

UNIVERSITI TEKNOLOGI MARA

**INTERNAL WHISTLEBLOWING
PRACTICES IN ENHANCING GOOD
CORPORATE INTEGRITY AMONG
EMPLOYEES AT PUBLIC LISTED
COMPANIES**

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ABSTRACT

Whistleblowing has been receiving increases attention and support in today critical economic condition as the practice of whistleblowing may be used in detecting and correcting wrongdoing in organizations. Malaysia is known as one of the most corrupt countries even though the government has always provided various initiatives to encourage the whistleblowing practices. Nevertheless, whistleblowing still not well exposed for Malaysian as the issue regarding whistleblowing not really being supported in this country. However, whistleblowing need to be openly exposed to the society because it will benefit organizations. Therefore, this study aims to examine the factors that may influence internal whistleblowing practices. This is because internal whistleblowing practices is perceived as a mechanism that can enhance accountability and honesty in organizations and create change by deterring and detecting wrongdoing which includes unethical acts, corporate fraud, mismanagement and corruption especially within the organizations. Thus, the specific objectives of the study are to identify the relationship between implementation of whistleblowing policy, legislative protection, communication channels and organizational may encourage the internal whistleblowing practices in enhancing good corporate integrity among employees. This study is based in Kuala Lumpur and focused on the lower, middle as well as upper level of employees in financial and banking sector which has been listed under Bursa Malaysia. This study shows that internal whistleblowing practices may enhance good corporate integrity in an organization.

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CHAPTER ONE

INTRODUCTION

1.1 RESEARCH BACKGROUND

Whistleblowing has been known as the best practices for an organization to apply in order to overcome any unethical practices that happened or likely to happen within the organization. However, to practice it has always been an issue and difficult due to a lot of pressure which comes from various parties either the management itself or even society (Brennan & Kelly, 2007). This is because people have become too familiar when they heard about whistleblowing, it is something negative and a big problem if anybody becomes a whistleblower or try to blow the whistle which it results to the whistleblowing being less practice. Whistleblowing can be defined as a disclosure of information made by an employee who knows or witnessed the wrongdoing was being carried out by another individual or anybody within the organization (Figg, 2000). Besides, whistleblowing also known as reporting of wrongdoing and unethical practices happened within a company. Brennan and Kelly (2007) stated that there are two types of whistleblowing which are internal whistleblowing and external whistleblowing. Internal whistleblowing referred to reporting made regarding any misconducts by an employee or superior to another person within the organization. Meanwhile, external whistleblowing means that the misconducts and unethical conducts have been reported to someone outside the organization.

In present situations, the public has become more aware and have interest in the ethical issues and ethical conducts that being portrayed by an organization. Therefore, nowadays the majority of companies have been focusing more to fit the image of being ethical in order to gain public confidence and attract any potential investors. This is because having a good ethical image means that the company has a good management and internal control. Good public image and reputation will be the important and main focus for companies that focus on profit because the company needs to increase its profit by having a good relationship with the public and its shareholders. Due to that whistleblowing phenomenon seems to give a big impact for