The Role of Organizational Justice as a Predictor of Intent to Comply with Internal Disclosure Policies

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Drawing on organizational justice theories and the theory of planned behavior, this study investigates factors likely to impact the employee's intention to comply with internal disclosure policies, also called whistle-blower policies. The theoretical model is tested using data collected, using a survey instrument, from 96 graduate students. The findings suggests that the overriding factor impacting the employee's attitude toward internal disclosure policies is their concerns about potential negative consequences they may experience if they report and that perceptions of fairness does not appear to decrease the employee's concerns. The implications of the results of this study are discussed.

INTRODUCTION

Researchers, government policy makers, and the Committee of Sponsoring Organizations (COSO) are embracing the whistle-blower's role as a control against fraud, environmental law violations, discrimination, occupational safety violations, and tax evasion, among others. One example is the passage of the Sarbanes-Oxley Act of 2002, which established a new responsibility for the audit committee to implement policy and procedures that address the reporting and handling of reports concerning questionable accounting practices, internal controls and audit matters (SOX Title III Section 301). Despite attempts to encourage the reporting of wrongdoing by codifying the procedures for reporting wrongdoing, research suggests the majority of witnesses to wrongdoing will choose to remain silent (Kaplan & Whitecotton, 2001; Seifert, Sweeney, Joireman and Thornton, 2010).

Whistleblowing is a process defined as "a disclosure by organizational members of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action" (Near & Miceli, 1985). Organizations implement internal disclosure policies (IDP), also called whistle-blower policies (the remainder of this manuscript will refer to these policies as internal disclosure policies), in an effort to establish management's behavior expectations of employees with respect to reporting illegal or unethical acts and to communicate the importance of reporting serious wrongdoings, which may harm the organization, stakeholders and/or society at large. Prior research shows that the creation of policies increases the employee's perception in regards to the importance of the desired behavior identified in the policy (Jansen, Van Den Bosch and Volberda, 2006).

Organizational policies are internal control mechanisms designed to guide organizational behavior. An assumption of implementing policies is that employee failure to follow established policies will result in consequences. An employee violating management policy may result in consequences that accrue to the organization due to violation of laws or usage of unreliable information for decision-making, which may lead to fines, litigation, and loss of assets. Consequences that may accrue to the employee violating

management policies include reprimands, suspensions, and loss of employment. Many management policies are developed and implemented with the expectation that the organization and the employees will be better off following the prescribed policies. For instance, implementation of sexual harassment policies supports the organization's efforts to comply with federal and state laws but it also promotes a psychologically healthy and more productive workplace which leads to higher employee satisfaction (Dan, Pinsof and Riggs, 1995; Fitzgerald, Drasgor, Hulin, Gelfand and Magley, 1997; Schneider, Swan and Fitzgerald, 1997). Another example is employee failure to follow information technology (IT) usage policies can impact the reliability of the IT systems that organizations implement to meet strategic, operational, reporting and compliance objectives and employees use to do their jobs. However, prior research suggests that the alignment of consequences between the organization and the employees that encourages employees' acceptance of management policy may not hold with respect to IDP (Arnold & Ponemon, 1991; Keil & Robey, 2001; Rehg, Miceli, Near and Van Scotter, 2008).

While employee compliance with organizational policies is often in the best interest of both the organization and the employee, compliance with internal disclosure policies is unique in that non-compliance, as opposed to compliance, is, oftentimes, the safest route for the employee. Prior research shows a number of potential negative consequences to the whistleblower which includes retaliation from management and other employees (Rehg et al., 2008), stress (Keil & Robey, 2001), damage to reputation (Dozier & Miceli, 1985), and job loss (Arnold & Ponemon, 1991). Likewise, employee compliance with IDP can result in negative consequences for the organization by exposing the organization to legal liabilities and, in some cases, the discontinuation of the wrongdoing may cause harm to the organization (Rehg et al., 2008).

Prior research has examined the impact of individual (i.e. gender), motivational (stop the wrongdoing, financial gain), situational (i.e. severity of the wrongdoing, type of wrongdoing) and psychological (identity, locus of control) antecedents on the employee's propensity to report wrongdoing. The objective of this study is to extend the existing knowledge about whistle-blowing-behavior by examining employees' justice perceptions and intention to comply with internal disclosure policies. More specifically, this study examines the correlation between the employee's perceptions of organizational justice and the employee's assessment of benefits and cost of complying with IDP and not complying with IDP, which, in turn, will influence their attitude toward IDP and intention to comply with IDP. In addition, this study will examine the influence of organizational justice perceptions on normative beliefs and the influence of employee perceptions of normative beliefs and behavioral control on the employee's intention to comply with IDP. Under the guidance of the theory of planned behavior (Ajzen, 1991), attitude toward compliance with IDP, subjective norms toward IDP compliance and perception of behavioral control are believed to influence the employee's intention to comply with IDP.

This study extends the existing literature on whistle-blowing behavior (Arnold & Ponemon, 1991; Chui, 2003; Rehg et al. 2008; Vadera, Aguilera and Caza, 2009) by examining the influence of employee's perceptions of organizational justice on attitude toward complying with IDP and intention to comply with IDP. The remainder of this paper is organized into six sections. The next two sections will briefly address the relevant literature, theoretical support and hypotheses of interest for this study. The third and fourth sections will address the methods and results of the study. The final two sections will present a discussion of the research findings and conclusions.

LITERATURE REVIEW OF WHISTLEBLOWING BEHAVIOR

One of the key constructs that impact the employee's propensity to report wrongdoing is the employee's feeling of responsibility to report (Dozier & Miceli, 1985). However, the employee's feelings of is not effective in getting the employee to report the wrongdoing when the employee is concerned about retaliation (Rehg et al., 2008), career advancement or job loss (Keil & Robey, 2001). In addition, situational factors such as management support (Parmerlee, Near and Jensen, 1982), trust (Hooks, Kaplan and Schultz, 1994) and organizational climate (Miceli & Near, 1985) will impact the witness's propensity blow the whistle.

Research has shown that individuals are unwilling to report unethical, illegal or immoral behavior committed by managers and peer employees due to fear of retaliation, concerns about being viewed as a troublemaker and job security (Arnold & Ponemon, 1991; Dozier & Miceli, 1985; Kaplan, Pany, Samuels and Zhang, 2009; Smith, Keil and Depledge, 2001). According to the 2011 National Business Ethics Survey (Ethics Resource Center, 2011), 22 percent of employees who report wrongdoings experience some form of retaliation. Laws have been passed in an effort to promote employee reporting of wrongdoing, such as Whistleblower Act of 1989, Sarbanes-Oxley Act of 2002 and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, by specifically addressing the protection of whistleblowers. In addition, to further promote employee reporting of wrongdoing, some organizations offer financial incentives to the whistle-blower. One such organization is the IRS which awarded Bradley Birkenfeld a sum of $104 million for reporting tax evasion activities at UBS. Despite these protections and, in some cases, financial awards for reporting wrongdoings, evidence suggests that many employees who witness wrongdoing will not report the wrongdoing to an appropriate party (Ethics Resource Center, 2011).

THEORETICAL DEVELOPMENT AND HYPOTHESES

Theory of Planned Behavior

Measuring actual human behavior within the organizational setting has been a difficult endeavor for academic researchers (Hu, Dinev, Hart and Cooke, 2012). In response, many academic researchers choose to investigate the individual's intention to engage in the behavior of interest. To understand the relationship between intention to perform the behavior and the actual performance of the behavior, many scholars reference the theory of reasoned action (Fishbein & Ajzen, 1975) or the theory of planned behavior (TPB) (Ajzen, 1991). The theory of reasoned action postulates that attitudes and norm influence the individual intention to perform a behavior which, in turn, influences the individual's propensity to perform the behavior (Fishbein & Ajzen, 1975). While the theory of reasoned actions shows predictive validity in numerous studies (Gillet & Uddin, 2005; Lin & Fan, 2011), the strength of the theory is called into question when the individual's confidence or perception of control over the behavior is less than absolute (Ajzen, 1991). The TPB extends the theory of reasoned action by adding a new antecedent to the intention to engage in desired behavior, perceived behavioral control.

The TPB hypothesizes that the individual's intention to engage in behavior is influenced by the individual's attitudes toward the behavior of interest, perception of control over the behavior of interest and subjective norms related to the behavior of interest (Ajzen, 1991). The TPB postulates that the employee will report an intention to report wrongdoing that is consistent with their attitudes toward the perceived outcomes of reporting wrongdoings. The perception of behavioral control is the employee's judgment about the environmental resources, constraints and barriers that promote or restrict their ability to report wrongdoings and their judgment about their ability to perform the behavior of reporting a wrongdoing through the appropriate channels. The normative beliefs related to the behavior of whistle-blowing are the employee's perception of how other key individuals view the act of blowing the whistle. The employee's perception of subjective norms can be influenced by the actions and words of management, coworkers, family and friends. One method that management uses to help establish shared understanding with their employees is through the development and implementation of policies. Management communicates the behavioral expectations of employees with respect to reporting wrongdoings by developing and implementing IDP. These whistle-blower policies and the expected organizational response to the reporting of wrongdoing will impact the perceived consequence of engaging in whistle-blowing behavior (Dozier & Miceli, 1985; Miceli & Near, 1992; Schultz, Johnson, Morris and Dyrnes, 1993). A review of the literature on the TPB leads to our first three hypothesis:

> *H1: An employee's attitude toward compliance with internal disclosure policies is positively related to intentions to report wrongdoings.*

H2: An employee's perceived behavioral control toward compliance with internal disclosure policies is positively related to intentions to report wrongdoings.
H3: An employee's perception of normative beliefs to comply with internal disclosure policies is positively related to intentions to report wrongdoings.

Rational choice theory provides a better understanding of the antecedents of employee attitude toward compliance or non-compliance with IDP. Rational choice theory posits that employee behavior decisions are impacted by a cognitive assessment of consequences for each behavior alternative. This study will evaluate the employee's cognitive assessment of consequences for complying and not complying with IDP and the resulting impact of this assessment on the employee's attitudes toward IDP. Research shows that many employees who blow the whistle experience negative consequences such as retaliations and job loss (Arnold & Ponemon, 1991) and this consequence concern reduces the employee propensity to report (Schultz et al., 1993). A review of the literature on the rational choice theory leads to our next three hypothesis:

H4: An employee's perception of benefits that will result from compliance with IDP is positively related to attitude toward IDP compliance.
H5: An employee's perception of costs that will result from non-compliance with IDP is positively related to attitude toward IDP compliance.
*H6: An employee's perception of costs that will result from compliance with IDP is negatively related to attitude toward IDP compliance.*

Organizational Justice

The social context in which the whistle-blowing process is located will mold the employee's perception about the consequences they will likely face if they choose to report the wrongdoing and the likely outcomes of reporting the wrongdoing (Farrell & Petersen, 1982; Near & Miceli, 1985). As a result, research examining whistle-blowing behavior has supported the influence of fairness perceptions on the individual's propensity to blow the whistle (Goldman, 2001; Miceli & Near, 1989; Miceli, Rehg, Near and Ryan, 1999; Seifert et al., 2010). Organizational justice, often referred to as fairness, has been applied to research examining the relationship between employees and their employer organization (McFarlan & Sweeney, 1992), between organizations and customers (Martinez-Tur, Peiro, Ramos and Moliner, 2006), and internet users response to request for personal information (Son and Kim, 2008). Organizational justice theory states that a party in a social-exchange relationship who perceives fair treatment from the other party is more likely to exhibit behaviors that benefit the social-exchange relationship and the other party (Moorman, 1991).

Research conceptualizes organizational justice construct into three distinct dimensions: Interactional justice, procedural justice and distributive justice (Culnan & Bies, 2003). Distributive justice is defined as the fairness of the outcomes received in the social exchange relationship. For instance, Martinez-Tur et al. (2006) find that customers cognitively weigh the inputs (customer's time and money) with the outputs (product and service) received in exchange in determining the overall satisfaction of the exchange relationship. This study will ignore the measure of distributive justice for two reasons. First, research suggests that when the individual perceives the procedures used to determine the outcomes are fair then dissatisfaction with the outcomes is minimal (Greenberg, 1987; McFarlin & Sweeney, 1992). Therefore, the concerns about the fairness of the procedures utilized in reporting and investigating allegations and determining any penalties should outweigh concerns about the final outcome of the whistle-blowing process. Second, since distributive justice is the result of evaluating the culmination of a social exchange relationship, the argument can be made that any dissatisfaction with the final outcomes of the whistle-blowing process will impact the employee's perception of interactional justice.

FIGURE 1
THEORETICAL MODEL OF FACTORS INFLUENCING INTENTION TO COMPLY
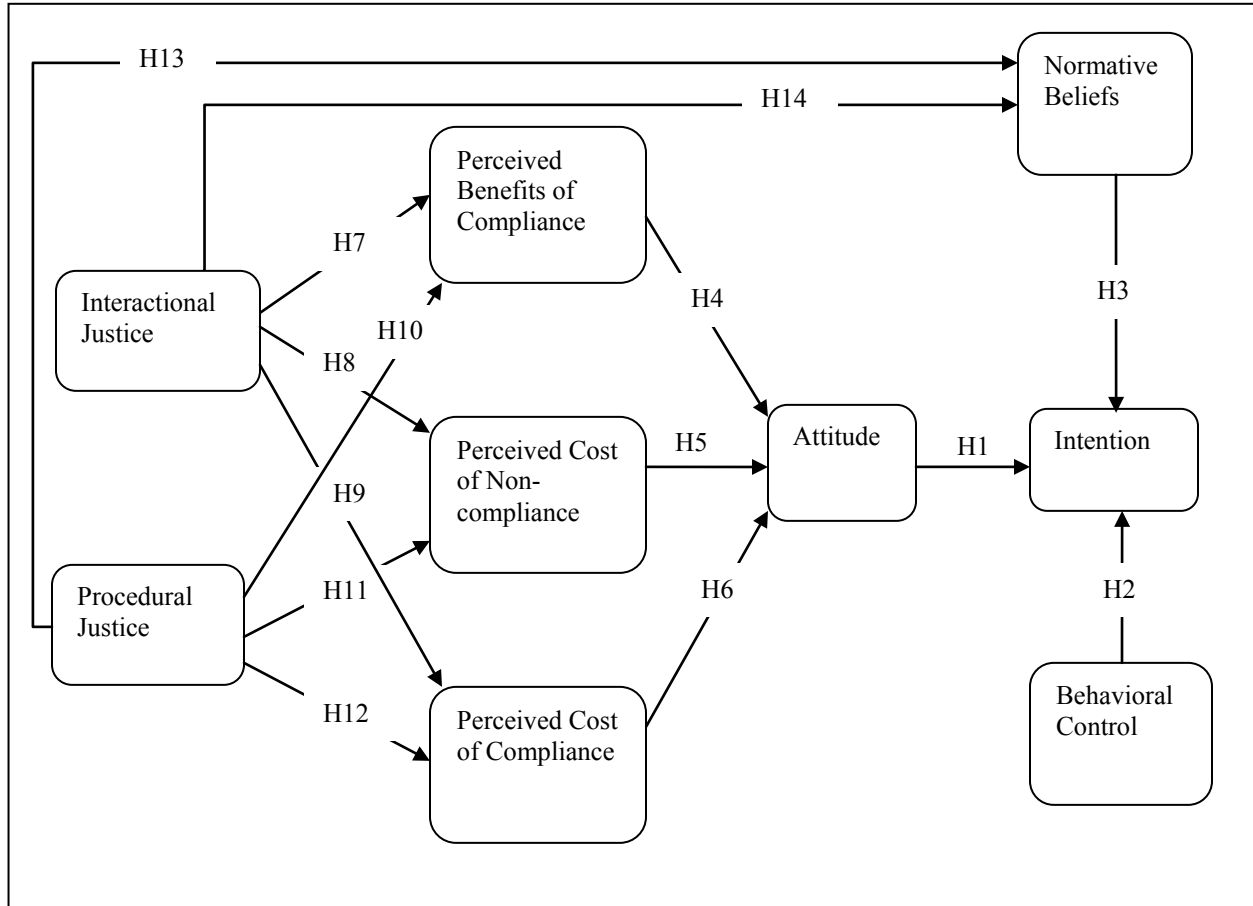
Interactional Justice

Interactional justice is the employee's perception of the treatment by management concerning the faithful and fair application of established policies and procedures over the course of the relationship. As trust is often defined as a party's perception that another party will fulfill promises (Lewicki, McAllister and Bies, 1998), perceptions of interactional justice are closely related to perceptions of trust and empathy (Martinez-Tur et al., 2006). An employee's assessment of interactional justice will be impacted by perceptions of respect and fairness they receive from management responsible for executing procedures and determining and justifying outcomes (Scott, Colquitt and Zapata-Phelan, 2007). Incentives to report wrongdoings will fall and cost will rise when conditions exist that suggest the IDP will not be followed faithfully by management.

Similarly, research finds a positive relationship between management responsiveness and reporting of wrongdoing (Miceli and Near, 1992). The employee's cognitive examination of the consequences for blowing the whistle will be impacted by the expected organizational response (Schultz et al., 1993). Therefore, I propose when the employee perceives management will faithfully follow IDP and treat the whistle-blower fairly then the benefits of reporting (effecting change) will be positively impacted and the cost of reporting (retaliation, job loss) will be negatively impacted. In addition, management actions of faithfully applying IDP will communicate to employees that management takes the policies seriously and expect employees to do likewise which should positively impact the cost of not complying with IDP. Therefore, the next three hypotheses are:

H7: An employee's perception of interactional justice is positively related to the perceived benefits of compliance.

H8: An employee's perception of interactional justice is positively related to the perceived costs of non-compliance.

H9: An employee's perception of interactional justice is negatively related to the perceived costs of compliance.

Procedural Justice

Procedural justice has been defined as the fairness of the procedures used to determine an outcome (Martinez-Tur et al., 2006). Like interactional justice, procedural justice is regarded by researchers as being another important dimension of the organizational justice construct. While interactional justice is focused on issues related to the fairness by which the procedures are followed by individuals with authoritative control, procedural justice is concerned with the fairness of the actual procedures. Research shows procedural justice is an important predictor of individual perceptions of trust in management and organizational commitment (McFarlin and Sweeney, 1992; Tyler, 1999). The internal disclosure policies and procedures implemented is managements' formal communication to employees of what to expect if they were to report the wrongdoings of others. If the policies is deemed fair and appropriate safeguard controls (anonymity) are present then the employee's propensity to report should increase (Kaplan et al., 2009). A review of research shows a link between procedural justice and other pro-social behaviors (Seifert et al., 2010). The employee's evaluation of procedural justice concerns related to the IDP is expected to influence their cognitive assessment of benefits and cost of complying and cost of not complying with IDP. This leads to the next three hypotheses.

H10: An employee's perception of procedural justice is positively related to the perceived benefits of compliance.

H11: An employee's perception of procedural justice is positively related to the perceived costs of non-compliance.

H12: An employee's perception of procedural justice is negatively related to the perceived costs of compliance.

The normative beliefs related to compliance with IDP are the employee's perception of how others within the organization view the IDP policies. One key constituent that will impact normative beliefs is management through their actions and words. Therefore it is believed that the policies management develops and the faithfulness by which they follow their own policies will impact the perception of normative beliefs. The resultant hypotheses are described below.

H13: An employee's perception of procedural justice is positively related to their perception of normative beliefs.

H14: An employee's perception of procedural justice is negatively related to their perception of normative beliefs.

METHODOLOGY

Development of Measures and Data Collection

A survey instrument was disseminated to graduate students in a Master of Business Administration or Master of Accounting program. Students were recruited to participate with the enticement of a small extra credit to be applied to the final exam. A total of 96 students chose to participate and completed the survey. 83% of the respondents report they are currently employed. 72% of the respondents report their employer has a formal internal disclosure policy and 42% report their employer has an anonymous hotline for employees to report wrongdoing anonymously. In line with prior research (Ethics Resource Center,

2011), 34% of the respondents report having witnessed unethical or illegal behavior in the workplace which may include sexual harassment, misappropriation of assets and alcohol or drug consumption.

The measures for the survey instrument were adapted from prior research on the TPB, organizational justice and rational choice theory. The survey items to operationalize the constructs that are identified by the theory of planned behavior (attitude, behavioral control, normative beliefs and intention) were adapted from Ajzen (1991), Sparks, Guthrie and Sheperd (1997), Kaplan and Johnson (1991) and Hu et al. (2012). The survey items to operationalize the constructs related to beliefs about benefits and cost of compliance and cost of non-compliance are adapted from Bulgurcu, Cavusoglu and Benbasat (2010). Survey items to measure procedural justice were adapted from Leventhal (1980) and interactional justice measures were developed for this study.

TABLE 1
MEASUREMENT ITEMS, DESCRIPTIVE STATISTICS AND LOADINGS

Items Code	Dimensions/Questions	Mean	STD	Loadings
PJ	**Procedural Justice**			
	PJ1: Internal disclosure policies are consistently applied	5.11	1.80	0.953
	PJ2: Internal disclosure policies are free from bias.	5.32	1.82	0.864
	PJ3: Internal disclosure policies uphold ethical and moral standards.	5.42	1.76	0.875
IJ	**Interactional Justice**			
	IJ1: If I report wrongdoings in accordance with IDP, my report will NOT make a difference. (reverse coded)	4.44	2.08	0.759
	IJ2: If I report wrongdoings in accordance with IDP, management takes my reports seriously	4.94	1.65	0.825
	IJ3: If I report wrongdoings in accordance with IDP, management will investigate.	4.54	1.88	0.658
PBC	**Perceived Benefit of Compliance**			
	PBC1: My reporting of wrongdoing will be favorable for me	3.05	1.66	0.876
	PBC2: My reporting of wrongdoing will results in benefits	3.09	1.64	0.846
	PBC3: My reporting of wrongdoing will create advantages for me	3.00	1.65	0.862
PCNC	**Perceived Cost of Noncompliance**			
	PCNC1: By not reporting wrongdoings, I will be negatively impacted	4.05	1.91	0.849
	PCNC2: By not reporting wrongdoings, I will be at a disadvantage	3.51	1.86	0.914
	PCNC3: By not reporting wrongdoings, I will suffer losses	3.42	1.84	0.878
PCC	**Perceived Cost of Compliance**			
	PCC1: Complying with IDP could be harmful to me	4.67	1.75	0.829
	PCC2: Complying with IDP could impact me negatively	5.07	1.82	0.914
	PCC3: Complying with IDP could create disadvantages for me	5.05	1.83	0.831
A	**Attitude**			
	A1: Complying with IDP is necessary	4.91	1.47	0.900
	A2: Complying with IDP is useful	4.84	1.51	0.907

BC	Behavioral Control			
(measured using formative indicators)	**BC1**: I have the necessary knowledge of laws and regulations to identify wrongdoing	5.98	1.14	
	BC2: I have the necessary knowledge of ethical business practices to identify wrongdoing	6.35	0.83	
	BC3: I have the necessary knowledge about my work to identify wrongdoing	6.33	0.81	
NB	**Normative Beliefs**			
	NB1: My colleagues think I should comply with IDP	5.12	1.49	0.772
	NB2: My executives think I should comply with IDP	5.47	1.77	0.960
	NB3: My managers think I should comply with IDP	5.33	1.77	0.932
I	**Intention**			
	I1: I intend to comply with the requirements of IDP	6.60	0.94	0.864
	I2: I intend to protect organization resources against wrongdoing by complying with IDP	6.60	0.80	0.844
	I3: I intend to carry out my responsibilities as prescribed by IDP during the conduct of my everyday work responsibilities	6.44	1.05	0.913

RESULTS

The partial least squares technique is a components-based structural model testing technique that concomitantly assesses the measurement and structural model. PLS is suitable for studies using exploratory models and/or formative constructs (Bulgurcu et al., 2010; Dowling, 2009). This study has one construct that is measured using formative indicators (BC). SmartPLS version 2.0(Ringle, Wende and Will, 2005) application was used to validate the measurement model and test the proposed hypotheses.

Analysis of the PLS structural model will follow the often-suggested two-stage approach (Hulland, 1999; Ringle, Sarstedt and Straub, 2012). The two-stage approach begins with an analysis of the validity and reliability of the measurement model followed by an analysis of the structural model to test the hypotheses. I begin by testing for common method bias using the Harmon's single factor test which is a technique of restricting all reflective items into a single factor. When all item loadings are lower when restricted to one factor then we can say the proposed structural model is a better fit than a model with a single factor. Results of Harmon's single factor test show all factor loadings are lower when restricted to a single factor. Next, I test the convergent validity of the measures by examining the t-values of the outer model loadings. All items in the measurement model have significant t-values.

Table 2 shows the correlation matrix for each construct and the square root of average variance extracted (AVE). Each construct has an AVE score higher than the correlations providing evidence of discriminant validity (Geffen and Straub, 2005). Additional evidence of convergent validity is evidenced by all AVE scores being higher than 0.50. Next, I assess reliability using Cronbach's alpha and composite reliability indicators. All latent constructs have a Cronbach's alpha above the recommended minimum of 0.70 and all constructs measured using reflective indicators have a composite reliability score higher than 0.70 demonstrating acceptable reliability (Nunnaly and Bernstein, 1994).

TABLE 2
CORRELATIONS AND SQRT(AVE)

	PJ	IJ	PBC	PCNC	PCC	A	I	BC	NB
PJ	**0.97**								
IJ	0.23	**0.83**							
PBC	0.21	0.05	**0.97**						
PCNC	0.34	0.39	0.39	**0.95**					
PCC	-0.15	0.13	-0.33	-0.08	**0.97**				
A	-0.07	-0.14	-0.09	0.01	-0.28	**0.76**			
I	0.06	-0.01	0.05	0.09	-0.13	0.33	**0.96**		
BC	0.25	0.46	-0.09	0.16	-0.15	0.20	0.19	**0.74**	
NB	0.47	0.56	0.06	0.46	-0.11	-0.15	-0.22	0.31	**0.92**

The bold numbers along the diagonal are square roots of the average variance extracted

The results of the structural model testing including path coefficients and amount of variance explained is shown in Figure 2. Overall results show that the structural model explains 46% of the variance for the intention to comply construct. T-values of the structural path coefficients show support for seven hypotheses. An examination of the t-values of the path coefficients shows that cost of compliance is the lone factor impacting attitudes toward IDP. While organizational justice concerns increases the employee's perception of cost of non-compliance with IDP, it does not significantly impact the employee's perception of cost of compliance which is the lone factor impacting attitude toward IDP. The employee's perception of procedural and interactional justice significantly influences their perception of normative beliefs. However, of the three factors (attitude, normative belief and behavioral control) that influence intent according to the theory of planned behavior, attitude is the only factor showing a significant relationship with the employee's intent to blow the whistle. Therefore, organizational justice does not appear to impact the employee's intention to comply with IDP via normative beliefs perceptions. See table 3 for a summary of the results of hypothesis testing.

To test the validity of the proposed model, the proposed model was compared to a saturated model which includes all possible paths. If the significant paths of the proposed model remain significant in the saturated model and if the new paths added in the saturated model are insignificant then we can express some confidence in the proposed model (Ringle et al., 2012). All paths of the proposed model, that shows significance during the first test of the model, remain significant and all new paths, not in the proposed model, show insignificant paths coefficients. This analysis provides some support for the proposed structural model of IDP compliance.

FIGURE 2
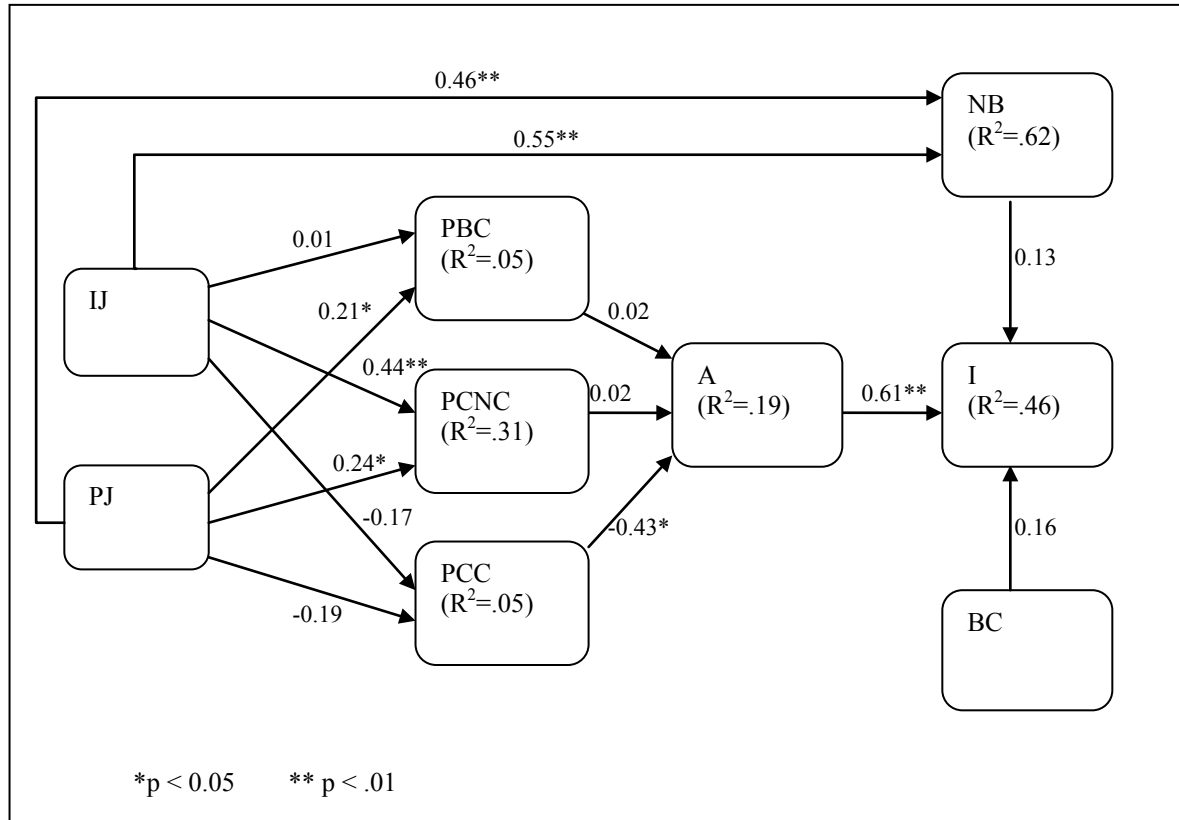**RESULTS OF STRUCTURAL MODEL TESTING**

TABLE 3
RESULTS OF HYPOTHESIS TESTING

Hypotheses	Results
H1: An employee's attitude toward compliance with internal disclosure policies is positively related to intentions to report wrongdoings.	Supported
H2: An employee's perceived behavioral control toward compliance with internal disclosure policies is positively related to intentions to report wrongdoings.	Not Supported
H3: An employee's perception of normative beliefs to comply with internal disclosure policies is positively related to intentions to report wrongdoings.	Not Supported
H4: An employee's perception of benefits that will result from compliance with IDP is positively related to attitude toward IDP compliance.	Not Supported
H5: An employee's perception of costs that will result from non-compliance with IDP is positively related to attitude toward IDP compliance.	Not Supported
H6: An employee's perception of costs that will result from compliance with IDP is negatively related to attitude toward IDP compliance.	Supported
H7: An employee's perception of interactional justice is positively related to the perceived benefits of compliance.	Not Supported
H8: An employee's perception of interactional justice is positively related to the perceived costs of non-compliance.	Supported

H9: An employee's perception of interactional justice is negatively related to the perceived costs of compliance.	Not Supported
H10: An employee's perception of procedural justice is positively related to the perceived benefits of compliance.	Supported
H11: An employee's perception of procedural justice is positively related to the perceived costs of non-compliance.	Supported
H12: An employee's perception of procedural justice is negatively related to the perceived costs of compliance.	Not Supported
H13: An employee's perception of procedural justice is positively related to their perception of normative beliefs.	Supported
H14: An employee's perception of procedural justice is negatively related to their perception of normative beliefs.	Supported

DISCUSSION

A model was developed using the theory of planned behavior and organizational justice theory to test the relationship between organizational justice concerns and the antecedents of intent to comply with IDP. It was hypothesized that the employee' organizational justice perceptions would influence the employee's perceptions of consequences that may arise due to complying and not complying with IDP, which, in turn, will influence the employee's attitude toward IDP and intent to comply with IDP. Testing of the structural model and all hypotheses presents a significant contribution to our understanding of factors that influence the employee's decision to comply or not comply with IDP. The following discussion addresses key insight that highlight the role of organizational justice concerns on the behavioral intentions of employees with respect to reporting or not reporting wrongdoings.

- While organizational justice concerns increases the employee's perception of cost of non-compliance with IDP, it does not significantly impact the employee's perception of cost of compliance which is the lone factor significantly impacting attitude toward IDP. This finding suggests that reducing organizational justice concerns may not decrease the employee's concerns about experiencing negative consequences as a result of reporting the wrongdoings of others. This finding is at odds with Seifert et al (2010) suggestion that organizations can increase the accountant's propensity to report fraudulent activities if internal disclosure policies integrate dimensions of justice. However, this result does not conclusively establish that addressing organizational justice concerns will not impact the employee's intention to blow the whistle. Research has shown that a key predictor of whistle-blowing is the degree to which the employee perceives their reporting will be effective (stop the wrongdoing) (Dozier and Miceli, 1985) and the employee's perception of whistle-blowing effectiveness is likely correlated with dimensions of organizational justice. But the results of this study do question the effectiveness of a singular approach of addressing only organizational justice to promote employee reporting behaviors.
- The employee's attitude toward IDP is not impacted by the employee's cognitive assessment of benefits due to compliance with IDP and cost due to non-compliance with IDP. However, the findings show that the employee's attitude toward IDP is significantly impacted by their cognitive assessment of the cost due to IDP compliance. This finding suggests that the employee is acutely aware of the potential negative consequences that they may experience if they report the wrongdoings of others in accordance with IDP. While, this study did not explore the specific negative consequences that an employee may experience if they report the wrongdoings of others, prior research suggests these consequences include job loss, retaliation and stress (Arnold & Ponemon, 1991; Near and Miceli, 1986; Rehg et al., 2008). To promote employee compliance with IDP, management needs to reduce the employee's perceived threat of negative consequences

by convincing employees that they will be protected in the event that they report wrongdoings that occur within the organization.

- While the organizational justice dimensions did not significantly impact employee's attitudes toward IDP, I hypothesized that the organizational justice dimensions will be positively correlated with perceptions of normative beliefs (attitudes of key individuals toward IDP). This hypothesized relationship may offer evidence of a relationship, via normative beliefs, between organizational justice and intent to blow the whistle. However, while there is a strong correlation between organizational justice and normative beliefs, the correlation between normative beliefs and intent is not significant. But, the theory of planned behavior posits that normative beliefs are a key antecedent to intent to engage in a behavior of interest.

Due care should be exercised when interpreting the results of this study due to three study limitations. First, students in a graduate program of study in a public university located in the southern region of the United States are the source of the data collected for this study. Therefore, heterogeneity of the sample is lacking which may result in biased findings due to differences in cultural or organizational factors that may be present when dealing with a population covering a small geographic area. In addition, the data collected is disportionately skewed to young professionals with 59% of respondents being under 25 years of age. Second, since this is a cross-sectional study and not longitudinal study, the causal relationships, which are based on well-established theory, are not proven in this study. Lastly, the findings of this study may be vulnerable to single-source bias.

CONCLUSION

The purpose of this paper is to examine factors likely to impact the employee's intention to comply with IDP. Organizations implement internal disclosure policies to encourage the employee to report wrongdoings that may hurt other individuals, the environment or damage the organization (theft, negative public relation). However, simply developing and implementing an internal disclosure policy is not sufficient to get employees to report wrongdoings they may witness. To promote employee compliance with internal disclosure policies, management needs to address key factors that hamper the employee's willingness to go out on a limb and blow the whistle. This study shows that the overwhelming concern of employees toward internal disclosure policies is the potential negative consequences they may experience if they decide to comply. This finding that negative consequences of reporting being the primary factor impacting employee's attitude and, in turn, willingness to report wrongdoings is not surprising as many research study show similar findings. What is interesting is the employee's perception of the fairness of the whistle-blowing policies (IDP) and the probability that management will take the whistle-blower's report seriously does not appear to significantly decrease the employee's concerns about negative consequences due to blowing the whistle. Since management communicates behavioral expectations of employees and values through their policies and actions and since management is in a position to suppress many negative consequences that an employee may experience as a result of blowing the whistle, it is reasonable to believe that a relationship exist between organizational justice and perception of negative consequences due to complying with whistle-blower policies. However, the results of this study suggest no significant relationship exist. It is difficult to explain such a contradictory finding, but one possible explanation may be the uncertainty that may exist around the whistle-blowing process. Many organizations shroud the whistle-blowing process in secrecy, due to confidentiality and anonymity controls, which hides the investigative process and in many cases the final outcome as a result many employees do not have much, if any, visible evidence in which to judge an actual whistle-blowing process within their respective organization.

To improve employee attitude toward internal disclosure policies and, in turn, intent to comply with internal disclosure policies, management needs to reduce the risk that employees will experience negative consequences and find ways to demonstrate the importance they place on reports of wrongdoings. Management should integrate within the internal disclosure policies and through the code of ethics, the

value of honest reporting, management willingness to support the whistle-blower and devise consequences for attempts to silence or punish the whistle-blower through retaliatory actions. This research focus strictly on justice perceptions and perceptions related to the internal whistle-blower policies but all of these factors are likely impacted by organizational climate characteristics. Future research can investigate the role of organizational climate in the whistle-blowing process which may help to put the contradictory findings of this study into a different context and provide researchers with a better explanation than I can offer here.

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