

**UNIVERSITI TEKNOLOGI MARA**

**INFLUENCE OF ETHICAL CLIMATE  
ON WHISTLE BLOWING INTENTION  
OF EMPLOYEES IN SECRETARIAL  
DEPARTMENT IN MALAYSIAN PLC**

**SITI NUR NAIMIN BT HASANUDDIN**

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## **ABSTRACT**

Whistleblowing is one of the mechanism to increase corporate governance by combating the illegal and malpractice in the corporate world. As many corporate scandals and corporate collapse occurs, whistleblowing is being promoted in the corporate work. All parties need to play their part to ensure whistleblowing is effective in the organization. One of it is Organization. Organization need to ensure that the ethical climate in the organization is effective for whistleblowing. To ensure that whistleblowing or employees have the intention to blow the whistle, all the ethical climate which is egoism, benevolence, and principle should be exited in the organization. The purpose of the study was to identify the relationship between ethical climate and whistleblowing intention among company secretaries in Malaysian Public Listed Companies. There were three ethical climates that were highlighted which is egoism, benevolence and principle and gender being the moderating variables for this study. A set pf questionnaire was distributed to 500 employees in secretarial departments in Malaysian Public Listed Companies as the population of this study. Based on the findings, there is a positive relationship between ethical climate and whistleblowing intention and gender does influence the relationship between ethical climate and whistleblowing in the benevolence and principle ethical climate. This study also suggested future research for whistleblowing intention.

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# TABLE OF CONTENTS

<b>EXAMINATION CERTIFICATE</b>	<b>ii</b>
<b>AUTHOR'S DECLARATION</b>	<b>iii</b>
<b>ABSTRACT</b>	<b>iv</b>
<b>ACKNOWLEDGEMENT</b>	<b>v</b>
<b>TABLE OF CONTENTS</b>	<b>vi</b>
<b>LIST OF TABLES</b>	<b>xi</b>
<b>LIST OF FIGURES</b>	<b>xii</b>
<b>LIST OF ABBREVIATIONS</b>	<b>xiii</b>
<b>CHAPTER ONE : INTRODUCTION</b>	<b>1</b>
1.1 Preamble	1
1.2 Background Of The Study	1
1.3 Problem Statement	3
1.4 Research Question	6
1.5 Research Objectives	6
1.6 Scope Of The Study	7
1.7 Significance Of The Study	7
1.7.1 Contribution To Knowledge	7
1.7.2 Organization	7
1.7.3 Employees	8
1.8 Definition Of Terms/Concepts	8

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 PREAMBLE**

This chapter focuses on the introduction of the study which is divided into several sections. The first section discusses the background of the study and focuses on the whistleblowing concept. Then the following section includes the problem statement of the study, the research question and the objective for this study., This chapter also discusses the scope of the study, the significant of the study and definition of terms.

### **1.2 BACKGROUND OF THE STUDY**

In these recent years, several fraud and corruption cases have emerged and caught the attention of many people locally and internationally. The Chief Commissioner of Malaysia Anti-Corruption Commission, Tan Sri Dzulkifli Ahmad stated that since August 2016, there were about 405 graft cases to court and seized cash and assets amounting to RM334.53 million beside 952 cases that are still open and in investigation. Based on the increasing amount of fraud and corruption cases that are happening in Malaysia, it is reveal that Malaysian community do not practice whistleblowing efficiently (KPMG, 2013). Despite that, there were many laws and regulation beside extensive training and many reform had been introduced together with the Whistleblower Protection Act 2010, yet the corruption culture still continues. Several studies have been done in this field such as the factors that lead people to blow the whistle, effective whistleblowing and more. However not many studies focus on ethical climate on whistleblowing intention. Near and Miceli, in their studies on 1995, shows that not only the whistleblower's characteristics and the wrongdoer's characteristics can influence employees to blow the whistle, but also the organization's climate which is the ethical climate in the organization. One of the organizational factors is organization ethical climate. Organizational factor such as