



UNIVERSITI PUTRA MALAYSIA

***MEDIATING EFFECT OF TRUST ON SUPERVISOR ON THE
RELATIONSHIP BETWEEN INDIVIDUAL FACTORS AND INTENTION TO
WHISTLE-BLOW IN MALAYSIA***

IBRAHIM MAHMOUD

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By

IBRAHIM MAHMOUD

**Thesis Submitted to Putra Business School in Fulfilment of the Requirements
for the Degree of Master of Science**

March 2018

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DEDICATION

This thesis is dedicated to my beloved parent, my Mother Zainab Ibrahim Gurama and my Father, Mal. Mahmud Muhammad Tukur. May Allah SWT grant them Aljannatul Firdaus.



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Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfillment of the requirement for the degree of Master of Science

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March 2018

Chairman : Ahmed Razman Abdul Latiff, PhD

Faculty : Putra Business School

In Malaysia, government in its efforts to wrestle corruption and other malfeasance enacted Whistleblower Protection Act in order to encourage individuals to come forward and report misconducts. Despite this effort and huge amount of complaints received by enforcement agencies however, very few reports have protection and constitute whistleblowing. The majority of the reports were not regarded as protected disclosure. The main purpose of this study seeks to examine whether individual factors (personal responsibility of reporting, awareness and knowledge on whistleblowing, personal cost of reporting attitudes toward behavior and perceived behavioral control) influence the intentions of employees to whistleblow effectively in Malaysia, mediated by supervisor trust. The study employed survey research method where 158 useable questionnaires from working MBA students which were conveniently selected from five (5) business schools within Klang Valley Area have been retrieved for the analysis using SEM-PLS. Theory of Planned Behavior was used as underpinning theory, and supported by Social Exchange Theory and Graham model of Principled Organizational dissent respectively. Based on the specific objectives, the study reveals that majority of the respondents have moderate level of awareness and education of whistle-blowing. The study also finds that awareness and education of whistleblowing, and personal responsibility of reporting are predictors of employees' intentions to effective whistleblow internally. However, personal responsibility of reporting, and personal cost of reporting have significant effect on employees' intention to whistleblow externally, while organizational commitment was found to be insignificant with the overall whistleblowing intentions. Finally, the study showed that supervisor trust does not mediate the relationship between individual factors and intention to whistle-blow internally and externally. The study provides avenue for government and organizations to consider employees behavior when improving whistle-blowing policies. Limitations and recommendations for future research are highlighted.

Abstrak tesis yang dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk ijazah Master Sains

**KESAN PENGANTARA KEPERCAYAAN PENYELIA TERHADAP
HUBUNGAN ANTARA FAKTOR INDIVIDU DAN KEINGINAN PEKERJA
UNTUK MEMBERI MAKLUMAT SECARA EFEKTIF DI MALAYSIA**

Oleh

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Mac 2018

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Fakulti : **Putra Business School**

Di Malaysia, dalam usaha kerajaan memerangi rasuah dan salah laku telah menggubal Akta Perlindungan Pemberi Maklumat untuk menggalakkan individu untuk tampil ke hadapan dan melaporkan aktiviti salah laku. Walaupun telah banyak usaha dilakukan dan banyak aduan diterima oleh agensi penguatkuasaan, sangat sedikit laporan yang mendapat perlindungan sebenar dan dikira pemberi maklumat kerana majoriti laporan tidak dianggap sebagai pendedahan yang dilindungi. Tujuan utama kajian ini adalah untuk mengkaji sama ada faktor individu (tanggungjawab peribadi untuk melapor, kesedaran dan pengetahuan mengenai pemberian maklumat, kos peribadi terhadap tingkah laku dan kawalan tingkah laku) mempengaruhi keinginan pekerja untuk memberi maklumat secara cekap di Malaysia, yang dimediasi oleh kepercayaan penyelia. Kajian ini menggunakan kaedah penyelidikan tinjauan di mana 158 soal selidik diedarkan kepada pelajar-pelajar MBA yang dipilih dari lima (5) sekolah perniagaan di kawasan Lembah Klang diambil untuk dianalisis menggunakan SEM-PLS. Teori Perancangan yang Dirancang telah digunakan sebagai teori pendukung dan disokong oleh Teori Pertukaran Sosial dan Model Graham daripada Organisasi Berprinsip. Berdasarkan kepada objektif-objektif khusus, kajian ini mendedahkan bahawa majoriti responden mempunyai tahap kesedaran dan pendidikan yang sederhana terhadap pemberi maklumat. Kajian ini juga mendapati bahawa kesedaran dan pendidikan terhadap tanggungjawab pemberi maklumat dan tanggungjawab melaporkan adalah peramal terhadap keinginan pekerja untuk memberi maklumat secara berkesan secara dalaman, sementara tanggungjawab peribadi untuk melapor dan kos melapor peribadi mempunyai kesan yang penting terhadap keinginan pekerja untuk memberi maklumat secara luaran. Walaubagaimanapun, komitmen organisasi didapati tidak penting bagi keinginan untuk memberi maklumat secara keseluruhan. Akhir sekali, kajian ini menunjukkan bahawa kepercayaan penyelia tidak mengantara hubungan antara faktor individu dan keinginan untuk melapor secara dalaman dan luaran. Kajian ini memberi ruang kepada

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I certify that a Thesis Examination Committee has met on 6 March 2018 to conduct the final examination of Ibrahim Mahmoud on his thesis entitled “Mediating Effect of Trust on Supervisor on the Relationship between Individual Factors and Intention to Whistle-blow in Malaysia” in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U. (A) 106] 15 March 1998. The Committee recommends that the student be awarded the Master of Science.

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CHAPTER 1

THE STUDY OVERVIEW

1.1 Introduction

The widespread of whistleblowing as an important mechanism for detecting and preventing improper conducts has gained research attention over the years. The whistleblowing event can be approached in three perspectives thus; whistleblower, wrongdoer, and recipient of wrongdoing report.

Previous studies have extensively focused on organizational, situational, and individual factors that can improve the low reporting of misconducts observed by individual whistleblowers within the organizations. However, looking at the situation of reporting wrongdoing observed in some study settings, which questioned the quality of wrongdoing disclosed, there is need for another strand of research to focuses on investigating factors that influence individuals to whistleblow effectively.

This study builds on the whistleblowing literature that integrate the theory of planned behavior (Ajzen, 1991); model of principled organizational dissent Graham (1986) and Social exchange theory (Blau, 1964) in order to investigate the individual employees' intentions to whistleblow effectively. Specifically, this study determines the employees' levels of awareness and whistleblowing education in Malaysia. It also examines whether individual factors (awareness and education of whistleblowing, responsibility of reporting, cost of reporting, and organizational commitment) predict effective whistleblowing intentions of employees internally and externally. It also extends the whistleblowing literature by investigating the mediating effect of trust in supervisor on the association between individual factors and effective whistleblowing by employees in Malaysia.

This chapter begins with the highlight of background information on whistleblowing, and summarizes the practical and literature gaps. The research objectives and questions for the study have been outlined. The next section then followed by practical and theoretical contributions to the existing whistleblowing literature. Next to it was a discussion on the scope of the study. In conclusion, the chapter ends with the organization of the thesis by briefly discussing what entails in each chapter of the study.

1.2 Background of the study

Organizational wrongdoing and other irregularities, adversely affect not only organizations where such irregularities are perpetuated, but also affect other stakeholders and society at large (Sims & Keenan, 1998). This has also been documented in the well-known cases of global financial scandals where some of the giant companies in the world collapsed. See for example the cases of Enron, Anderson, WorldCom, Tyco and others at the beginning of twenty-first century (Dyck, Morse, & Zingales, 2010). One of the ways of detecting, preventing and drawing the attention of others to improper conduct in business environment and institutions is through whistleblowing (see Culiberg & Mihelic, 2016).

Existing studies indicate that whistle-blowing is also considered as key mechanism for combating corruption, consequently encouraging better governance, transparency, and accountability in the society (Keil, Tiwana, Sainsbury, & Sneha, 2010; Apaza & Chang, 2011; Pillay, Ramphul, Dorasamy, & Meyer, 2015) and also protects the lives of the people as well as public funds (Cho & Song, 2015). In the same vein, Sharif, (2016) opined that whistleblowing is becoming ever more important around the world and whistleblowing practice is one of the approaches organizations use to demonstrate good governance. Therefore, this shows that the role of whistleblowers within the organizations is very crucial and whistleblowers are people who directly or indirectly know precisely what their organizations are doing (Apaza & Chang, 2011).

From the statistical analysis depicted in figure 3, the result indicates that out of the tips received, employees shared a greater percentage of reporting wrongdoing constituting 51.5% compared to others such as customers, competitors, anonymous, vendors, shareholders and others all combine together accounted for the remaining percentage (48.5%).

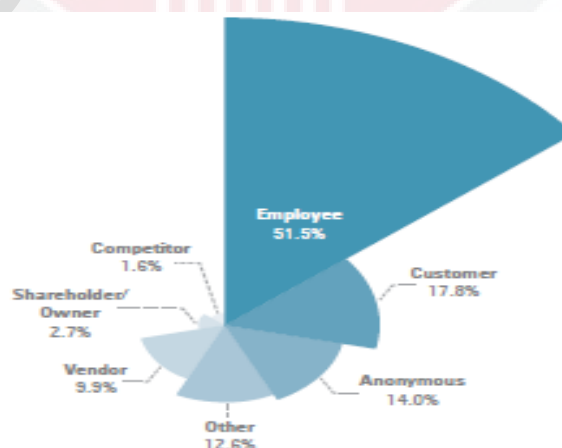


Figure 1 : Total Tips as Detection Fraud Method Source
Source: (ACFE, 2016)

In order to encourage employees to come forward and whistle blow, many countries have enacted whistle-blowing legislations to facilitate the disclosure, investigate the wrongdoing reported and provide protection to whistleblowers against any retribution. For example, countries and their whistle-blowing legislations include; United Kingdom (Employment Rights Act 1996; Public Interest Disclosure Act 1998); Malaysia (Whistleblower Protection Act 2010); South Africa (Protected Disclosure Act 2000), New Zealand (Protected Disclosures Act 2000), United States (The False Claims Act 1876; Sarbanes-Oxley Act 2002), Japan (Whistleblower Protection Act 2004), Ghana (Whistleblower Act 2006) and Australia (Whistleblowers Protection Act, 1993; Public Interest Disclosure Act, 1994; 2003; Protected Disclosures Act, 1994). Therefore, this is an indication that individual employees can report improper conducts observed without fear of retaliation since they can be protected.

Previous research has shown that whistleblowing event can be approached base on three perspectives which include; whistleblower who has report the wrongdoing observed, the wrongdoer who has conducted the alleged wrongdoing and the recipient of wrongdoing report (Culiberg & Mihelic, 2016; Near & Miceli, 2016). Therefore, this study extends whistleblowing literature on the perspective of whistleblowers. This is because research has asserted that employees at different levels of employment are important source for detecting frauds in organizations (Miceli, Near, Rehg & Van scotter, (2008); Park & Blenkinsopp, 2009). Similarly, they are often aware of irregularities carried out within the organization and are at the proper position to provide information of such improper conduct (Lowe, Pope, & Samuels, 2015) and hence, become paramount importance for the potential whistleblowers to have awareness and knowledge of how to blow the whistle.

Having awareness and knowledge on whistleblowing would enable the would-be whistleblower to make use of appropriate channel among the various channels of reporting (i.e internally or externally); evaluate what constitute wrongdoings before deciding whether to whistle-blow or not, as well as ascertain the rights and legal protection provided by the Act (see Cho & Song, 2015); thus, providing good insight on reporting protected disclosure.

It has been evident that employees have several options when wrongdoing is observed; either to whistle-blow internally, whistle-blow externally, leave the organization or remain silent (Mesmer-Magnus & Viswesvaran, 2005). These options may depend upon the employee's perception of the level of responsibility to report misconduct or the perceived high cost for reporting wrongdoing-fear of retaliation (Alleyne, 2010).

Although, despite the importance of whistleblowing in detecting frauds and other misconducts yet some considered it as malicious behavior and as such whistleblowers are subjected to various challenges and suffered retaliations for their actions in a workplace (see Dyck at el, 2010; Tan & Ong, 2011; Zakaria, 2015; Sharif, 2016). It has been evident that perceived personal cost may affect whistle-blowing intention of an individual employee (Latan, Ringle, & Jabbour, 2016). In essence, because of the

perceived high cost associated with reporting wrongdoing observed as a result employees don't have confidence on the organizational reporting systems, they preferred to remain silent (Mustapha & Siaw, 2012) than taking the risk of bringing irregularities to the attention of the management which could be investigated.

To encourage employees to come forward and whistleblow without fear of retaliation, organizations are required not only to be fair and have whistleblowing policies but also there should be trustworthiness at all levels (Seifert, Stammerjohan, & Martin, 2014). This is because trust is an important factor for understanding employees' behavior in a workplace (Seifert et al, 2014). Therefore, when organizations are trustworthy in handling wrongdoing reported, then employees may take the risk of reporting organizational issues that are questionable to their supervisors.

Furthermore, researchers have shown that when auditors are to report misconduct observed, support from organization will eliminate the issue of retaliation (Latan et al, 2016). Therefore, this study argued that supervisor and organizational trust has significant role to play in reducing cost of reporting misconduct (the fear of consequences) when employee intends to whistle-blow.

As it has been highlighted that whistleblowing is not an easy task and decision as to whether an employee may report unethical act observed can also be determined by many factors (Elias, 2008). According to Seifert et al, (2014) scholars are still investigating what factors influence an individual to come forward and report fraud. In other words, what actually motivates employees to whistle-blow has not been completely understood in the body of literature (S. A. Ahmad, Yunos, Ahmad, & Sanusi, 2014) and relevant factors are still under exploration (Chong & Song, 2015). Hence, there is need for further studies on what determines the intentions of employees to whistle-blow.

Previous studies have shown that blowing the whistle depends upon organizational (organizational/supervisor trust, organizational/supervisor/co-worker support) situational (seriousness of wrongdoing, power of the wrongdoer) and individual (attitudes, commitment, perceived behavioral control, awareness, education, cost and responsibility of reporting) variables (Ayers & Kaplan, 2005; Gao, Greenberg, & Wong-On-Wing, 2015; Kaplan & Schultz, 2007; Latan, Ringle, & Jabbour, 2016; Mesmer-Magnus & Viswesvaran, 2005; Miceli, Near, Rehg, & Van scotter, 2008; Philmore, Cadogan-McClean, & Harper, 2013; Sharif, 2015).

Prior literature have documented that intent to conduct a behavior is influenced by numerous personal characteristics (Graham 1986; Ajzen 1991). According to Ajzen (1991) in his the theory of planned behavior suggests person's attitude, perceived behavioral control and subjective norms as predictors of behavioral intentions. Moreover, a Graham's (1986) model of organizational dissent posits that personal cost

of reporting, seriousness of misconduct and personal responsibility for reporting are key variables that predict reporting of an activity.

Therefore, this thesis extends whistleblowing study by investigating the mediating effect of supervisor trust on the association between individual factors and intention to whistleblow effectively in Malaysia. This was empirically supported by the combination of Theory of Planned Behavior, The Social Exchange Theory and Graham model of organizational dissent. Data was collected from employed MBA students of five (5) business schools which were conveniently selected within Klang Valley area, out of 16 popular business schools in Malaysia. Structural Equation Modeling (Partial Least Square 3.0) was employed for data analysis.

1.2.1 The Need for Whistleblowing in Malaysia

Corruption and other misconducts remain persistent problems across the globe (Schultz & Harutyunyan, 2015). One of the set of mechanisms that are increasingly recognized for exposing corruption and fraud cases is whistleblowing and as such many countries are adopting whistleblowing legislation in order to encourage such behavior (Schultz & Harutyunyan, 2015). According to (Transparency International's Secretariat, 2013) whistleblowers play a significant role in revealing fraud, corruption, mismanagement cases and other improper conducts that endanger public health and safety, environment, financial integrity among others.

Malaysia is not an exception to this menace due to the fact that KPMG (2013) reveals that fraud is the major businesses and institutions problem in Malaysia. There are series of fraud cases that have been reported and captured on various media be it printed, electronic or social media among others include; Transmile, Megan Media, Sime Darby Bhd (see Ghazali, Rahim, Ali, & Abidin, 2014). On the other hand, even those companies that were unable to meet up with Bursa listing requirements because of financial difficulties; their inability was attributable to mismanagement, fraud and other unethical practices (Sadique, Roudaki, Clark, & Alias, 2010).

In the same vein, there are reports on alleged grafts, mismanagement and abuse of powers by officials of some investment companies such as 1MDB, Felda Holding Bhd, National Feedlot project etc (see Ghazali et al 2014; Shamsuddin et al 2015; (Transparency International, 2017). These issues are still under scrutiny of anti-corruption agency in order to prevent the occurrence of fraud and other misconducts.

However, government of Malaysia, initiates transformation plan and aimed at fighting corruption as one of its National Key Areas. As a result, this effort prompted the country to enact Whistleblower Protection Act 2010. This provides individual employee who have reported wrongdoing observed with reasonable degree of protection against any retribution that may arises, and investigate such irregularities

to the logical conclusion (WPA, 2010). Hence, encourages whistleblowing behavior in both public and private sectors in the country.

As indicated previously that the impact of fraud and other misconducts does not only affect organization and shareholders but also has significant effect on employment, social stability, and general public (Sadique et al, 2010). Moreover, a situation where organizational members (current or former) discover wrongdoing and remain silent, such act would continue to have adverse effect on the organizations, and in the long-run the behavior has the potentiality of becoming acceptable norm within the organizations (Cassebatis & Wortley, 2013). Consequently, the environment would become more risky for business, and in turn, could have implications on investment development (PWC, 2016). On the other hand, whistleblowing can be beneficial to the firms and institutions in Malaysia in the sense that when improper conduct is reported by employee and the organization single handedly self-correct the wrongdoing, then such action taken would save organizations from being into publicity, their reputation and costs of litigation (Miceli, Near, & Dworkin, 2009).

Therefore, whistleblowing can seriously complement the efforts of Malaysian government in combating corruption, fraud and other improper conducts and hence, the need for whistleblowing in Malaysia.

On the other hand, in Malaysia, records of complaints received from potential whistleblowers as presented by the office responsible for coordinating the whistleblowing processes in the country have shown that people were encouraged to come forward to report improper conducts observed. The amount of concerns raised from 2011 to 2016 September precisely was 59, 874. This instance has become an issue when compare the records of whistleblowing cases in other countries such as USA, and Indonesia, (Ministry of Finance Indonesia, 2014) which recorded 14,116 and 717 from the period of 2011 to 2015 in USA and 2012 to 2014 in Indonesia respectively. Therefore, looking at the records of whistleblowing cases received by each country, notwithstanding that of Malaysia remain very high and this situation on some occasions force questions which need to be empirically answered. Hence motivates this present study.

1.3 Problem Statement

In Malaysia, government in its effort to wrestle corruption and other white-collar crime enacted Whistleblower Protection Act. The Act provides protection to whistleblowers against any detrimental action and thoroughly investigate the wrongdoing reported (WPA, 2010), thereby encouraging individual employees to come forward and whistle-blow. These protections include; protection to whistleblower or his/her relatives against retribution or detrimental action, confidentiality of information, immunity of civil and criminal offences.

Despite this tremendous effort the most contentious issue that remains very challenging is that there are too many concerns raised by employees to the enforcement agencies as custodians of wrongdoing reported in Malaysia. However, very few reports have protection under the Act and regarded as whistleblowing (The Integrity Institute Of Malaysia, 2016). This has been confirmed by the information received through mail on request from the Office of Prime Minister, legal affairs division and reveals that of the 59, 874 cases reported only 441 which accounted for 0.735% was regarded to have protection (Appendix). The majority of the concerns raised were not considered as protected disclosure.

According to the The Integrity Institute Of Malaysia, (2016) the inability of most of the reports to be protected was that such reports associated with false statement, doubtful evidence and immateriality of wrongdoing. In addition, of recent the MinorityShareholderWatchdogGroup, (2015) survey reveals that 66% of public listed companies in Malaysia do not have clear whistleblowing systems and procedures in place, which might have guided reporting of improper conducts observed by employees within the organization. Consequently, some studies in Malaysia conceptually examine the issue of low protected disclosure on the perspectives of inadequacy of the Whistleblower Protection Act and culture (IDEAS, 2017; Meng & Fook, 2011; Rachagan & Kuppusamy, 2012).. However, none of the study conducted empirical research to determine the levels of employees' awareness and knowledge on whistleblowing. Hence, provides avenue to fill in the gap in whistleblowing literature. Similarly, failure to empirically fill in this gap, the enforcement agencies would continue to be overwhelmed with many cases which on one hand would cost government of Malaysia time and resources that can be avoided. On the other hand it would also cost some organizations their reputation in the near future.

Whistleblowing studies in Malaysia have not been fully examined the influence of some variables on the intentions to effective whistleblowing. This present study has provided an insight on some variables that need to be considered in this complex decision of whistleblowing behavior based on the relevant literature reviewed as follows; First, education (knowledge) on whistleblowing is an important factor that assists employees on making decision when confronted with issues of morality (Cho & Song, 2015). Despite the evidence that knowledge on whistleblowing plays a vital role in whistleblowing process in an organization (Caillier, 2016) and generally boosts whistleblowing behavior, which studies confirmed the relationship between knowledge of whistleblowing and whistleblowing behavior (Caillier, 2016; Miceli, 1984). However, very few studies have examined empirically that whistleblowing education (knowledge) encourages intentions of individual to whistle-blow (Cho & Song, 2015; Ghani, 2013; Shawver, 2011). It has been further argued that none of these studies have investigated whether or not individual employees (observers of improper conduct) obtained knowledge of how to whistle-blow directly from their organizations (Caillier, 2016). Therefore, this study intends to fill in the gap in the literature to examine whether whistleblowing education influence intentions to whistleblow effectively.

Second, some variables of the Graham's (1986) model of principled organizational dissent have been extensively examined. Specifically, personal responsibility and personal cost of reporting have been researched in most of the developed economies. However, very few studies extended this model to emerging economies. It has been argued that findings of studies that have applied Graham's (1986) model in developed countries may not be appropriately generalized to other emerging markets because of their differences in terms of legal, cultural, and economic settings. Hence, provides avenue for extending the applicability (levels of perceived personal responsibility and personal cost of reporting as personal characteristics of individuals are important factors that influence intentions to report dissent) of Graham's (1986) model in Malaysian context.

Third, organizational commitment is a key to providing better organizational outcomes and enables the understanding of employees' behaviour in a workplace. Despite this recognition, however previous whistleblowing studies on the association between organizational commitment and whistleblowing intentions or behaviour revealed conflicting findings. This study argued that this mixed findings may be caused by methodological issues such as non-normality of data, small sample size, and low response rate and as such provide avenue for more studies to be conducted to test whether organizational commitment has influence on the employees' intention to whistleblow effectively through use of SPLS for result robustness. Hence, fill in the gap in the whistleblowing literature.

Fourth, fear of consequences is one of the reasons some people do not want to come forward and report wrongdoing in Malaysia. Shawver & Clements, (2006) empirically confirms this situation that employees' reluctance to whistleblow is associated with fear of retaliation. These consequences may be in form of intimidation, demotion, death threats, loss of job, and deformation of character etc. However, some are of the opinion that good whistleblowing policies will be useless if employees are not comfortable to come forward and whistle blow and as such it is not enough to implement whistle-blowing procedures there should be trustworthiness at all levels in the organizations (Seifert, Stammerjohan, & Martin, 2014). In line with this argument, and calls made by Latan et al., (2016) and Seifert et al., (2014) this study extends literature by adding supervisor trust to mediates the relationship between individual factors and employees' intention to whistleblow effectively.

1.4 Objectives of the study

1. To determine the employees' levels of awareness and whistleblowing knowledge in Malaysia.
2. To examine the influence of individual factors (organizational commitment, awareness and knowledge on whistle-blowing, personal cost of reporting, and personal responsibility of reporting) on employees' intentions to whistle-blow effectively in Malaysia.

3. To examine the mediating effect of supervisor trust on the relationship between individual-level factors (organizational commitment, personal cost of reporting, awareness and knowledge on whistle-blowing, personal responsibility of reporting) and employees' intention to whistle-blow effectively.

1.5 Research Questions

1. What are the levels of employees' awareness and knowledge of whistleblowing in Malaysia?
2. What is the relationship between individual factors (personal responsibility of reporting, awareness and knowledge on whistleblowing, personal cost of reporting, and organizational commitment) and employees' intentions to effective whistleblowing in Malaysia?
3. To what extent does supervisor trust mediates the relationship between individual factors (personal responsibility of reporting, awareness and knowledge on whistle-blowing, personal cost of reporting, organizational commitment) and employees' intentions to effective whistleblowing.

1.6 Significance of the study

This study contributes theoretically and practically in a number of ways. First, in the context of theoretical contributions, the study extends the theories and model of whistleblowing by adding in the awareness and knowledge on whistleblowing as well as mediating role of supervisor trust in the framework.

Secondly, the study extends research on the determinants of whistleblowing by examining the relationships between individual factors (attitude, personal responsibility of reporting, perceived behavioral control, awareness and knowledge on whistleblowing, organizational commitment, and personal cost of reporting) and intentions of employees to effective whistle-blowing both internally and externally in Malaysian context.

Thirdly, the findings even though do not empirically support the argument that organizational trust influences the intention of an individual employee to whistleblow; however, this study indicates the positive and significant relationship between trust and commitment. This in turn shows the need to consider the significant role of trust in assessing the employee-employer relationship and organizational behavior in workplace.

The results of the study have numerous practical implications. First, engaging employees in the study provides an opportunity for them to gain an insight and be exposed to whistle-blowing, thereby making them understand the various channels of reporting and improper conducts that are relevant under whistle-blowing legislation.

Secondly, the study reveals that employees have moderate level of awareness and knowledge of whistleblowing. Therefore, this information can assist management of organizations in Malaysia to intensify effort in encouraging employees on reporting wrongdoing by providing training and re-training on the need for frauds detection, the reporting of protected disclosure and importance of protecting the reputation of the organizations.

Thirdly, the findings of this study demonstrate the need for policy makers to consider the importance of personal characteristics of an employee and organizational factors such as supervisor trust when improving policies on whistle-blowing and ethical behavior in Malaysia

1.7 Scope of the Study

This study was conducted in Malaysia, where the target respondents were working MBA students of some selected Malaysian business schools within Klang valley area. These participants are employees at different levels of employment in various organizations with experience and who may, directly or indirectly, be able to observe the types of wrongdoings that are appropriate to whistleblowing. These reasons in essence made them to be representative of employees in Malaysia. The data were collected in Malaysia, and as such the results of this study can only be applicable to the categories of employees that participate in the survey. Therefore, generalization may not be appropriate to other nonexecutive employees in Malaysia.

Even though, there are many factors that influence intentions of employees to whistleblow in the literature. However, this study focuses specifically on individual factors (personal responsibility of reporting, awareness and knowledge on whistleblowing, personal cost of reporting and organizational commitment) and organizational factors such as supervisor trust as key to the interpersonal relations between employees and superiors within the organization as well as employees' intentions to whistle-blow. Therefore, this study intends to focus on this relationship in order to further add insights into the body of knowledge by contributing to the existing empirical studies on whistleblowing. Finally, investigation of the effectiveness of whistle-blowing legislation, and using employers or complaint recipients as participants for the study were not considered by the present study.

1.8 Organization of Thesis

The present chapter discusses the fundamental idea of this study which includes, background, research problem, research questions, research objectives, significance and scope for the study. The remaining chapters provide insight into the following:-

Chapter two provides literature review which consists of the emergence and concept of whistleblowing, the concept of other variables considered in the study, review of previous studies on the constructs considered, theoretical framework underpinning the study and then hypothesis formulation that forms the basis of the study. Chapter three provides methodology which includes; research design for the study. This section also explains the context, population, sample and sampling technique, research instrument, data collection methods, procedure, and measurement of constructs used for the study. Finally, technique employed for data analysis is also highlighted. Chapter four presents analyses, and discussion of results based on the objectives of the study. Chapter five provides summary of the study, discusses the major contributions from the findings of the study and the major limitations of the study. Finally, the chapter also suggested areas for future research.

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