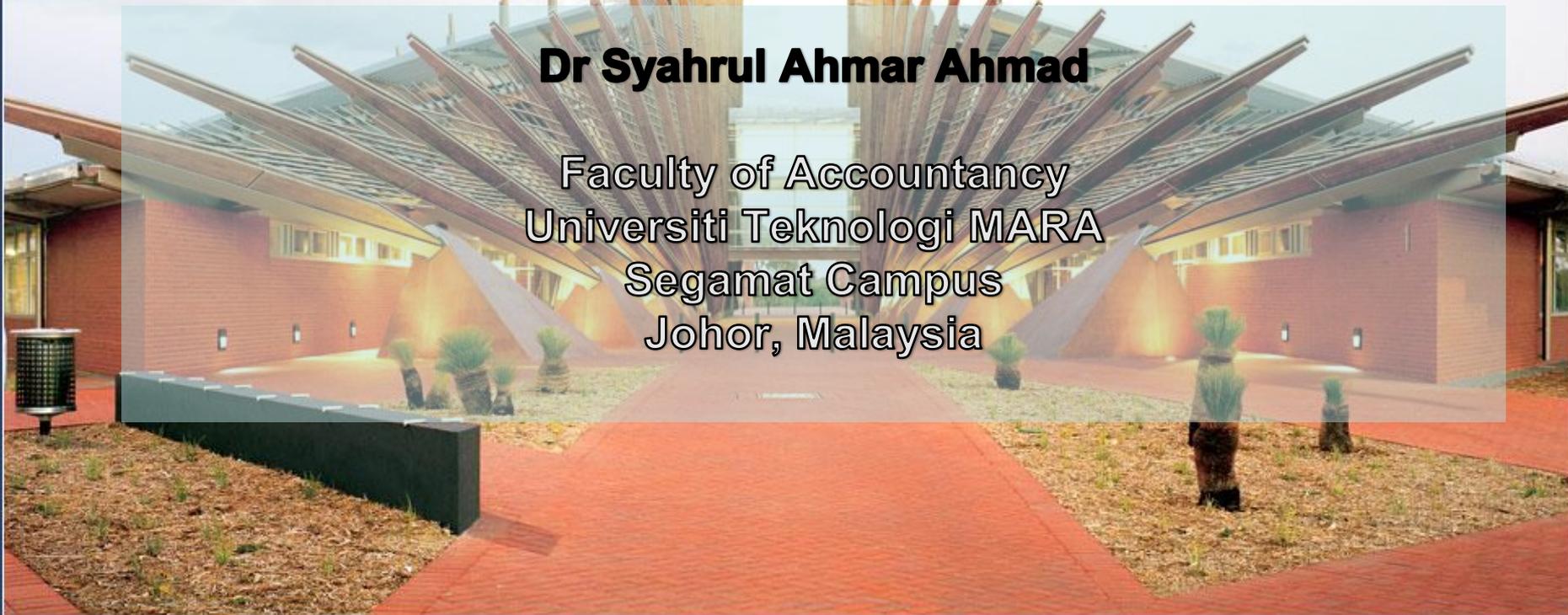


# Whistleblowing Research: Perspectives from Behavioural Science Studies

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# WHISTLEBLOWING

Just imagining the destructive power of a publicly revealed whistleblowing complaint can strike fear in the hearts and minds of managers. Proactive strategies can help redirect employee complaints in positive directions and defuse potential fires.

BY JONATHAN FIGG  
ILLUSTRATIONS BY MATTHEW MARTIN



# Bits about me..

Name: Syahrul Ahmar Ahmad

PhD, Auditing and Corporate Governance  
Edith Cowan University (Jul 2008 – Jul 2011)  
Joondalup, Western Australia

## **Thesis:**

Syahrul A. Ahmad: Internal Auditor and Internal Whistleblowing Intentions:  
A Study of Organisational, Individual, Situational and Demographic Factors.

8,338 downloads since 30 June 2011 (As at 11 November 2018)

Link: <http://ro.ecu.edu.au/theses/152/>

## **Co-Supervisors:**

Prof Malcolm Smith

Dr Zubaidah Ismail

## Whistleblowing:

- A referee on a field blowing a whistle during a football match?
- An act by someone for exposing wrongdoings
- “the disclosure by organisation members (former or current) of illegal, immoral, or illegitimate practices under the control of their employers, to persons or organizations that may be able to effect action” **(Near & Miceli, 1985, p. 4).**  
(Most widely used definition term)

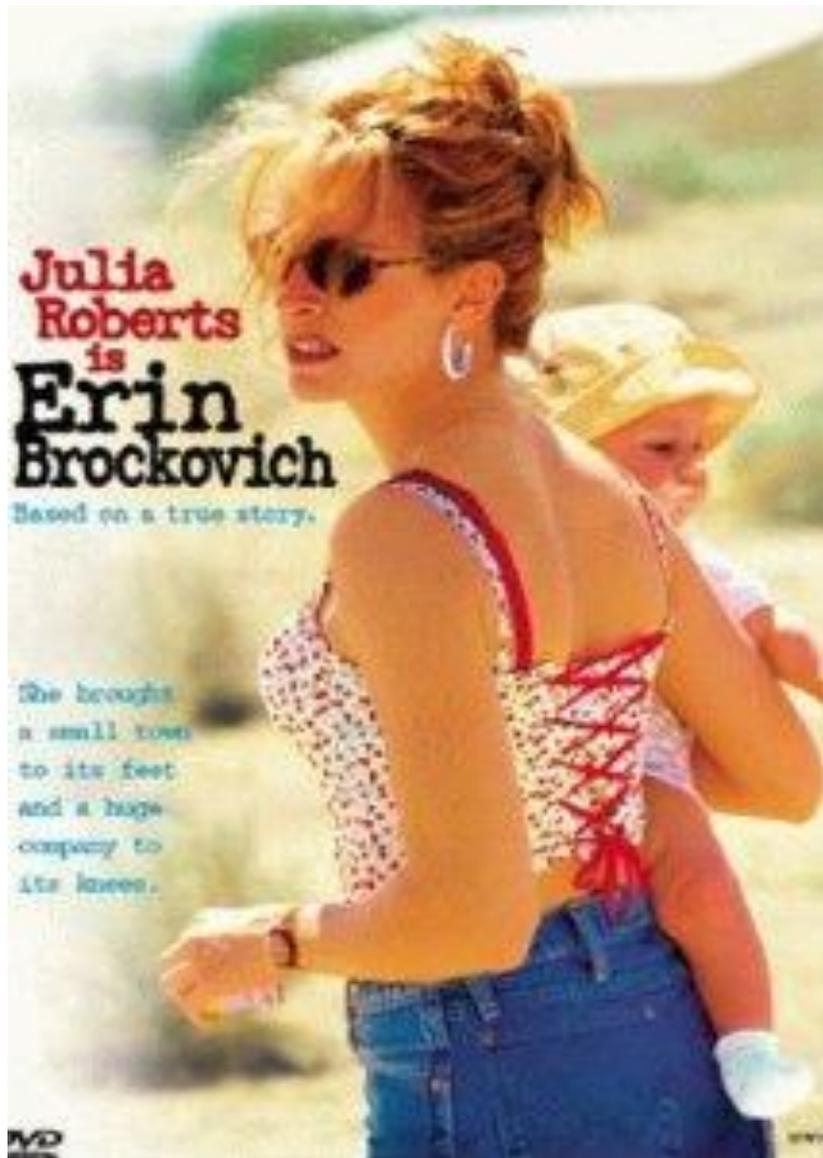
## Behavioural science:

- is the systematic analysis and investigation of human and other animal behaviour through controlled and naturalistic observation and disciplined scientific experimentation.
- Disciplines which make use of behavioural science include psychology, psychobiology, criminology, sociology, and cognitive science (**Wikipedia.org**)

# What is a whistleblower



# Movies on whistleblower



## Erin Brockovich (2000)

An unemployed single mother becomes a legal assistant and almost single-handedly brings down a California power company accused of polluting a city's water supply.

### Director:

Steven Soderbergh

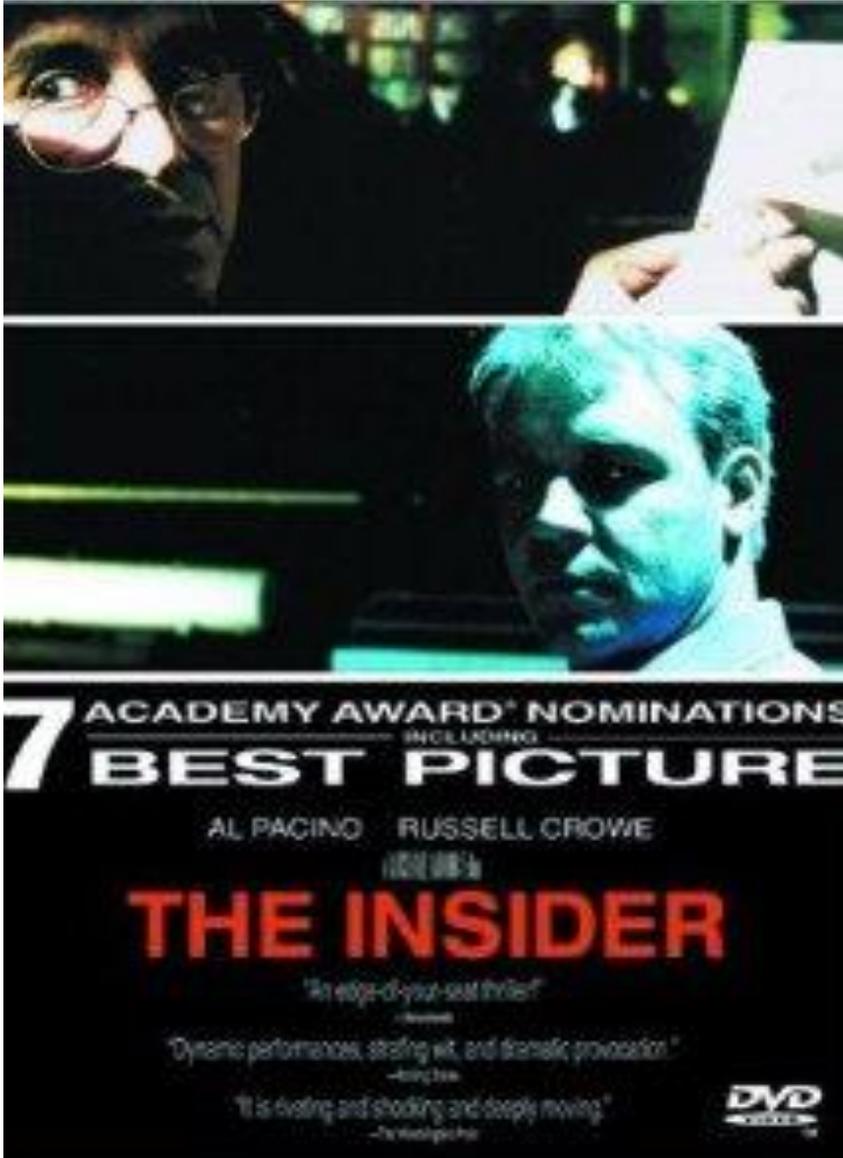
### Writer:

Susannah Grant

### Stars:

Julia Roberts, Albert Finney, David Brisbin

# Movies on whistleblower



## **The Insider (1999)**

A research chemist comes under personal and professional attack when he decides to appear in a "60 Minutes" expose on Big Tobacco.

### **Director:**

Michael Mann

### **Writers:**

Marie Brenner (article), Eric Roth, 1 more credit »

### **Stars:**

Russell Crowe, Al Pacino, Christopher Plummer

# Movies on whistleblower



## The Whistleblower (2010)

A drama based on the experiences of Kathryn Bolkovac, a Nebraska cop who served as a peacekeeper in post-war Bosnia and outed the U.N. for covering up a sex scandal.

### Director:

Larysa Kondracki

### Writers:

Larysa Kondracki, Eilis Kirwan

### Stars:

Rachel Weisz, Monica Bellucci, Vanessa Redgrave

- <http://www.thegrindstone.com/2012/07/15/career-management/top-ten-movies-whistleblowers-315/>

# World known whistleblowers

“In a year when our trust in American institutions was tested, **Sherron Watkins** of Enron, **Coleen Rowley** of the FBI and **Cynthia Cooper** of WorldCom found the strength to stand for what's right.”

“Despite taking professional and personal risks, these women helped remind us what American values are all about.”

**Time Magazine**  
**2002**



# Our locally known whistleblowers

## Whistle-blower Malaysian opposition MP Rafizi Ramli gets 30 months' jail for bank details leak

The vice-president of the People's Justice Party was found guilty of illegally releasing financial details related to the National Feedlot Corporation, which he alleged proved corruption.

PUBLISHED : Wednesday, 07 February, 2018, 4:13pm

UPDATED : Wednesday, 07 February, 2018, 4:17pm

The leak led to Rafizi exposing the multi-million-ringgit scandal in 2011, which involved the national cattle-farm breeder's purchases of luxury condominium units.

NFC was owned by Mohamad Salleh Ismail, the husband of Wanita Umno head Shahrizat Abdul Jalil.



# Our locally known whistleblowers

WORLD • MALAYSIA

## The Accidental Whistle-Blower: How a Retired London Journalist Uncovered Massive Corruption Half a World Away



Clare Rewcastle Brown is editor of Sarawak Report and founded Free Sarawak Radio

# Is it a sensitive issue?

- It is a sensitive topic to study **(Near & Miceli, 1995)**
- Whistleblowing is a controversial yet socially significant topic of interest **(Culliberg & Mihelic, 2017)**
- The act is akin to a “bee-sting phenomenon” **(Vinten, 1996)**
- In most cases, information can be sensitive, leading to potential harm to the whistleblower **(The Star, 2012)**
- Internal whistleblowers are afraid of consequences of blowing the whistle, such as loss of job or being ostracized by their organization **(Read & Rama, 2003)**

# Is it a sensitive issue?

**My Faculty's PhD proposal presentation session**

**16 November 2007**

**Grading Sheet**

## **Panelist D**

- "contribution is there to understand [the study] but sensitive issue! Where do you get the idea to do on [the study] - too confidential.
- "Initial evidence" in your objective - what good will this do to the practice?
- How open will the participants to this kind of study? Which participants would want to come forward?

## **Panelist B**

- "I think the candidate is ready to embark on a PhD program. Prof Malcolm Smith is the best person to supervise him on this topic. The candidate has obtained a lot of input from the industry and the professional. Nevertheless, the candidate needs to refine the research methodology, particularly on the instrument to be used to collect data for this research. I suggest that he be allowed to go to ECU, Australia."

# Issues of whistleblowing

- Increase due to rise of corporate fraud/crimes
  - is a global phenomenon that continuously affects many businesses worldwide **(ACFE, 2010; KPMG, 2009; PricewaterhouseCoopers, 2009).**
- An effective mechanism to combat fraud
  - Whistleblowing is argued to be an effective mechanism to combat fraud **(ACFE, 2010; Bhal & Dadhich, 2011).**
  - Legislations have been enacted by some countries – Sarbanes-Oxley Act, 2002; Whistleblower Protection Act, 2010
- Whistleblowers could play an important role in a matured society.
  - In societies where there is a distrust of the establishments seriousness to act independently against corruption and abuse of power, whistleblowers provide the spark to fuel public opinion that can subsequently exert enough pressure for actions to be taken against corrupt public officials **(The National Oversight & Whistleblowers Centre (NOW))**

- Various fields:
  - Behavioural
  - Legal
  - Auditing
  - Corporate governance
  - Medical
  - Management
  - Communication
- The interest in corporate wrongdoing in academic research:
  - psychology (**Near & Miceli, 1986; Zhang, Chiu, & Wei, 2009b**),
  - organisational behaviour (**Seifert, Sweeney, Joireman, & Thornton, 2010**),
  - culture (**Hwang, Staley, Chen, & Lan, 2008; Patel, 2003**),
  - business ethics (**Kaptein, 2011**),
  - organisational theory (**Miceli & Near, 1984**).

# Studies of whistleblowing

## **USA**

- Since the 1980s - there has been a growing interest in whistleblowing on corporate wrongdoing in academic research. Most were predominantly North American in origin (**Gobert & Punch, 2000; Miceli et al., 2008**).
- The incidence of corporate debacles (Enron and WorldCom) have triggered not only extensive academic whistleblowing studies but have also led to the passage of Sarbanes-Oxley Act of 2002 (**Eaton & Akers, 2007; Lacayo & Ripley, 2003**).
- The Sarbanes-Oxley Act provides guidelines to public companies in U.S. on dealing with various issues pertaining to whistleblowing legislation.

## **Others**

- there is growing interest in the subject matter in the Asian region, studies have been limited to Hong Kong (**Chiu, 2002, 2003**), China (**Zhuang et al., 2005**) Taiwan (**Hwang et al., 2008**) and Japan (**Davis & Konishi, 2007**)
- Most studies examined the impact of cultures on whistleblowing

## **Malaysia**

- Despite extensive research undertaken on the issue of whistleblowing globally, empirical study in this area is clearly lacking in Malaysia (**Ahmad et al., 2010**)

## **Indonesia**

- Initiated the study as there are no empirical results available from Indonesia on whistleblowing in the context of accounting (**Latan et al., 2017**)

# What were studied?

## 1. *Act of whistleblowers*

- The whistleblower – is a Hero or a Traitor?
  - negative consequences for the organization as well as to the employee's reputation and career, should the employee decide to disclose the wrongdoing.
- **Vinten (1996)** likened the whistleblowing act as akin to a “bee sting phenomenon”.
  - it will negatively affect the whistleblower's career.
- Whistleblowing will allow the organizations rectify corporate wrongdoing internally
  - Encouraging whistleblowing will send a message to stakeholders and the public at large that the organization would be able to deter corporate **losses (Somers & Casal, 1994)**

# Debates on whistleblowing

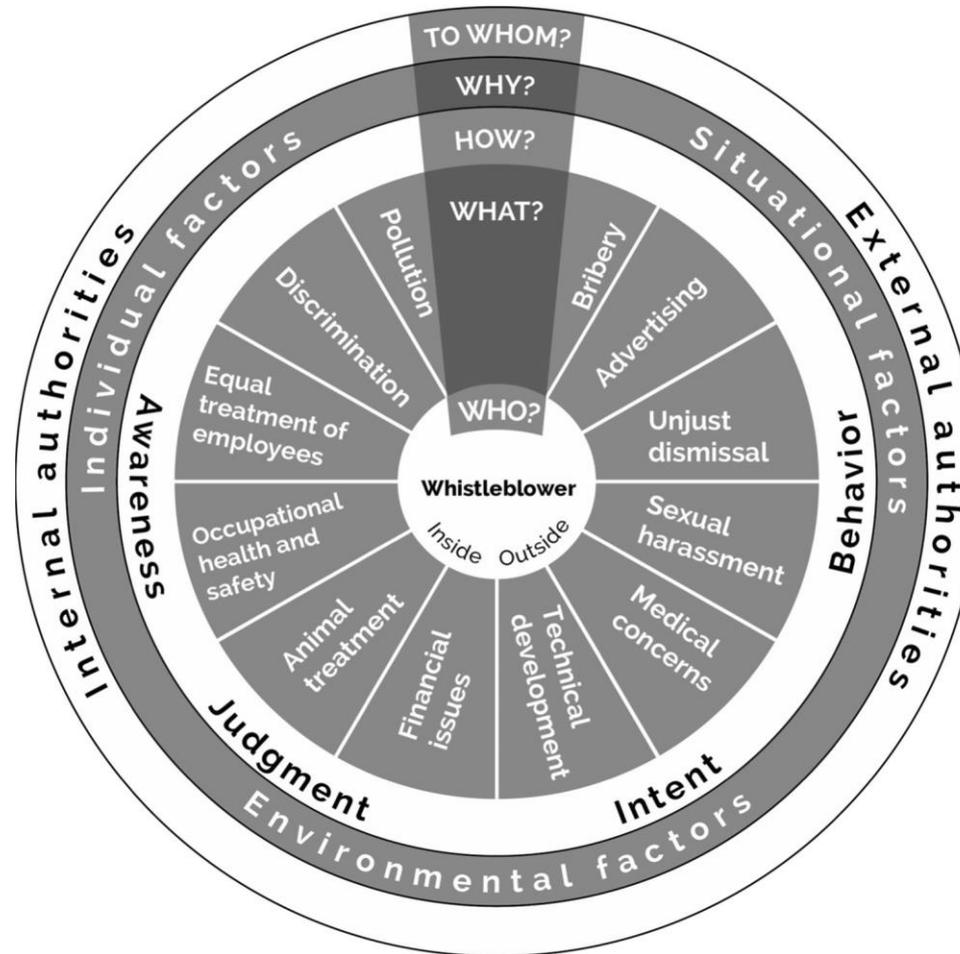
## ***2. Channels of whistleblowing***

- Studies acknowledged this that the act could either be made internally or externally (Sonnier, 2013).
- **Near and Miceli (1985, p. 3)** however reported that there was a “substantial disagreement” in the literature on whether internal reporting of corporate wrongdoing should be considered as whistleblowing.
- Some researchers argue that whistleblowing is an action where reporting of the wrongdoing is only to outside parties (e.g. Courtemanche, 1988; Elliston, Keenan, Lockhart, & Van Schaick, 1985; Jubb, 1999).

## 3. *Actors of whistleblowing*

- Studies have resorted to students, managers, auditors, internal auditors, doctors, nurses, policemen and etc.
- In corporate governance field
  - Such disagreement have then lead to a debate whether an auditor can be regarded as a whistleblower.
  - **Jubb (1999, 2000)** argued that reporting or disclosures made by internal and external auditors are role-prescribed and should not be regarded as whistleblowing acts.
  - **Jubb (2000)** explained that the disclosures on corporate wrongdoings made by these auditors are within the ambit of their profession and should be considered as reporting or informing rather than whistleblowing.

# What were studied?



The wheel of whistleblowing  
Source: Culiberg & Mihelic (2017)

# What were studied?

## 1. Theories underpinning the whistleblowing behaviour:

- **Prosocial behaviour theory**
  - whether whistleblowing behaviour could be explain by this theory
  - **Miceli et al. (2012, p. 945)** reported that, consistent with prior research, “whistleblowers had a stronger sense that it was part of their job to report what they had witnessed”.
  - Furthermore, whistleblowers are said as possessing higher credibility and power than other organizational members hence, they are likely to influence management to terminate wrongdoing (**Near & Miceli, 1995**).
- **Ethical climate theory**
  - It has been argued that organisations have distinct ethical climates (**Victor & Cullen, 1988**) that reflect common perceptions and beliefs concerning organisational ethical conducts.
- **Theory of reasoned action**
  - developed by **Fishbein and Ajzen, 1967** and aims to explain the relationship between attitudes and behaviors within human action.

# What were studied?

## *2. Factors /Predictors for whistleblowing:*

- The decision to blow the whistle actually spans different types of factors - **organizational, individual, situational** and **demographic (Culiberg & Mihelic, 2017; Miceli et al., 2012; Oh & Teo, 2010; Robinson et al., 2012).**
- **Environmental factors**
  - National cultures
  - Cultural orientation
  - Legal environment
- **Individual factors**
  - Demographic
    - Gender, age, tenure, education
  - ethical judgment,
  - locus of control
  - organisational commitment.
  - Job satisfaction/performance
- **Situational factors**
  1. Characteristics of organisation
    - Organ culture
    - Company size
    - Industry type
    - Ethical environment
  2. Characteristics of wrongdoing
    - seriousness of wrongdoing
    - status of the wrongdoer
    - Strength of retaliation
    - Personal cost

# How the behaviour is examined?

## 1. *Actual vs intentions*

- Researchers can only examine their respondents' whistle-blowing behavioral intentions rather than observing their actual behaviour (**Patel, 2003**).
- It is however not practical in social science research to study actual whistleblowing (**Miceli & Near, 1988, p. 277**)
  - Even if the studied be carried on, no participants may be willing to be identified and responded to the survey.
  - Such situation may then make the study's data become even invalid (**Miceli and Near, 1988**)

# How the behaviour is examined?

## 2. Use of Vignettes / Scenarios

- The use of multiple vignettes/scenarios are common in research investigating respondents' whistleblowing intentions (**Sonnier, 2013; Trongmateerut and Sweeney, 2013**).
- Hypothetical scenarios or vignettes allow researchers to approach sensitive issues by posing hypothetical situations to which the participants may respond.
- The approach of using vignettes is considered as appropriate and effective for acquiring data in whistleblowing studies (**Gundlach, Martinko, & Douglas, 2008**)
- Despite its wide usage, studies acknowledged its limitations:
  - Can the vignettes are able to capture real world situation?
  - Would respondents responded?
  - How many vignettes/scenarios are sufficient?
  - Bias – social desirability bias / order effect bias – which would effect validity of the study

# Example of a vignette

## Vignette 1

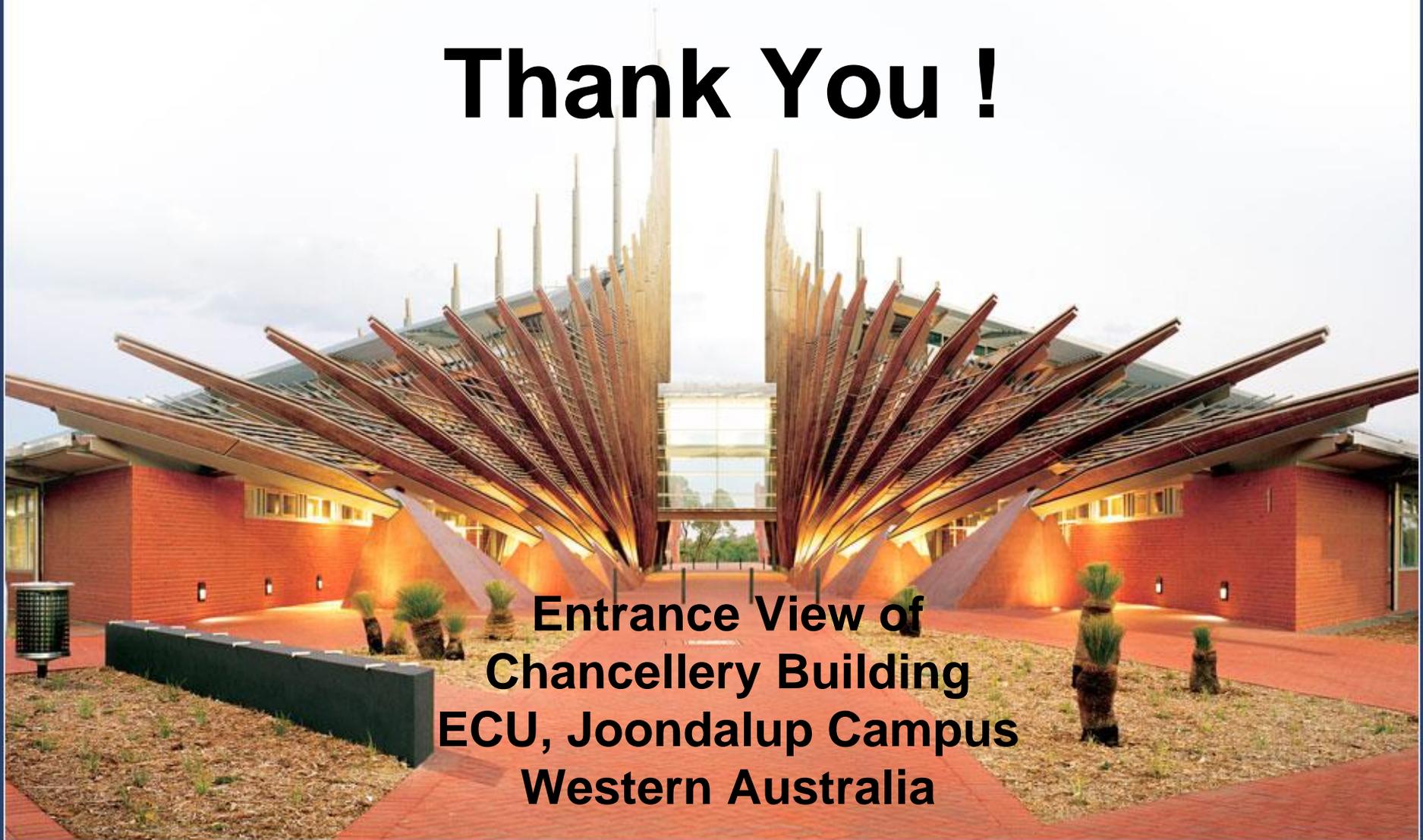
Last week, you overheard a Marketing Executive, talking to his colleague about taking paid time off (PTO) and how he did not report it to his manager. The Marketing Executive even mentioned to his friend that his manager will not likely follow up on the missed work time.

You know that this behaviour is against company policy and is facilitated by inconsistent management practices in your organisation. You know that as long as the Marketing Executive's manager is unaware of his behaviour, he will continue to take PTO without reporting it.

Source: [Wortman \(2006\)](#)

- **Miceli et al. (2008, p. 3)** acknowledged that, “more research is needed before we can know the full answer to some particular question about whistle- blowing”
- that “... no study can include all variables that may be relevant to whistle-blowing” (**Miceli et al., 2012, p. 924**).
- **Culiberg & Mihelic (2017)** proposes 4W1H questions where there are some variables that could be utilized for future research.
  - **Who, What, How, Why, Whom**
- Furthermore, more studies are needed in this region as it is said that the mindset towards whistleblowing in Asia is the major barrier in developing company policies on it (**Teen & Vasanthi, 2006**).
- Guide local practitioners and the authorities concerned in the design of policies and practices which could encourage employees to expose organizational wrongdoing committee within their organization.

# Thank You !



**Entrance View of  
Chancellery Building  
ECU, Joondalup Campus  
Western Australia**