

EFFECTIVENESS OF WHISTLE-BLOWING POLICY
IN BOUSTEAD PETROLEUM MARKETING SDN BHD

By

SAHAZAM BIN MD HASHIM

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ABSTRACT

Whistle-blowing occurs when an employee raises a particular concern to their employer about some fraud or illegal or unethical behaviour that affects other employees and also the organization. The effectiveness of whistle-blowing policy will certainly contribute a significant affect. The problem arises in the company as the statistic whistle-blowing policy has seen a significant decline, and whilst reports submitted did not follow procedures. The effectiveness of whistle-blowing policy was evaluated based on four independent variables of effectiveness of whistle-blowing policy that are: (a) personal viewpoint, (b) company encouragement, (c) management responsive and (d) whistle-blower protection. The objectives of this study were to examine the influence of the four factors - personal viewpoint, company encouragement, management responsive and whistle-blower protection on the effectiveness of the policy. A total of 123 questionnaires were distributed to the sample chosen for this quantitative study. Data collected were analyzed using correlations and regressions to examine the relationship between the effectiveness of whistle-blowing policy and personal viewpoint, company encouragement, management responsive and whistleblower protection. The findings reported that all four independent variables were significantly related to whistle-blowing effectiveness. The research objectives were fulfilled more importantly this study has put for the some changes to improve whistle-blowing practices in the company.

ABSTRAK

Whistle-blowing berlaku apabila seorang pekerja menimbulkan kebimbangan khususnya kepada majikan mereka tentang beberapa penipuan atau tingkah laku yang menyalahi undang-undang atau tidak beretika yang memberi kesan kepada pekerja-pekerja lain dan juga organisasi. Keberkesanan polisi *whistle-blowing* sudah tentu akan menyumbang kesan yang ketara. Masalah timbul dalam syarikat sebagai statistik polisi *whistle-blowing* telah melihat penurunan yang ketara, manakala terdapat laporan yang dikemukakan tidak mengikut prosedur. Keberkesanan polisi *whistle-blowing* telah dinilai berdasarkan kepada empat pembolehubah bebas: (a) pandangan peribadi, (b) galakan syarikat, (c) responsif pengurusan dan (d) perlindungan pemberi maklumat. Objektif kajian ini adalah untuk mengkaji pengaruh empat faktor - pandangan peribadi, galakan syarikat, responsif pengurusan dan perlindungan pemberi maklumat terhadap keberkesanan polisi. Sebanyak 123 soal selidik telah diedarkan kepada sampel yang dipilih untuk kajian kuantitatif ini. Data yang diperolehi dianalisis dengan menggunakan korelasi dan terurus (*regression*) untuk memeriksa hubungan antara keberkesanan polisi *whistle-blowing* dan pandangan peribadi, galakan syarikat, responsif pengurusan dan perlindungan pemberi maklumat. Hasil kajian menunjukkan bahawa semua empat pembolehubah bebas mempunyai hubungan dengan ketara kepada keberkesanan *whistle-blowing*. Objektif kajian telah dicapai dan apa yang lebih penting ialah kajian ini telah meletakkan beberapa perubahan yang dapat diperbaiki dalam amalan *whistle-blowing* di dalam syarikat

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CHAPTER 1

INTRODUCTION

1.1 Overview

Whistle-blowing is the disclosure of information about misconduct reflected in an organization. Whistleblowing is the act of exposing or perceived organizational wrongdoing, by reporting it to the respective authorities (Near and Miceli, 1995). Whistle-blowing is generally associated with the ethical issues and functions as a control over negative elements that have impact on social, economic and environmental (Greenberger, 1987).

The important of whistle-blowing has a significant increase among employees. People are becoming more aware on the responsibility to prevent unethical behaviour act by subordinates or top management. Whistle-blowing policy is a company practice to prevent illegal act. Unethical behaviour, wrongdoing and fraud are become an important concerns for all organizations today. Confidential reporting mechanisms and protection and confidentiality of cases or whistle-blower are often proposed as one tool in the organizations.

1.2 Background of the Studies

Researchers such as Near and Miceli (1995), Camerer (1996) and Vogel (1992) highlighted that whistle-blowing policy and practices has grown in the last two decades. Most of their studies focused on the perception and impact of whistle-blower as well as the confidentiality of information submitted and the action taken by

the company. They also suggested that it was important to understand factors that urged whistle-blowers to come forward due to their reluctance to provide whistle-blower information as required as part of the policy and procedures.

Whistle-blowing occurs when an employee raises a particular concern to their employer about some fraud or illegal or unethical behaviour that affects other employees and also the organization. Potential organizational risk is usually greater in malpractice complaints and generally does not affect the complainants. They differ from normal grievance or complaint in which the individual would be affected.

Generally, people perceive whistle-blowing as an act of raising a complaint or relating to report on unethical behaviour. In-fact, whistle-blowing involves any complaint or concern raised including the violation of discipline and matters involving abuse of power and corruption. However, whistle-blowers often risk recrimination and victimization even if they act in good faith.

According to Draft (2006), organizations can no longer rely solely on the structure of the code of conduct and ethics to avoid unethical behaviour, but must rely to some degree on individuals who are willing to blow the whistle if they detect illegal, dangerous or unethical activities.

Rossouw (2002) recommends that the responsibility to eliminate unethical behavior should be shared by all members of the organization. Whistle-blowing is considered as a major tool to promote individual responsibility and accountability of organizations (Stewart, 1996).

The effectiveness of whistle-blowing policy can contribute significant effect and that will relate to other aspect in protection, policy practice and procedure (Near and

Miceli, 1995). This study intended to seek and investigate the criteria of the policy implementation and practices that influence the effectiveness of the policy. This indicates whistle-blowing as a tool that can be used to combat unethical behaviour or misconduct of employees. The effectiveness of whistle-blowing can be evaluated based on the employees, perceptions and its linkage with company practices.

From the employer's perspective, employees who should discuss about any wrongdoing with their respective managers as this will give them the opportunity to correct it before the matter escalates. In this instance, whistle-blowing can be viewed as part of a strategy to maintain and improve a workflow quality. From this perspective, it may be appropriate to give recognition to those who disclose malpractice, and expose any unethical action including corruption or financial scandals. In some situations, whistle-blowing can create an industrial harmony at all levels in the organization including both the union representative and management of the company.

The view of unconditional loyalty to the employer has been replaced by loyalty to the community and the issues that were not addressed before. As employees grow more un-comfortable with the wrong-doing of their companies, they felt more compelled to disclose the information to the top management and even to the public. In most cases, before making the information public, it was normal for the employees to highlight the information to the attention of their superiors. However, in many instances their superiors were the ones who commit the act, so the report has to go through a different channel.

Whistle-blowing would encourage better corporate governance in many aspects. With regards to the discipline of the management, if one believes that their senior

managers are not adhering to correct and proper behaviour, they would now have a channel to disclose the improper conduct for due investigation.

Employees normally will be the first to see any misconduct, which may be innocent or which may turn out to be a fraud, a public danger, or some other serious malpractices. Making sure employees keep their eyes open and raise such concerns is the way to demonstrate and ensure a good practice. The outcome of whistle-blowing policy in the company will lead to an increase in employee involvement.

1.3 Company Background

Boustead Petroleum Marketing Sdn Bhd is a member of the Boustead Group of Companies. Formally known as British Petroleum Malaysia Sdn Bhd, company has undergone a major change with the purchase of shares by Boustead Group in 2006. Beginning in September 2006, British Petroleum (BP) has been known as BHPetrol with significant change in the image of the tag-line of green to orange. Currently, BHPetrol is supported by 220 employees with nearly 1,000 dealerships that have come from various branch retail business, oil and gas.

The Company started a downstream marketing business in 1964 and have established in the marketing and distribution of petroleum products from retailing fuel network of more than 350 service stations under the BHPetrol brand to marketing of Liquefied Petroleum Gas (LPG) and lubricants through the Syngard brand. In addition, the company also operate more than 150 shops within the retail service station networks to provide further convenience.

BHPetrol is committed to providing the best to the customers. For that the company have developed the revolutionary advanced fuel called Infiniti Advanced2X which incorporates a proprietary additive package to enhance its performance. Infiniti Advanced2X offers more mileage and improves the engine's performance and responsiveness.

The company is committed to achieving the highest standards of Health, Safety, Security and Environmental (HSSE). The company firmly believe that good business starts with good HSSE performance. In everything, that will make sure it is safe and does not cause damage to the environment.

The Company currently operates in the head office in Mutiara Damansara which houses the Retail, Human Resources, Engineering, Finance and Customer Services. Other than that, almost half of staff at the petroleum terminal in North Port, LPG Terminal in West Port Klang and Pasir Gudang, Johor. Other employee consists of retail management station that is located in other states.

1.4 Problem Statement

In the past, it is nearly impossible for employees to report misconduct in the company especially when it involves senior managers in the company. It is quite common to see reports on misconducts or any unethical behaviour through anonymous 'poison pen letters' to avoid any misconception from the receiver or the company itself. In any situation, employees have a duty and responsibility to be loyal to the company.

Anonymous whistleblowing mechanisms have equal chances of happening in the public and private sector because fraud and corruption occur wherever people exist. The company can introduce policy and procedure to prevent unethical behaviour and to ensure industrial harmony in the company. The mechanism can also be extended to cover any wrongdoing acts such as safety, discriminations, compensation etc.

In Malaysia, the function of whistle-blowing as an internal control mechanism has been considered only recently by statutory authorities (Anwar, 2003). Malaysia introduced its first whistle-blowing law in 2003 under the Securities Industry (Amendment) Act 2003 (Wahab, 2003). Other than that, moving towards to fight against corruption in aiming a corruption free country, the government has urged major stakeholders to uphold whistle-blowing law with the provision of protections, incentives and non-monetary rewards for whistle-blowers (Hassan, 2006).

An increasing awareness of the importance of whistle-blowing in the workplace is evident in the trend toward adopting whistle-blowing policies. With effect from 1st September 2006, in Boustead Petroleum Marketing Sdn Bhd, the whistle-blowing policy applies to all employees and is designed to enable them to raise concerns internally at a high level, and to disclose information which he reasonably believes shows unethical behaviour, malpractice or impropriety.

The whistle-blowing policy is intended to cover matters which are any cases related to a public concern may at least initially be investigated separately, but still in-line with the internal procedures in disciplinary proceedings. Given the low public visibility and high technical complexity of much illegal activity in the workplace, successful monitoring and prevention of unethical conduct rests largely with the

social control actions of employees, and with internal control mechanisms such as audit committees and internal auditors (Anwar, 2003).

All employees in Boustead Petroleum Marketing Sdn Bhd (BHPetrol) play an important role in maintaining the highest level of corporate ethics within the company, and have a professional responsibility to disclose any known malpractices or wrongdoings. The structure adopted by the company establishes a clear communication and reporting channel of disclosures for employees at all levels, and provides alternative lines of communication depending on the persons who are the subject of such disclosure.

The company is looking forward to develop the procedure that will benefit for both parties employees and employer. For the employees, trade union is being recognised by the company to serve the members with a proper process and procedure as stated in collective agreement.

Trade unions have always had an important role as an ‘ear and eye’ and as supporter to members who “speak up”. They are likely to be keen to be involved, particularly if they can negotiate over both the contents of the procedure and how problems that it highlights can be resolved. Indeed, some unions have firm ideas about how they would like such procedures to operate (Frieze and Jennings, 2001).

According to the accompanying statistics, the type of report is divided into two:

1. The cases report are based on procedure.
2. The cases report do not follow procedure.

The report that did not follow procedure are reports without clear cases and clarification of the facts, without using the proper form and also a report that does not have complete information of the whistle-blower.

From the above information, there are several conclusions that can be made for further clarification:

1. Lack of knowledge about the whistle-blowing policy has resulted in low number of reports received by the company. This can be seen from the diminishing trend report from the policy that was introduced in 2006. In 2006, that was a road-show and further awareness training by the company on the whistle-blowing policy. Since year 2007, no such information or program from the company was conducted with regards to this policy.
2. There is no company encouragement program provided by the company since 2008. In 2006 and 2007, the company included whistle-blowing briefing session especially for the new staff induction program. Since year 2008, the whistle-blowing module has been taken out from the staff induction program. Since that, no enhancement or any improvement practiced stimulus in the form of either financial or non-financial rewards or recognition are given.
3. From reports made by employees and from employee's point of view, only a few actions have been taken from the company. Although the companies have taken action, it is normally beyond the knowledge of employees especially for the cases reported that did not follow the procedures. This matter has resulted a decrease in employee involvement with regards to whistle-blowing policy in the company.

4. Information about the whistle-blower in the reports are not keep confidential. Some reports were made known to all employees about the whistle-blower. This matter has caused lack of cooperation given by the employees to adopt whistle-blowing policy in the company.

Based on the above data, it can be stated that the policy has been implemented in this company but with a very minimal enforcement for it to function effectively. This situation has develop further curiosity for the employees and management whether it is still efficient to be part of the company policy in combatting unethical behaviour or whether there is a need to re-emphasise on the policy implementation by providing more information to all employees.

Thus, there is a need to evaluate the factors that contribute to effective whistle-blowing in the company. There is also a need to look into the confidentiality issue of the whistle-blowers. Employee awareness about this policy as a tool to combat unethical behaviour or malpractices among employees should be taken. Thus, in consideration by the company, this research will be as the driving factor to the effectiveness of whistle-blowing policy by focusing on employees' personal viewpoint, company encouragement, management responsive and whistle-blower protection.

1.5 Research Questions

Based on the problem statement, below are the research questions for this study:

Q1. Is there a relationship between employees' personal viewpoint and the effectiveness of whistle-blowing policy in the company?

Q2. Can company encouragement influence the effectiveness of whistle-blowing policy in the company?

Q3. Is there a relationship between the management responsive and the effectiveness in the whistle-blowing policy?

Q4. Is there a relationship between whistle-blower protection and the effectiveness of whistle-blowing policy?

1.6 Research Objective

The primary objective for this study is to investigate the effectiveness of the policy in the company by looking into the relationship from the following perspectives:-

1. To identify the relationship between the employees' personal viewpoint in whistle-blowing and the effectiveness of the policy in the company.
2. To determine the relationship between the company encouragement in implementing the policy and the effectiveness of the policy in the company.
3. To analyse the relationship between the management responsive in implementing the policy and the effectiveness of the whistle-blowing policy in the company.
4. To explain the relationship between the whistle-blower protection in implementing the policy and the effectiveness of the whistle-blowing policy in the company.

Based on the above objectives, this study will look into the element of employees' perception's, company encouragement, management responsiveness and whistle-blower protection with regard to whistle-blowing practice in the workplace.

1.7 Significant of the Study

The whistle-blower are often viewed and perceived as unpopular among colleagues and the surrounding community. The whistle-blower will always have to be in a high risk in most cases because they must provide sufficient evidence. If not, it can cause damages in terms of reputation, integrity and accountability.

This study will highlight that if implemented effectively, this policy can serve as a tool or mechanism to detect any matters involving employee misconduct, including those in the managerial level. It's effective implementation can assess how confident employees are to become whistle-blowers.

Results from this study will show some of the factors which can influence the effectiveness whistle-blowing policy. Perception as a major research study will spread into different prism as practices, systems and procedures, including the company's level of transparency when dealing with matter. From the company's perspective, this study can be seen as a starting point to look into the added value in implementing the whistle-blowing policy in the company.

1.8 Conclusions

This chapter discussed the background of the study, problem statement, research questions, research objectives and significant of the study. In the next chapter, we will look into the literature review by highlighting past studies related to this study. Based on the literature review, the research framework for this study will be developed.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

The traditional perception of the whistle-blower is usually negative. It could be said that a whistle-blower is often made out to be a more undesirable character from employer's perspective. This perception will be challenged as whistle-blowing is not about informing unethical behaviour or misconduct only but as a tool to fight negative behaviours or actions in the organizations.

This chapter will further discussed on the research framework by referring to the concept of whistleblowing itself. It also will focus into the review of literature and to seek previous case studies and hypotheses and also to discuss on the dependent and independent variables.

2.2 Literature Review

There are research on the 'effectiveness' of whistle-blowing and it is defined as 'the extent to which the questionable or wrongful practice (or omission) is terminated at least partly because of whistle-blowing and within a reasonable time frame' (Near & Miceli, 1995), or how it is perceived of conditions under which whistle-blowing is effective.

In order to define whistle-blowing, it is not clearly stated in any specific term in recent English dictionaries (Boatright, 2000). At the first thought, it's supposed has miss-spelled the word since the word processing is unable to recognize this term.

However, the term of “whistleblowing” is newly-created and combined by the word “whistle” and “blow”.

Currently “whistleblowing” is being used more often on describing the disclosures of private organizations or even in government sector as unlawful activities made by their employees, managers, and other professional parties (Boatright, 2000).

George Steven (1990) notes that whistle-blowing is ‘an attempt by an employee of a corporation or business firm to disclose what he or she believes to be wrongdoing in or by the organization’. Objectives of whistle-blowing are ‘to expose, deter, and curtail wrongdoings’. In addition, Berry (2004) describes that “whistle-blowing is an avenue for maintaining integrity by speaking one’s truth about what is right and what is wrong. It is a strategy for asserting rights, protecting interests, influencing justice, and righting wrongs.

Whistleblowing behaviour is defined as: (...the voluntary release of non-public information, as a moral protest, by a member or former member of an organization outside the normal channels of communication to an appropriate audience about illegal and/or immoral conduct in the organization or conduct in the organization that is opposed in some significant way to the public interest) (Boatright, 2000).

Whistle-blowing can be traced back to 1963 in the USA when the State Department revealed classified documents on security risks to the chief counsel for the Senate Sub-committee on Internal Security and was dismissed from his job for improper conduct by the Secretary of State at the time (Petersen and Farrel, 1986). Various actions have been taken in support of whistle-blowers internationally. One such action towards acknowledging the whistle-blower as a ‘do-gooder’ is probably the suggestion made by the United Kingdom Government Committee that whistle-

blowers should be included in the British Honours systems for their good corporate citizenship (Vinten, 2000).

Whistle-blower was a word created in 70s specifically to differentiate employee's allegations from somebody from inside the company as opposed to allegations of a wrong doing by someone from outside the company. Whistle-blowing may be defined as "the disclosure by members of an organization (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 and Miceli, 1995).

Whistle-blowing is the act of exposing wrongdoings within organization, is one way of fighting corruption and unethical behaviour by pointing it out to those who are able to do something about it (Camerer, 1996). Whistle-blowing is a concept and practice is described as "encompassing the disclosure of information by an employee or ex-employee which they reasonably believe evidences a violation of any law, rule or regulation, or gross mismanagement or gross waste of funds, an abuse of authority or a substantial and specific danger to public health and safety" (Hunt, 1998).

Whistle-blowing has been recognized as a control mechanism to prevent unethical behaviour, and to protect the organization's long-term welfare, and to ensure good corporate governance (Eaton and Akers, 2007). Whistle-blowing should act against practices that difficult to be evaluated by the management of the most unethical things involved in the firm in order to get a result, especially in turbulent times and technology driven modern economy (Weiss, 2006).

A whistle-blowing decision is fraught with ethical, cultural, personal and professional ramifications (Brody *et al*, 1998). Whistle-blowing is particularly

affected by cultural contexts, as perceptions of right versus wrong, justice, morality, and loyalty may differ very much in different countries (Vogel, 1992).

According to Greenberger (1987), whistleblowing is antecedents, and their aftermaths are complex and varied phenomena. Motivational factors in the perception of alleged misconduct and in the response to such allegations by the accused and the institution are examined. Understanding the psychological processes that underlie some of the surprising behavior surrounding whistleblowing will enable those who perceive wrongdoing, as well as the professional societies and work organizations which voice their concern, to better respond to apparent wrongdoing, while preserving the reputation and mental health of all parties to such cases.

Both contextual and individual factors have been identified in the literature as possible influences on the individual's decision to "blow the whistle" on perceived unethical behaviour (Miceli and Near, 1992). Key contextual factors thought to influence the whistleblowing decision include: the seriousness of wrongdoing (Dozier and Miceli, 1985) group norms (Greenberger *et al*, 1987); and the perceived responsiveness of complaint receipts (Keenan and McLain, 1992). Key individual factors can include religious values (Miceli and Near, 1992), moral standards (Miceli *et al.*, 1991), and the individual's locus of control (Miceli and Near, 1992).

Camerer (2001) is of the opinion that "there is confusion about the meaning of the term whistle-blowing". Whistle-blowers have unfairly acquired a bad reputation as being trouble makers, busy-bodies and disloyal employees and a major cause of this negative perception. However, in ethics, whistle-blowers are referred to as "employees (or former employees) that sound an alarm outside the normal communication channels to appropriate audiences beyond the organisation in order

to highlight any neglect or abuses that are opposed to the public interests” (French, 1993).

Based on the above definitions of whistle-blowing, it can be concluded that whistle-blowing is a process in which an employee (former or current) discloses confidential information to the outside world relating to illegal, illegitimate or unethical practices (like danger, fraud, corruption or other illegal conduct) linked to an organisation (French, 1983). Four components of whistle-blowing can be identified:

1. An individual performs an action or series of actions intended to make the information public. The intention associated with the act of whistle-blowing is to make the information public, although there may be a variety of reasons for taking the action.
2. The information becomes a matter of public record. Successful whistle-blowing requires that the information becomes public and that it is accessible to others as part of a formal or open record.
3. The information is about possible or actual, important wrongdoing in an organisation, illegal, dangerous or unethical activities in the organisation.
4. The individual who makes the information public is not a journalist or an ordinary citizen but is a member or former member of the organisation. Thus, “whistle-blowers sound an alarm outside the normal communication channels to an appropriate audience beyond the organisation in order to highlight neglect or abuses that are opposed to the public interest” (Uys, 2004).

Based on the above characteristics of whistle-blowing, it is also clear that whistle-blowing consists of the following three crucial elements:

1. A perception by a person within an organisation of morally incorrect conduct.
2. The communication of this perception to parties inside and outside the organisation.
3. A perception by those in authority in the organisation that this communication should not have taken place (French, 1983).

King (1997) supports this point of view by saying;

“whistle-blowing occurs whenever an individual takes it upon himself/herself to point out what he/she believes to be unethical or inappropriate behaviour. However such action is often met with a great deal of resistance from others in the organisation. Superiors view such action as being an outrage to their authority or as a challenge to the organisation which they find useful to protect. Colleagues and subordinates are often unwilling to express their support either for fear of losing their own jobs or because of fear for the future of the organisation”.

Whistle-blowing is an extreme measure and has a moral price attached to it as French (1983) puts it, “it violates the (public official’s) regular obligation to be loyal to his her superiors, office and department”.

The relationships among the whistle-blower and other parties (e.g. top management, the recipient of the complaint, the perpetrator of the wrongdoing) are critical to understanding how whistle-blowing plays out. Two important elements are the perceived wrongdoing and the organization, including its culture, structure, and history as an institution (Near & Miceli, 1995).

Any investigation of effectiveness must consider the potential power imbalance and instability among these actors and elements in the process. Indeed, theories of power - namely resource dependence theory, minority influence theory, and social power theory - are the basis for the only published model of effectiveness (Near & Miceli,

1995). For the whistle-blowers, that will be more effective at stopping wrongdoing when organizations depend less on wrongdoing or more on whistle-blowers (Near & Miceli, 1995).

2.3 Previous Studies of Whistleblowing

Earlier research attempted to identify the factors influencing an employee's decision to report wrongdoing in an organization focused on the characteristics of a person, a situation, or an environment that is specific to an individual study of whistleblowing (Miceli & Near, 1992, Sims & Keenan, 1998, King, 1997, Barnett, Bass & Brown, 1996).

In the previous studies, researchers regarded whistleblowing as an outcome of the interplay of organizational, situational, and personal variables. Sims and Keenan (1998) attempted to identify predictors of external whistleblowing by examining organizational and intra-personal variables. In their study, the predictors, supervisor support, informal policies and ideal values were significant, but formal policies, organizational tenure, age, education, satisfaction, or commitment were not.

Earlier research also attempted to identify the factors influencing an employee's decision to report wrongdoing in an organization focused on the characteristics of a person, a situation, or an environment that is specific to an individual study of whistleblowing (Miceli & Near, 1992, 1988, Sims & Keenan, 1995, King, 1997; Barnett, Bass & Brown, 1996).

However, this type of research is lack of a general theory of whistleblowing behaviour. Sims and Keenan (1995) pointed out that previous research have failed to

produce “a finite set of variables” to predict an employee’s decision to blow the whistle on unethical or illegitimate activities occurring in an organization.

In the previous studies, Sims and Keenan (1995) attempted to identify predictors of external whistleblowing by examining organizational and intra-personal variables. In their study, the predictors, supervisor support, informal policies, gender, and ideal values were significant, but formal policies, organizational tenure, age, education, satisfaction, or commitment were not.

Until the 1980s, the study was mainly to focus from the legal, philosophical and policy perspectives. This is due to the lack of policy implementation and inconsistencies in legislation aspect. Based on this, various authors realized the importance for organisations to acquire a theoretical framework for investigating whistle-blowing (Near and Miceli, 1996).

Near, Dozier and Miceli (1991) are of the opinion that “various theoretical perspectives have been proposed (or tested empirically), ranging theories about power relationships, justice theory, organisational change and ethical climate”.

Ajzen (1991) tried to identify the determinants of an employee’s act to blow the whistle by testing the model of situational and dispositional variables. Whistle-blower was classified into four categories when combining the identity of the whistleblower and the location of the complaint recipient;

1. The situational variables as the seriousness of the offense, the supportiveness of the organizational climate, and the power of the culprit.
2. The dispositional variables as self-esteem for internal-external orientation.
3. Ethical beliefs of relativism.

4. Ethical idealism.

The number of studies examining differences between ethical beliefs, intentions and behaviours has increased. Weber and Gillespie (1998) tested the 12 hypotheses by using the theory of planned behaviour, and concluded that the significant discrepancies among them seemed to be created by the different rationales that set belief, intention, and action. Ajzen, (1991) tested hypothetical bias in contingent valuation by applying the theory of planned behaviour in order to account for discrepancy between intentions and actions.

Near, Michael, Scotter and Miceli (2004) indicated that previous studies have focused on three general questions on whistleblowing. First is “who blow the whistle?” Research in this area has identified characteristics of employees who blow the whistle that differ from those of employees and who do not, and how the situational and contextual variables predict whether employees will blow the whistle after they observe wrongdoing.

Second, the research has focused on variables that predict how much retaliation whistle-blower will subsequently suffer (Miceli and Near, 1994). And third, research has explored condition under which whistleblowers are most likely to be effective in causing organizations to terminate wrongdoing. (Miceli and Near, 2002). This is with related to effectiveness of whistleblowing.

Previous whistle blowing studies have also used gender in predicting the individual intention to whistle-blowing. Previous studies show that men and women differ significantly in making ethical judgments. With regards to whistle blowing, studies have found that women are less likely than men to engage in whistle blowing acts (Anwar, 2003).

Males may have more opportunities to observe wrongdoing, because as a group they are more widely distributed across different job categories than are females, who tend still to be occupationally (Near & Miceli, 1985). If whistle blowing is viewed as behaviour deviating from majority opinion, then females should be less likely to blow the whistle than should males (Near & Miceli, 1985). This is supported by Pierce & Sweeney who find that females are found to be more ethical than males in terms of their intentions and judgments.

According to Near & Miceli (1995), “there is little research on the effectiveness of whistleblowing, and defined as 'the extent to which the questionable or wrongful practice (or omission) is terminated at least partly because of whistle-blowing and within a reasonable time frame' or how it is perceived”. Near & Miceli (1995), highlighted that two empirical studies of conditions under which whistle-blowing is effective and the studies relied on small, non-random samples of specialized populations.

2.4 Conceptualisation and Definition of Terms

This conceptualisation is to provide both short primary definitions and alternate definitions that used in the research. In general, it is two basic elements of a concept, namely, its connotative and denotative meaning and to provide an exploration of the meanings of both these elements in this research. This section also serves to provide an indication of the researcher’s familiarity with the theoretical landscape related to the research problem (Mouton and Marais, 1998).

While looking into the various perspective of whistleblowing, the contemporary information and terms must be fully understood for wider interpretation:

1. Code of conduct

Code of conduct defined as being “an instrument which not only identifies unacceptable conduct but also identifies and encourages conduct. The objective of the code of conduct is to show officials and the public in unambiguous terms what is regarded as acceptable” (Barrie, 1994).

2. Ethics

Defined as a “system of moral principles (relating) to that branch of philosophy dealing with values relating to human conduct, with respect to rightness or wrongness of certain actions and to the goodness or badness of the motives and ends of such actions” (Petrick and Quinn, 1997) . Morris (1999) defines ethics as “the study of the nature of morals and of specific moral choices to be made by the individual in this relation with the rules or standards governing the conduct of the members of the profession”.

According to Morris (1999), ethics can be seen as a system of moral principles that is based on values relating to human conduct, with respect to the rightness or willingness of certain actions and to the goodness and badness of motives and ends of such actions. Ethics constitute the basic principles of undertaking the right action, based on written and unwritten rules of conduct.

3. Unethical behaviour

Unethical behaviour defined as “a deliberate or negligent conduct constituting a deviation from or breadth of the guidelines designed to inform an expected pattern of behaviour in a given situation” (Mafunisa, 2003:53). The following definition has

been adopted from the Public Service Ethics (Brussels: International Institute of Administrative Sciences, 1978);

“an unethical conduct denotes a situation wherever a public official, individually or collectively, exploits the official’s position (or gives the appearance of doing so) in a way which compromises public confidence and trust in the integrity of the office in particular and the government in general, or lets others (such as relatives or friends) use the names of such positions towards the achievement of private gain at the expense of the common good”.

4. Disclosure

Disclosure is the act of telling or of publishing a secret. The disclosure of confidential information is an act of divulging information that should not be made public (Morris, 1999).

5. Organization Wrongdoing

Organization wrongdoing can be defined as perceived criminal or irregular conduct such as stealing, mismanagement, health and safety problem which might have a negative effect on the organization and the public interest (Near & Miceli, 2004)

2.5 Research Framework

As mentioned in introductory, the main framework of this chapter is therefore to review an exploratory study, based on a comprehensive literature review, to explore in the past study, background and various perspective and critically assess the current status of whistle-blowing in the company.

Previous studies examined whistle-blowing mainly from an organizational behaviour perspective and identified personal characteristics and organisational variables as the

main characteristics that may contribute to whistle-blowing or that group conformity may impede the whistle-blowing process (Greenberger, Miceli and Cohen, 1987).

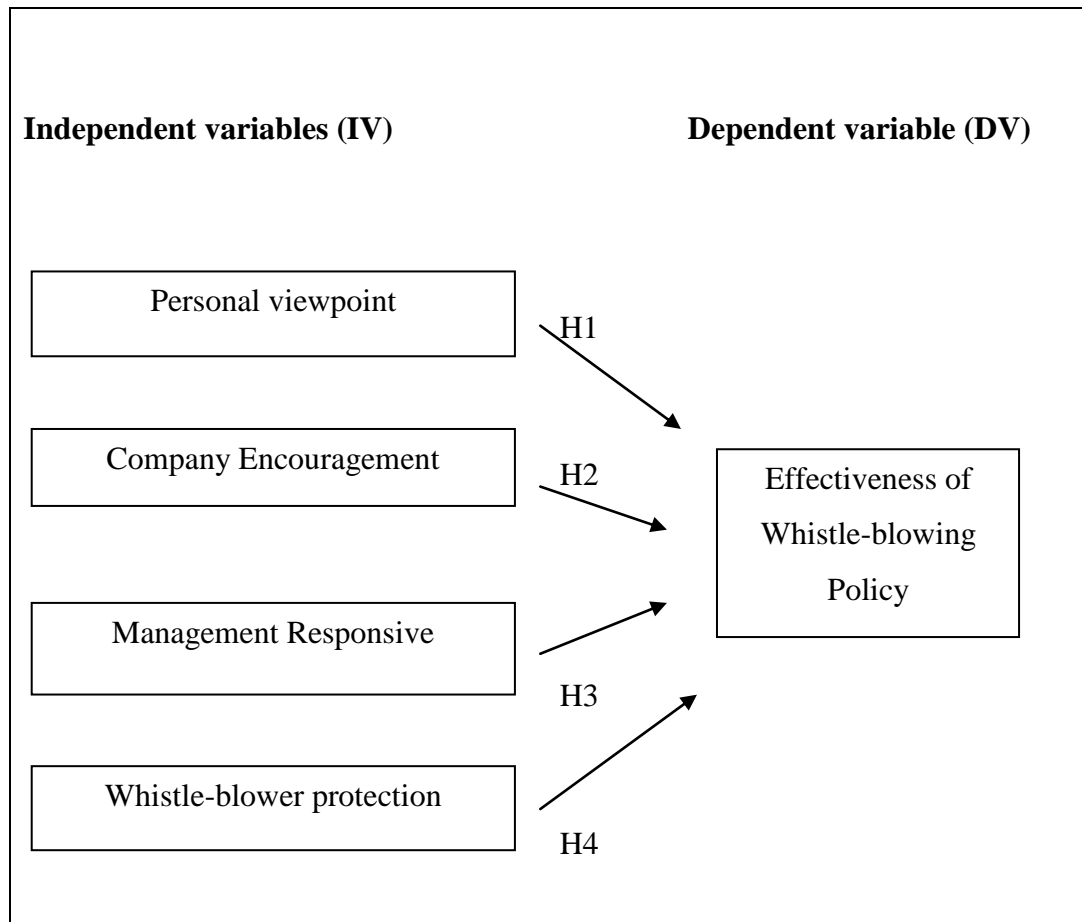


Figure 2.1:
Research Framework

2.5.1 Dependent Variables

In this study, the dependent variable (DV) is the effectiveness of the whistle-blowing policy in the company. Dependent variable is intended aim of the whistle-blowing policy, which is the expected result from the exposure to the independent variables. As exposure varies, results may differ, allowing effectiveness to be measured.

The outcome from the policy implemented in the company including the right direction for the employees' perspective, the reporting format based on the standard

operation procedure and the approach implemented. The results of this policy can be demonstrated for the involvement and with a right direction and perception. Chiu (2003) defines all the elements: the individual's attitude is the individual's judgment of that behaviour, subjective norm is the individual's perceived acceptability of that behaviour, and finally, perceived behavioural control is the individual's perception of the difficulty level of performing that behaviour.

Based on this, the dependent variable can be referred to the various elements on the process and implementation of the policy as an immediate idea and effects of whistle-blowing practice.

A whistle-blowing procedure should specifically encourage workers to understand the policy on the early implementation stage. On top of that, employees need to understand the action taken by the company. Employees should be given the right to be represented by their trade union i.e.; National Union of Petroleum Commercial Industrial Workers.

Concerns should normally be raised initially with an appropriate management such as the immediate supervisor or manager. However, the most important and appropriate person to contact will depend on the seriousness of the case, sensitivity of the issues and the staff involved.

Employees' awareness from this policy are made from various resources like staff handbooks, induction programs, printed policy statements, intranet web pages, posters, contracts of employment, newsletters and e-mail notifications. From the past research, the method most commonly used was the staff handbook. The other methods that frequently used is from the company memo and internet webpages.

According to Frieze and Jennings (2001), a procedure is likely to be more influential if it has been agreed with or discussed by relevant trade unions and has their support. Trade unions have always had an important role to be as helicopter view to all members. They are likely to be keen to be involved, particularly if they can negotiate over both the contents of the procedure and how problems that it highlights can be resolved. Indeed, some unions have firm ideas about how they would like such procedures to operate (Frieze and Jennings: 2001).

2.5.2 Independent Variables

Independent variable is any variable that is being manipulated. This is the inputs from the dependent variable. Independent variable is one that influences the effectiveness of whistle-blowing policy in either a positive or negative way. In other words, the variance in the effectiveness of the policy is accounted by the independent variable.

1. Personal viewpoint in whistle-blowing policy

Studies on individual variables of whistle-blowing intention have become popular (Keil, Tiwana, Sainsbury, & Sneha, 2010; Lih-Bin & Hock-Hai, 2010; Taylor & Curtis, 2010; Zhang, Chiu, & Li-Qun, 2009). Yet, findings on the relationships between some of the individual variables and whistle-blowing intention are still open for discussion (Miceli, Near, 2008).

Employees need to understand the types of issues, the consequences, policy and procedure and the implementation practice. The employees also should

know the extent of their responsibility to get the reports true and to verify their claims before using the policy.

Employees should understand the specific steps the organization will take to investigate claims. If employees do not believe that the company will take their concerns seriously, they will probably hesitate to use the process. A systematic investigative procedure is essential, and that procedure should be stressed in communication efforts with employees.

According to Petersen, J.C. and Farrel, D. (1986), the individual variables; namely, internal locus of control, work experience and ethics training, are predicted to influence whistle-blowing intention. The relationship between internal locus of control and whistle-blowing intention has produced inconclusive empirical results ranging to a moderated relationship (Chiu, 2003).

A behavioural intention is the subjective probability that an individual assigns to the likelihood that a given behavioural alternative will be chosen (Ajzen, 1991; Hunt, 1986). According to Demetriadou (2003), an individual's behavioural intention is a weighted additive function of three elements: the individual's attitude, subjective norm and perceived behavioural control. Therefore, independent variables will be appropriate to look into the effectiveness of whistle-blowing policy in the context of this study.

2. Company Encouragement

Whistle-blowing would encourage highly involvement from the company in various aspects. Firstly, with regards to employees discipline, if one believes

that their senior managers are not adhering to correct and proper behaviour, they would now have an outlet to disclose the improper conduct that is going on in order for investigation.

Some employers are not recognised whistle-blowing because it brings about the trend of second guessing employers' managerial authority and causes distrust in the workplace. Not only will potential whistle-blowers doubt employers' power of decision making, but whistle-blowing will also confine employers' authority to discharge unsatisfactory employees. (Miceli and Near, 2001).

Reason for employers to discourage and to devalue whistle-blowing is since when employees realize they are allowed to second-guess their employers, complaints will increase in the workplace, and employers have to spend more time addressing arguments and defending themselves than before. (Miceli and Near, 2001).

Human Resources should encourage a briefing session to elaborate further on the whistle-blowing policy and the discussions between supervisors and employees, but more importantly, it should develop interactive workshops, interesting induction program and training programs concerning the whistle-blowing policy.

By adding such programs to regular distribution of the ethics code and whistle-blowing policy through written media, human resources should develop staff awareness in whistle-blowing policy in the organization.

By practicing efficient whistleblowing policy, management always in a very important and positive role in enhancing the organization with promoting the quality of managements' decision making. According to Miceli and Near (2001), whistleblowing can be analysed on the cost and benefit. They also make a comparison on the potential cost and benefit of whistleblowing and inaction between an organization and society at large.

Miceli and Near (2001) categorized the consequences as potential costs and benefit of not blowing the whistle and the potential costs and benefit of blowing the whistle. All this potential has been divided into the potential cost and benefit to the employing organization and potential cost and benefit to society at large.

3. Management Responsive

Management responsive is defined as the extent of reaction and action from management in the company acting on reports received from the staff. Responsiveness is also seen on the accuracy of implementation of policy and procedure by employers.

Prior research suggests that individuals will be more inclined to take on the role of the whistle-blower when they believe that the recipient of the news will take action in responses to the information (Dozier & Miceli, 1985, Miceli & Near, 1985, Graham, 1986, Miceli & Near, 1992).

Whistleblowing is influenced by the extent to which an individual feels capable of bringing about change and whistleblowing is more likely to be efficacious when the recipient is responsive to it. (Miceli & Near, 1992).

In the formation of an organization, perceived willingness from management to accept correction and implementation in accordance with the rules is a positive move and became an important factor influencing the whistle-blowing intention.

Graham (1986) and Miceli and Near (1985) suggests that the response of management is important for two reasons:

- (i) It is a signal that appropriate action be taken to address these issues.
- (ii) It offers confidence to the informant that he would protected from retaliation.

Blackburn (1988) argued that silence among employees associated with the perception that higher management is not supporting their views. Similarly, Morrison and Milliken (2000) theory of management practices such as the tendency to reject or react negatively to bad news may contribute to the quiet atmosphere of the organization.

To date, research addressing the role of the recipient in the whistle-blowing process complaint has been quite limited (Miceli & Near, 1992). However, it has been noted that the reaction term due to positive management implemented policies and procedures that support the whistle-blowing, is positively associated with the act of notification (Keenan, 1990; Miceli & Near, 1992).

Management responsive can be seen in two different situations from employers perception. First, management response can improve the perceived

benefits associated with the whistle-blowing by raising the prospect that the whistle-blowing will be effective. Second, management response can reduce costs associated with whistle-blowing seen by reducing concerns about the risks of retaliation

The successful off whistle-blowing is a discloser presents concern to employee or supervisors or managers in charge. Whistle-blowing will be useless as a policy to combat unethical behaviour if fraudulent actions fail to solved or identified by a managers. In normal situation, in-completed functions of whistleblowing will be as following situations:

1. When an observer turns a blind eye and does not take any action to disclose unlawful activities.
2. When an observer only chats about misconduct or related matters with their colleagues, but does not seek assistance from others who can make things correct.
3. When perceiving illegal activities, an observer does not request others who have authority to rectify, but simply requires the wrongdoer to cease actions without disclosing.
4. When an observer notices unethical behaviour, but chooses to quit from the organization serves and not bring unlawful conduct to light.

Management responsive always require full information by whistle-blower as part of the policy and procedure in collection evidence. Any anonymous reporting will be in a very difficult situation for the company to take an action. This is a big challenge for the management is to prove on the action

taken. That is the most important for the company to show on the efficient feedback for each of report through whistle-blowing.

4. Whistle-blower protection

There is no universally accepted concept of whistleblowing. A broad definition would encompass disclosure by employees and former employees of malpractice, as well as illegal acts or omissions at work. In Malaysia, whistleblowing was not stated in any Labour Law such as Employment Act 1955 or Industrial Relation Act 1966.

Miceli and Near (1984) suggest that individuals who have a formally prescribed role to report wrongdoing are more likely to observe and report negative information than those whose role is not prescribed. Brief and Motowidlo (1986) suggested that even informal prescriptions of roles may be critical in reporting bad news. Drawing on the work of Dozier and Miceli (1985), Smith, Keil, and Depledge (2001) introduce a model in which personal responsibility to report influences whistleblowing intention.

It is important for whistle-blowers to have a confident level and believe in their protection. If employees have a perception on insufficient protection or less protection on the whistle-blower identity, many of them will be hesitant about reporting fraud incidences through whistle-blowing.

The company may not be aware of the importance of protection for whistleblowers because of business conditions and the structure of state socialism and the influence of society which did not emphasize these aspects. Followed by an increase in fraud organization, the legislature needs to

understand the situation in order to avoid information known whistle-blower because it will cause unnecessary retaliation by employers.

Generally, whistleblowing is able to be seen as a kind of social control (Richard E, 2006) and it's viewed as "a form of organizational dissent" (Brian M & Will R, 2004). As for whistle-blower, it is not only avoid the public from being exposed to potential hazards or being damaged by organizational illegal behaviour, but they also can enhance employers' integrity and at the same time to promote corporate governance" (Terry M, 2007).

Company Act 1965 states clearly that a whistle-blower's identity should not be made known to the world. Whistle-blowers in also would receive immunity from legal action if the whistle-blower had acted in good faith. Other forms of protection for them are firstly that it is a criminal offence to take detrimental action and secondly that the victimized whistle-blower can bring a civil action against the employer. This shows that our Act covers most of the important aspects required of similar Acts as compared with other countries. (Anwar, 2003)

As of now, there are few companies who have whistleblowing policies in place which normally leads to whistle-blowers being subject to threats, harassment or even demotion due to their reporting of misconduct. This is part of the whistle-blower role in detecting fraud and this implementation is a serious stand to combat fraud. Without this act, whistle-blowers may feel fear and unprotected leading to them not reporting the fraud.

The main reason to protect whistleblowers is caused by the interaction of human relationships. It is not only involves contact with management level, but also with a colleague so that there is no negative perceptions. Within the organization, the employer has the authority to set a work task, to manipulate the scope of work, decide promotions and salary increases and any related individual career advancement and protection will be given to the complainant so that they do not end up suffering due to complain about improper conduct.

2.6 Hypotheses

Hypothesis is a tentative explanation that accounts for a set of facts and can be tested by further investigation and this study is to investigate the effectiveness based on the various variables dependent and independent.

Null-hypothesis was formulated based on the perception on respondent demographic profile and the effectiveness of whistle-blowing policy in the company. The following null-hypotheses were formulated:

H01: There is no relationship between employee's age, gender, races, service tenure, employees position and education background and the effectiveness of whistleblowing policy in the company.

Hypotheses were formulated to investigate the relationship between the independent variables from the classification data and the dependent variables;

Hypothesis 1: Significant effect between employee's personal viewpoint regarding the policy in the company and the effectiveness of the whistle-blowing policy in the company.

Hypothesis 2: Significant effect between encouraging whistle-blowing policy from the company and the effectiveness of the whistle-blowing policy in the company.

Hypothesis 3: Significant effect between the company feedback on whistle-blowing report and the effectiveness of the whistle-blowing policy in the company.

Hypothesis 4: Significant effect between the whistle-blower protection regarding the whistle-blowing policy in the company and the effectiveness of the whistle-blowing policy in the company.

2.7 Conclusions

From this chapter, the definition of the study and term has been discussed in the literature review. The past studies also have been elaborate for better understanding. Based on that, research framework has been identified as dependent and independent variables of the studies and the hypothesis has been developed. In the next chapter, we will look into the research method and design, population, research sampling and technique, research instrument, data analysis technique and reliability test for the questionnaire.

CHAPTER 3

RESEARCH METHOD

3.1 Introduction

Research methodology is an important stage in research process. It is because this stage will give the researcher the assumptions, ideas and analytical study to clarify the objectives, problem statements and research questions from the selected respondent. Research design explains the way on how the researcher gathers data and information while conducting the research. In this research, the researcher will use a method of gathering and transforming data from the primary or secondary sources.

Primary data refer to information obtained first hand by the researcher on the variable of interest for the specific purpose of the study. Secondary data refer to information gathered from sources already existing (Sekaran, 2007). Kumar (1999) argues that “the central purpose of a methodological section is to explain to the readers how the research was accomplished – in other words, what the data consists of and how the data was collected, organised, and analysed”.

Effectiveness of whistleblowing in the company is focusing on the validity of this research. Dependent variable will be applied for collecting information and this information is broken up into analytical components, categorized and analysed. The appropriateness of the research methods will be important in this research, as it is these methods that will help gather data to test the hypotheses of the research.

Based on the objective of the study, the main purpose of this research is to tabulate on how the research has been planned and executed in line with the objective of the

research. This chapter is to indicate on how the research fieldwork has been conducted and how the data was documented and analysed.

3.2 Research Design

This research will be using the quantitative method. According to Kumar (1999), quantitative research is ‘explaining phenomena by collecting numerical data that are analysed using mathematically based methods (in particular statistics)’. These mean quantitative research is about collecting numerical data to explain a particular phenomenon, particular questions seem immediately suited to being answered using quantitative methods (Donald Treiman, 2009)

This research is conducted as a descriptive study. As stated by Sekaran (2007) it is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation. Descriptive study are undertaken in organization to learn about and describe the characteristic of a group of employees, as for example, the age, educational level, job status, and length of service working in the system.

The goal of a descriptive study is to offer to the researcher a profile or to describe important aspects of the phenomena of interest from an individual, organizational, industry-oriented, or other perspective. This research is aimed at exploring the effectiveness that based on the variables that have been seen as function to see the efficiency of whistle-blowing policy in the company. This effectiveness will bring with the ideas provided as the use of whistle-blowing is means to prevent unethical behaviour of employees.

Babbie and Mouton (2001) define a research design as a “blueprint or detailed plan of how the research study is to be conducted”. The design that will be used is qualitative, explorative, descriptive and contextual. Kumar (1999) concurs with the above authors by stating that an exploratory design uncovers generalisations and develops hypotheses which can be tested later with more complex designs and data-gathering techniques.

The research design has indicate 4 main factors to evaluate from the questionnaire in employees’ personal viewpoint, company encouragement, management responsive and whistle-blower protection.

3.3 Population

According to Sekaran (2003) population can be defined as the entire group of people, events or things of interest that researcher desires to examine. The population of this research covered the employees in every department.

According to Yegidis and Weinbach (1996) population can be described as “the entire collection of people or elements that share some defined characteristic(s)”. It refers to individuals in the company who possess specific characteristics. Rubin and Babbie (1997) support this definition by stating that population is the theoretically specified aggregation of study elements.

There is very limited time and resources to gather information from everyone or everything in a population. For this research, the population determine based on the number of employees in the company with total 220 employees.

3.4 Research Sampling and Technique

According to Sekaran (2003) sampling does actually technique to identify group cases, participants, events or records constitute a portion of the target population, carefully selected to represent that population. Sampling is the purpose of selecting a sufficient number and elements from the population to understand its properties and characteristic. The manner in which samples are taken will determine the accuracy of the survey results and its generality. It is a subgroup of the elements of the population selected for participation in the study.

Gay (1992) defines sampling as the process of selecting a number of individuals for a study in such a way that the individuals represent the larger group from which they are selected. The purpose of sampling is to gain information about a population. In this study, I have chosen randomly sample as this research dealt with the behaviour of employees. This research has used from three main company location for participants with the questionnaires distribution as equal as possible at Head Quarter Office Mutiara Damansara, North Port Terminal and West Port Terminal.

The purpose of sampling is to identify parameters for the data collection. Steward and Shamdasani (1990) add that a sample must include phenomena that are representative of the whole. When applying a sampling process, the specific method chosen is the one that is most effective in the light of the nature of the particular study.

According to Robson (1993), a sample is a selection of participants from the given population, depending on the purpose of the research. The main purpose of this survey is to get the information throughout employee's perspective on whistle-blowing practices in the company. This survey also to seek on the data analysed

being interpreted to indicate the employees' perceptions. Respondent sample is taken entirely from employee Boustead Petroleum Marketing Sdn Bhd. It consists of a number of non-executive and executive employees.

Robson (1993) identified for the good sampling implies:

1. A well-defined population.
2. An adequately chosen sample and
3. An estimate of how representative of the whole population the sample is.

According to Robson (1993), purposive sampling is based on the judgment of the researcher. McMillan and Schumacher (1993) mentioned that purposive sampling has the advantage of using few participants to reflect the required knowledge of the research topic.

McMillan and Schumacher (1993) suggested that the researcher must determine the size of the sample that will provide sufficient data to answer the research question and as a general rule a large size sample is preferred. However, there is no clear cut answer for the correct sample size. (Cohen and Manion, 1994).

According to Uma Sekaran, Roger Bougie (2010), sample is a subset of the population of study. By studying the sample, the researcher should be able to draw conclusions that are generalizable to the population of interest. Since it was not feasible to get the required information from all units of the populations, the researcher therefore determine the sample size using the Slovin's formula.

Basically, Slovin's Formula (1960), is concerned with the application of the normal approximation with a 94% confidence level and 6% error tolerance.

The formula is given as follows:

$$n = N / (1 + Ne^2)$$

Where:

$$N = \text{Population} = 220$$

$$e = \text{Desired margin of error} = 6\%$$

$$n = \text{The sample size.}$$

For this study, the sample should be as follows:

$$n = 220 / 1 \times 220 (6\%)$$

$$n = 220 / (1+0.79)$$

$$n = 220 / 1.79$$

$$n = 123 \text{ samples}$$

The sub techniques is random sampling that has been implement it later as it provides for greatest number of possible samples. This is done by assigning a number to each unit in the sampling frame. This study has 123 samples that represent 56% of the total population. With probability sampling, all elements in the population have some opportunity of being included in the sample, and the mathematical probability that any one of them will be selected can be calculated. From the number of 220 employees, with reference to the sampling technique, with 6% of error tolerance, and 94% confidence level, the total sampling for this study is 123 respondents. In total 150 questionnaires distribute and with response rate 82%.

Sample technique has been used which is the entire target population can be divided into different subgroups and then randomly selects the final subjects proportionally from the different strata. The first strata for this study is to separate non-executive and executive employees. In the population the ratio for this is almost 50-50. The strata then selected by the position, the age group, gender and race. This is to ensure that adequate amounts of subjects from each category in the final sample.

In this study, samples selected for questionnaire session comprises from various biographical tabulation; age, gender, race, length of service, education background and position in the company. As these are people who are busy with tight schedules, individual and group questionnaire were pre-arranged to get all information. Employees that were used for as respondent were from different position and they represented different department.

Sample size should be reliable estimates and reflects the population parameters as closely as possible within a narrow margin of error. This research involved BHPetrol staff that has been used as the sample size, so it will be easier to the researcher get the actual result.

3.5 Research Instrument

This research used primary and secondary data to get information and sources in order to achieve and accomplish the objectives of this study. Based on the study of Sekaran (2003) a questionnaire is a pre-formulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives. However, questionnaire can be administrated personally, mailed to the respondents or electronically distributed.

The primary data for the study collected from the survey results through questionnaires that acquired from the sampling respondents. The questionnaires was adapted from (Sabelo. A., 2008) and (Sandra.P. & Smith. E., 2008) The questionnaire was intended to identify the effectiveness of whistle-blowing policy in the company. The questionnaire survey consist of detail items as mention in appendix 1.

A pilot test was conducted to ensure the reliability of the instrument used in this study. Based on the test, researcher was confident that the questionnaire of the study is able to measure the items been tested and able to collect data needed. The research questions through the reliability analysis where tested with resulted Cronbach's Alpha .70 and above. With that, 150 questionnaires was distributed to the employees for the real survey.

3.5.1 Primary Data

According to Kumar (1999), "primary sources are constituted by the data which is unpublished and which the researcher has gathered from the people or organisation directly. On the other hand, secondary sources refer to any materials (earlier research, personal records, books, articles, documents, etc) that have been previously produced or published".

Primary data can be defined as information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study (Sekaran, 2010). Source of primary data are individuals, focus groups, panels of respondents and unobtrusive sources. The researcher have chosen to do an interview sessions and questionnaires to the respondents.

3.5.2 Secondary Data

For secondary data purpose, information from social media will be used to explain different theories of whistle-blowing and unethical behaviour and their relevance in the company. Secondary data also is referring to information gathered by someone other than the research conducting the current study. The sources of secondary data include books and periodicals, government publications of economic indicators, census data, statistical abstracts, databases, the media, annual reports of companies and more. There are internal and external data of secondary data (Sekaran, 2010):

1. Internal secondary data

Internal secondary data consist of information gathered within the company for which the research is being conducted. The major categories include sales reports, customer databases and reports from past primary market research. In this research, the researcher used the information that available are company's website, sales report and articles

2. External Secondary Data

External secondary data includes information gathered by government agencies information compiled for sale by commercial vendors and various kinds of public and quasi-public information available from diverse sources. Basically, the data gathered is outside of the company. In this research, the researcher gathered the data from published materials, online database, library references and textbooks.

3.6 Observations

Observation was used to supplement data collection as according to McMillan and Schumacher (1993), “it requires the observer to record specific behaviours without making judgements in a more global sense”. The observation of the participants is conducting in daily tasks and to be recorded.

Observational research for this study will be used based on the set of questionnaires and it will be translated into the specific incidents and behaviour patterns. According to Kumar (1999);

“non-participant observation is when the researcher does not get involved in the activities of the group but remains a passive observer, watching and listening to its activities and drawing conclusions from this”.

3.7 Data Interpretation

According to Mouton (2001), “all field work culminates in the analysis and interpretation of some set of data, be it qualitative transcripts data or disclosure data, be it quantitative survey data, experimental recordings, historical and literary texts. Analysis involves “breaking up” the data into manageable themes, patterns, trends and relationships”.

That is the target in analysing the study by understanding the various elements in each data through an inspection of the relationships between concepts, constructs or variables and to see whether there are any patterns or trends that can be identified or isolated, or to establish themes in the data analysis (Kumar, 1999).

Data analysis from written questionnaire will be tabulated intensively by using the Statistical Package for Social Science (SPSS) system. The results of any observation

and interview process will be analysed by sequences of the topic covered. Data will be analysed qualitatively. This includes the identification of themes extracted from interview transcripts and questionnaires.

3.8 Data Analyst Technique

At the end of the research, all the data that have been collected and gathered from the sources will be analyzing. The data that will take into consideration to analyze are four variables. The process includes editing, handling the blank response, coding, and categorization and lastly is entry the data into Statistical Packages for Social Science (SPSS). This will be used to analyze the data gathered from the research questionnaires. 123 respondents answer form the questionnaire had been analyst. This process will help the researcher to determine the relative important of the correlations between dependent and independent variables.

3.8.1 Frequency Distributions

The frequency will shows exact figures on the questionnaire that been given to the respondent on age, gender, race, service tenure, position and education level.

3.8.2 Reliability Test

The reliability of a measure is established by testing for both consistency and stability. Consistency indicates how well the items measuring a concept hang out together as a set (Sekaran, 2010). As defined under reliability terminology,

“Reliability Test” is the general term for reliability determination tests and reliability compliance tests. This test also acts as an important role in improving reliability by analyzing failures which occur during tests and clarifying the failure mechanisms.

3.8.3 Cronbach’s Alpha

Cronbach’s Alpha is reliability coefficient that indicates how well the items in a set are positively correlated to one another. Cronbach’s Alpha is computed in term of the average inter-correlations among the items measuring the concepts. The closer Cronbach’s Alpha to 1.00, the higher internal consistency reliability (Sekaran, 2010). While if less than 0.60 is considered poor. Those in the range of over 0.8 are considered good and acceptable. From the reliability analysis made, a table as shown below will be obtained. The table show the values of Cronbach’s Alpha of the variables been analysed.

3.8.4 Correlations

The concept of correlation is a statistical tool which studies the relationship between two variables and Correlation Analysis involves various methods and techniques used for studying and measuring the extent of the relationship between the two variables. Two variables are said to be in correlation if the change in one of the variables results in a change in the other variable (Quinn & M.Keough, 2001).

The correlation coefficient is a number between 0 and 1. If there is no relationship between the predicted values and the actual values the correlation coefficient is 0 or very low (the predicted values are no better than random numbers). As the strength

of the relationship between the predicted values and actual values increases so does the correlation coefficient. A perfect fit gives a coefficient of 1.0. The higher the correlation will result better coefficient.

Furthermore, the call for the use of Pearson Correlation analysis has been using in testing the hypothesis part to investigate the relationship between the independent variables and dependent variable. Besides that, the linear regression analysis also will be conducted in order to model the function of the independent variables, corresponding parameters and an error term through equation.

3.8.5 Regression

Regression can be used for prediction, inference, and hypothesis testing, and modelling of causal relationships. (Santoso, 2009). If two variables are significantly correlated, and if there is some theoretical basis for doing so, it is possible to predict values of one variable from the other. This observation leads to a very important concept known as ‘Regression Analysis’.

Regression analysis, in general sense, means the estimation or prediction of the unknown value of one variable from the known value of the other variable. There are two types of regression analysis chosen according to whether the data approximate a straight line, when linear regression is used, or not, when non-linear regression is used. A regression line is a line drawn through a scatter plot of two variables.

3.9 Design of Questionnaire

The questionnaire provides a selection of question which will be distribute among the respondents. Later, the questionnaire will be collected after the respondents have completed, as a result, the researcher has obtain the information from the questionnaire. The data for the study is collected using primary source.

A set of questionnaire that generally related to the effectiveness of whistle-blowing policy in the company and it was distributed to the selected sample in the company. The questionnaires will look into the relationship between the effectiveness of whistle-blowing policy and 4 independent variables employees' personal viewpoint, company encouragement, management responsive and whistle-blower protection.

Questionnaires were distributed to 150 employees at different location and position in Boustead Petroleum Marketing Sdn Bhd. However, only 123 questionnaires were returned and usable for the purpose of the study. The questionnaire attempts to examine these employees' perception of whistle blowing and their likelihood of blowing the whistle. The questionnaire has been adapted from the previous study;

1. Sabelo.A., (2008). An investigation into the use of whistle-blowing as a means to curb unethical behavior. *Master Thesis for Nelson Mandela Metropolitan University*.
2. Sandra.P., & Smith.E., (2008). Employee perception regarding whistle-blowing in the workplace: A South African perspective. *SA Journal of Human Resource Management*. Vol. 6. No. 2.

In addition, short briefing sessions were also conducted to better understand the issue under study. A questionnaire is a set of tabulated questions in a form to be completed by the participant for the purpose of a research project (Yin, 1998). The researcher designed a questionnaire that met the basic principles laid down (Cozby, 1997). The

questionnaire should clearly tabulate the questions based on information needed and should be very clear and easy to complete the answer by participants.

Peterson (2000) summarised that the attitude can be presented that statement by asking respondents whether they agree, or disagree. Likert. R (1996) has greatly formalised this procedure through the creation of the Likert scale, a format in which respondents are asked to agree, strongly agree, disagree or strongly disagree, or perhaps to be neutral.

Table 3.1:
Method measured the questionnaires using 5 point Likert- type scales.

Scale	Answer
1	Strongly Disagree
2	Disagree
3	Neutral
4	Agree
5	Strongly Agree

Section A

The questionnaire starts with some biological data, followed by close-ended questions in order for the respondent to have the opportunity to choose answers to their personal liking (Robson, 1993). This section will focuses on demographic factors and the personal data of each respondent will highlight on the questionnaire. It be speared by categorized as age, gender, race, service tenure, level of education and position in the company. The nominal scale will be used in this questionnaire which provides the respondents to choose the answer

Section B

The questions on effectiveness of the policy will be highlighted. The Likert scale is designed to examine how 1) Strongly Disagree, 2) Disagree, 3) Neutral, 4) Agree and 5) Strongly Agree. In this section, the independent variable will be test. As for the questionnaires for opinion on whistle-blowing policy in the company, it's to see an agreement or disagreement by ticking the appropriate number using the scale from 1 to 5 comprises of strongly disagree, disagree, neutral, agree and strongly agree. That is in total 21 questions for the respondent to answer. The questionnaire is divided into five variables; one dependent variable and 4 independent variables.

1. Personal viewpoint.
2. Company encouragement.
3. Management responsive.
4. Whistle-blower protection.

3.10 Reliability Test on the Questionnaire

Cronbach's alpha determines the internal consistency or average correlation of items in a survey instrument to gauge its reliability (Cronbach, 1951). In reliability analysis, internal consistency is used to measure the reliability of a summated scale where several items are summed to form a total score. The higher the score, the more reliable the generated scale is. Nunnally (1978) has indicated 0.7 to be an acceptable reliability coefficient but lower thresholds are sometimes used in the literature.

This was supported by Sekaran (2003), which according to him, the closer the reliability coefficient gets to 1.0, the better it is, and those values over .80 are considered as good. Those value in the .70 is considered as acceptable and those reliability value less than .60 is considered to be poor (Sekaran, 2003).

From the pilot test, the earlier result was indicated low Cronbach's Alpha for the Personal viewpoint set of questions. Due to that, the last question has been deleted to ensure the higher Cronbach's Alpha.

Table 3.2:
Cronbach's Alpha – Item Total Statistics

Questions	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I will NOT expose my personal particular for my wrongdoing reporting through whistleblowing.	0.686	0.548
The identity of whistle-blower should be protected.	0.534	0.675
The company will protect my identity	0.495	0.675
Protection is the main reason to blow the whistle	0.415	0.725

According to George & Mallery (2003), reliability is the degree to which measure are free from error and therefore yield consistent results. In this section, the researcher will conduct a reliability analysis to the 123 samples collected from the respondents.

Table 3.3:
Reliability Test on Dependent and Independent Variables

Variables	Cronbach's Alpha	No of Items
Effectiveness of the policy	0.724	5
Personal viewpoint	0.803	5
Company encouragement	0.848	4
Management responsive	0.850	4
Whistle-blower protection	0.725	3

Table 3.3 shows the amount of Cronbach's Alpha for the total of questionnaires with in total 21 questions. Effectiveness of the policy Cronbach's Alpha is 0.724, followed by personal view point towards whistle-blowing policy is 0.803, 0.848 for the company encouragement, 0.850 is the highest Cronbach's Alpha and 0.725 for the whistle-blower protection.

Based on the above, the internal consistency reliability of the measure used in this study is rate as good relationship which is more than 0.7. From the above table, as the reliability are proven, the study can be continued

3.11 Conclusions

Based on the above discussions on the research methodology, chapter 3 has been tabulated clearly on the research design, population, sampling, data analysis technique and the correlation test for the questionnaire. The sampling was explained on the sample size, technique, measurement and layout on data collection and procedure. For the next chapter, the study will be more focus into the data finding from the questionnaires and the analysis technique for better understanding on the subject effectiveness on whistle-blowing policy in the company Boustead Petroleum Marketing Sdn Bhd. For the next chapter 4, this study will analyse the findings and it's will tabulate into the reliability test, correlation and the regression.

CHAPTER 4

RESEARCH FINDINGS

4.1 Introduction

This chapter highlights the findings obtained through the survey that being carried out. There were 123 of respondents who answer the questionnaire in complete. The results of the findings generally provide an understanding of the whistle-blowing policy in the company including the awareness, process, format and rationalization of the policy.

The statistical method of Pearson Correlation is used to determine the existence of any relationships between the independent variable and dependent variable. Regression Analysis is conducted to examine which among the independent variable is the most important to explain the effectiveness of whistle-blowing policy. This chapter also illustrates the reliability test made to the instruments used using Cronbach Alpha.

Descriptive analysis was conducted to describe the profile of respondents. Overall, this chapter is divided into eight parts which includes; overview of data collection, profile of respondents, reliability analysis, descriptive analysis, major findings, summary of findings, and conclusions.

4.2 Response rate

In total 150 questionnaires was distributed to selected employees of Boustead Petroleum Marketing Sdn Bhd on May 2013. This is equivalence to 68% of population. The target from this survey is to have a minimum 123 respondents as

sampling which is representing 94% confident level with 6% tolerance rate. This respondent number presented 56% of total population.

4.3 Data Screening

The data that have been collected were coded and entered into the Statistical Package for the Social Science (SPSS) version 18.0 to further analysis. The data were analysed on the demographic profile for the background of the participants. Data were coded and analyzed by the way of using frequencies and descriptive analysis, correlation (Pearson's Correlation Coefficient) statistic and regression. The Cronbach Alpha is used to determine internal reliability of the variable.

4.4 Respondent's Demographic Profile

Frequency distribution is being used by researcher to find frequency of respondent profile which it describes the frequency characteristics of the respondents. As for this research, a total of 123 respondents have completely answered the entire questionnaire. For the respondent profile, demographic is based on age, gender, race, service tenure, level of education, and position in the company.

Table 4.1:
Demographic Profile of Respondents

Items	Profile	Frequency	Percent
Age	18-30yrs	42	34.1%
	31-45yrs	50	40.70%
	>46yrs	31	25.20%

Gender	Male	80	65%
	Female	43	35%
Race	Malay	80	65%
	Chinese	33	26.80%
	Indian	10	8.1%
Service Tunure	<5 yrs	38	30.9%
	5-10 yrs	48	39%
	11-20 yrs	19	15.4%
	>21 yrs	18	14.60%
Positions	Non-Executive	70	56.90%
	Executive	42	34.10%
	Managers	11	8.90%
Education Level	Certificate	22	17.9%
	Diploma	59	48%
	Degree	42	34.1%

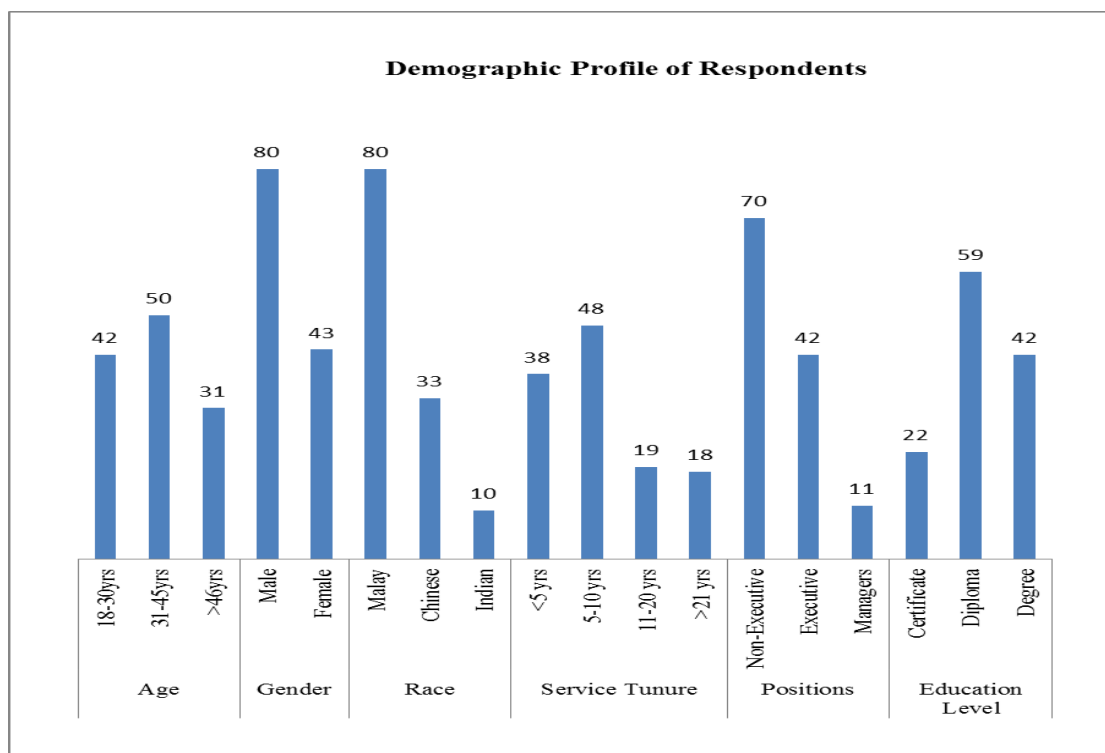


Figure 4.1:
Demographic Graph of Respondents Profile

Based on the above figure 4.1 and graph table 4.1, the majority of the respondents are

those at age bracket 31-45 years old with 50 respondents or 40.7%. In addition, it shows the percentage of respondent's age range 18-30 years and represent 42 respondents or 34.1%. Meanwhile, the range above 46 years old represents 31 respondents or 25.2%.

According to the above table, after analyzing and interpreting 123 questionnaires answered by respondents, it shows the percentage of respondent by gender for male are 80 respondents or 65% while total of female employees are 43 with 35%. In this research majority of the respondent is male employees.

Respondents race divided by Malay, Chinese and Indians. For Malay respondents, it shows 65% or 80 respondents which are the highest respondent in this research. Furthermore, Chinese and Indians show 26.8% or 33 respondents and 8% or 10 respondents respectively.

As for the respondent's service tenure, there are majority of 48 respondents or 39% of respondent service tenure with the company in between 5 – 10 years. For the range of service tenure below 5 years shows that there are 38 respondents or 30.9%. 15.4% or 19 respondents and 14.6% or 18 respondents are the result of the service tenure of 11-20 years and more than 21 years respectively.

The above table also shows the percentage of respondent's position in the company. The respondent's position is divided by non-executive, executive and managers. For executive employees, there are only 42 respondents or 34.1%. The highest percentage is referred to the non-executive employees which is 70 respondents that equal to 56.9%. Meanwhile, managers are only 11 respondents which equal to 8.9%.

On the respondent by education background, 10 respondents are with certificate

which gives the results 17.9% with 22 respondents, 59% are diploma holder with 48 respondents and the balance is 42 respondents which give the result 34.1% respondents are the degree holder.

4.5 Reliability Analysis

Reliability is the degree to which a measurement instrument is consistent in what is measure. Therefore, reliability is done with the purpose of checking whether the data obtain from the survey is reliable or not for the study.

Therefore, reliability is done with the purpose of checking whether the data obtain from the survey is reliable or not for the study (Uma Sekaran, 2003). The Cronbach's Alpha is a reliability of coefficient that show how well a variables positively correlated to one another. The closer Cronbach's Alpha to 1, the higher the internal consistency reliability

Table 4.2:
Rules of Thumb for Alpha Coefficients.

Cronbach's Alpha	Internal consistency
$\alpha \geq 0.9$	Excellent (High-Stakes testing)
$0.8 \leq \alpha < 0.9$	Very Good (Low-Stakes testing)
$0.7 \leq \alpha < 0.8$	Good
$0.6 \leq \alpha < 0.7$	Moderate
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

(Source: Hair et al (2003), Essential of Business Research Methods.)

To look into the reliability of the study, Cronbach's alpha will be used to determine the internal consistency or average correlation of items in a survey instrument to gauge its reliability. It is commonly used as an estimate of the reliability of psychometric test for a sample of examinees (Cronbach, L. J., 1951)

Table 4.3:
Reliability Test on Dependent and Independent Variables

Variables	Cronbach's Alpha	No of Items
Effectiveness of the policy	0.724	5
Personal viewpoint	0.803	5
Company encouragement	0.848	4
Management responsive	0.850	4
Whistle-blower protection	0.725	3

Table 4.3 shows the amount of Cronbach's Alpha is 0.724 for the effectiveness of the policy. This reliability is done with the purpose of checking whether the data obtain from the survey is reliable or not for the study (Uma Sekaran, 2003). The Cronbach's Alpha is a reliability of coefficient that show how well a variables positively correlated to one another. The closer Cronbach's Alpha to 1, the higher the internal consistency reliability.

In this section the researcher asking the respondent on the effectiveness of whistle-blowing policy. The questions are designed because the researcher wants to know about the effectiveness from the policy itself. Referring to the above table, the reliability of dependent variable are the factors that influence the effectiveness in whistle-blowing policy is 0.724 with the number of item tested is 5.

It represents that, the internal consistency reliability of the measure used in this study is rate as good relationship which is more than 0.7. From the above table, as the

reliability is proven, the study can be continued.

Table 4.3 also shows the amount of Cronbach's Alpha for company encouragement is 0.803. This section will ask the respondent whether the levels of personal view points towards whistle-blowing policy contributed to the effectiveness of the policy in the company. Based on the result in table 4.3, it is shows that the amount is in between 0.8 to 0.9 which is rated 'very good' in internal consistency.

Table 4.4:

Item-Total Statistics Personal View-point in Whistle-blowing Policy

Questions	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Whistle-blowing is about raising a concern about misconduct within an in organization	0.527	0.783
Whistle-blowing is an act that deserves a moral praise	0.645	0.735
Whistle-blowing is a tool in the fight against misconduct.	0.575	0.758
Reporting through whistleblowing is more on wrongdoing with low proof level.	0.530	0.771
Reporting wrongdoing in the organization is helpful in controlling industrial harmony practices.	0.644	0.739

The above table shows the detail of the questionnaires for the independent variables. That is in total 4 questions for this independent variables. The item total statistics for this column presents the value that Cronbach's alpha would be if that particular item was deleted from the scale. From the above table, that is consistant value for each variables.

As for the compamy encouragement, the amount of Cronbach's Alpha is 0.848. In this section the researcher intention to see whether the encouraging from the

company will reflect into the whistle-blowing policy in the company. As referred to the result above is 0.848 which is more than 0.8. Follow the rules of thumbs the amount which is more than 0.8 is very good relationship.

Table 4.5:

Item-Total Statistics Company Encouragement in Whistle-blowing Policy

Questions	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The company has shown a very high commitment towards whistle-blowing practices	0.492	0.728
The incentive or reward given to whistle-blower for a valid complaint	0.621	0.655
The series of awareness program created among employees for a better understanding	0.538	0.700
The sub committee has been establish to manage any reporting through whistle-blowing	0.547	0.694

The above table is the detail of the questionnaires variables for the independent variables. The item total statistics for this column presents the value that Cronbach's alpha would be if that particular item was deleted from the scale. From the above table, we can see that removal of any question would result in a lower Cronbach's alpha.

Removal of question 1 would cause to a small improvement in Cronbach's alpha, and we can also see that the corrected item in total correlation value was low (0.492) for this item. The above table provides an overall reliability coefficient for a set of variables questions.

As for the management responsive the amount of Cronbach's Alpha is 0.850. This section will ask the respondent on the company feedback or action taken on whistle-blowing report. The positive or negative answer from respondent can be further measure on the effectiveness of whistle-blowing policy in the company. Based on the

result, it is shows that the amount is above 0.7 is rated ‘good’ on internal reliability of the questions.

Table 4.6:

Item-Total Statistics Management Responsive on Whistle-blowing Report

Questions	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Serious action will be taken by employer for any wrongdoing report through whistleblowing.	0.742	0.79
The company will follow as in the process and procedure	0.695	0.807
The action will be in fair situation	0.657	0.826
My reporting will make differences in combatting unethical behavior	0.674	0.816

The above table shows the detail of the questionnaires variables for the independent variables. That is in total 4 questions for this independent variables. The item total statistics for this column presents the value that Cronbach's alpha would be if that particular item was deleted from the scale. From the above table, that is consistant value for each variables.

For the whistle-blower protection, shows the amount of Cronbach’s Alpha is 0.725. In this section the researcher evaluated 4 questionnaire based on the policy protection for whistleblower. The set of questionnaire will be able to see the effectiveness of whistle-blowing policy in the company. As referred to the result above the result is 0.725 which is more than 0.7. Follow the rules of thumbs the amount which is more than 0.7 is a good relationship.

Table 4.7:
Item-Total Statistics Whistleblower Protection

Questions	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I will NOT expose my personal particular for my wrongdoing reporting through whistleblowing.	0.686	0.548
The identity of whistle-blower should be protected.	0.534	0.675
The company will protect my identity	0.495	0.675

The above table 4.7 shows the detail of the questionnaires variables for the independent variables. That is in total 4 questions for this independent variables. The item total statistics for this column presents the value that Cronbach's alpha would be better if that particular item was deleted from the scale. From the above table, that is consistant value for each variables.

4.6 Descriptive Analysis

Descriptive statistics are used to explore the data collected and at the same time to summarize and describe those data. In this study, the descriptive statistics will be separated by the dependent variables and independent variables. The entire variables will be analyst on the minimum and maximum opinion.

In this study also will look into the 'mean' or average opinion on each question. Others statistics such as standard deviation give more information about the distribution of each variables.

Table 4.8:

Descriptive Statistics on Dependent Variable and Independent Variables

	Mean	Std. Deviation
Effectiveness of the policy	3.66	.734
Personal viewpoint	3.81	.592
Company Encouragement	3.97	.778
Management responsive	4.08	.581
Whistle-blower protection	4.35	.701
Valid N (listwise)	123	

From the above table, the frequency distributions maximum is at 5 and the lowest is at 2. With all the data, most of respondent evaluate the effectiveness of whistle-blowing policy in the company in more than moderate. The highest mean is 4.35 which is respondent view on the protection is the most important to see the effectiveness of whistle-blowing policy. The lowest mean is 3.66 on the procedure implementation but still in more than moderate level.

The standard deviation, in conjunction with the mean, is a very useful tool because of the following statistical rules, in a normal distribution (Sekaran, 2003):

- i) Practically all observations fall within three standard deviations of the average or the mean
- ii) More than 90% of the observations are within two standard deviations of the mean
- iii) More than half of the observations are within one standard deviation of the mean.

The above table shows the standard deviation for effectiveness of the policy is .75,

follow by standard deviation for the first independent variables personal viewpoint which are workload is .59. The value of standard deviation for company encouragement is .77 and management responsive is .58. The last independent variable whistle-blower protection is .70.

Standard deviation is a statistic figure that tells how tightly all the various data are clustered around the mean in a set of data. When the samples data are pretty tightly bunched together and the bell-shaped curve is steep, the standard deviation is small. The smaller standard deviation, the closer they are.

4.6.1 Descriptive Statistics on Independent Variables: Personal Viewpoint Towards Whistle-blowing Policy

Table 4.9:

Descriptive Statistics on Independent Variables: Personal Viewpoint Towards Whistle-blowing Policy

	Minimum	Maximum	Mean
Whistle-blowing is about raising a concern about misconduct within an in organization	2	5	3.59
Whistle-blowing is an act that deserves a moral praise	2	5	3.89
Whistle-blowing is a tool in the fight against misconduct and in promoting individual responsibility and organizational accountability.	2	5	3.94
Reporting through whistleblowing is more on wrongdoing with low proof level.	2	5	3.61
Reporting wrongdoing in the organization is helpful in controlling industrial harmony practices.	2	5	4.00
Valid N (listwise)	123		

Table 4.9 shows on the descriptive statistics of independent variables personal viewpoint towards whistle-blowing policy that to be as indicator to evaluate of the effectiveness of the policy in the company. All the questions have been evaluated in wide range from minimum 2 to maximum 5. Most of respond agree that personal viewpoint of the policy will bring a significant efficiency in the company. From the data, it's very consistent among all the questions with means in between 3 to 4.

4.6.2 Descriptive Statistics on Independent Variables: Encouraging whistle-blowing policy from the company

Table 4.10:

Descriptive Statistics on Independent Variables: Company Encouragement of Whistle-blowing Policy

	Minimum	Maximum	Mean
The company has shown a very high commitment towards whistle-blowing practices	1	4	2.51
The incentive or reward given to whistle-blower for a valid complaint	1	4	2.87
The series of awareness program created among employees for a better understanding	1	4	2.93
The sub committee has been establish to manage any reporting through whistle-blowing	2	5	3.39
Valid N (listwise)	123		

Table 4.10 shows on the descriptive statistics of independent variables encouraging whistle-blowing policy from the company. This independent variable will be indicator to evaluate of the effectiveness of the policy in the company.

All questions have been evaluated by the respondent in wide range for question 1 to 3 from with the rate 1 to 4. For these questions, 'mean' stated below 3 to simply indicate on the low encouraging of the policy from the company. The respondents 2

to 5 for the 4th question with the average 3.39.

4.6.3 Descriptive Statistics on Independent Variables: Management responsive on whistle-blowing report

Table 4.11:

Descriptive Statistics on Independent Variables: Management responsive on whistle-blowing report

	Minimum	Maximum	Mean
Serious action will be taken by employer for any wrongdoing report through whistleblowing.	2	5	3.54
The company will follow as in the process and procedure	2	5	3.35
The action will be in fair situation	1	5	3.35
My reporting will make differences in combatting unethical behavior	2	5	3.58
Valid N (listwise)	123		

Table 4.11 shows on the descriptive statistics on independent variables company feedback on whistle-blowing report through whistle-blowing policy. This set of question can be evaluated on the effectiveness of the policy in the company. All the questions have been evaluated in wide range from minimum 1 to maximum 5. From the data, it's very consistent among all the questions with means in between 3 to 4.

4.6.4 Descriptive Statistics on Independent Variables: Whistle-blower protection.

Table 4.12:

Descriptive Statistics on Independent Variables: Whistle-blower Protection

	Minimum	Maximum	Mean
I will NOT expose my personal particularfor	2	5	3.98
The identity of whistle-blower should be protected.	3	5	4.61
The company will protect my identity	2	5	3.74
Valid N (listwise)	123		

Table 4.12 shows on the descriptive statistics on independent variables company feedback on whistle-blowing protection in the company. This set of question can be evaluated on the effectiveness of the policy in the company. From the data, to compare with previous variables, this is the highest ‘mean’ rate. All questions score at mean 3 to 5. The highest mean is for the question number 2 with mean 4.61.

4.7 Correlation Analysis

A correlation analysis is the study that looks to the relationship between dependent variable which is the effectiveness of whistle-blowing policy and the independent variable. As mentioned from the previous chapter, the independent variables are the personal viewpoint, company encouragement, management responsive or the company feedback from the whistle-blowing report and the whistle-blower protection.

Correlation analysis can also help the researcher to determine direction of relationship between variables themselves. The value for Pearson’s can fall between 0.00 (no correlation) and 1.00 (perfect correlation). Generally, correlations above 0.80 are considered pretty high with a strong relationship. Table 4.18 below shows the rule of thumbs of correlation coefficient size.

Table 4.13:

Rules of Thumbs about Correlation Coefficient Size

Coefficient Size	Strength of the Relationship
0.81-1.0	Strong
0.61-0.8	Moderate
0.41-0.6	Weak
0.21-0.4	Very Weak
0-0.2	None

Adopted from Alvin C. Burns & Ronald F. Bush (2005)

4.7.1 Pearson Correlation

Table 4.14:
Correlation between DV and IV

		Effective ness	1	2	3	4
1. Personal viewpoint	Pearson Correlation Sig. (2-tailed)	.613 .000				
2. Company encouragement	Pearson Correlation Sig. (2-tailed)	.655 .000	.414 .000			
3. Management responsive	Pearson Correlation Sig. (2-tailed)	.526 .002	-.003 .486	.260 .002		
4. Whistle-blower protection	Pearson Correlation Sig. (2-tailed)	.572 .003	.337 .000	.427 .000	.352 .000	

Correlation is significant at the 0.01 level (2-tailed)

Based on Table 4.14 shows the result from finding after had been analyzed. The table shows that the effectiveness of whistle-blowing policy in the company has the strongest relationship with the company encouragement on whistle-blowing report with value of correlation is 0.655. The other variables which are personal viewpoint, company feedback and whistle-blower protection show correlation of 0.613, 0.526 and 0.572 correlations respectively.

Referring to the value of correlation obtained from the Table 4.20 above, the result shows that encouraging from the company is influencing factor toward the effectiveness of the whistle-blowing policy in the company. Based on rules of thumbs from the Table 4.14, the strength of correlation of company encouragement and personal viewpoint are fall under moderate relationship. While the others independent variables; management responsive and whistle-blower protection are fall

under very weak relationship.

Significant value of company encouragement is 0.00, 0.002 for management responsive, 0.00 for personal viewpoint of whistle-blowing policy and 0.003 for whistle-blower protection. This shows that, the value is low than alpha value ($p < 0.05$). Thus it shows that there is statistically significant correlation for dependent variable between all independent variables; encouraging from the company, company feedback on whistle-blowing report and whistle-blower protection in effectiveness of whistle-blowing policy in the company.

4.8 Regression Analysis

Table 4.15:

Regression for Dependent Variable and Independent Variables

Model	R Square
Effectiveness of Whistle-blowing Policy	0.775
	Standardized Coefficients
Model	Beta
(Constant)	
Personal viewpoint	0.189
Company encouragement	0.403
Management responsive	0.566
Whistle-blower protection	0.28

With refer to the above Table 4.15, 'R' is the square root of R-Squared and is the correlation between the observed and predicted values of dependent variable. R-Square is also called the coefficient of determination. According to Trade Ideas (2012), R-Squared is a statistical term saying how good one term is at predicting another.

The R-squared of the regression is the fraction of the variation in dependent variable

that is accounted for the independent variables. The R-squared is generally of secondary importance, unless the main concern is using the regression equation to make accurate predictions.

If R-Squared is 1.0 then given the value of one term, the researcher can perfectly predict the value of another term but if R-Squared is 0.0, then knowing one term doesn't help the researcher to know the other term at all. More generally, a higher value of R-Squared means that the researcher can better predict one term from another.

In this study, R-Square is the proportion of variance in the dependent variable for effectiveness of whistle-blowing policy which can be predicted from the independent variables; personal viewpoint, company encouragement, management responsive from whistle-blowing report and whistle-blower protection. From table 4.20, this value indicates that 77.5% of the effectiveness can be predicted from the personal viewpoint, encouraging from the company, company feedback from whistle-blowing report and whistle-blower protection

The values for the regression equation for predicting the dependent variable from the independent variable. These are called standardized coefficients because they are measured in their natural units. As such, the coefficients cannot be compared with one another to determine which one is more influential in the model, because they can be measured on different scales. Coefficients determine the relationship between independent variables and dependent variable.

From the above table, management responsive indicated 56.6% and that is the highest values compare with the others independent variables. This is clearly indicated that management responsive is the most influenced factor to evaluate an effectiveness of

whistle-blowing policy in the company. The others independent variables are company encouragement at 40.3%, whistle-blower protection at 28% and personal viewpoint at 18.9%.

According to above table, as for the coefficient, of personal viewpoint is 0.189. So, for every unit increase in personal viewpoint, a 0.189 unit will increase the level of effectiveness, holding all other variables constant. It shows the positive relationship between the personal viewpoint of whistle-blowing policy and effectiveness of the policy in the company.

The coefficient of encouraging from the company is 0.403. So, for every unit increase in this variable, a 0.403 unit will increase the factors of effectiveness of whistle-blowing policy, holding all other variables constant. It shows the positive relationship between encouraging from the company and the effectiveness of the policy in the company.

The coefficient of company feedback from the report is the highest 0.566. So, for every unit increase management responsive from the report, a 0.566 unit will increase the factors of effectiveness of whistle-blowing policy, holding all other variables constant. It also shows the positive relationship between management responsive from the report and the effectiveness of the policy in the company.

The coefficient of whistle-blower protection from the company is 0.280. So, for every unit increase in this variable, a 0.280 unit will increase the factors of effectiveness of whistle-blowing policy, holding all other variables constant. It shows the positive relationship between whistle-blower protection from the company and the effectiveness of the policy in the company.

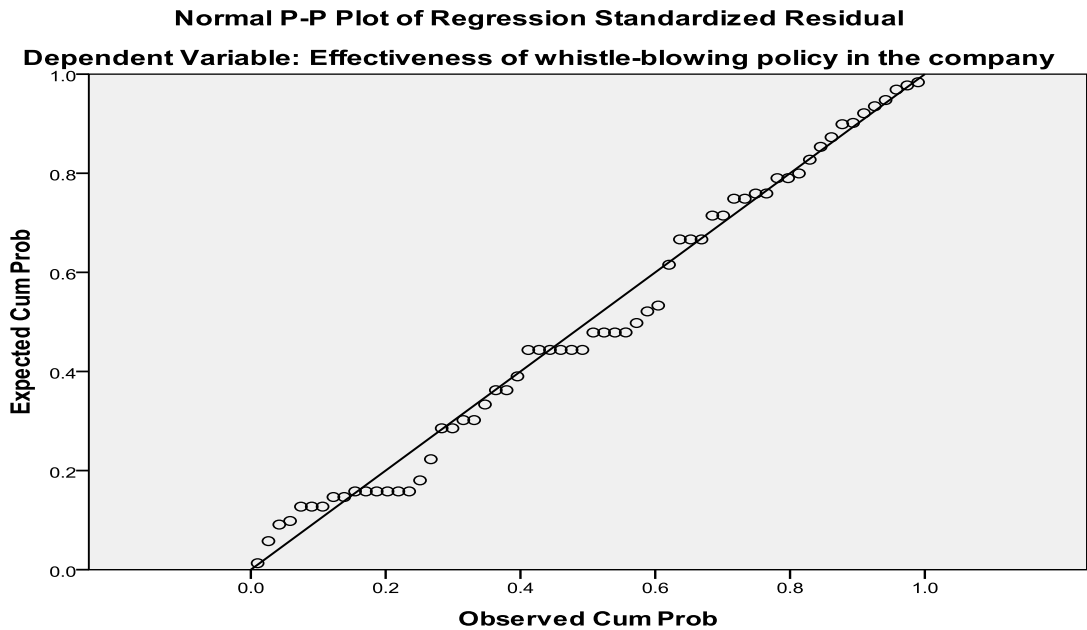


Figure 4.2:
P Plot Regression Standardize Residual

The above Figure 4.1 indicate the normal plot of regression standardised residuals for the dependent variable. From the above graft, we can see that the points follow a linear pattern well and it is indicates a relatively normal distribution with perfect liner relationship.

4.9 Hypotheses Result

Refer to Chapter 1, the objective of this study has been analyst to get the result on the level of effectiveness of whistle-blowing policy in the company of Boustead Petroleum Marketing Sdn Bhd. To achieve the objective, from 123 questionnaires, the data finding has been tabulated in chapter 4 which also involves the participation of employees and also to have a better understanding on the perception of this policy.

Among the things that were agreed on the effectiveness of whistle-blowing policy in the company is to look at the different criteria which is the personal viewpoint of employees, the encouragement from the company, management responsive based on

case reports from employees and also whistle-blower protection adopted by the company. From this study will also be able to see what employee profile will give impact to the results. This is the view on the age, sex worker, service tenure, employees position and the level of education.

Based on the data from Chapter 4, null-hypothesis and hypothesis was established a relationship between the criteria on the effectiveness of whistle-blowing policy and respondent demographic profile in the company.

H01: There is no relationship between employee's age, gender, races and service tenure and the effectiveness of whistle-blowing policy in the company.

Table 4.15:

Cross Tabulation of Effectiveness of Whistle-blowing Policy and Demographic Profile in the Company

		Effectiveness of whistle-blowing policy in the company				Total
		Disagree	Neutral	Agree	Strongly Agree	
Age	18-30yrs	0	15	24	3	42
	31-45yrs	3	14	23	10	50
	>46yrs	3	14	14	0	31
Total		6	43	61	13	123
Gender	Male	4	29	41	6	80
	Female	2	14	20	7	43
Total		6	43	61	13	123
Race	Malay	6	28	36	10	80
	Chinese	0	11	19	3	33
	Indian	0	4	6	0	10
Total		6	43	61	13	123
Tenure	<5 yrs	1	16	16	5	38
	5-10 yrs	3	13	27	5	48

	11-20 yrs	0	6	10	3	19
	>21 yrs	2	8	8	0	18
Total		6	43	61	13	123
Position	Non-Executive	3	24	31	12	70
	Executive	3	15	23	1	42
	Managers	0	4	7	0	11
Total		6	43	61	13	123
Education	Certificate	0	10	12	0	22
	Diploma	3	21	22	13	59
	Degree	3	12	27	0	42
Total		6	43	61	13	123

Table 4.16:
Chi-Square Test

Chi-Square Test		Value (Critical Value)	Asymp. Sig. (2-sided) P-value
Age	Pearson Chi-Square	4.630	.592
Gender		1.648	.885
Race		4.308	.635
Tenure		4.024	.910
Position		4.372	.626
Education		10.892	.092

From the above table 4.16: Chi Square test, this test shows that there are no significant relationship between employee's age, gender, races, service tenure, position and employees education and the effectiveness of the whistle-blowing policy in the company. According to Shaklee et al (1993), the probability of the null hypothesis being corrected with p-value = >0.05 .

Looking at the table, all p-value is less than the critical value, this can be interpreted on the p-value of all are >0.05 , thus, the above null hypothesis can be accepted.

Based on the above table from the data collected, there is absolutely no relationship between employee's age, gender, races, service tenure, employee's position in the company and education level and the effectiveness of whistle-blowing policy in the company.

Table 4.17:
ANOVA

	Items	Mean Squares	F	Sig.
Between Groups	Personal Viewpoint	4.99	10.549	0.00
	Company encouragement	7.604	21.12	0.00
	Management responsive	4.057	8.46	0.00
	Whistle-blower protection	4.757	10.166	0.00

By looking for the Hypothesis 1, 2, 3 and 4, a one-way analysis of variance (ANOVA) is used. It's used to determine whether there are significant differences for independent variables and dependent variable.

Hypothesis 1: Significant effect between personal viewpoint of employees and the effectiveness of the whistle-blowing policy in the company.

From the above table, there was a significant effect between groups as determined by one-way ANOVA ($p = .000$). The data have a statistically significant result in the independent variable; personal viewpoint of employees and the dependent variable; effectiveness of the whistle-blowing policy in the company. Taken together, these results highlighted the levels of personal viewpoint in understanding of whistle-blowing policy in the company really do have an effect on the effectiveness of the whistle-blowing policy in the company. It should be noted that the level must be high in order to see an effect.

Hypothesis 2: Significant effect between company encouragement in whistle-blowing policy from the company and the effectiveness of the whistle-blowing policy in the company.

This above table that shows the output of the ANOVA analysis on the statistically significant impact between independent and dependent variables. The above table shows that the significance level is 0.000 ($p = .000$), which is below 0.05 and, therefore, there is a statistically significant difference between company encouragement and effectiveness of whistle-blowing policy in the company.

Hypothesis 3: Significant effect between the company feedback on whistle-blowing report and the effectiveness of the whistle-blowing policy in the company.

From the above table, there was a significant effect between groups as determined by one-way ANOVA ($p = .000$). The data have a statistically significant result in the independent variable; management responsive from the whistle-blowing report and the dependent variable; effectiveness of the whistle-blowing policy in the company.

Taken together, these results highlighted the levels of management responsive in whistle-blowing report in the company really do have an effect on the effectiveness of the whistle-blowing policy in the company. It should be noted that the level must be high in order to see an effect.

Hypothesis 4: Significant effect between the whistle-blower protection regarding the whistle-blowing policy in the company and the effectiveness of the whistle-blowing policy in the company.

From the above table, there was a significant effect between groups as determined by one-way ANOVA ($p = .000$). The data have a statistically significant result in the

independent variable; whistle-blower protection and the dependent variable; effectiveness of the whistle-blowing policy in the company. Taken together, these results highlighted the levels of protection from the company for any whistle-blowing reports in the company really do have an effect on the effectiveness of the whistle-blowing policy in the company. It should be noted that the level must be high in order to see an effect.

Table 4.18:
Summary of Hypothesis Result

Hypothesis	Result
H1: Significant effect between personal viewpoint of employees and the effectiveness of the whistle-blowing policy in the company.	Accepted
H2: Significant effect between company encouragement in whistle-blowing policy from the company and the effectiveness of the whistle-blowing policy in the company.	Accepted
H3: Significant effect between the company feedback on whistle-blowing report and the effectiveness of the whistle-blowing policy in the company.	Accepted
H4: Significant effect between the whistle-blower protection regarding the whistle-blowing policy in the company and the effectiveness of the whistle-blowing policy in the company.	Accepted

Based on the findings from the data, it has given a clear picture that the effectiveness of whistle-blowing policy in the Boustead Petroleum Marketing Sdn Bhd is not directly influenced by the employee background in various aspects of age, gender, races, tenure of service, position and educational background of employees. Although from the point of initial observations, employee background will influence the whistle-blowing policy, but when referring to previous studies, it is clearly indicated that there is no relationship that can be associated. No clues or relationship between employee demographic profile and whistle-blowing policy in the company. Employees

perception is seen as having a similar opinion regardless of the employee's background profile.

To see the leading indicator variables of effectiveness of whistle-blowing policy in the company, employees' personal viewpoint of the policy should be seen as the first element that leads for more effective policy practice. Personal viewpoint rated an average rating of 3.81 mean scale between 'neutral' and 'agree'. This rating shows that the indication of the knowledge worker to the implementation of whistle-blowing policy in companies ranked above average and certainly it should be increased further for better policy implementation in the company.

Company encouragement towards whistle-blowing policy is referring to the promotion or effort or any related program from employer in line with the policy practice. The average scale 'mean' from the questionnaire findings is 3.97 which is in between neutral and agree. This scale is clear indication on the importance of company encouragement in the implementation of whistle-blowing policy in Boustead Petroleum Marketing Sdn Bhd.

Management responsive is important criterion to evaluate the effectiveness of whistle-blowing policy in the company. Management responsive covering employer response to the report made by the employees through the whistle-blowing policy. The company feedback often in high demand from employees to see the seriousness of employers in solving internal problems of unethical behavior. Although, some of the feedback is beyond knowledge of workers, it would create a negative perception towards company. Referring to the findings of the questionnaire, the average mean is 4.08 which is between agree and strongly agree. It is better rating than the personal viewpoint and company encouragement and it gives an indication on the importance

of management response on the whistle-blowing reports.

With regards to the whistle-blower protection, from the observation, it is maybe the most highlighted factor to lead the effectiveness of whistle-blowing policy in the company. As usual, employees are looking for the confidential information of whistle-blower. The confidentiality is not only in the reporting form, but the request for protection is also in the investigation process from the company. The highest means of 4.35 compare with the others independent variables and also clearly indicate on the important factor for whistle-blower protection.

4.10 Conclusions

This chapter 4 was presented and highlighted into the data finding started from the demographic profile and various factor analysis such as correlation and regression analysis. All these data will be dicussed in the next chapter in theorethical of finding. Other than that, these finding will be tabulated in the theoretical and practical implication. For the next chapter 5, the conclusion from the study, the hypotheses evaluation and recommendation will be discuss further.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with further explanation and will give some suggestions based on the findings that have been analyzed in chapter 4. The finding from the analysis of chapter 4 will be explained in detail about the consequences and the relationship between the dependent and independent variables for the employees' personal viewpoint, company encouragement, management responsive whistle-blower protection.

Further discussion will explain about theoretical of findings that lead into the theory and practical. It is then also present on some hypotheses that have been made in chapter 2. The hypotheses will be tested from the data either to accept or to reject. A few suggestions are included for this policy to make improvements based on the requirements and rational analysis on the company. Also, this chapter will explain some limitation faced in completing this thesis.

5.2 Discussions on the Findings

With reference to Chapter 2.3, previous studies of whistle-blowing, there are significance elements which can be highlighted with a comparatively findings in Chapter 4. According to Sims and Keenan (1998), both researchers attempted to identify predictors of whistleblowing by examining organizational and intra-personal variables. In their study, the predictors, supervisor support, informal policies and

ideal values were significant, but formal policies, organizational tenure, age, education, satisfaction, or commitment were not.

From this research study, the fact from Sims and Keenan has similarity with significant relationship related to the personal viewpoint, supervisor support, management responsive and company encouragement. That is also exactly coincide based on our null hypothesis that is no significant relationship between the service tenure, age, education background with the effectiveness of whistle-blowing policy in the company.

According to Ghani *et al* (2011), work experience has a significant and positive relationship with whistleblowing intention. This is consistent with prior studies in a western context (Brewer & Selden, 1998; Goldman, 2001). Some of the previous study result shows that adequate work experience is essential in determining an individual's decision to whistle-blow (Mesmer-Magnus & Viswesvaran, 2005; Miceli & Near, 1988; Sims & Keenan, 1998).

Experienced employees generally be expected to have more knowledge about organizational operations and practices, and generally will provide higher commitment and more loyalty to their organization than an inexperienced employees (Morrow & McElroy, 1987; Sims & Keenan, 1998). According to Gupta & Sulaiman (1996) the positive relationship between work experience and whistle-blowing intention proved that the supervisors with more working experience are likely to have an intention to whistle-blow on wrongdoing. Previously, work experience is believed could elevate the morality of individuals.

With references to the findings in this study, that is no relationship between employee tenure and effectiveness of whistle-blowing in the company. This result is clearly

contradicted with the above previous study. This is related to the policy and practice in the company itself. As this policy was introduced only on 2006, the importance of service tenure can't be evaluated clearly as the policy is only introduced in the company for 7 years. This is the reason that makes the rejection factor associated with the service tenure for effectiveness of whistle-blowing policy.

According to Miceli and Near (2002) the relationships among the whistle-blower and other parties (e.g. top management, the recipient of the complaint, and the perpetrator of the wrongdoing) are critical to understanding how whistle-blowing plays out. Perry (1993) explained that the greater the threat the whistle-blower presents, the more the organization will resist change therefore, whistle-blowers will be more effective at stopping wrongdoing when organizations depend less on wrongdoing or more on whistle-blowers.

Referring to the above opinion, it shows the relationship between employers and employees in achieving the objective of whistle-blowing practices in the company. In this study, effectiveness of whistleblowing policy in the company has been directly appointed independent variables of company encouragement and management responsive. This study also shows the significant relationship between these factors in the effectiveness of the policy.

With regards to whistle blowing engagement, previous studies have found that women are less likely than men to engage in whistle blowing acts (Anwar, 2003). Based on this research, from the cross tabulation and demographic profile and chi-square test, it shows that is no any relationship for the effectiveness of the policy.

With regards to the smooth implementation of whistle-blowing policy in the company, Near and Miceli, (1996) have identify that the feedback from the company

towards any reporting through whistle-blowing is the main issue and the most arguable factor from the employees perspectives. From this study, it has a similarity based on the regression analysis that found the management responsive is the highest indicated a value of 56.6% compares with the others independent variables.

Whistle-blower protections become a very important factor of the effectiveness of whistle-blowing policy. This study has shown on the employees concerned about whistle-blower protection. Based on the descriptive statistics on the independent variables for whistle-blower protection, the question "the identity of the whistle-blower should be protected" has been rated as the highest mean levels among the others questions with mean 4.61 and this study has shown that the regression analysis for whistle-blower protection was achieved by 28%. This clearly shows the interest of the whistle-blower protection from employees perspective.

For a wider perspective, in Malaysia, Whistle-blower Protection Act 2010 (Act 711) came into force on 15th December 2010, and is part of the Government Transformation Plan (GTP)'s National Key Results Area (NKRA) to eliminate corruption. The Act was developed on the best practices of the law in developed countries and following the success of its implementation in the United States and Europe. Under the act, individuals who expose corrupt practices in the public and private sectors are promised confidentiality and immunity from criminal or civil charges. This clearly indicates the important of the whistle-blower protection in-line with this study as one of the most important factor for the effectiveness of whistle-blowing policy and practices in the company.

Early observation from this study found that whistle-blower protection is one of the most important characteristics in evaluating the effectiveness of whistle-blowing

policy in the company. This is because majority of the respondents provide a positive reaction in the importance of whistle-blower protection. This is also related to the willingness of employees to provide personal information in their reports and also related to the confident level to employers in maintaining confidentiality information during the investigation process.

5.3 Recommendations

From the findings, it's suggested a practical ways for organizations to increase an effectiveness of whistle-blowing policy. The company especially management in organization should provide the best policy and practice in combatting unethical behaviour. Policy practice includes the implementation of standard operation procedure (SOP) that explains in more detail process to the employee.

By setting the standard operation procedure, it will create a better understanding on the response and feedback and action taken by the company. SOP for whistle-blowing policy can be as a mechanism for employees to evaluate the practice of justice by the company.

Continuous training program should be provided by the company to ensure all employees have a good knowledge of the whistle-blowing policy. Whistle-blowing module should be included in the induction program for new employees. In addition, the management should provide adequate training program related to combatting unethical behaviour. It also should involve Human Resources Department for any matter related to the whistle-blowing policy in the company.

The company should involve in implementation to rectify the employee perception

related to the policy. Perception is the most important factor as employee will concern with the management responsive or the company involvement in the investigation. Generally, employees who report on unethical behaviour are expected to know further on the action taken by the company.

Improvement of employee perceptions will develop better implementation of the whistle-blowing policy in the company. Employees who have a good perception of policy implementation will not hesitate to provide personal information for each report made. The availability of personal information will lead to the effective action from the company.

5.4 Theoretical and Practical Implications

Based on the findings and discussions, some of the implications of the theory have been made. The hypotheses have been analysed and found that there is no relationship between demographic profiles of employees and effectiveness of whistle-blowing policy in the company. It will bring to the equal opinions and actions of every employee in the practice of whistle-blowing in the company.

From early perception of researcher, that is the possibility on the significant relationship between employee perception in different position and education background and whistle-blowing policy. But based on the findings, that is no significant difference. This explains the initial assumption that the executive and managers constantly accept and fully understand the actions and policies of the company are not really true.

Refer to the practical implication on the effectiveness of whistle-blowing policy in

the company, it can be associated with features that make to the effectiveness of the policy itself. With the continuation of the independent variables in this study, 4 important elements; the employees' personal viewpoint, company encouragement, management responsive and whistle-blower protection have been evaluated on the practical implications of whistle-blowing policy in the company.

The impact of this study can be seen from employee and employer perspective. From employee's practical implication and awareness, higher level of employee's involvement and high confidence level to the policy will increase on the implementation of whistle-blowing policy in the company. With a good response from the company and by giving a confident protection, a report through whistle-blowing is expected to show a significant increase.

Different view from employer will lead into positive and negative implications. In the practice of whistle-blowing in the company with intention to combat unethical behaviour among employees, high involvement of employees will help to expend the business and to create an element of honesty among employees. However, there are negative implications from different angles. Some of employers view the significant increase of whistle-blowing reports will cause a negative view of the society and customers and indirectly will affect the business deal.

In addition, the statistically increase of the cases reports through whistle-blowing will definitely increase the employer responsibility to resolve the related cases. This is because the reports through whistle-blowing policy is requires high involvement from management and to work in-line with industrial relation practice. Furthermore if the report is not made in accordance with established procedures which certainly made it more difficult to make an inquiry and investigation process.

5.5 Limitation and Direction for Future Research

In general, the scope of the study is only related to the effectiveness of the whistle-blowing policy in Boustead Petroleum Sdn Bhd. Previous studies are often focusing the research with wide scope of whistle-blowing including the perception, legislation aspect and protection method. For this study, it's limited to the effectiveness of the whistleblowing policy only. Other than that, the whistle-blower a protection, including the process and procedure also has been discussed based on the data collected.

The study was carried in a limited time given. With the entire study period for almost 6 months, its cover the process and initial overview of the study. Taken into the research study, the research with the respondent and data collection is only 2 months and it is very limited for a more detailed study. This is the biggest challenge to complete the research study as this study is looking into the various aspects in discussion and findings.

The relationship between management responsive on the whistle-blowing report and the knowledge of employees towards whistle-blowing including the whistle-blower protection will enhance responsiveness of policy implementation. Besides, the scope of whistle-blowing can be accessed in wider perspective such as whistle-blowing perception and behaviour. Wider scope of study will bring various perspective of whistle-blowing, which is not only from employees, employers or society perspective but more on the technical aspect of policy implementation and practice.

From the research conducted, there are certain criteria can be implementing to value added for future research. Future research should focus greater attention on the

process and tactics used by the whistle-blower (Perry, 1992). The size of population can be increase for better findings. The population can be extended up to the industry or at the country level. If the research still requires focusing to the internal company perspective, it can be extend to the Boustead Group of Company. When the size of population is increased, accurate result of finding can be achieved.

This study is to focus for employee in Boustead Petroleum Marketing Sdn Bhd exclusively. The information from questionnaires generates as results but may not generalize to others organization even for Boustead Group subsidiary companies. Based on the questionnaires, that is a limited view of the whistle-blowing process with only focusing into the effectiveness of this policy.

From the data obtained, it may reflect some self-report bias. In this study, all data were obtained from the only one source from the respondents. Therefore, common method variance may have been a factor. However, as suggested by Chiu (2003), it is quite difficult to find a second source of information about an individual's ethical behaviour, one that is neither distorted nor biased. Due to that, this study presented a subjective judgment, intention and subjective perception.

5.6 Conclusions

It is highly recommended on the good practice for organizations to introduce whistle-blowing policy in the company. As complaints made under rule or policy grievances, allegations of fraud in the workplace should be investigated thoroughly. An investigation under conditions of whistleblowing policies can lead to potential disciplinary action or criminal prosecution.

By looking at the effectiveness of the policy in the company, we have determined the criteria that lead into the effectiveness of whistle-blowing policy. There are 4 criteria have been determined; employees' personal viewpoint, the company encouragement towards whistle-blowing practice in the company, the management responsive from any report made from employees and the whistle blower protection.

Effectiveness elements have been asked to our respondents to seek their opinion and response from our questionnaires. Based on that, the findings have been tabulated based on the research method that explained in the Chapter 3. The quantitative study have been tabulated some element such as a frequency distributions, correlation and regression.

From the findings, hypotheses are being tested and the result found a significant effect between the personal viewpoint, company encouragement, management responsive and whistle-blower protection and the effectiveness of whistle-blowing policy in the company. In a simple word, the combination of the above elements has been recognized as benchmark to measure the effectiveness of the policy in the company. In the final chapter, comparisons were made from the previous studies of whistle-blowing. Most of the previous study and the findings from this research have provided a significant relationship and similarity.

Generally, objectives of the study were has been achieved with all the independent variables have influences in determine the effectiveness of whistle-blowing policy in the company. Referring to the R-Square in the regression analysis, all the independent variables affecting effectiveness of the policy worth 77.5% and this means, there are another 22.5% of others element can be determined into the effectiveness of whistle-blowing policy in Boustead Petroleum Marketing Sdn Bhd.

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