

Determinants of Whistle Blowing

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Whistle blowing involves employees reporting illegal, immoral or illegitimate practices under the control of their employers to parties internal or external to the organization who can take action. The purpose of this study is to examine three possible determinants, namely attitudes, subjective norms and perceived behavioural control, of whistle blowing intentions using banking executives in Malaysia as a sample. The results of the study indicate that both internal and external whistle blowing intentions are significantly related to the three determinants of planned behavior (BC, TR and BCF), excluding a relation of internal whistle blowing and subjective norms. Recommendations are made for management practice and new directions suggested for future research in these areas.

Research Field: Business Ethics

1. Introduction

Although popular interest in whistle blowing continues to increase, little is known about why some employees who observe wrong doing report it, while others do not. Many studies have tried to grasp the significant variables to account for the decision making process of whistle blowing. However, they have largely explored certain factors in the specific situation or environment and this has led to a lack of theoretical development in this area. Miceli and Near (1988, p.268) pointed out that there was no general or comprehensive theory on why some employees intend to report illegal or unethical behaviour in an organisation, while others do not. Until the present time, this observation holds true. For successful implementation of an ethical or legal system to protect whistleblowers and prompt employees to report wrongdoing, a comprehensive theoretical framework that provides a systematic explanation of whistle blowing intention is necessary. In addition, one of the major interests in whistle blowing research has been the gap between attitude and intention as well as intention and action. Even if many employees find whistle blowing to be morally right and necessary, only a few intend to blow the whistle in an organisation and far fewer take action of blowing the whistle.

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While employing the theory of planned behaviour (Ajzen, 1991), an effective theoretical framework to predict the intent of unethical behaviour, as well as to provide a chance to look at the differences between attitude and intention (Randal & Gibson, 1991; Chang, 1998; Weber & Gillespire, 1998), this study seeks to explore the factors that determine whistle blowing intentions among executives in the banking industry in Malaysia. The primary objective of this study is to investigate the predictors of whistle blowing intentions and compare their roles in external and internal whistle blowing intentions. First, the effects of attitudes, subjective norms, and perceived behavioural control on whistle blowing intentions were examined. According to the theory, these effects determine intention and human behaviour. Second, the influence of the three components above on intentions in external and internal whistle blowing was compared. While exploring the factors influencing whistle blowing intentions, the insights into the gap between attitude and intention in whistle blowing were also expected to be filled. If an employee's intention to blow the whistle is accurately predicted, it will be beneficial for an organisation in its development of an ethical system or training programs to possibly change an employee's behaviour.

In this study we examined the banking industry, reason being, it is a highly regulated industry and the nature of its operation is vulnerable to unethical business practices by employees and management. Banking institutions in Malaysia are governed by the Banking and Financial Institution Act 1989 (BAFIA), which provides rules and regulations to regulate all licensed banks in Malaysia and representative offices of foreign banks located in Malaysia. The BAFIA was formulated to facilitate an environment which would be conducive in promoting orderliness and ethical banking practices. Also worth mentioning is that most commercial banks in Malaysia do not have a policy on whistle blowing. As such, this study is undertaken to observe the behaviour of executives in the banking industry in terms of their intentions on whistle blowing.

The data for this study was collected from 8 banking institutions and 30-40 questionnaires were allotted to each bank. The participating banks were given a cover letter that stated their responses were for research purposes only. Respondents comprising of executives were assured that their responses would be kept confidential. In the questionnaire, a short explanation on the definition of whistle blowing was given to help respondents to have a better understanding of the concept. Of the 200 questionnaires distributed, a total of 144 executives completed the questionnaire, leading to a 72% response rate.

The first section of this paper reviews the literature focussing on three areas, basically the concept and definition of whistle blowing, then, examines the previous published cases of whistle blowing and thirdly, highlights the prior studies on whistle blowing. The following section would develop the research hypotheses that focus on the intention of whistle blowing. This will be followed by the method of data collection and variable measurement. Then, the results of the data analysis will be examined. The results and the directions for future research would be discussed in the summary.

2. Literature Review

This section will first explain the definition and concept of whistle blowing before discussing further on several published cases of whistle blowing. Subsequently, the relevant literature on whistle blowing will be reviewed.

2.1 Concept and Definition of Whistle Blowing

Whistle blowing can be defined as “an attempt by an employee or former employee of an organization to disclose what he or she believes to be wrongdoings in or by the organization” (James, 1995, p. 409). Another definition of whistle blowing as defined by Uys is “the disclosure of illegal, unethical or harmful practices in the workplace to parties who might take action” (Uys, 2000, p. 259).

In general, the activity is seen as whistle blowing if the disclosure of information is considered to be in the public interest which would entail information about criminal activity, a contravention of any statute, improper or unauthorized use of public and other funds, miscarriage of justice, abuse of power, misadministration, danger to health and safety of any individual and any other misbehaviour or malpractice (Kloppers, 1997).

The act of whistle blowing may have a detrimental effect on interpersonal relations between the whistleblower and their co-workers (Davis, 1989). Some might become enemies; other might avoid the whistleblower in order not to become tainted while others might start looking at the whistleblower differently.

Whistle blowing can be external, internal, personal and impersonal. It is internal where the whistle blower talks to people higher up in the organization, or external where it is reported to the media, enforcement agencies or public interest groups (Weiss, 2006). It is personal if harm is reportedly done only to the whistle blower and impersonal if harm observed is done to another.

The act of blowing the whistle by an individual is sometimes considered as being disloyal to the organization or company that he or she is attached with. The generally prevailing view of the whistle blower within business, on the part of the management and colleagues, is that this person is a traitor to the organization (DeGeorge, 1985). Business corporations anticipate the possibility of disloyalty by requiring employees to sign confidentiality agreements, assenting to the principle that the business of the corporation is the business of the corporation (Grant, 2002). Whistle-blower violated their role as loyal agents of the corporations and betrays their employees and co-workers. Bok (1981) identified three central elements of whistle blowing – dissent, breach of loyalty and accusation. It can represent a cover for incompetence on the part of the whistle-blower or some kind of vendetta or personal crusade that is imposed on the realities of regular business practices (Grant, 2002).

While whistle blowing may reflect the actions of disgruntled or incompetent employees, genuine instances are distinguished by certain ethical criteria as given by Grant (2002). Firstly, the issue must be a serious one, where the issue exposed may harm employees, consumers, or the wider public. Secondly, unless there are justifying circumstances, internal channels of notification must be exhausted before the whistle blower raises the alarm outside the organization. Third, the whistle blower must be convinced of the urgency of the situation, and the lack of alternative to drastic action of whistle blowing. Finally, the motives of the whistle blower become suspect if he or she profits from their whistle blowing.

The act of whistle blowing may reflect the organization concerned; it could be an indication of serious deficiencies in the structure of an organization (Uys, 2000). It could also indicate the inadequacy of the communication channels in the organization and also an evidence of the failure of management to deal satisfactorily with the whistle blower's complaints.

Whistle blowing might not be necessary if business corporations provided opportunity for hearing and dealing ethical concerns internally (Grant, 2002). Weiss (2006) outlines the steps that management can take to internalize the concerns that erupt in whistle-blowing that includes developing internal grievance procedures, encouraging and rewarding use of these procedures, appointing senior executives to be responsible for investigating and reporting wrongdoing and assessing large fines for illegal actions.

2.2 Prior Published Cases of Whistle Blowing

The *Challenger* incident, in which the NASA crew perished after management failed to address the concerns of the shuttle engineers, provides one tragic example of the consequences that can befall organization that do not respond appropriately to internal whistle-blower (Miceli and Near, 1988).

The biggest American accounting scandal that caused millions of losses in the stock market was revealed by Sherron Watkins who was the vice president of corporate development at Enron. She uncovered a lot of off-the book arrangements in the company and wrote two letters that started a chain of reaction of events that brought down the giant company as well as Arthur Andersen. Some critics would say that Watkins is guilty of the same anomaly as she did not choose to inform the Enron's board about the wrongdoing but instead went to the then Chief Executive Officer, Kenneth Lay. Another popular case which has been made into a film, *The Insider*, relating to Dr Jerry Wigand's case in the tobacco industry who has been unjustly confronted for his courage to stop wrongdoing. Dr Jeffrey Wigand, head of research at Brown and Williamson Tobacco Company from 1989 to 1993, testified that this company knew and controlled the nicotine level in its products. His testimony has helped the government to win a substantial lawsuit against the tobacco industry; he however had to pay an enormous personal price for being a whistle blower. This case

proved that whistle blowing is an extremely complex process that may play out over a period of year and involved many parties.

Other similar cases that have received media attention are Hugh Salmon in the advertising industry and Dr Nancy Olivieri at the Hospital for Sick Children in Toronto in her challenge to the drug industry. Another classic example of whistle blowing case is Karen Silkwood, one person's bold attempt to share inside information who may have been murdered for blowing the whistle on the Kerr-McGee plutonium company. She was killed in an accident while driving to meet a reporter from the *New York Times* with documentation about plutonium fuel rod tampering.

2.3 Prior Studies on Whistle Blowing

Many factors have been shown to influence whistle blowing activities. Firstly, relevant laws i.e. when no law prescribes a particular activity, such as discrimination, through the establishment of agencies to receive complaints (Miceli, Near and Schwenk, 1991). Hence wrongdoing involving a violation of law is more likely to be reported by whistle-blower than other types of wrongdoing. Secondly, different types of organizational structure may be more susceptible to whistle blowing than others. Organizations that are more hierarchical, bureaucratic or authoritarian may be less open to whistle blowing challenges (Weinsten, 1979) and a rigidly structured organization where a single view predominates, dissent introduced by 'devil's advocate' is likely to be ignored. Thirdly, a more highly regulated industry such as financial services and insurance may experience more external blowing because of the existence of regulatory agencies to which observers of wrongdoing might logically and easily report. In short highly regulated industries face greater scrutiny and offer more channels for whistle blowing than do less highly regulated industries (Miceli, Near and Schwenk, 1991).

In terms of personality of whistle-blower, prior studies found that persons of higher professional status may be more likely to blow the whistle because they receive greater levels of support from outside the organization (Perucci, Anderson, Schendel & Trachtman, 1980). Further, professionals may have greater opportunity for alternative employment and hence they may be less dependent on their employers, who may react negatively to whistle blowing (Near and Miceli, 1985). Also, women are more likely than men to be an external whistle-blower (Gutner, 2002). Several studies (Miceli and Near, 1984; Miceli, Near and Schwenk, 1991, Near and Miceli, 1996) discovered that whistle-blowers tend to be:

- a) Moderately powerful, relatively experienced and well-paid;
- b) High performing
- c) Motivated by moral compulsion and
- d) More proactive in seeing and responding to problems

Miceli and Near (1988) analyzed archival survey data from individuals who observed wrongdoings in 22 organizations. Their findings are consistent with a model of whistle

blowing as a type of pro social behaviour. They went on to conclude that whistle blowing was more likely when observers of wrongdoing held professional status, had more positive reaction to work, had longer service, were recently recognized for good performance, female and members of larger work group (Miceli and Near, 1988). It is also pointed out that there was no general or comprehensive theory on why some employees intend to report illegal or unethical behavior in an organization, while others do not. For successful implementation of an ethical or legal system to protect whistleblowers and prompt employees to report wrongdoing, a comprehensive theoretical framework that provides a systematic explanation of whistle blowing intention is necessary. Miceli, Near and Schwenk (1991) examined the effect of a number of perceptual variables on internal auditors' reporting of wrongdoing by employees and managers in their organization. Perceptual variables are the way the person perceived their respective organization. They established that the internal auditors who tend to whistle blow are likely to be one who is valued, committed members of the organization who feel compelled to report wrongdoing by their own sense of moral behaviour and who believe they are doing the jobs as the organization has prescribed them.

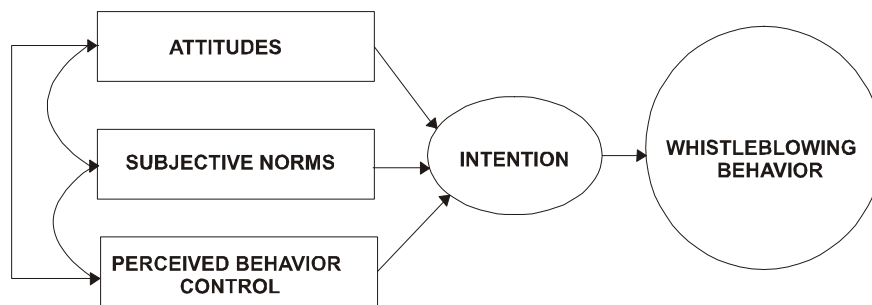
Uys (2000) focused on the effects of retaliation on employee-organization relationship. According to Uys (2000), retaliation by management are those that are intended to silence the whistle blower which can have the opposite effect by transforming a loyal employee into political activists. This study discovered three important general characteristics of the whistle blower. Firstly, they tend to be highly competent and respected employees and are among the core professionals within the organization rather than disgruntled and embittered troublemakers; secondly, they tend to have dedication to higher moral principles rather than the organizational norms that management hold dear. Finally, they tend to be naïve in their initial beliefs that the organization is really committed to its mission, that it wants to be informed about misconduct in the workplace and the reporting of misconduct will be rewarded or at least appreciated.

As indicated by Grant (2002), something that has not been thoroughly explored is the role of religious influence on whistle blower. This influence, by its nature, may well be the most effective where it is least noticed even by the person under its influence.

Heungsik (2004,) employs Ajzen's (1991) Theory of Planned Behavior (Figure 1) which postulates the intentions of human behavior as an outcome of three types of determinants; namely attitudes toward behavior, subjective norms and perceived behavioral control in his study to investigate the predictors of whistle blowing intentions and comparing their roles in external and internal whistle blowing intentions among Korean police officers. The first determinant is attitude toward behavior i.e. an individual's appraisal of how much he or she approves or disapproves of a specific behavior. In general, a person develops attitudes based on the beliefs he or she has about the behavior under consideration by associating that behavior with certain consequences. Second, a subjective norm which is the psychological pressure that an individual feels to conform to social norms. In other words, a person's thoughts about the likelihood that important referent individuals or groups approve or disapprove of

performing a given behavior. The third determinant of intention is perceived behavioral control which refers to the perceived ease or difficulty of performing the behavior. According to the theory a behavior or intention is dependent on how many resources and opportunities available to an individual so that he or she can achieve a specific behavior. The results of the said study suggest that it is easier to manage internal whistle blowing intentions rather than the external kind by using attitudes toward whistle blowing and behavioral control factors.

Figure 1. Whistle Blowing Intention in the Theory of Planned Behavior



Miceli and Near (1988) and Miceli *et al.*, (1991) confirmed the opposite effect occurs in whistle blowing contexts. Whistle blowers could be parties internal to organization, for example employees and internal auditors whilst the external whistle blower resembles the bystander intervention normally a person of higher authority within the industry. In terms of the channel a whistle-blower may choose, external channel, rather than internal channel were used when observers felt that the public or co-workers were harmed by wrongdoing involved theft by relatively low-level workers and when there were relatively few other observers. Due to the differences between these two types of whistle blowing, an employee's beliefs, which are mentioned in the theory of planned behavior, would be different.

2.4 Hypotheses

Drawing from the literature review, especially that of Ajzen's (1991) Theory of Planned Behavior and Heungsik's (2004) study, we propose the following:-

Hypothesis 1

There is a significant relationship between the three determinants of planned behavior and the intention of whistle blowing.

Hypothesis 2

The strength of relationship between the three determinants is generally higher for intention to blow the whistle externally.

3. Research Methodology

This section details the research design and methodology used in the study. The study was carried out by utilizing the survey approach. A description of the design of the research instrument, the sampling procedures and the method of data collection is provided. The methodology used here is based on the method used by Heungsik (2004) who studied whistle blowing as planned behavior among Korean police officers. Here, we employ the same method to look at whistle blowing as planned behavior among bank executives in Malaysia.

3.1 Research Instrument

The survey instrument was a six-page self-administered questionnaire consisting of two sections, Section A and B. In Section A, whistle blowing intentions and the three determinants of Ajzen's theory were measured. First, whistle blowing intentions were measured by a total of 8 items, consisting of 4 items each on internal and external whistle blowing intentions. A 5-point Likert-type scale was employed to rate statements that ranged from (1) 'Not at all' to (5) 'Very hard'. Second, attitudes towards whistle blowing, which is one of the three determinants of Ajzen's theory, were measured by asking how true the respondent thought the five statements were with regards to the salient consequences of an employee's reporting of wrongdoing in an organization. In addition, the respondents were asked to evaluate the importance of those consequences, by the question, "If you reported wrongdoing, how important do you think the following consequences would be to you?" These five salient consequences of an employee's whistle blowing were: prevention of harm to the organization; control of corruption; enhancement of public interest; performing one's duty as an employee; and moral satisfaction on one's part. The statements or items for the above two questions were rated on a 5-point Likert-type scale. The scale of the first question was ranged from (1) 'Not at all true' to (5) 'Very true'. The scale of the second question, the importance of the five consequences was rated on the same scale from (1) 'Not at all important' to (5) 'Very important'.

The second determinant, subjective norms, was measured by two questions. The first question measured normative beliefs, which were a person's thoughts about the likelihood that important referent persons would approve or disapprove of a respondent's reporting of wrongdoing in an organization, by asking the question, "How proud of you do you think the following persons would be if you reported wrongdoing?" The four salient groups of referents in this study were: member of one's family; coworker; immediate supervisor; friends; and neighbours. The second question measured the respondent's motivations to comply with the expectations of the referents.

In both questions, the respondents were rated on a 5-point Likert-type scale ranging from (1) 'Not at all' to (5) 'Very much' for the first question, and from (1) 'Very little' to (5) 'Very much' for the second question.

The third determinant, perceived behavioural control, was measured using 8 items, consisting of 4 items for control factors and 4 items for perceived power. The 4 items for control factors were statements concerning beliefs or perceptions about difficulties in the process of reporting as well as the results of an employee's reporting. The perceived power of the four control factors were measured by four items: an organization's hindering reporting (or ignoring it); difficulties to be faced in the process of reporting; no chance to correct wrongdoing; and retaliation by the organization. The respondents rated 8 items on a 5-point Likert-type scale. The 4 items for control factors were rated by a scale ranging from (1) 'Not likely' to (5) 'Very likely', and the remaining 4 items for perceived power were measured by a scale ranging from (1) 'Not very important' to (5) 'Very important'. These 36 items were extracted from Ajzen's (1991) Theory of Planned Behaviour.

Section B of the questionnaire was designed to explore the demographic profile of the respondents. The demographic data were collected using a closed ended multiple choice format, questions included were respondents position in the bank, sex, age, ethnic group, education level, years of banking experience, department/division respondents were attached to in the bank, and lastly their level of job satisfaction in the bank. The respondents' job satisfaction was measured on a 5-point Likert-type scale ranging from (1) 'Very dissatisfied' to (5) 'Very satisfied'. This section was deliberately designed to be asked at the end of the questionnaire to prevent unnecessary resistance from the respondents in completing their questionnaire and to reduce biased response in case the respondents were aggravated with the confidential nature of the questions.

3.2 Sampling Design

The data for this research was collected from executive level employees of 8 Malaysian commercial banks. The targeted sample size was 200 and convenience sampling was employed for the survey. Employees from 8 commercial banks, namely Affin Bank, Alliance Bank, Am Bank, EON Bank, Hong Leong Bank, Maybank, Public Bank, and Southern Bank participated in the survey. A total of 30 to 50 sets of the questionnaire were allotted to each commercial bank, depending on the number of employees in the bank. The respondents were assured that their responses were for research purposes only and would be kept confidential. At the beginning of the questionnaire, a definition of whistle blowing was given in order for the respondents to better understand the meaning of whistle blowing and to avoid ambiguity. A total of 144 completed questionnaires were returned and were found usable for data analysis.

4. Research Findings

This section presents the findings of the survey. It begins with a description of the general characteristics of the respondents and demographic comparison. This is followed by the comparison of the Cronbach (1955) coefficient alpha for reliability, means, and factor loadings for whistle blowing intentions and the three determinants of Ajzen's theory (attitudes towards whistle blowing, subjective norm, and perceived behavioural control). Then, the results of the correlation analysis of whistle blowing intentions and the three determinants of Ajzen's theory are discussed. Finally, the results of the two-regression analysis are presented using whistle blowing intention as the dependent variable and the demographic characteristics, attitudes towards whistle blowing, subjective norms, and perceived behavioural control as the independent variables.

4.1 Characteristics of the Respondents

A total of 144 questionnaires were returned and found to be usable. All the respondents were from the executive level. In terms of gender, it was found that both genders were almost equally represented. However, the percentage of male respondents was slightly higher at 52.8% from the total sample of 144 respondents.

In terms of the age distribution, 38.2% of the respondents were between the ages 31-35 years old, followed by below 30 and 36-40 years old (22.2%) and 41 and above (17.4%). It was also found that the majority of the respondents were aged between 31-35 years old and mostly highly educated professionals. The Malay respondents made up 47.9% of the total sample while the non – Malays constituted 52.1 %. A further break down of the non-Malay ethnic groups found that the Chinese accounted for 35.4 %, the Indians 16 % and 0.7% were from other races. This, more or less, represents the racial composition of executive employees in the Malaysian banking sector.

With regards to working experience, a 31.9% of the respondents had 1-5 years of working experience, 30.6% had 6-10 years, 22.2% had 11-15 years, and the rest (15.2%) had more than 16 years of working experience. In terms of position held, 48.6% of the respondents were at the executive level, 20.2% were assistant managers, 19.4% were managers and 11.8% were senior managers. The respondents, in terms of the range of working experience and positions held, seem to be well represented.

In terms of the 8 banks that were included in this survey, the highest number of respondents were from Am Bank with 35.4 % of the total, followed by Affin Bank with 27.8%, Southern Bank 11.1% , Public Bank 9.7% , Alliance Bank 6.3%, Maybank 4.2 % , Hong Leong Bank 3.5 % and EON Bank 2.1% . Most of the respondents were from the consumer banking, internal audit, public relations and human resources departments. The overall job satisfaction among the respondents is relatively high with about 50 % of the respondents answering 'somewhat satisfied' to 'very satisfied' with their job.

Table 1: Respondents Characteristics

Item	Frequency	%
Position Held		
Executive	70	48.60
Assistant Manager	29	20.20
Manager	28	19.40
Senior Manager	17	11.80
	144	100
Sex		
Female	68	47.20
Male	76	52.80
	144	100
Age		
Below 30 years	32	22.20
31 - 35 years	55	38.20
36 - 40 years	32	22.20
41 - 45 years	9	6.30
46 - 50 years	12	8.30
Above 50 years	4	2.80
	144	100
Race		
Malay	69	47.90
Chinese	51	35.40
Indian	23	16.00
Others	1	0.70
	144	100
Qualification		
MCE/ SPM	4	2.80
HSC/ STPM / Certificate	29	20.10
Bachelors Degree/ Professional	101	70.10
Post Graduate Degree	10	6.90
	144	100
Experiences		
1 - 5 years	46	31.90
6 - 10 years	44	30.60
11 - 15 years	32	22.20
16 - 20 years	12	8.30
More than 20 years	10	6.90
	144	100
Bank		
Affin Bank	40	27.80
Alliance Bank	9	6.30
Public Bank	14	9.70
Hong Leong Bank	5	3.50
Southern Bank	16	11.10
Maybank	6	4.20
Am Bank	51	35.40
EON Bank	3	2.10
	144	100
Job Satisfaction		
Very Dissatisfied	5	3.50
Somewhat Dissatisfied	17	11.80
Neutral	50	34.70
Somewhat Satisfied	57	39.60
Very Satisfied	15	10.40
	144	100

4.2 Whistle Blowing Intentions

Table 2 presents the statements, Cronbach alpha, mean and factor loadings for 8 items of whistle blowing intentions. It shows that the means of the internal whistle blowing intentions items were much higher than those of external whistle blowing in terms of each mean value of all items. The internal whistle blowing statement such as 'I would use reporting channel inside of the organization' has a high mean value of 3.15. The lower mean value of 2.10 presented by the external whistle blowing item/statement "I would inform the public of it". This might be due to the fact that the banking industry is highly regulated industry and as such, the respondents feel that it is not proper to report wrongdoing externally without reporting to the right channel inside the organization. Further, requirements to the compliance on internal policies and procedures hinder respondents to blow whistle externally.

In order to ensure that the developed scales/factors measure consistently what they are intended to measure, the Cronbach's coefficient alpha was employed to test their reliability. The acceptable level of reliability coefficient is 0.50 or greater as proposed by Nunnally (1967). He further stressed that alpha coefficient that is below 0.5 should therefore dropped from subsequent analysis as it had limited use in regression analysis due to its low reliability. As shown in Table 2, the alpha coefficients for both internal and external whistle blowing are 0.830 and 0.904, respectively. This indicates that both scale/factors in this exploratory research are highly reliable and acceptable.

Factor analysis was also performed on the 8 statements/items of whistle blowing intentions using principal components analysis. Using eigen value of ≥ 1 , the analysis produced two factors, accounting for 73.12 per cent of total variance explained. Hair, Anderson, Tatham and Black (1995) suggest that for social science studies, it is not uncommon to consider a solution of about 60 per cent as satisfactory. Factor 1 (F1) and Factor (F2) explained 39.64 per cent and 33.48 per cent of the total variance, respectively. To facilitate easy interpretation, these factors were then rotated using the varimax criterion for orthogonal rotation. Only statements/items with factor loadings of 0.50 and above in the rotated factor matrix were considered as significant in interpreting the factors. Table 2 shows the factor matrix indicating the factor loadings of every variable on these two factors. Factor 1 (F1) and Factor 2 (F2) comprised four items, respectively. By analyzing the items in the factors, some interpretable dimensions can be identified (see Table 2). Factor 1, labeled as "External Whistle Blowing Intentions" and Factor 2 (F2) as "Internal Whistle blowing Intentions".

Table 2: Internal and External Whistle Blowing Intentions: Scale Items, Means, Cronbach Coefficient Alpha, and Factor Loadings

Scale/Items	Mean (s.d.)	Factor Loadings	
		F1	F2
If you found wrongdoing in your workplace, how hard would you try to do the following?			
Internal Whistle blowing (IW) Cronbach Alpha = .830			
I would report it to the appropriate persons within the organization.	3.12 (1.08)	-.203	.854
I would use reporting channels inside of the organization.	3.15 (1.11)	-.197	.805
I would let upper level of management know about it.	3.00 (0.98)	-.030	.798
I would tell my supervisor about it.	3.10 (1.16)	-.256	.798
External Whistle blowing (EW) Cronbach Alpha = .904			
I would report it to the appropriate authorities outside of the organization.	2.60 (1.31)	.791	.303
I would use reporting channels outside of the organization.	2.47 (1.23)	.886	.188
I would provide information to outside agencies.	2.11 (1.31)	.946	.132
I would inform the public of it.	2.10 (1.41)	.903	.033
<i>Eigenvalue</i>		3.17	2.68
<i>Percent of variance</i>		39.64	33.48
<i>Cumulative percent</i>		39.64	73.12

4.3 Attitudes towards Whistle Blowing

Table 3 shows the attitudes towards whistle blowing, the responses to each statement given under the first question were multiplied by each evaluation of the five consequences respectively, and summed for the mean of the sample. The second statement “Reporting wrongdoing in the organization is helpful in controlling corruption” has higher mean value of or both the belief of consequences and its importance at 4.03 and 4.15 respectively. The overall means of the items of outcomes as well as their evaluation were higher than 3.00 on average, indicating that the respondents agree whistle blowing had positive effects and that they were important. The result also showed acceptable Cronbach alpha of 0.546 and 0.679, respectively. Factor analysis on the 10 statements representing the two questions produced three factors, where Factor 1 (F1) comprised 5 items, Factor 2 (F2) comprised 2 items, whilst Factor (F3) comprised 3 items. Percent of the variance explained by Factor 1, 2 and 3 were 31.91, 13.26, and 11.19, respectively. Based on the items that were loaded on each of the factors, the three factors were labeled. Factor 1, labeled “Preventing Harm and Moral Satisfaction”, Factor 2, labeled “Public Interest” and Factor 3, “Control Corruption”.

Table 3: Attitudes Towards Whistle blowing: Scale Items, Means, Cronbach Coefficient Alpha, and Factor Loadings

Scale/Items	Mean (s.d.)	Factor Loadings		
		F1	F2	F3
Belief of the Consequences Cronbach Alpha = 0.546				
How true do you think the following statements are with regards to an employee's reporting of wrongdoing in an organization?				
Reporting a wrongdoing would help prevent serious harm to an organization.	4.01 (1.04)	.503	.342	.118
Reporting wrongdoing in the organization is helpful in controlling corruption	4.03 (0.96)	.264	.459	.534
Whistle blowing enhances the public interest.	3.31(1.15)	.041	.922	.007
Reporting wrongdoing in the workplace is a way for an employee to do his or her duty.	3.81 (1.06)	-.144	-.033	.807
Whistle blowing is the moral thing to do	3.10 (1.16)	.587	.009	.164
Evaluation of importance Cronbach Alpha = .679				
If you reported wrongdoing how important do you think the following consequences would be to you?				
Prevention of harm to the organization.	3.97 (1.00)	.700	.229	.155
Control of corruption.	4.15 (0.87)	.295	.073	.608
Enhancement of public interest.	3.06 (1.13)	.297	.784	.088
Performing one's duty as a public employee.	3.31 (0.99)	.525	.224	.103
Moral satisfaction on one's part.	3.67 (0.95)	.814	.036	.226
<i>Eigenvalue</i>		3.19	1.33	1.12
<i>Percent of variance</i>		31.91	13.26	11.19
<i>Cumulative percent</i>		31.91	45.17	56.36

4.4 Subjective Norms

Table 4 presents the analysis on the second determinant of Ajzen's theory. The normal belief of approval or disapproval of the referents, which the respondents believe, was multiplied by the respondent's motivation to comply with the referents demand and summed to produce an average of subjective norms. Mean of the normal belief in the first question was the highest 3.35 (standard deviation = 1.07) for immediate supervisor, and the lowest 2.31 (standard deviation = 1.00) for neighbours. The mean of the respondents' motivations in the second question was the highest 3.57 (standard deviation = 0.99) for immediate supervisor, compared with 2.03 (standard deviation = 1.01) for neighbours. The reliability assessment for internal consistency produced higher Cronbach alpha value 0.708 for thoughts of referents, compared with 0.675 for motivation to comply. Factor analysis on the 10 statements representing the two questions produced three factors, where Factor 1 (F1) comprised 4 items, Factor 2 (F2) and Factor (F3) comprised 3 items each, accounting for 64.07 per cent of total variance.

Table 4: Subjective Norm: Scale Items, Means, Cronbach Coefficient Alpha, and Factor Loadings

Scale/Items	Mean (s.d.)	Factor Loadings		
		F1	F2	F3
Thoughts of Referents Cronbach Alpha = .708				
How proud of you do you think the following persons would be if you reported wrongdoing in your organization?				
Members of one's family.	3.24 (0.99)	.250	.583	.098
Coworkers	3.26 (1.04)	.028	.809	.127
Immediate supervisor.	3.35 (1.07)	.064	.845	.089
Friends.	2.99 (0.91)	.735	.307	.016
Neighbours.	2.31 (1.00)	.831	.229	-.195
Motivation to comply Cronbach Alpha = .675				
How much do you care whether the following persons would approve or disapprove of your reporting of wrongdoing in your organization?				
Members of one's family.	3.56 (0.91)	.262	-.025	.695
Coworkers	3.48 (1.00)	.171	.221	.803
Immediate supervisor.	3.57 (0.99)	-.011	.469	.663
Friends.	2.90 (0.93)	.581	-.017	.526
Neighbours.	2.03 (1.01)	.762	-.081	.209
<i>Eigenvalue</i>		3.18	1.84	1.40
<i>Percent of variance</i>		31.76	18.36	14.0
<i>Cumulative percent</i>		31.76	50.11	64.07

4.5 Perceived Behavioral Control

As shown in Table 5, the mean (standard deviation) of "The difficulties to be faced in the process of my reporting will be too great for me to endure" was the highest 3.17 (1.07) among the four items of the belief of control factors, that of "Retaliation by the organization" was the lowest 3.51(1.00). The perceived behavioral control was calculated by multiplying each control factor by the perceived power of each control factor, summed the results across four control factors, and averaged them. The Cronbach coefficient alpha for the first four items is 0.666, compared with the last four items of evaluation 0.779 that is highly reliable. Factor analysis on the 8 statements representing the two questions produced three factors, where Factor 1 (F1) comprised 4 items, Factor 2 (F2) and Factor (F3) comprised 2 items each, accounting for 68.73 per cent of total variance.

Table 5: Perceived Behavioral Control: Scale Items, Means, Cronbach Coefficient Alpha, and Factor Loadings

Scale/Items	Mean (s.d.)	Factor Loadings		
		F1	F2	F3
Belief of Control Factors Cronbach Alpha = .666				
If you report wrongdoing in your organization, how likely do you think the following are?				
The organization will hinder/ignore my reporting every step of the way.	2.74 (1.13)	.056	.848	.086
The difficulties to be faced in the process of my reporting will be too great for me endure.	3.17 (1.01)	.111	.770	.191
My reporting won't make any difference.	2.73 (1.06)	.213	.421	.670
I will be subjected to retaliation from the organization.	3.01 (1.03)	-.134	.088	.897
Evaluation Cronbach Alpha = .779				
If you report wrongdoing in your organization, how important do you think the following are to you?				
The organization's hindering reporting (or ignoring it).	3.68 (1.07)	.803	.032	-.066
Difficulties to be faced in the process of reporting.	3.62 (0.98)	.762	.229	-.084
No chance to correct wrongdoing.	3.60 (0.90)	.771	.185	.003
Retaliation by the organization.	3.51 (1.00)	.747	-.177	.342
<i>Eigenvalue</i>		2.74	1.76	1.00
<i>Percent of variance</i>		34.28	21.94	12.51
<i>Cumulative percent</i>		34.28	56.22	68.73

A correlation analysis of the three determinants and of theory of planned behavior and whistle blowing intentions was conducted and the results are as follows:

TABLE 6

Descriptive Statistics and the Correlation between Whistleblowing Intention and the Independent Variables (N = 144)

	<u>MEAN</u>	<u>S.D.</u>	<u>IW</u>	<u>EW</u>	<u>BC</u>	<u>TR</u>	<u>BCF</u>	<u>BC*TR</u>	<u>TR*BCF</u>	<u>BC*BCF</u>	<u>POST</u>	<u>SEX</u>	<u>AGE</u>	<u>RACE</u>	<u>EDU</u>	<u>EXP</u>	<u>BANK</u>	<u>DEPT</u>	<u>JSAT</u>	
IW	12.38	3.52	1																	
EW	9.28	4.66	-.035	1																
BC	37.30	5.51	.273(**)	.248(**)	1															
TR	30.70	5.52	.136	.343(**)	.427(**)	1														
BCF	26.06	4.67	.250(**)	.267(**)	.354(**)	.119	1													
BC*TR	1157.76	324.48	.231(**)	.346(**)	.794(**)	.882(**)	.244(**)	1												
TR*BCF	803.02	216.62	.248(**)	.386(**)	.497(**)	.742(**)	.744(**)	.738(**)	1											
BC*BCF	981.13	266.07	.300(**)	.312(**)	.774(**)	.292(**)	.860(**)	.578(**)	.759(**)	1										
POST	1.94	1.08	.002	-.082	.252(**)	.273(**)	.042	.318(**)	.209(*)	.149	1									
SEX	1.53	.50	-.006	.015	-.060	-.103	.058	-.110	-.021	.022	-.218(**)	1								
AGE	2.49	1.29	.192(*)	-.042	.186(*)	.182(*)	.029	.231(**)	.142	.104	.544(**)	-.194(*)	1							
RACE	1.69	.76	.009	-.069	.079	.133	-.026	.144	.078	.022	.099	.041	.081	1						
EDU	2.81	.59	.004	.072	-.066	-.161	.075	-.143	-.083	-.008	.027	-.207(*)	.102	.043	1					
EXP	2.28	1.20	-.088	-.166(*)	-.074	-.071	-.123	-.073	-.118	-.114	.360(**)	-.083	.464(**)	-.083	-.044	1				
BANK	4.28	2.57	-.177(*)	-.172(*)	-.444(**)	-.267(**)	-.450(**)	-.383(**)	-.448(**)	-.526(**)	-.181(*)	-.020	-.253(**)	-.159	-.126	.040	1			
DEPT	7.60	3.27	.045	.099	.242(**)	.259(**)	.100	.274(**)	.227(**)	.195(*)	.099	.120	-.105	-.066	-.155	-.156	-.046	1		
JSAT	3.42	.95	.003	.034	-.040	.132	-.034	.083	.048	-.053	.214(**)	-.142	-.012	-.045	-.084	.021	.134	.011	1	

1) ** Correlation is significant at the 0.01 level (2-tailed).
 2) * Correlation is significant at the 0.05 level (2-tailed).

3) Abbreviation : IW = Internal Whistleblowing; EW = External Whistleblowing; BC = Attitude Towards Whistleblowing; TR = Subjective Norms; BCF = Perceived Behavioral Control; POST = Position; EDU = Education; EXP = Experience; DEPT = Department; JSAT = Job Satisfaction

The results of the correlation analysis indicate that the intention to blow the whistle internally ($M=12.38$) scored higher than that of external whistle blowing ($M=9.28$). Both internal and external whistle blowing intentions were significantly related to three determinants of planned behavior (BC, TR and BCF), excluding a relation of internal whistle blowing and subjective norm. In light of the above, it can be inferred that the more favorable the attitudes towards whistle blowing (BC) were, the stronger the respondents' intentions to blow the whistle were ($r = .273$ (IW), $.248$ (EW)) and the higher the social pressure (TR) to support the respondent's whistle blowing, the higher the employees' external whistle blowing ($r = .343$ (EW)) intentions were. Surprisingly, the correlation between the perceived behavioral control (BCF) and the two types of intentions to whistle-blow (IW and EW) also indicated a direct linear relationship i.e. the stronger the belief was that there were many obstacles or risks to be faced in blowing the whistle, the stronger were the respondents' intentions to blow the whistle, which is expected to have an inverse relationship (negative value).

The strength of relationship between the three determinants is generally higher for intention to blow the whistle externally except for BC, which partly supports H2. The newly created interaction variable BC*TR, TR*BCF and BC*BCF had positive significant direct relationship with both internal and external whistle blowing intentions. This result clearly supports Hypothesis 1 which stated that there is significant relationship between the three determinants of planned behavior and the intention of whistle blowing.

Demographic variables do not seem to have strong relationship with whistle blowing intention ($r < 0.2$).

In order to examine the roles of the three determinants of theory of planned behavior, two regression analyses were conducted using whistle blowing intentions as the dependent variables. Table 6 shows the results of multiple regression of whistle blowing intentions

Table 7: Results of Multiple Regressions of the Three Determinants of Theory of Planned Behavior (N = 144)

<u>Predictors</u>	<u>Dependent Variables</u>			
		<u>IW</u>		<u>EW</u>
JSAT	.766	(.027)	.935	(.007)
DEPT	.735	(-.030)	.616	(-.042)
RACE	.949	(-.005)	.230	(-.095)
BCF	.079	(1.315)	.656	(.305)
EDU	.776	(-.026)	.111	(.135)
SEX	.904	(.011)	.614	(.041)
TR	.663	(-.273)	.005	(1.628)
BC	.021	(1.392)	.119	(-.857)
BANK	.969	(.004)	.532	(.062)
TRBCF	.647	(.412)	.030	(-1.810)
BCBCF	.045	(-2.118)	.085	(1.670)
POST	.345	(-.096)	.122	(-.145)
EXP	.945	(-.006)	.519	(-.056)
(Constant)		.212		.491
Adjusted R Square		.051		.200
F Value		1.594		3.754
Significance		.095(a)		.000(a)

1. The figures in the parentheses are standardized regression coefficients
2. Age was excluded from the above analysis due to multi-co linearity problem generated between age and experience (length of service)
3. Abbreviation : IW = Internal Whistle blowing; EW = External Whistle blowing; BC = Attitude Towards Whistle blowing; TR = Subjective Norms; BCF = Perceived Behavioral Control; POST = Position; EDU = Education; EXP = Experience; DEPT = Department; JSAT = Job Satisfaction

The explanatory power of the three determinants to explain whistle blowing intentions was not as strong as expected in internal whistle blowing, even though it has significant correlation with the three determinants as highlighted in the correlation analysis earlier. The predictors including the three determinants explained 5.1 percent of the variance (F=1.594, p=0.095) cumulatively explained 20 percent of the variance (F=3.754, p=0.000). It seems that the predictors are more powerful in explaining the external whistle blowing intentions.

In comparing the contribution of each independent variable, the beta (β) values under standardized coefficients indicate that attitude (BC) and perceived behavioral control (BCF) combined (BCBCF) makes the highest contribution to explain the whistle blowing intentions, when the variance explained by all other variables in the model is controlled for. The β value for subjective norm (TR) is the lowest which means it contributed the least to the prediction.

4.6 Summary of Results

The results of this study show that both internal and external whistle blowing intentions were significantly related to three determinants of planned behavior (BC, TR and BCF), excluding a relation of internal whistle blowing and subjective norm. However, the correlation between the perceived behavioral control (BCF) and the two types of intentions to whistle-blow (IW and EW) indicated a direct linear relationship which means the stronger the belief was that there were many obstacles or risks to be faced in blowing the whistle, the stronger were the respondents' intentions to blow the whistle, which is not the expected adverse relationship. The result does not indicate the expected outcome, which is high correlation between the three determinants and intentions of blowing whistle. This may be due to the fact that banking industry is a highly regulated sector. The reason may also be because respondents are now much more aware of the importance of whistle blowing in an organization. This is partly because of the many reported cases involving whistle blowing worldwide like the high profile Enron and World.com cases.

5. Recommendations & Limitations

One of the limitations of this study is the use of a specific sample (the banking industry) and such a sample lowers the external validity of the study and the small sample size in some way restricts generalization of the findings. As such, future studies should include more than one industry and use bigger sample sizes. Another limitation may also relate to social pressure. Respondents may have filled up the survey forms simply because of their sense of duty toward the organization to complete the survey forms, likewise peer pressure from colleagues/peers may be one of the reasons that made them response to the survey. The possibility of respondents not understanding the content or the content may not seem clear, could also affect the results.

We recognize the direct measurement of actual whistle blowing behaviour may be the best way to understand or explain whistle blowing intentions; however, this is not realistic in social science research. Asking sample group members how they would respond in a given situation are commonly used as a poor, but nevertheless, measurable substitutes.

As a whole, however, the results are informative and encouraging, and we hope they will stimulate further research on ethics and whistle blowing intentions in other business sectors. We further recommend a larger sample size not only among executives but with other groups in banking industry. This will produce more reliable results.

6. Conclusion

This study examined the role of the determinants of planned behavior with regards to whistle blowing intentions. Firstly, the results showed that the determinants played a significant role in predicting the intentions to blow the whistle. An attitude towards whistle blowing, which was explained by the extent to which an individual has a favorable or unfavorable evaluation of whistle blowing; subjective norms or normative beliefs of how much a referent would be proud of the individual who would blow the whistle; and perceived behavioral control which means the obstacles that might be faced in correcting the wrongdoing play very important roles in the decision of potential whistleblowers. Secondly, the relationships of the three determinants were different depending on the intentions of the two types of whistle blowing. It was found that the intention to blow the whistle externally is higher than internal, perhaps due to the fear of retaliation from the organization or inadequate channel within organizations to report any wrongdoings. These findings call for more awareness program on whistle blowing to cultivate the right attitude towards whistle blowing, shape the society to support such an activity and provision of adequate protection for whistleblowers.

This study explored the determinants of whistle blowing intentions by using the theory of planned behavior, which is widely accepted as a tool that provides a general framework for predicting behavioral intentions but is rarely used in whistle blowing studies. The results of this study extend an organization's ability to predict whistle blowing intentions in the real world. It could be applied to everyday government or business world, which often pursues the improvement of reporting channels and training program aimed to reduce an employee' deviant behavior or to promote the reporting of unethical behavior within the organization.

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