle-blowing behavior less economically attractive. In contexts in which marginal monitoring costs, monitoring cost associated with government transparency and freedom of information legislation, are a diminishing function of the corrupt bureaucrat population, economic incentives for whistle-blowers can make corrupt behavior less economically attractive and, therefore, the corruption equilibrium becomes less stable in the organization. By contrast, whenever marginal monitoring costs are an increasing function of the corrupt bureaucrat population, economic incentives for whistle-blowers can make corrupt behavior more attractive in economic terms and, therefore, make the corruption equilibrium more stable in the organization. Consequently, a policy

recommendation in order to adequately design economic incentives for whistleblowers would be to investigate in detail monitoring costs in different settings.

5. CONCLUSIONS

This study revealed the factors to support and to hinder implementation the whistleblowing system in DGT through the role of ethics code, values of ministry of finance, protection and reward of whistleblowers. High awareness of respondents about the rule and the importance of whistleblowing system are the strongest drivers to support whistleblowing system at DGT. Among other things, ethics code are concerned not only with distinguishing right from wrong and good from bad but also with the commitment to do what is right or what is good was in the supporting factor to be basis to evaluate by whistleblowers. Values are the bottom line of mind set of every member of community to act, to assess and to make a decision or judgment. Values of Finance Ministry have been translated to daily behaviour through obligations and prohibitions in ethics code of DGT and primary behaviour. The high awareness of employee about values must be followed by socialization using values of ministry of finance as a guidance to evaluate and the employee who act to be whistleblower must have same manual book of ethics code and values stated into clearly regulation so that he or she has minimum requirement of perception as a prerequisite condition to justify illegal or wrongdoing action.

The low confidence of employee about protection to the whistleblowers and their family must be follow by implementation the new initiatives. DGT should encourage and support the national legislation for the whistleblowing system and especially about the protection of whistleblowers. Whistleblowers must be protected not only from retaliation of internal the organization but also a crime from outside in the form and under any circumstances and it is necessary for the existence of specific legislation for whistleblowing system. It needs a procedure to make a clear statement for whistleblower and the family that there is a security assurance at the time reported a case and for certain cases or situations and sufficient protection from the State Police or LPSK, although the case has not been assigned to law enforcement. The others initiative to increase the confidence of whistleblowers that it needs a procedure periodically reporting of action in whistleblowing system will be maintain confidentially of whistleblower identity. Otherwise, announcing case per case in whistleblowing system will lead to prejudice the internal circle employee of this case. The whistleblowing system usually involves employee as whistleblower that closed to the wrongdoing or the internal circle employee of the suspect. The effect of this phenomenon will make the whistleblower in dangerous situation. DGT must make more effective communication channel to spread the information of whistleblowing system especially for protection of whistleblower. Meanwhile, the rule of

whistleblowing system in DGT according to my research has applied one concept under the Whistleblower Protection Act (United States of American Law) that the employer has the burden of proof of detriment. But, independency of investigator is quite different because the investigator of whistleblowing system in DGT even in form of team indirectly still under control of employer.

DGT as one of the government must support and encourage the legislative or the others agent of government that have obligation to make proposal of national law to make the national law of whistleblowing to increase the power of law of whistleblowing system, protection of whistleblower and certainty of law according to sort order in Indonesian laws and regulations in accordance with law No. 12 of 2011 that are the basic law of 1945, MPR decrees (TAP MPR), regulations replacement legislation (UU/Perpu), government regulations (PP), presidential decree (Perpres), provincial regulations and local regulations or city district (Perda).

From the reward of whistleblower, high levels of human curiosity as the instinctive urge of human nature to always seek out the things that are confidential both public and private confidential. So also with the whistleblowing system, when the arrest of an employee for taking bribes due to under-reporting by whistleblowers in whistleblowing system, then the first thing want to be known by every employee who is the whistleblower that are those contained in the small circle of reported directly related to the activities the bribery. This is what will endanger the safety and future of the whistleblowers themselves from threats and retaliation. Therefore DGT must take careful in giving the reward to whistleblowers. The most liking reward to whistleblowers is is mutation or rotation. The second thing is promotion or special promotion. The third one about the award to whistleblower is training or short course. The prize money to award the whistleblower is the last option. Finally, This study concluded that as many 90 % of respondents have had awareness of the whistleblowing system. Existence of whistleblowing systems in the DGT was perceived by respondents to have a positive effect in the future. However, it needs for further understanding of the basic assessment to employee behavior is a code of ethics and values of the ministry of finance and the low confidence of respondents to the system of protection for whistleblower in whistleblowing at DGT.

6. IMPLICATIONS AND LIMITATIONS

6.1. Implications of the study

The aforementioned findings and conclusions implied that this study suggests to keep existence of whistleblowing system in DGT, based on the study participant perceptions, firstly, continuously socialization and campaign of ethics code and values of ministry of finance as guidance to evaluate employee behaviour which supervised by code of conduct committee, secondly, it needs to improve standard

operating of procedure of protection to whistleblower in whistleblowing system at DGT, especially clear statement of protection when reporting, periodically statement of whistleblowing system implementation and right timing and lining to give reward to whistleblower according to secrecy identity of whistleblower. Thirdly, to give a appropriate reward to whistleblower, the employer must be considering to the needs of whistleblower. Fourthly, the lack confidence of respondents as employee of DGT to the protection in whistleblowing may indicate the failure of communication channel to spread the information of the protection, so that it needs strategy how to communicate the whistleblowing system especially for the protection because the act of whistleblower is based on voluntary which is affected by perception of whistleblower. In the future, based on the literature research, it suggests to initiate independent investigator that have a "distance" with the employer and involves taxation supervisory committee which is established by the Minister of Finance. DGT should encourage and support the national legislation for the law of whistleblowing system and especially about the law of protection to whistleblowers. Fifthly, in relation with cost of the whistleblowing system especially for protection, to support this system, DGT must reduce monitoring cost through transparency of financial statement, performance statement in all aspect, publishing the latest information and regulation in all media and the freedom of stakeholders to get all of them freely and easily. Finally, the high level of awareness of respondents as employee of DGT to whistleblowing system at DGT should be perceived as an capital to be the better agent of government in the future.

6.2. Limitations of the study

This study have some limitations regarding to some limitations in time, cost and capability of the researcher to obtain, to classify and to summarize the practical and theoretical matters. It needs further research to know exactly in comprehensive study why the level of confidence of respondents as employee of DGT to protection in whistleblowing system at DGT is low. This perceptions' study would be have difference conclusion, if it were done in the future because the perception of respondents will be change by the time. These research ignore the awareness of that perception itself. Researcher didn't make a validity of awareness of respondent that valued by degree of perceptual experience that provides about information.

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