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Do Personal Cost, Cultural Norms and Whistle Blower Policy Influence Employees' Whistleblowing Decision: A Study in a Financial Institution

Izyan Athira Mohd Badawi, Kamaruzzaman Muhammad,
Erlane K Ghani, Maz Ainy Abdul Azis

Faculty of Accountancy, Universiti Teknologi MARA cawangan Selangor, Puncak Alam,
Malaysia

Corresponding Author's Email: kamaruzzaman@uitm.edu.my

Abstract

This study examines the factors influencing whistle blowing decision among employees in one financial institution in Malaysia. Specifically, this study examines three factors namely, personal cost, cultural norms and whistle blowing policy. Using questionnaire survey on employees of a financial institution, this study shows that personal cost and whistle blowing policy influence the employees' decision to whistle blow. On the other hand, cultural norm is not a significant influence to employees' decision to whistle blow. The findings of this study can assist the financial institutions to enrich both whistleblowing culture and policy in promoting transparent and unclouded structure and communication. In addition, the findings in this study provides an addition to the existing literature on the factors that can influence employees' decision to whistle blow.

Keywords: Personal Cost, Cultural Norm, Whistle Blower Policy, Whistle Blow, Employees, Financial Institution

Introduction

Over the last decade, cases involving unlawful or unethical acts committed in organisations and agencies are excessively reported. Due to the numbers of illegal or lawful business activity, Malaysia is not excluded from revenue losses (Mat et al., 2019). Such losses are derived from the unethical act such as tax avoidance activity which created a huge impact on Malaysia's economy performance. Tax avoidance is one of the techniques used among individual and corporation to reduce or evade tax in any way that sounds legal in order to lessen their income and profit for the year. Subsequently, non-compliance to income tax would be a greater loss to the revenue of Malaysia. The other famous unlawful activity that has become norms in Malaysia is accounting fraud, bribe and corruption. If these illegal business activities become a common practice and widespread in the industry it can have a major impact on both economy and society. Malaysian corporations are not excluded from

the list where Malaysian had witnessed the collapse of Transmille Group Berhad, Megan Media Holdings Berhad and Silver Bird Group Berhad due to its poor corporate governance.

Individual who discovers wrongdoing can report the unethical acts to internal or external channels, this includes an accountant and auditor. Board of directors, independent director, audit committees, a manager or anonymous channel such as telephone hotline is the responsible party in internal channel reporting, while external channels include the media, professional or regulatory bodies (Alleyne, 2016). Accountant is in the best line of defence to come across instances of any wrongdoing as they have privileged access to clients' and employers' information. However, accountants are not excluded from facing reporting dilemma whether to not report the wrongdoing to maintain confidentiality or to report the wrongdoing and acting in the interest of public, therefore violating confidentiality. Confidentiality is one of the codes of professional conduct which every accountant needs to maintain in their working environment (Amponsah et al., 2016). Sherron Watkins and Cynthia Cooper are two remarkable cases of accounting professionals who whistle-blew in their organisations. Sherron Watkins uncovered fraudulent financial reporting being committed in Enron whilst Cynthia Cooper, is the internal auditor at WorldCom, reported accounting fraud which caused \$3.8 billion in losses. The failure of detecting fraud by audit committee, internal auditors and independent directors in Transmille Group Berhad and the failure of Enron's auditors to blow the whistle raised concern over the ethicality of the accounting profession (Mustapha & Siaw, 2012).

The revolution in the financial sector in Malaysia over the current decade provides an assurance of future development and growth in financial sector. Bank Negara Malaysia (2018) statistic shows that financial sector in Malaysia has recorded a better growth of more than 6.2% in the year 2017. Such expansion has made financial sector as an essential contributor to the economic development in Malaysia. Despite of their efficacious accomplishments, there are issues arising from the development and perseverance of corporate falsification and corruption which are highly expose to banking institution. Bukit Aman Commercial Crimes Department's Head of Unit for Banking and Financial Crimes Supt Harjinder Kaur Gurdial Singh said in Malay Mail News, the banks in Malaysia suffered losses amounting to RM789,106,376 for various fraud. In 2008 it was RM10.1 million, RM27.1 million in (2009), RM85.4 million (2010), RM84.5 million (2011), RM191.8 million (2012) and RM390 million (November 2013).

In order to fight corruption, encourage good governance, accountability and transparency in both public sector and private sector in Malaysia, whistle-blowing is perceived to be a key instrument to achieve a higher standard of corporate governance and to eliminate fraudulent activity (Rachagan & Kuppusamy, 2012). Whistle-blowing also part of the dimension of corporate integrity systems (CISs) that contribute to the positive accountability outcome of non-profit organisations (Atan et al., 2017). One of the initiatives from Government of Malaysian in combating unlawful and fraudulent activity is by introducing Whistleblower Protection Act 2010. The Act was enacted in 2010 as part of the Government Transformation Plan (GTP) in an effort to eliminate related unlawful activity such as corruption. It is an eternal effort done by the government to encourage good governance practice in the company and to combat unlawful activity and other improper conduct. Through whistle-blowing, it provides an encouragement and facilitate disclosures misconduct happened in the public and private sector. Additionally, Whistleblower Protection Act 2010 also act as guideline and law to safeguard persons making those disclosures from detrimental action. However, since the implementation, the effectiveness still of whistleblowing still questionable.

This study aims to examine the factors influencing whistle blowing decision among employees in one financial institution in Malaysia. Specifically, three factors are chosen namely, personal cost, cultural norms and whistle blowing policy. The findings of this study can assist the financial institutions to enrich both whistle blowing culture and policy in promoting transparent and unclouded structure and communication. The next section provides the literature review related to this study. This is followed by Section 3 that provides explanation on the research design. Section 4 presents the results. The final section, Section 5 concludes this study.

Literature Review

Whistleblowing can be defined as the disclosure of illegal, immoral and illegitimate practices and activities under the control of their employer by organisation former or current members, to persons or organisations that may be able to effect action (Miceli & Near, 1985). Hence, to fall under whistle-blowing, it is not necessarily having to be illegal activity but something deemed unethical for instance lying, poor management practice, waste, corruption, stealing and endangering the health of citizen. According to Near and Miceli (1985) whistleblowing could happen only when four (4) elements are involved. The first elements are the individual who wish to report on the misconducts of the company or known as a whistleblower. Next is what kind of misconduct or abuses that need to be reported. Thirdly, the individual who has committed the misconduct in the organisation must be identified. Lastly, there should be a authorized person or party that responsible in receiving and handling such complaint, to take corrective action on behalf of the company.

Other literature has defined whistleblowing as when the members in the organisation try to voice out their concern on the illegal practices occur in the company by giving information of wrongdoing to the appropriate or right authority in the company (Rusbult et al., 1988). Jubb (1999) argues that "*whistleblowing is characterized as a dissenting act of public accusation against an organisation which necessitates being disloyal to that organisation*". According to Martin (1999) "*Whistleblowing can include highlighting social problems within the organisation and dissent from dominant views or practices*". Therefore, whistleblowing includes detecting malpractices and illegal acts at the workplace (Lewis & Uys, 2007). Bouville (2008) defines whistle-blowing as an act of an employee (or former employee) to uncover what he believes as unethical or illegal conduct to higher management via internal reporting or to the authority party outside the organisation as well as to the public such as Security Commission (SC), Malaysian Anti-Corruption Commission (MACC) and the others. Such reporting to those authorities is also known as external reporting.

A disclosure should be made to an employer especially if there is an appropriate internal procedure to abide. In the absent of internal procedure, disclosure can be made to an appropriate authority or in certain circumstances, if it is exceptionally serious, to the public. However, to report directly to the public is a very rare occasion as the reporter may face numerous of harmful action or serious threat from the affected party (Latan et al., 2021). Hence, organisational whistle-blowing is inclusive of both internal and external reporting, with the sole purpose of effectively remediating corporate offense and malpractices. If a disclosure is made to an employer, then the information disclosed and the individual who made the report it supposed to be well-protected. An internal disclosure is the act of a worker informing his management of his/her concern. Most organisations have form of hierarchy that represent positions within the organisation such as pyramid structure as in order an internal disclosure to take place effectively, one must inform the matter concern to someone

'higher up the pyramid' (Maher & Andersson, 1999). Usually, the party sit on the top of the pyramid is the independent person that will be handling and investigating the report equally.

In the United Kingdom, legal protection to private sector is very much clear. Public Interest Disclosure Act (PIDA) 1998 was introduced to create a framework under which whistle blowing is sanctioned. It applicable to public, private and voluntary sectors. Public Interest Disclosure Act (PIDA) also permits a disclosure to 'other responsible person' (Bone, 2007). The words 'responsible person' can be defined as someone within the organisation with responsibility or someone who is responsible for the concerns arose which the employee wishes to disclose. On the other hand, an external disclosure is one made to a person or authorized body outside the employee's organisation. In these situations, there are two possible categories of external disclosure. The first are disclosures to given people or bodies, the second is any other wider disclosure. PIDA states that a prescribed person or body is one appointed by the Secretary of State – for example, the Health and Safety Executive; Her Majesty's Revenue and Customs and the Financial Services Authority (Bone, 2007). Nevertheless, whistle-blowing is a method used to make a disclosure, hence it is a necessity to have qualifying condition which is it has to be made to someone that can "effect action" or correct the condition.

One of the factors that can influence whistle blowing decision is perceived personal cost. Perceived personal cost is a critical factor determining whistleblowing. It can be defined as "*perceived harm or discomfort that could result from reporting wrongdoing*" (Dalton & Radtke, (2013, p.156). Perception personal cost of reporting a person may affects to the person's intentions in doing whistle-blowing action. This is because the person is likely to consider consequences and safeguard the status and position himself after doing the reporting. Alleyne, Charles-Soverall, Broome and Pierce (2016) also support that personal cost can impact whistle-blowing decision since personal responsibility and personal costs significantly influence whistleblowing decision. Generally, the higher the weightage of the impact or losses caused by the fraudster, the higher the opportunity for those who are aware of it and get impacted to report that wrongdoing. The impact could be in the form of threatening, loss of employment, bad performance appraisal and so on. This is evidenced by Schultz et al (1993); Kaplan and Whitecotton (2001), in their study which tested the relation between fraud severity, personal cost, and responsibility with one's willingness to whistle blow.

Kennett, Downs and Durler (2011) conducted a study on the external whistle blowing intention on eighty-one (81) accounting majors on fraudulent financial reporting given specified personal and social consequences whilst a study by Cassematis and Wortley (2013) investigated the possibility to use fear of reprisals to determine whether public sector employees in Australia will whistle blow. Both studies revealed that fear of reprisals had weakened individual's whistle blowing decision. Kennett et al (2011) showed that the personal financial costs variable is negatively correlated with the whistleblowing and the relationship is statistically significant. Previous studies had proven that the severe the personal cost that might be bear by the potential whistle blower, the lesser their intention to blow the whistle (Latan et al., 2021). The study provided empirical support where personal costs variable is negatively correlated with the whistle blowing decision. Hence, the first hypothesis can be drawn as follows:

H1: There is a significant negative correlated relationship between personal cost and whistleblowing decision.

The second factor that may influence whistleblowing decision is cultural norm. Cultural norms perceived as social norm whereby individuals commonly based upon the expectations of others to rationalize a course of action (Bateman et al., 2013). An individual will feel less ambiguous and more likely to engage in the ethical behavior when people close to him or her approve or agree with the behaviour (Trongmateerut & Sweeney, 2013). This resulted the employee satisfaction and confidence as they are receiving full support from the floor. Hence, increase the likelihood to report actions that could potentially harm the business. Individual who influenced by moral and ethical nature of their noble profession are likely to blow the whistle against any wrongdoing because of its severity, but at the same time, their intentions are highly likely to be affected by the support they receive from their employer and also the working climate and culture of their organisation (Gupta & Chaudhary, 2017).

In Asian cultural several behaviours become a norm even in the workplace such as the young must respects the old, those of lower rank must obey those with higher authority and subordinates are to keep silent on the actions of their superior. Bashir, Khattak, Hanif and Chohan (2011) believed unique culturally induced factors contribute toward the employees' perception and practice of whistle-blowing in their organisations in Pakistan. Rationally, a high organisational commitment and positive culture will develop sense of belonging to organisation so the employee will not hesitate to take whistle-blowing action. The greater of the level of organisational commitment, the greater the individual's tendency to whistle blow. Hence, employees' intentions to take whistle-blowing action are positively influence by cultural norms. A study by Sweeney and Costello (2009) explored how perceived moral intensity affect identification of an ethical dilemma, ethical judgment, ethical intentions for third year undergraduate accounting and business students. Their study provided empirical support that cultural has the strongest relationship with the ethical decision making. According to Miceli and Near (1984), it is vital that the stimuli situated in the organisational context enable the desired response. When the organisational context is unfavourable employees tend to report externally or not at all (Miceli & Near, 1992). Although a culture of compliance is existed within the organisation. However, there will always be a gap between the 'letter' of the law and the norms of society. The need to nurture a culture of ethics is also important, in ensuring transparency, accountability and openness, instead of a culture of silence. The second hypothesis can be drawn as follows:

H2: There is a significant positive correlated relationship between cultural norms and whistle blowing decision.

Organisation can encourage employees to make their complaints or worries known by establishing formal whistleblowing policy (Baker, 2008). Whistle blowing policy is set of rules and procedure created by the organisation member or the whistle blowing committee. Whistle blowing policy in the organisation act as a guideline for the employees as an internal whistle blower and the person outside the organisation as external whistle blower to formally raise their concern without fear of discrimination or put in disadvantageous position. Whistleblowing policy is intended to encourage and allow employees and others to raise serious concerns within the company rather than seeking resolution outside the company (Olander, 2004). Based on previous study, researcher summarized that a well construct whistleblowing policy can increase the number of reports. The policy is the most important document in the whistleblowing because it contains all the guidelines and rules to courage potential whistle blower to blow the whistle. Sims and Keenan (1998) found that formal

organisational policies that support external whistleblowing were not significant predictors of its occurrence, whereas informal elements were significant.

According to Olesen et al (2019), it found that number of respondents who are willing to whistle blow are less than half of the total respondent. They revealed the root cause to why individuals failed to report misconduct is due to an absence of protection in whistle blowing policy with regard to the whistle blower's identity and the information disclosed. A long-winded investigative process and the notion of avoiding conflict are also become the factor to why they chose to remain silent when they witnessed malpractice behaviour. This root cause is likely to be happened in Asian Cultures as compare to the west nation. The presence of sound whistle blowing policy at the workplace increases the effectiveness of whistle blowing practice, provide assurance that wrongdoing will be addressed and investigated accordingly, and increases the confidence and trust among the member of the organisation as well as among the stakeholder. An effective, transparent and responsible whistle-blowing systems will encourage and increase employee participation to report the alleged fraud (Rustiarini, 2015). Therefore, there is a positive relationship between effective whistleblowing policy and whistle blowing decision. The third hypothesis can be drawn as follows:

H3: There is a significant positive correlated relationship between effective whistle-blowing policy and whistle-blowing decision.

Research Design

The main objective of this study is to examine the factors influencing whistle blowing decision among employees in one financial institution in Malaysia. Specifically, this study examines:

- The effect of personal cost and whistleblowing decision among employees.
- The effect of cultural norms whistleblowing decision among employees.
- The effect of whistle blowing policy whistleblowing decision among employees.

Sample Selection

The employees who are working in a financial institution in Malaysia are chosen as the sample of this study. The financial institution is chosen as it was reported that this financial institution has involved with several numbers of fraudulent activities. The employees of this financial institution are in the Group Risk Division, Group Internal Audit Division and Group Compliance Division. These are the units that plays an essential role in preserving the reputation and integrity of the bank by ensuring that a financial institution complies with applicable laws, regulations and rules as they involve in many core functions and represent the three lines of defence of a company.

Simple random technique was employed in this research where each of every respondent had an equal chance of being selected. The total numbers of employees from Group Risk Division, Group Internal Audit Division and Group Compliance Division of the said financial institution are approximately 60 employees. Hence, the appropriate sample size for this study is determined as minimum of 52 responses (Sekaran & Bougie, 2016).

Research Instrument and Data Collection

The research instrument in this study is questionnaire. There are five sections in the questionnaire. This first section which is section A, aims to measure the opinion and

behaviour related to fraudulent activity and whistle blowing. This includes level of understanding on whistle blowing among the respondent and their ability to detect and report unlawful activity in organisation was obtained in this section. Section A is divided into 2 sub-section which the first sub-section requested respondent to rank the likelihood of a person to blow the whistle depending on one scenario given on a scale of 1 to 10 and to provide their opinion on whistle blowing encouragement, while the second sub-section requested respondent to indicate how serious an offence based on their knowledge and awareness. Six questions used in this section involve 5-point Likert scale [(1) = not serious at all; (2) = not very serious; (3) = somewhat; (4) = very serious and (5) = extremely serious].

Section B, C, and D intended to examine how personal cost, cultural norms and effective whistle blowing policy affect employee's decision to whistle blow respectively. Six to eight questions used in this section involved 5-point Likert scale [(1) = strongly disagree; (2) = disagree; (3) = neutral; (4) = agree and (5) = strongly agree]. All questions in section A, B, C and D were developed on the basis of evaluating the literature pertaining to the factors affecting whistle blowing intention. Wherever appropriate, the questions were adapted from a previous survey conducted by the researchers on whistle blowing decision. The last section, section E, respondents are requested to provide their demographic profile. In this section, the question is using a categorical scale in order to gauge the response.

A total of 58 questionnaires were distributed to targeted group of respondents. Prior to the distribution of questionnaires, a cover letter to express highly gratitude for their participant in the survey undertaking is first to introduce. The targeted respondent is randomly selected regardless of their gender, range of income, range of age, level of employment and their year of service in the industry.

Results

Whistle Blowing Decision

Table 1 provides the descriptive statistics for whistle blowing decision which consist of three parts namely, likelihood to whistle blow after being threatened, seriousness of wrongdoing and best approach to encourage whistle blowing.

Table 1

Descriptive Statistics of Whistle Blowing Decision

Panel A: Whistle Blowing Decision after being Threatened

Construct	Mean	SD
Likelihood to whistle blow after being threatened	6.29	2.997

Panel B: Whistle Blowing Decision on Seriousness of Wrong Doing

Construct	Mean	SD
Falsifying financial statements to reveal excellent financial results in order to obtain a bank loan	4.69	.503
Receiving gift from company's biggest supplier for purchases made	4.09	.503
Falsifying a doctor's certificate to get sick leave	4.28	.894
Disclosing business trade secrets without authorization	4.74	.548
Underreporting sales to pay less on taxes	4.50	.682
Drive a company car or limo for own personal use	3.67	1.015

Panel C: Whistle Blowing Decision to Encourage Whistle Blowing

Construct	Frequency	%
Best approach to encourage whistle blowing		
- Tone at the top	19	32.8
- Reward	8	13.8
- Anti-retaliation policy	29	50
- Training	1	1.7
- Others	1	1.7

Panel A, Table 1 shows that the mean score for likelihood to whistle blow after been threatened is 6.29. This indicates that the respondents basically unsure if the wrongdoing will be reported after being threatened to not to report. This might due to retaliation that the superior possesses causing employee fall into dilemma position either to report or not to report wrong doing. This result is parallel to the score in panel C, Table 1 where 50% of respondents at their best opinion suggest that the best approach to encourage whistle blowing is by establishing anti-retaliation policy. This is followed by establishing tone at the top (32.8%), reward (13.8%), provide training (1.7%) and others (1.7%). The results provide strong evidence that fear of reprisals had weakened individual's whistle blowing decision. Hence to enhance or to promote whistle blowing is by establishing anti-retaliation policy which such policy also aims to safeguard the interest of the whistle blower.

Panel B, Table 1 shows the mean score of respondents on their ability to detect unlawful activity in organisation. From the table, it is concluded that on average, respondents feel a sense of seriousness with the items in this variable. They are well aware on the types and severity of unlawful activity which each of the unlawful activity items have a score ranging from 4.09 to 4.74 except for *'drive a company car or limo for own personal use'*. The mean score for *'drive a company car or limo for own personal use'* is 3.67 indicate that respondents are neutral or somewhat which mean they are considering drive a company car or limo for own personal use is illegal but at the same time can be legal and the action is not serious. Driving a company car or limo for own personal use is fall under misappropriate of asset and it is classified as one of the fraud activities.

Personal Cost

Table 2 presents the descriptive statistics for personal cost. The result in table 4.3.2 show an overall mean score of 3.00 for personal cost. The items that have higher mean score is *'Protection against retaliation exists for all good faith whistle-blowers'*, *'It would have been too stressful to report wrongdoing'* and *'I would suffer adverse consequences from management for reporting wrongdoing'*. The scores of these three items are 3.60, 3.16 and 3.02 respectively. This result suggests that personal cost could somehow influence the decision of a person to whistle blow. Although protection against retaliation exist for all whistle blower, the respondents are somehow felt that it is too stressful to report wrong doing as they are afraid of reprisal and adverse consequences from management.

Table 2

Descriptive Statistics on Personal Cost

Construct	Mean	SD
I would suffer adverse consequences from my fellow employees for reporting wrongdoing.	2.97	.601
I would suffer adverse consequences from management for reporting wrongdoing.	3.02	.601
I have seen my colleague been punished for reporting wrongdoing.	2.95	.601
Protection against retaliation exists for all good faith whistle-blowers.	3.60	.601
It would have been too stressful to report wrongdoing.	3.16	.601
I would not be a whistle-blower because my organisation might retaliate against me.	2.66	.601
I would be a whistle-blower if a monetary reward or promotion is awarded for reporting wrongdoing.	2.62	.601

Cultural Norm

The result in Table 3 shows an overall mean score of 3.43 for cultural norms. The items that have higher mean score is *'The people in my organisation whose opinion I value would strongly approve of my decision to whistle-blow'*, *'My organisation is practicing social justice and professional ethics in dealing with unlawful activity/wrongdoing'* and *'It has been a legacy in my organisation to report any wrongdoing regardless who the wrongdoer is'*. The scores of these three items are 3.69, 3.69 and 3.52 respectively which indicate they are slightly agree with these items in this variable. This result suggests that cultural norms in the financial institution is positive where the company is practicing a transparent, justice and good ethic environment. The people in the organisation support the action of whistle blowing regardless who is the reporter and the wrongdoer. This is supported by the item that have the lowest mean score of 2.91, which is *'Every time I report any wrongdoing, my employer will take it offline especially if it involved key people in the organisation'*, A positive and supportive cultural norms would encourage employees to blow the whistle. Hence a culture of ethics is important, in ensuring transparency, accountability and openness, instead of a culture of silence.

Table 3

Descriptive Statistics on Cultural Norms

Construct	Mean	SD
The people in my organisation whose opinion I value would strongly approve of my decision to whistle-blow.	3.69	.863
If the people in my organisation witness any wrongdoings, they will whistle-blow.	3.47	1.096
My organisation is practicing social justice and professional ethics in dealing with unlawful activity/wrongdoing.	3.69	1.012
It has been a legacy in my organisation to report any wrongdoing regardless who the wrongdoer is.	3.52	1.080
Every time I report any wrongdoing, my employer will take it offline especially if it involved key people in the organisation.	2.91	.942
I would report any wrongdoing if I receive encouragement from my peers and superior.	3.28	1.039
I would only whistle blow if I can foresee my report will be escalated.	3.45	1.062

Whistle Blowing Policy

The result in Table 4 shows an overall mean score of 3.62 for effective whistle blowing policy. The items that have higher mean score is 3 for *'The whistleblowing policy is comprehensive and encourages reporting of wrongdoing'*, *'The whistleblowing policy provides sufficient protection of the whistle blower'* and *'There is a single standard or set of rules that controls how internal investigations and fact finding will be conducted in my organisation and I am aware of such procedure'*.

Table 4

Descriptive Statistics on Effective Whistle Blowing Policy

Construct	Mean	SD
There is a single standard or set of rules that controls how internal investigations and fact finding will be conducted in my organisation and I am aware of such procedure.	3.72	.970
The whistleblowing policy provides sufficient protection of the whistle blower.	3.76	1.031
The whistleblowing policy is comprehensive and encourages reporting of wrongdoing.	3.83	.958
The whistleblowing policy is adequately communicated and well distributed.	3.52	1.030
My organisation updates regularly the whistleblowing policies and rules and circulates the revision upon adoption.	3.34	1.052
I would be a whistle-blower because of job protection as provided by laws and policies.	3.59	.918
I am confident that my right would be protected if I report wrongdoing.	3.60	1.107
I trust my organisation would handle whistle blowing cases in most ethical and professional way without bias.	3.57	1.126

The scores of these three items are 3.83, 3.76 and 3.72 respectively which indicate they are slightly agree with these items in this variable. This result suggests that the financial

institution's whistle blowing system is somehow effective where a sound whistle blowing policy is embedded in the organisation where the policy stated clearly from how they are handling the report and investigation to the protection they provided to the whistle blower. The presence of sound whistle blowing policy at the workplace increases the efficacy of whistle blowing practice, provide guarantee that wrongdoing will be addressed and investigated accordingly, and increases the confidence and trust among the member of the organisation as well as among the stakeholder.

Preliminary Analyses

Table 5 illustrates the reliability of the data in this study. The highest alpha value with score of 0.936 is effective whistle blowing policy. This suggests that the data in this variable is highly reliable. Whistle blowing decision and personal cost scored a good internal consistency with 0.768 and 0.759 respectively. However, cultural norms scored the lowest alpha value, 0.631. Based on Rahimnia and Hassanzadeh (2013) recommended that a minimum Cronbach's alpha value of 0.6 is satisfactory, hence overall the reliability test for this research is still accepted.

Table 5
Reliability Test

Component	No. of Statement	Cronbach's Alpha	Internal Consistency
Whistle Blowing Decision	8	.768	Good
Personal Cost	7	.759	Good
Cultural Norms	7	.631	Moderate
Effective Whistle Blowing Policy	8	.936	Excellent

Table 6 shows the result of normality test, in terms of skewness and kurtosis value. According to George and Mallery (2010), the values for skewness and kurtosis that range from -2 to +2 are acceptable to be considered as normal distribution. Overall, the skewness and kurtosis values of the variables are in positive and negative range of 2. Hence, the data set in this study are normally distributed across all variable.

Table 6
Normality Test

Variable	Normality Test				Mean	
	Skewness Statistic	Std.Error	Kurtosis Statistic	Std.Error	Statistic	Std.Error
Whistle blowing decision	-.421	.314	.549	.618	4.31	.083
Personal cost	-.758	.314	.879	.618	3.00	.099
Cultural norms	.380	.314	.489	.618	3.43	.074
Whistle blowing policy	-.477	.314	.051	.618	3.62	.112

Factors influencing Whistle Blowing Decision

Table 7 illustrates the correlation between the variables through Pearson Correlation Coefficient analysis. The results above indicate that personal cost significantly influence whistle blowing decision since the value $p=0.029$ which is less than alpha value 0.05 ($p<0.05$). The coefficient of correlation, $r=-0.287$, hence suggests that there is a negative little

correlation relationship between personal cost and whistle blowing decision. On the other hand, cultural norms significance value is 0.113 which indicates that the variable is not significant as the value is higher than 0.05 ($p > .05$). The coefficient of correlation, $r = 0.210$, hence indicates that the relationship between cultural norms and whistle blowing decision is positively little correlation relationship. Lastly, the effective whistle blowing policy significantly influences whistle blowing decision since the significant value is .039 ($p < .05$). The coefficient correlation, $r = .272$, hence indicates that there is a positive little correlation relationship between effective whistle blowing policy and whistle blowing decision.

Table 7
Pearson Correlation Coefficient

Variable	Whistle blowing decision	Personal cost	Culture norm	Whistle blowing policy
Pearson Correlation	1	-.287*	.210	.272*
Sig. (2-tailed)		.029	.113	.039

A simple linear regression analysis was used to test the hypotheses proposed in this study where each of the variables was tested separately to determine the relationship between whistle blowing decision and personal cost, whistle blowing decision and cultural norm, and whistle blowing decision and effective whistle blowing policy. Table 8 shows that personal cost has a significant relationship on whistle blowing decision since the p-value is .029 which is less than 0.05 ($p = .029$, $p < .05$). The coefficient correlation ($R = -.287$) indicates that there is negative little correlation relationship between personal cost and whistle blowing decision. $R^2 = .083$ indicates that only 8.3% of the total variation in the whistle blowing decision can be explained by personal cost and the remaining 91.7% explained by other factors. Consequently, the result concluded that there is a significant negative correlated relationship between personal cost and whistleblowing decision. As such, H1 is supported.

Table 8
Regression Analysis Result for Personal Cost

Variable	Whistle Blowing Decision			
	Sig.	R	R ²	B ₀
Personal cost	0.029	-.287	.083	5.034

Based on result in Table 9, cultural norm has no significant relationship on whistle blowing decision since the p-value is .113 which is more than .05 ($p = .113$, $p > .05$). The coefficient correlation ($R = .210$) indicates that there is positive little correlation between cultural norms and whistle blowing decision. The coefficient of determination ($R^2 = .044$) means that only 4.4% of the total variation in whistle blowing decision can be explained by culture norms and the remaining 95.6% explained by other factors. Subsequently, the result concluded that there is no significant positive correlated relationship between cultural norms and whistleblowing decision. As such, H2 is not supported.

Table 9

Regression Analysis Result for Cultural Norm

Variable	Whistle Blowing Decision			
	Sig.	R	R ²	B ₀
Cultural Norms	0.113	.210	.044	3.511

Table 10 shows that whistle blowing policy has a significant relationship on whistle blowing decision since the p-value is .039 which is less than .05 ($p=.039$, $p<.05$). The coefficient correlation ($R=.272$) indicates that there is positive little correlation relationship between effective whistle blowing policy and whistle blowing decision. The coefficient of determination ($R^2=.079$) indicates that 7.9% of the total variation in whistle blowing decision can be explained by effective whistle blowing policy and the remaining 92.1% explained by other factors. Consequently, the result concluded that there is a significant positive correlated relationship between personal cost and whistleblowing decision. As such, H3 is supported.

Table 10

Regression Analysis Result for Whistle Blowing Policy

Variable	Whistle Blowing Decision			
	Sig.	R	R ²	B ₀
Effective Whistle Blowing Policy	0.039	.272	.074	3.586

Conclusion

The objective of this study is to examine whether there is a relationship between personal cost, cultural norms and whistle blowing policy on whistle blowing decision of the employees in a financial institution in Malaysia. The results of this study show that there is significant relationship between personal cost and whistle blowing policy and the whistle blowing decision of the employees in a financial institution in Malaysia. This result is similar with a study conducted by Cassematis and Wortley (2013), which revealed that fear of reprisals had weakened individual’s whistle blowing decision. In addition, the result shows an evidence of steadiness result with study done by Rustiarini (2015) which defined an effective, transparent and responsible whistle-blowing systems will encourage and increase employee participation to report the alleged fraud. The presence of sound whistle blowing policy at the workplace increases the effectiveness of whistle blowing practice, provide assurance that wrongdoing will be addressed and investigated accordingly, and increases the confidence and trust among the member of the organisation as well as among the stakeholder. However, this study shows cultural norm has no significant relationship with the whistle blowing decision of the employees in the financial institution in Malaysia. Several scholars have proven that differences in cultural and social systems do not affect the validity of whistle blowing. For instance, Patel (2003) found no evidence of differences in the use of measurement items in his cross-cultural study.

This study is without limitations. First, the respondents in this study are the employees of a financial institution. Thus, the findings in this study may not be able to generalise the whole population of employees in financial institutions. Second, this study focuses only on three factors namely, personal cost, cultural norm and whistle blowing policy. Adding more factors in examining this issue may provide more robust findings.

In sum, the main fear faced by most of the organisation today are management and employee fraud. Whistle-blowing reporting instruments, or whistle-blower hotlines, are often recommend as a weapon in the organisation's internal control when dealing with fraud or any unlawful business activity. However, by only having whistle-blowing reporting mechanism in the organisation would not guarantee the system is receiving a full and strong support from the floor in the organisation. Hence, this study could be beneficent to both employee and organisation to further understand the factor that influence employee decision in whistle-blowing.

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