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The Relationship of Professional Commitment of Auditing Student and Anticipatory Socialization toward Whistleblowing Intention

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Abstract

The purpose of this research is to obtain the empirical evidence about the influence of professional commitment of auditing student and anticipatory socialization to the whistleblowing intention in Pekanbaru. This research population is all students who have taken auditing subject and the entire population chosen as research sample. Data were analysed by multiple regression using SPSS software. A total of 69 questionnaires distributed to students - students who have taken auditing in Pekanbaru, and the 52 questionnaires that can be processed (75%). The results indicated professional commitment of auditing student impact on whistleblowing intention. While no effect on the anticipatory socialization to whistleblowing intention.

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Keywords: professional commitment; anticipatory socialization; whistleblowing intention

1. Introduction

The cases of accounting manipulation are one of the leading causes of public doubt to the professionalism of the accounting profession. The Scandals of Enron, WorldCom, and KPMG in the United States in the early 21st century have influenced the perception of the users of the reliability of financial reports (Elias, 2008).

In the case of Enron, Enron manipulating the financial statements of the company for the company's performance look good. Enron manipulate earnings to mark-up revenue of \$ 600 million. At that time, some internal auditors working in the company failed to report unethical mechanism occurring in the company because they fear it could jeopardize his career and threaten their safety, though it jeopardizes the company, investors and the value of the company.

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Other companies were experiencing the same thing with Enron is WorldCom. At the company, WorldCom, fraud occurs revealed by someone from within the company itself. WorldCom case began when the stock price from \$ 150 billion in 2000 fell to \$ 150 million in 2002. In the report, WorldCom acknowledges that the company classify network cost as their capital expenditures. In May 2002, the auditor of Cynthia Cooper reports the matter to the head of the audit committee Maxx.

The impact of the WorldCom and Enron cases forced the US capital market regulator issued a regulation to wit the Sarbanes Oxley Act of 2002 (SOX). Through SOX public companies are required to apply the procedure for handling complaints (whistle-blower). Enterprises are encouraged to develop a whistleblowing policy and this policy is used as part of the internal control system (Brennan and Kelly, 2007).

Elias (2008) examines the relationship between professional commitment and anticipatory socialization with ethical orientation on accounting students. The results suggest that the relationship of professional commitment and anticipatory socialization, which run through the perception of the financial reporting, suggests that accounting students who have higher commitment and perception on the importance of financial reporting tends to consider the action raises questions as in violation of ethics so that they are reluctant to undertake such actions, compared to students who have lower commitment and perception of the financial reporting.

In Indonesia, research on students' perceptions of whistleblowing made by Gani (2010) which analyses the professional commitment and anticipatory socialization among the students of Professional Accounting Education (PPA) and the differences in the level of commitment of Professional Accounting Education (PPA) in relation to whistleblowing. Results showed that the level of professional commitment on accounting student (Non-PPA and PPA) positive effect on their perception of the importance of whistleblowing and the desire to do whistleblowing.

Rani (2009) conducted a study to determine the relationship of accounting student attitudes regarding the reporting breaches (whistleblowing). Accounting students attitude in the form of professional commitment and early socialization (proxies perception of violations of the financial reporting) tested plan to do with perception and reporting of violations. The results showed that accounting students approaching graduation with higher professional commitment and perception of financial reporting, more receptive to reporting as an important thing and more likely to report violations.

We can see in previous research that has been done, the study focuses on students who have not worked, so in this study, the research object is regular students who have taken auditing and ethics of conducting regular lectures night (student working in the morning) compared to students who have taken auditing and ethics of conducting regular lectures in the morning.

2. Literature review

2.1 Professional Commitment

Professional commitment is defined as a commitment established by a person through his profession (Aranya et al., 1982, in Elias, 2008). Somebody with professional commitment trust and accept the purpose of the profession as well as the desire to make efforts in order to achieve the purpose of the profession without being asked. The statement was supported by Sorensen and Sorensen (cited by Kaplan and Whitecotton, 2001) that the commitment of the profession is a form of dedication to the profession and the professional career and the acceptance of professional ethics and organizational objectives. Furthermore, Mowday (cited by Faisal 2007 in Rani, 2009) indicate that the professional commitment refers to the strength of an individual's identification with the profession.

Elias (2008) and then conducting a study on the relationship of professional commitment and anticipatory socialization to whistleblowing on accounting students in final semester. The results showed a significant association in all variables. The higher the level of professional commitment and anticipatory socialization of students, the higher their tendency to consider whistleblowing becomes an important thing, and the higher the likelihood they do whistleblowing.

H1: Professional commitment effects on whistleblowing intention.

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