

THE FACTORS INFLUENCING WHISTLEBLOWING INTENTION IN PRIVATE HIGHER EDUCATION IN MALAYSIA

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ABSTRACT

This conceptual paper aims to determine various factors that influence the whistle-blowing intention of employees in the private higher education sector. By adopting the theory of planned behavior (TPB) as a theoretical model, the significance of the variables of the TPB will be tested on the reliability and validity using the structural equation modeling (SEM) technique with the use of the Statistical Package of Social Science (SPSS). This study will be beneficial specifically to the whistleblowers and to a larger extent to benefit lawmakers, policymakers, institutions and management in dealing with whistleblowing. The finding of this paper will be able to assist the Ministry of Higher Education to improve its effectiveness and efficiency in providing good quality education to people by preventing any misconduct with help of whistleblowing behavior of the stakeholders. Hence, it is hoped that this study will encourage the whistleblowing practices among employees thus enhancing accountability and strengthening good corporate governance in workplaces.

Keywords: Whistleblowing Intention, Whistleblowing Behaviour, Theory of Planned Behavior, Private Higher Education, Malaysia

1. Introduction

The issue of whistleblowing has widely spread among the corporate misconduct discovery of many accounting scandals such as Enron and World.com that led to the passage of Sarbanes-Oxley Act 2002 (Eaton & Akers, 2007). Meanwhile in Malaysia, to honor its commitment to fight corruption and fraud, the Malaysian Parliament has enacted Whistleblower Protection Act 2010 (Najiha, 2014). The Whistleblower Protection Act 2010 was enforced in 2011 and represented a new piece of legislation in protecting the rights and identities of persons who report the wrongdoing i.e. corruption in organization. Thus having a mechanism to protect the whistleblower behavior will lead to an increased number of corruption complaints in organizations.

The previous researches agree that whistleblowing may detect frauds in an institution and counter corporate wrongdoing (Kaplan & Schultz, 2007). The employees play an important role in detecting such misconduct by reporting it either internally or externally. Clearly, whistleblowers have a potentially important role in corporate governance. Thus it's very important to study the factors that influence employees' intention to disclose the wrongdoing of an organization.

2. Problem Statement

To date, prior empirical studies basically focused on the role of demographic, personal, situational and organizational variables in whistleblowing intention (Ahmad, 2011). Previous researchers have addressed many factors that influence whistleblowing intention. For example, human personalities (Shawver, 2011; Liyana & Adler, 2010), organizational culture (Duska, 2012), ethical culture (Kaptein, 2011), and authentic leadership (Rita Anugerah, Muhamad Rashid Abdillah Rizqa Anita 2019). However, most such studies fail to produce the correct set of variables to determine whistleblowing intention. Furthermore, most of the past studies were emerging in a western context, rather than Asian context (Salleh & Yunus, 2015). Thus, the whistleblowing studies conducted in different regions cannot be applied entirely in addressing problem in Malaysia.

In addition, according to previous research, the topical interests of whistleblowing behaviors are mainly focused on auditors, civil servants, accountants, health and etc. (Gupta K.P, & Chaudary N.S, 2017). However, the whistleblowing behavior of employees in private higher education has not been explored much. Recently, Malaysian the private higher education sector faces many types of academic scams, such as a student-lecturer agreement for good grades, fake certification lists and positions, the proliferation of fake journals and publications, fake degree services, etc.

Therefore this study will explore the whistleblowing intention among the employees of private higher education in Negeri Sembilan Malaysia. By doing this study it may encourage the employees to whistleblow the wrongdoing in the organization hence it helps to overcome corruption in the education sector and enhances the efficiency of educational institutions.

3. Purpose Statement

The purpose of this quantitative study is to explore various factors that influence the whistleblowing intention of employees in private higher education in Negeri Sembilan. The results of this study are expected to enhance the whistleblowing behavioral act in an organization, especially in the education sector. Therefore, the practice of illegal, immoral, or illegitimate activities can be hindered.

4. Research Objectives

The research objectives of this study are:

- 1.4.1 To explore the relationship between attitude and whistleblowing intention
- 1.4.2 To examine the relationship between subjective norm and whistleblowing intention.
- 1.4.3 To determine the relationship between perceived behavioural control and whistleblowing intention.

5. Research Questions

The following research questions were developed to guide the present study:

- 1.5.1 Is there any relationship between attitude and whistleblowing intention?
- 1.5.2 Is there any positive significance between subjective norm and whistleblowing intention?
- 1.5.3 Is behavioral control has a positive effect on whistleblowing intention?

Following this; the preparation for this research paper is as follows: first, reviewing past literature followed by introducing the hypotheses and research models; second, explaining the methodology used and the conclusion and significance of the studies.

6. Literature review, Hypotheses and Research model

6.1. Whistleblowing Background

The origins of whistleblowing have originated from notions of raising the “hue and cry” when the crime was discovered to cause a public uproar (Lawrence, 2005). In early literature, the term whistleblowing was referring to those who whistle to stop action or a policeman whistling in stopping any crimes. In the contemporary context, whistleblowing is defined as an organization member (former or current) who discloses illegal, unethical, or illegal behavior to a person or organization that may take action under the control of their employee (Miceli and Near, 1992). This definition was supported by Martin, where whistleblowing is defined as speaking out for the public interest in exposing corruption and danger to the public or the environment. Meanwhile, the definition of whistleblowing is mentioned in section 2 of the Malaysian Whistleblower Protection Act 2010 as disclosure of information that an employee reasonably believes that disclosure is illegal, serious waste, severe mismanagement, abuse of power, or significant and specific dangers to public health or safety.

There are two types of whistleblowing which are internal and external whistleblowing. Internal whistleblowing refers to established actions that have sanctions mechanisms through internal policies, while external whistleblowing is a disclosure involving public authorities, the media, and civil society organizations (Park et al, 2014). There are various motives that may influence a whistleblower’s decision to whistle from inside or outside organizations.

External whistleblowing exposes wrongdoing to the public easily and this would damage the organization's image. Thus, internal whistleblowing is more often supported by leaders of organization (Liu et al, 2015).

6.2. Theoretical Underpinning of the Model

Prior studies suggest individual factors such as attitude, commitment; personal responsibility and behavioral control were significant to influence whistleblowing intention (Alleyne, 2010). According to Chiu and Patel 2003, whistleblowing behaviours may be influenced by individual factors. The previous research emphasized the importance of investigating whistleblowing is primarily driven by an individual decision-making process. Therefore, adopting the theory of planned behavior (TPB) developed by Icek Ajzen and Martin Fishbien in 1967 might be relevant to examining the individual factors that may influence individual intention on whistleblowing behaviour. The TPB theory has come from the social psychology field and it is the extension of the theory of reasoned action by Ajzen & Fishbien, (1980). The objectives of this theory are to investigate the influence of attitude, subjective norms and perceived behavioural control on whistleblowing intention. This theory has been widely accepted as a tool for analyzing the difference between attitudes and intentions as well as intention and behavior. Therefore, the theory proposes that behavioral intention is the most important predictor of human behavior (Ajzen & Fishbein 1980).

Many empirical studies supported the TPB as a valid framework to test the intention of the whistleblower to whistleblowing the wrongdoing of the organization. For example, Ab Ghani (2013) in his study on whistleblowing intention among supervisors in manufacturing industries supported the theory and concludes that there is a positive relationship between attitude and whistleblowing intention. Meanwhile, Park and Blekinsopp (2009) also engaged this theory as a framework to link the whistleblowing intention and attitude of the Korean police officer. His finding mentioned that attitude was more influence on internal whistleblowing intention rather than external whistleblowing.

In this research, the TPB model will be modified to create a new measurement instrument by incorporating demographic as a moderating variable. The study on behavioral intention is referring to the whistleblowing intention of employees in higher private education as a main dependent variable with some modification of the theory of planned behavior as underpinning theory. Thus this theory is approved to be a good framework for describing the whistleblowing intention. Therefore, this theory can be adapted in this research to explore the whistleblower's intention to whistle blow the wrongdoing of organizations.

6.3. Attitudes

Attitude is an assessment of a person's acceptance or disapproval of a particular behavior. It has behavioral beliefs and the ability to evaluate results. Behavioral beliefs are determined by a

person's beliefs in behavior. Outcome assessment is a way to associate beliefs with specific consequences (Ajzen & Fishbien, 1980). For example, one might opine that a whistleblowing act can be beneficial to an organization if it can prevent organization harm meanwhile others may opine otherwise that whistleblowing would prejudice the organization by damaging its reputation of organization. Having two different opinions will lead individuals to evaluate the negative and positive effects of the whistleblowing action especially when an individual has experienced it alone either in receiving any reward or threat regarding when the whistleblowing act is done. Their consideration of whistle-blowing will be regarded as an attitude factor that is experienced by the individual.

Therefore, attitude will have an independent and direct impact on the intention to whistleblower the wrongdoing in an organization. According to an empirical study by Park and Blenkinsopp (2009), it has been found that attitude had significant positive effects on whistleblowing intention among South Korean police officers. Similarly, Ab Ghani (2013) used TPB as a theoretical framework to determine the factors that influence attitude on whistleblowing intention of supervisors in manufacturing companies and he supported the theory by finding a positive relationship between attitude and whistleblowing intention. Since previous studies indicated support for attitude influence whistleblowing intention, therefore, the first hypothesis is formulated as follows:

H1: There is a significant relationship between attitude and whistleblowing intention

6.4. Subjective Norm

The second variable is the subjective norm. Subjective norm is defined as individual interpretation or one focal behavior (Cialdini & Trost, 1998). This variable also functions as normative beliefs of an individual towards one behavior and motivation to comply. In sum, this is the pressure one feels to whistle as others expect (Zakaria.M et al, 2016).

In the context of whistleblowing intention, one might have a normative belief on the others' perceptions of the people reporting the wrongdoing in an organization. The question might arise on whether the act of reporting will consider as an honorable act or otherwise. Then continue with other questions checking on motivation to comply with normative beliefs on how much individuals care about the response from others regarding approval of such action. For example, Lack of support from the decision makers of one organization will cause the employee reluctant in engaging whistleblowing.

Therefore it has been proven that normative belief is important in influencing whistleblowing intention among individuals (Feldman & Lobel, 2008). This has been supported by other studies that mentioned subjective norms influenced the intention to whistle blow the misconduct of an organization (Park & Blekinsopp, 2009, Richardson et al, 2012, Hays, 2013). Based on previous studies and TPB, the next hypothesis formulated is as follows:

H2: There is a significant relationship between subjective norm and whistleblowing intention

6.5. Perceived Behavioural Control

The third variable is perceived control. Behavioral control variables on control belief depend on a person's ability or resistance to certain behaviors (Ajzen, 1991). This variable refers to how people believe in the difficulty of whistling the whistle. One of the control belief factors of whistleblowing is organizational hindrance and retaliation. The organizational hindrance happens when the report of wrongdoing has been ignored by the decision makers ie management. The ignorance of organization will affect the confidence of the employees to report the wrongdoing of the organization thus the intention to whistle blow may not be successful. Another negative belief that leads to behavioral control is retaliation by the other parties. This belief is the most important control factor that discourages the whistleblowing act (Mesmer-Magnus & Viswesvaran, 2005). According to the Ethics & Compliance Initiative (ECI), Fifty-three percent of US employees reporting internal misconduct face adverse consequences, such as retaliation in the workplace. Thus it can be said that the whistleblowers may pay a high price for dissent as they may be subject to retaliation for demotion or firing. This act will discourage the employee to whistle blow the organization wrongdoing. Ngui (2005) proved that whistleblower will often face consequences in the future, so it is one of the factors of whistleblower that leads to the failure of whistleblower mechanism. Hence this variable is the most important variable as the person who intends to report the wrongdoing will be controlled or influenced by the consequences before blowing the whistle.

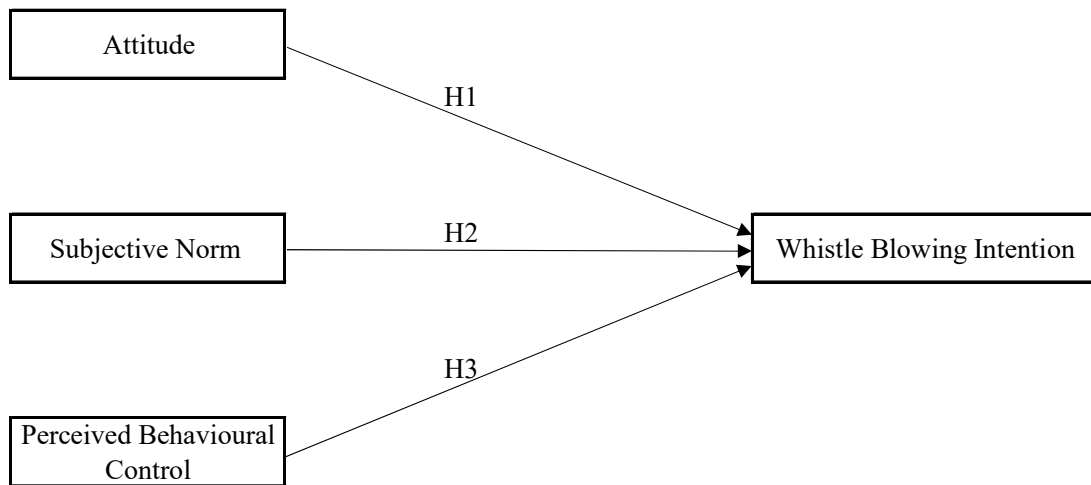
Many empirical studies support perceive behavioral control as the determinant factor of whistleblowing intention (Abd Ghani, 2013; Park & Blekinsop, 2009; Hays, 2013; Latan et al., 2016). For example, Hays (2013) in his studies noted there is a significant relationship between disclosures of accounting fraud with behavioural control. In addition Latan, 2016 reported that behavioral control was seen as a key factor influencing whistleblowing intention. As has been argued in many arguments, the impact of behavior can influence whistleblowers intention, and the following hypotheses are proposed below:

H3: There is a significant relationship between perceived behavioural control and whistleblowing intention.

6.6. Conceptual Framework for Research

The conceptual model of this study is shown in Figure 1.

Figure 1: Conceptual Model



The above theoretical model came from the social psychology field. This is an extension of the theory of reasoned action proposed by Ajzen & Fishbien (1980). The framework has shown the effects of attitudes, subjective norms, and perceived behavior control on whistleblowing intentions. This study will attempt to contribute by studying the relationship between attitudes, subjective norms, and behavioral controls on whistleblowing intentions.

7. Methodology

The methodology in this research will involve a triangulation study by using a combination of quantitative and qualitative approaches. Stage one will cover the quantitative approach by collecting data from questionnaires. According to Sekaran (2003), questionnaire is a good tool for data collection as the respondent will feel free to answer the question without hesitation. The second stage would involve semi-structured interviews with Malaysian employees and the Management team of a private organization utilizing self-administered questionnaires to confirm the validity of the quantitative finding.

The data in this research will be collected from primary sources and secondary sources. The primary data will be collected by distributing questionnaires to selected employees of private higher Education in Negeri Sembilan. The questionnaires proposed by Park and Blenkinsopp (2009) will be used with some modifications to suit the local context. Meanwhile, secondary data is obtained through journals, articles, internet sources and online databases such as Emerald, Science Direct, Elsevier, Lexis Nexis, Lawnet, CLJ, and Heinonline.

The sample population of this study will be categorized as known probability sampling as the population will be focusing on private higher education in Negeri Sembilan. The preferable sampling method will be according to Krejcei and Morgan (1973) method. There are four main colleges located in Negeri Sembilan which are Linton University College, INTI University

College, Manipal University College, Nilai University College, Cosmopoint College and Tafe college. Therefore, the estimated population for this study is 2000 and the suggested sample size by Krejcie Morgan is 322.

To test the reliability and validity of the research, a pilot test will be conducted before the final result is obtained. 20% of the sample size will be selected for the pilot study then it will be tested by the Cronbach alpha method to determine the reliability of the research.

Finally, the data collected will be analyzed using the structured equation modeling (SEM) technique with the use of SPSS. The data then will be triangulated to the laws, documents and text available and see how it is connected to each other.

8. Significant of the Research

This research aims to explore various factors that influence whistleblowing intention of employees in private higher education in Negeri Sembilan. The results of this study are expected to enhance the whistleblowing behavioral act in an organization, especially in the education sector. Therefore, the practice of illegal, immoral or illegitimate activities can be hindered. This study is particularly beneficial to whistleblowers, and greatly expands the interests of lawmakers, policymakers, agencies, and management in dealing with whistleblowing. The finding of this paper will be able to assist the Ministry of Higher Education to improve its effectiveness and efficiency in providing good-quality education to people by preventing any misconduct with help of whistleblowing behavior of the stakeholders. Hence, it is hoped that this study will encourage the whistleblowing practices among employees thus strengthening accountability and good corporate governance in the workplace.

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