

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

By

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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

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