

THE PERCEPTION AND INTENTION OF THE MALAYSIAN ENFORCEMENT AGENCIES' EMPLOYEES ON THE WHISTLEBLOWER PROTECTION ACT

¹Amanuddin Shamsuddin

*College of Business Management & Accounting
Universiti Tenaga Nasional, Sultan Haji Ahmad Shah Campus
26700 Bandar Muadzam Shah, Pahang, Malaysia
Email: amanuddin@uniten.edu.my*

²Nur Hazierah Bt Kasturi

*College of Business Management & Accounting
Universiti Tenaga Nasional, Sultan Haji Ahmad Shah Campus
26700 Bandar Muadzam Shah, Pahang, Malaysia
Email: nurhazierah93@gmail.com*

³Nur Hidayah Bt Mohd Ramlan

*College of Business Management & Accounting
Universiti Tenaga Nasional, Sultan Haji Ahmad Shah Campus
26700 Bandar Muadzam Shah, Pahang, Malaysia
Email: nurhidayahmohdramlan@gmail.com*

⁴Nur Fitri Zawani Bt Zamros

*College of Business Management & Accounting
Universiti Tenaga Nasional, Sultan Haji Ahmad Shah Campus
26700 Bandar Muadzam Shah, Pahang, Malaysia
Email: zawanizamros@gamil.com*

Nur Husna Bt Mohd Sekri

*College of Business Management & Accounting
Universiti Tenaga Nasional, Sultan Haji Ahmad Shah Campus
26700 Bandar Muadzam Shah, Pahang, Malaysia
Email: nurhusnasekri93@gmail.com*

ABSTRACT

This study aims to measure the level of perception and intention of the Malaysia Enforcement Agencies' employees on the Whistleblower Protection Act 2010 (WPA). The WPA was enforced in 10 June 2010 and intended to combat the wrongdoings in the public and private sectors, as well as facilitate the management of the whistleblowing protection matters. The enforcement agencies that involved in this study were Royal Malaysian Police, Royal Malaysian Customs, Immigration Department of Malaysia, Road Transport Department, and Malaysian Anti-Corruption Commission. A total of 300 questionnaires were distributed to the five agencies with equal number of questionnaire (60). However, only 185 are returned, with a percentage of 61.67%. Based on the statistical test results, the key findings of the study reveal that there are positive correlations between ethics and locus of control towards perception and intention of the Malaysian Enforcement Agencies' employees on WPA 2010. Although there are a lot of research that have been conducted in whistleblowing, but none from the perspective of the Enforcement Agencies' employees; who are supposedly enforced this Act in Malaysia. Thus, this paper aimed to contribute to the extant literature by choosing the employees of the Enforcement Agencies as our respondents. Relevant authorities and agencies may use the findings from this study to formulate the strategies to promote and enhance the enforcement of the WPA to be more effective.

Key words: Whistleblower, Enforcement Agencies, Malaysia

Introduction

Recently, Malaysia has experienced a several number of fraud and corruption cases. The increasing number of fraud and corruption cases show that most people do not blow the whistle and the number of people who reported on the misconduct is still low (KPMG, 2013). There are a lot of researches that have been conducted on this area, but none of these studies is from the perspective of the enforcement agencies' employees. Hence, the objective of this study is to examine the perception and intention of the Enforcement agencies' employees on the Whistleblower Protection Act (WPA) 2010.

The issue of "whistleblowing" has attracted widespread attention globally beyond past decades and was influenced by series of organization wrongdoing occurring in Enron and WorldCom (Syahrul, Smith & Zubaidah, 2013). Individual and institutional

investors incurred huge financial losses and decrease public confidence in financial markets because of these corporate cases (Syahrul et al, 2013). There is currently over 30 countries that have developed specific whistleblowing protection act. In Malaysia, the result of the effectiveness of the Whistleblower Protection Act (WPA) that was passed in 2010 still difficult to be measured (David, 2010). Countries around the world including Malaysia are now working to develop legal jurisdiction encouraging the implementation and enforcement of WPA 2010 (David, 2010).

In Malaysia, one of the initiatives under the National Key Result Areas (NKRA) was the establishment of WPA 2010 with the aims to reduce corruption and fraudulence practices either in public or private sectors. The effectiveness of whistleblowing in the private and public companies still undeveloped because Malaysian awareness towards WPA 2010 still in low stage (Nadzri, 2013). For examples, there were corruptions and mismanagement borne by Government of Malaysia affected from losses of RM250 million in National Feedlot Project and RM 2.52 billion incurred in MAS (Lim, 2012). In fact, Price Waterhouse Coopers Global Economic Crime Survey (2005) as well as the KPMG Malaysia Fraud Survey in 2013 have reported frauds of corruption and mismanagement in Malaysian organisations (Nadzri, 2013). The cases proved that WPA 2010 is still insignificant for real whistleblower because lack of protective safeguard and proactive investigation thus lead Malaysia suffered a sharp decline in the rankings of Transparency International's Corruption Perception Index from 56 in 2010 to 60 in 2011 (Lim, 2012).

The whistleblower is normally blowing the whistle thru the enforcement agencies or other authority as have been mention earlier. The five major enforcement agencies highlighted by government are Royal Malaysia Police, Royal Malaysia Customs, Immigration Department of Malaysia, Road Transport Department and Malaysian Anti-Corruption Commission. These top five enforcement agencies are expected to play their role effectively by reviewing the current situation and displaying a high integrity in managing the whistleblowing cases. Exposing any misfeasance or wrongdoing must be taken to protect whistleblower from any retaliation as a result of their noble and risk-taking action (Tan & Ong, 2011). Furthermore, organization should provide legal protection for employees who make disclosure of their employer's wrongdoings to support initiative provided by government to remove illegal actions as much as possible and also to increase their trust and confidence that the legal system is able to protect them (Tan & Ong, 2011). Thus, this study was essential in determining the perception and intention of the enforcement agencies' employees after four years WPA 2010 has been enforced. In addition, this study also was able to find out the impact of WPA 2010 on the practices of the officers of the enforcement agencies.

In Malaysia, legal protection has been introduced in order to reduce malpractice and fraud in organization, such protection is found in the WPA 2010 (Act.711). Despite the introduction of the act, the level of corruption still increasing and intends to add valuable knowledge to this study (Nadzri,2013). As a result, even having a legislation of whistleblowing protection, cannot guarantee the reassurance of employee's desire to revealed misconduct (Rusniah & Roos Niza, 2009). Regardless to the regulation, this study expands the research on whistleblowing by examining the perception and intention within the enforcement agency relating to the issue occur.

Nonetheless, the culture within an organization is important in order to be successful in implementing a whistleblowing policy. The absence of culture may be resulting in which the employee cannot express their opinion, feedback and suggestion (Teen, 2006). Furthermore, in some country, the whistleblowing act is generally viewed as a negative act and the whistleblower might risk not only losing his job but also possible to losing job opportunities (Teen, 2006). On a theoretical level, ethics has been proven to be a significant factor that influence individual's behavior as a whistleblower (Barnett & Vaicy, 2000; Fritzsche, 2000 , Vardi, 2001).

Research Gap

This study pursues to fill several research gaps. Firstly there are only few studies conducted on whistleblowing intentions in Malaysia (Ahmad 2011; Patel 2003). Moreover, the impact of the first whistleblowing law in Malaysia has received little empirical support from practitioners (Anwar 2003; Hassan 2006; Yakcob 2005). In contrast, Patel (2003) assert that whistleblowing research in Malaysia is virtually non-existent (Ponnu, Naidu & Zamri 2007). Besides, there are no studies that have been done focusing on the Malaysian enforcement agencies.

Second, this study fills a research gap by investigating individuals' perceptions of whistleblowing within non-Western environments. Researchers believe that individuals in different countries have different perceptions of whistleblowing (Park & Blenkinsopp 2009). Therefore, by re-examining several individual variables of whistleblowing intention in the form of an introduction to an intercultural perspective, it may give a whole new interpretation to research on whistleblowing (Park, Rehg & and Lee, 2005).

Furthermore, according to Miceli & Near (1992), internal locus of control has a strong effect on individual's whistleblowing decision. The main reasons for an individual to blow the whistle is that a whistleblower may be strongly encouraged by the degree to which the situation is potentially under his or her control (Chiu 2002). Previous studies have concluded that, when individuals share in individual features, they may share in ethical nature (Ford & Richardson 1994; Loe, Ferrell, & Mansfield 2000). If compared to external locus of control, internal locus of control has been predicted to have a positive correlation with whistleblowing intention (Miceli & Near 1992; Stead, Worrell, & Stead 1990; Trevino 1986). Moreover, Mesmer-Magnus & Viswesvaran (2005) and Miceli, Near & Dworkin (2008) highlight that internal locus of control needs further investigation in predicting whistleblowing intention.

This paper is structured as follows. Section 2 provides the relevant literature review concerning whistleblowing. This is followed by the research methodology used in carrying out this study. Section 4 provides the results and discussions of the findings. The conclusion, recommendations and limitations are provided in Sections 5 and 6 respectively.

Literature Review

Overview of Whistleblowing

Whistleblowing can be defined as “the disclosure by organisation members (former or current) of illegal, immoral or illegitimate practices under the control of their employers, to person or organisations that may be able to effect action” (Syahrul et al, 2013). According to Nadzri Ab Ghani (2013), there are certain point needs to be understood from the definition above. Firstly, employees or ex-employees must from an organisation and not from outside party. Secondly, voluntary disclosure of wrongdoing must be commit from individual within organisation with the act of whistleblowing. Lastly, both internal and external whistleblowing action are covers the words of whistleblowing itself.

Whistleblowing has become focal point for attention from corporations and their stakeholders from the cases of Enron, Parmalat, WorldCom, Siemens, Tyco and many others corporate scandals that have littered the early years of this millennium (Laura, Dawn, Tara & Kelly, 2009). Many fraud cases had been occurred were reported because the whistleblowers in companies believed that any wrongdoing occurred should be relayed to the authorities for further action. Personal and organisational factor are necessary in whistleblowing because it involve complex process (Mazlina & Ling, 2012). Blowing the whistle on scandals, malpractice or corruption where wrongdoings maybe of illegal or unethical activities within organization are not generally accepted behaviour in organization (Rusniah & Roos, 2009). An organization which is very hierarchical and top down is unlikely to discouraged the whistleblowing practices which does not have a culture of allowing employees to express dissenting opinions and not seen to take feedback or suggestions seriously (Teen, 2007).

For the local scene, Malaysia have implemented WPA 2010 (Act 711) under NKRA corruption. The WPA 2010 is a law of Malaysia to combat corruption and other wrongdoings by encouraging and facilitating disclosures of improper conduct in the public and private sector, to protect persons making those disclosures from counterproductive action, to provide for the matter disclosed to be investigated and dealt with and to provide for the remedies connected therewith (WPA, 2010). Enforcement agencies are authority bodies that come from ministry, department, agency or other body at the federal, state or local government which have powers of investigation and enforcement under any existing law. The five major enforcement agencies are Royal Malaysian Police, Royal Malaysian Customs, Immigration Department of Malaysia, Road Transport Department and Malaysian Anti-Corruption Commission.

The level of corruption and corporate scandals in Malaysia is on the rise and should not be compromised. For example, KPMG Malaysia Fraud, Bribery, and Corruption Survey 2013 report reveals that corruption have been increased over 3 years and this indicate that the poor internal control and lack of awareness in the organization regarding Malaysian Anti-corruption Act 2009 (KPMG, 2013). Moreover, PriceWaterHouseCoopers (PWC) Global Economic Crime Survey 2014 report that there in continuing increasing fraud rate from 30% in 2009 to 37% in 2014. This survey also reported the five types of frauds consistently reported were asset misappropriation (69%), procurement fraud (29%), bribery and corruption (27%), cybercrime (24%) and accounting fraud (22%). PWC's 2011 global economic crime survey indicated that whistleblowing and tip-offs by employees and external parties combine continues to be highly fraud detection method (PWC, 2011). Overall from this survey, both KPMG and PWC indicated that formal whistleblowing still need to be improved in organization since lack of training conducted in organization.

Therefore, studies and understanding on the whistleblowing should be explored if the Malaysian government, via its enforcement agencies, is serious to overcome the corruption and corporate scandals and hence improve the corporate governance. According to Mr Lim San Peen, Senior Executive Director of PWC, economic crime continue to be pervasive, affecting both large and small organisation in Malaysia and worldwide. He added that no industry or company in any country is immune from the impact of fraud (PWC, 2011). Malaysia need to focus on the ethics codes and guidelines in organizations and minimize wrongdoing to support Prime Minister's mission to reinforce ethical policies and application in Ninth Malaysia plan and interest in Transparency rankings (Zeinab, Zainal & Ajindar, 2010). Thus, enforcement agencies are the most important organization to ensure the WPA 2010 are effectively use by all organization in Malaysia to encourage the transparency and eventually reduce fraud.

Whistleblowing in Malaysia

Recently, Malaysia has experienced a number of fraud and corruption cases. Most people do not blow the whistle during the fraud or corruption because they are worried that they may lose their job or perhaps would not be able to climb the ladder in due time (Meng, 2011). In June 2010, National Key Result Areas (NKRA) has established the WPA 2010 to reduce the corruption and improper conduct in public and private sectors. The WPA 2010 applies generally to whistleblowers who disclose information relating to the wrongdoings in the private or public sectors (Meng, 2011). Generally, Malaysian has implemented the act but evidences shows that WPA 2010 is still in low stage. This Act can protect the members of the public and private sectors who disclose the wrongdoings. The whistleblower discloses the information or occurrence of wrongdoings within the workplace is indeed a noble one (Rusniah, 2009). Under the Act, even the report is made to a government of enforcement agency, the protection can be revoked if the whistleblower commits an offence under the Act, such as disclosing the contents of his report to a third party (Eng, 2012).

There are many fraud cases in Malaysia; for example, the losses of RM250 million in National Feedlot Project and RM 2.52 billion incurred in MAS, which indicate a corruption by Government of Malaysia (Lim, 2012). In fact, the Price Waterhouse Coopers Global Economic Crime Survey 2005 as well as by the KPMG Malaysia Fraud Survey reported such fraud about the corruption and mismanagement in Malaysian organisations (Nadzri, 2013). The WPA 2010 will not fight the corruption efficiently if the Official Secrets Act not abolished and replaced a new culture of transparency (Lim, 2012). Malaysia has not been spared with its own cases of corporate unethical practices, financial frauds and corporate scandals (Syahrul, 2011).

Based on the cases in Malaysia, a number of the cases is still under litigation process. Since fraud is the major problem in Malaysia, so Malaysia is on track to fight against corruption and has charted notable progress. Then, the Government Transformation Programme (GTP) makes 27 initiatives and NKRA make 18 initiatives to make our country in the right path. At the same time, Malaysia also have strengthened the prosecution team and enforced speedy trials to work efficiently (Hisyam, 2013). Global MeLearn held a forum on Malaysia's War on Corruption to discuss about the effectiveness of technological to detect the fraud or corruption in Malaysia (Hisyam, 2013).

On the other hand, Malaysia also already show the signs along the way as Malaysia's score on the anti-corruption watchdog Transparency International's Corruption Perceptions Index (CPI) have improved around last three years (Hisyam, 2013). The statistic of CPI was decreasing from placed 60 in the year 2011 and now already ranked 53rd among the 177 countries in the CPI last year. Besides that, Malaysia also include with having its own issues of corporate fraud and organizational wrongdoing. Furthermore, KPMG Forensic Malaysia issued the results of a fraud survey which is *KPMG Malaysia Fraud Survey Report 2009* conducted on sample of 1125 Malaysian companies across the public and private sectors (KPMG, 2009). The result shows almost half of the respondent acknowledged that their organizations have been victims of fraud over the past three years and 61% of them believed that the incidence of fraud is increasing in the next two years. The Transparency International and the KPMG Forensic Malaysia survey have the latest findings to prove that corporate fraud and wrongdoing are an ongoing reality and a major concern (Syahrul, 2011).

Based on the prior research, there is no research about the whistleblowing in the enforcement agencies. Thus, we will continue the research about the whistleblowing to the enforcement agencies. There have been very limited empirical studies on whistleblowing in Malaysian organization's (Syahrul, 2011). Previous studies have emphasized that further whistleblowing research is required to examine how individuals within organizations form their whistleblowing intentions (Syahrul, 2011).

Theory of Prosocial Behaviour

According to Miceli & Near, (1988); Near & Miceli, (1985), there is no comprehensive theory for whistleblowing. However, with strong judgments from the past research regarding the behavioural studies, the act of whistleblowing could be explained further. The theory used for current study derived from the prosocial behavior which explains whistleblowers as individuals. Generally, prosocial behavior is defined as (a) behavior which is performed by a member of an organization, (b) directly toward individual or group or organization and (c) performed attitude as to promote welfare (Brief and Motowidlo, 1986). In relation, whistleblowing is considered as a positive social behavior by Miceli et al., (2008) whereby whistleblower take actions to stop the improper conducts which are aimed to gain benefit from the wrongdoings.

Dozier and Miceli (1985) specifically explained whistleblowing in context of prosocial behaviour theory, involves egoistic and altruistic motive. According to Latane & Darley's (1968), the process of whistleblowing behaviour are using five steps. The five steps are: (1) the person should be aware of the occurring event; (2) the situation must be decided as an emergency or not by the individual; (3) the person must decide as to whether he or she is responsible to solve the occurring problem ;(4) the person must choose the best solution to solve the problem; (5) the person need to implement the intervention. By performing the stages of whistleblowing behaviour for decision making process, the author highlight the ethical dilemmas inherent for the individual to whistleblow (Brennan & Kelly, 2007).

Previous research focused largely on the basic influencing factor which comprise of demographic factors. Thus, the present study examined the variable that influence the perception and intention WPA 2010. The variable for the demographic are gender, age, status, race, job position, work duration and level of education.

Theoretical Framework and Hypotheses Development

Based on the preceding discussions and the related theory discussed above, this study comes up with the following theoretical framework. Based on the previous studies (Teen, 2006; Massey & Thorne, 2003; Rusniah & Roos, 2009 and Curtis & Taylor, 2009), the issue of whistleblowing revolves on the following variable factors: (1) demographic factors, (2) ethics, (3) culture and, (4) locus of control. Thus, the present study examines the impact of these variables towards the perception and intention among the Malaysian enforcement agencies' employees on the WPA 2010.

Demographic Factors

Demographic factors consist of gender, level of job, status, age, level of education and others. Literatures by Dworkin & Baucus (1998); Miceli & Near (1998) mentioned that women are less engage with the whistleblowing acts. Meanwhile for age, the previous study found that older members have greater understanding of the authority and internal control within the organization compared to the new members as they concerned about the future effect on career and this statement supports by (Brennan &

Kelly, 2007; Keenan, 2000). The perception and intention of WPA 2010 among the employees also may be expected to relate with the organizational tenure where, senior employees are more likely to whistleblow because they are closer to retirement (Mesmer-Magnus & Viswesvaran, 2005). Generally, most of the employees tend to whistleblow at the end of their services because they often perceived as a moral dilemma between the responsibility against social or loyalty to the employer (Lindblom, 2007).

Ethics

The issues of ethics have arisen and still lacking even though all sectors in Malaysian companies have adopted whistleblowing policies (Rusniah & Roos, 2009). Accordingly, to become a whistleblower, there is potential for the person will encounter alienation from his colleagues (Rusniah & Roos, 2009). Teen (2007) highlight that, there is an attitude which act disloyalty especially if the complaints is made directly to the external sources. This statement supported by Gobert and Punch (2000) which also believe external whistleblowing interferes with the duty of loyalty. Contrary with the argument by Lewis (2011), the behavior of whistleblower indeed seems very loyalty since may help in reducing damages and mismanagement from the society but it is only happen if and only becomes effective in the long period (Lobel, 2009). In addition, ethics program could impact an individual decision (Massey & Thorne, 2003) (Park, 2008) and intention to act ethically (Frisque & Kolb, 2008). Thus, this study comes up with the following hypothesis:

Culture

Existence of a culture is conducive to whistleblowing and perhaps as important or even important than legislation to protect the whistleblower. Teen (2007) highlight the importance of a culture to be successful in implementing the whistleblowing policy. Generally, if the organizations view whistleblowers as a negative side, it is possible for the person not only losing his job but also risks in employment opportunities (Teen, 2007). In addition, different culture also may give new perspective and view on whistleblowing in current research (Park et al, 2008). Therefore, the study posits the following hypothesis:

Locus of Control

Whistleblowing issues also connected with locus of control which explain further on individual behaviour and divided into two parts which is internal and external locus (Detert, Trevino & Sweitzer, 2008). According to the Curtis & Taylor (2009), locus of control in personal characteristic has significant influence for the employees to whistleblow. In fact, past researchers highlight that internal locus of control is likely engaged with the prosocial behaviour (Miceli, Near & Dozier, 1991). Furthermore, strong internal locus of control of an individual perceived to provide better connection between his or her behavior with the outcomes (Singhapakdi & Vitell, 1991). In other words, the action only could be taken after it is consistent with moral rules and went wrong if it is violates the rules (Shawver & Clements, 2008). Yet, it is contradict with external in engagement of ethical behavior where, internal locus of control may acknowledge the control they receive to avoid from affected by an event compared individuals with external locus of control (Spector, 1982). According to Keller & Blomann (2008), individual belief reflects to locus of control which has significant relationship between action and outcomes. Hence, the final hypothesis for this study is:

Research Methods

Population and sample

The population for this study are the employees of the five Major Malaysian Enforcement Agencies that has been given mandate and responsibility by the Legal Affairs Division (BHEUU) of Prime Minister Department to enforce WPA 2010. The five Major Malaysian Enforcement Agencies are Royal Malaysian Police, Royal Malaysian Customs, Immigration Department of Malaysia, Road Transport Department and Malaysian Anti-Corruption Commission. It is found that there are averagely 111,450 employees in Royal Malaysian Police, Royal Malaysian Customs are 13,000 employees, Immigration Department of Malaysia are 14,418 employees, Road Transport Department are 5,600 employees, and Malaysian Anti-Corruption Commission are 2,000 employees.

The sample selected for this study was 300 employees from this enforcement agencies. According to Roscoe (1975), sample sizes larger than 30 and less than 500 are appropriate for most research. Hence, the study fulfills the rule of thumb set by Roscoe (1975). A non probability sampling was used. A convinence sampling was used in obtaining information from our conviniently available respondents.

Data Collection Procedure

Data for this research was collected using survey questionnaire. The questionnaire was adapted from the studies by Nadzri (2013), Syahrul (2011) and Hwang et al (2008). A cover letter was enclosed together with the questionnaires for each enforcement agencies' department. The cover letter was clearly explained the objective of this studies, confidentiality, importance of this research and the ways to return the questionnaire. Moreover, these questionnaires were distributed to all five major enforcement agencies' employees throughout Malaysia using mail and personal delivery. This research survey takes approximately 15-20 minutes to complete.

Measurement of Variables

As mentioned earlier, the questionnaire was adapted from Nadzri (2013), Hwang et al (2008) and Syahrul (2011). The questionnaire was divided into two parts. The first part asks about the demographic factors of the respondents. The second part was further split into four sections that reflect the variables in the studies. The first section focuses on the perception and intention among the Malaysian enforcement agencies' employees on the WPA 2010. Next section was about the impact of locus of control that reflects to the Malaysian enforcement agencies on the WPA 2010. The third section aims to identify the culture of the organization of the Malaysian enforcement agencies. Finally, the last section illustrated a short case on whistleblowing focuses on the ethics that may affect the Malaysian enforcement agencies' employees on the WPA 2010.

The respondents are required to answer the questionnaires using interval scale. This study used four point scales for locus of control, perception and intention and culture. Meanwhile as for ethics, it applied five point Likert scale. Four point scales started from range 1 until 4 which is strongly disagree (1), disagree (2), agree (3) and strongly agree (4). This scale is supported by Worcester and Burns (1975), agreed that four point scale without a mid-point appears to drive more respondents towards the positive end of scale.

Statistical Analysis

This study performed reliability test for each questionnaire. Reliability test is based on the ideas on how an individual item should produce the same result along with the overall questionnaire. To overcome the data split, Cronbach's alpha came up with a measurement that formulated to measure the internal consistency of the survey instrument (Smith, 2011). Cronbach's alpha can be interpreted as a correlation coefficient and the range in between 0 to 1. This indicated that the higher coefficient of the Cronbach's alpha, it shows the better measured of instrument, as Alpha coefficient above 0.5 is generally to be highly acceptable (Cudeck, 2001).

This study applied statistical assessment used to accessed normality. Generally, normality analysis was carried out to determine the normality of the data. This study was performed using non-parametric test. Kolmogorov Smirnov (K-S) test was used since the respondents more than 50 (Field, 2009). Meanwhile, test of difference used to see if there is any significant mean difference between the variables for this study. Based on the number of variables tested and the actual sample size collected, this research used non-parametric statistical test (Mann-Whitney U-test or Kruskal Wallis) in order to find the mean difference of the selected variables. In addition, correlation was used to measure the relationship between two or more variables and it indicated on how one variable is correlated to another. Moreover, this analysis used to measure the strength of the relationship between two variables and the direction of the relationship. Thus, this study used Spearman Rho Correlation to find the correlation of the related variables since the data was non-normally distributed.

Findings and Discussion

Level of Perception and Intention

Table 1 below shows the descriptive statistic of each item for the dependent variable which is the perception and intention of the enforcement agencies' employees towards WPA 2010. Based on the mean score obtained which were more than 3.00, the results indicated that they agreed to blow the whistle if necessary. Thus, this show that overall of the enforcement agencies' employee have the high perception and intention to blow the whistle.

Table 1: Results of Descriptive Statistics for Perception and Intention

	N	Minimum	Maximum	Mean
	Statistic	Statistic	Statistic	Statistic
I would report it to the appropriate persons within the organization	185	2.00	4.00	3.1838
I would use reporting channels inside of the organization	185	2.00	4.00	3.3838
I would let upper level of management know about it	185	1.00	4.00	3.3405
I would tell my supervisor about it.	185	2.00	4.00	3.4486
I would provide information to outside agencies	185	1.00	4.00	3.5135
I would inform the public about it	185	1.00	4.00	3.6216
Valid N (listwise)	185			

Test of Difference on the Demographic Factors of Respondents

This study used test of difference to investigate any significant differences in the perception and intention to WPA 2010 between the ordinal groups within the variables. This study employed Mann-Whitney U Test to analyzed genders that have two elements (male and female). Meanwhile, Kruskal Wallis test was used to find the differences for other demographic factors (marital status, age, race, level of education, job position and work duration).

Mann-Whitney Test (Gender)

Mann-Whitney Test was used to test the mean difference on the perception and intention of the respondents based on their gender. Table 2 shows that there is no significant difference between gender and perception and intention to WPA 2010 since the p-

value are more than 0.05 (which is 0.506). The results are consistent with the findings by Brennan and Kelly (2007), where generally, the gender factor offers weak result in whistleblowing.

Table 2: Results of Mann-Whitney U Test for Gender

	Total intention
Mann-Whitney U	3697.000
Wilcoxon W	10837.000
Z	-.666
Asymp.Sig.(2-tailed)	.506

Kruskal–Wallis Tests (Other Demographic Factors)

Kruskal–Wallis Tests were used to test the mean difference on the perception and intention of the respondents based on other demographic factors (marital status, age, race, level of education, job position and work duration). Table 3 shows the findings of the test of difference of each group of identified demographic factors.

Table 3: Results of Kruskal–Wallis Test for Other Demographic Factors

	Marital status	N	Mean Rank	Asymp.Sig.
total perception and intention	Single	37	95.18	
	Married	143	92.70	
	Widowed	4	79.00	
	Separated, divorced	1	111.00	
	Total	185		.927
total perception and intention	Age			
	Under 30 years	65	100.37	
	31-40 years	53	80.59	
	41-50 years	46	96.23	
	51 years and above	21	94.43	
Total	185			.227
total perception and intention	Race			
	Malay	155	92.83	
	Chinese	10	97.25	
	Indian	11	110.55	
	Others	9	69.78	
Total	185			.392
total perception and intention	Educational level			
	Diploma	76	90.74	
	Degree	14	109.93	
	Post graduate	3	81.33	
	Others	92	92.67	
Total	185			.634
total perception and intention	Job position			
	Executive	7	98.64	
	Non-executive	93	84.74	
	Others	85	100.58	
Total	185			.130
total perception and intention	Work duration			
	Less than 5 years	44	94.42	
	6-10 years	52	95.17	
	11-15 years	48	94.32	
	16 years and above	41	87.17	
Total	185			.886

Results in Table 3 indicate that all the p-value of demographic factors is more than 0.005. The demographic factors consist of gender, marital status, age, race, educational level, job position and job duration. Gender shows p-value = 0.506, Marital status (p-value = 0.927), Age (p-value = 0.227), Race (p-value = 0.392), Educational level (p-value = 0.634), Job position (p-value = 0.130) and Job duration (p-value = 0.886). Based on the findings as shown in Table 3 above, the result shows there is no significant difference between all demographic factors of respondents with perception and intention on WPA 2010. Hence, the study concludes that demographic factors selected for this study were not contributed to the perception and intention towards WPA 2010. Thus, this study cannot be explained by these demographic variables. The absence of support for these relationships

between demographic factors and perception and intention of whistleblowing is consistent with the indecisive findings in prior whistleblowing research (Miceli & Near, 1992); (Harris, 1990); (Kelly, Ferrell & Skinner, 1990).

Correlation Analysis

The correlation is statistical measurement in order to explore the relationship between two or more variables and give a sign on how one variable is correlated or related to another. According to Cohen (1998), the strength of the correlation relationship can be categorized as following manner:-

Table 4: Ranking of Correlation Coefficient by Cohen (1998, pp. 79-81)

No.	Strength of relationship	Rank (r)
1	Small	0.10 – 0.29
2	Medium	0.30 -0.49
3	Large	0.50 – 0.10

This study used Spearman correlations to measure the relationship between independence variables (Ethics and Locus of control) and dependent variable (perception and intention) among the Malaysian enforcement agencies’ employees on the WPA 2010. Spearman correlation was used because the data was not normally distributed.

Table 5: Result of Correlations between Independent Variables and Dependent Variable

		Total perception & intention	Total belief	Total ethics	
Spearman's rho	Total perception & intention	Correlation Coefficient	1.000	.338**	.282**
		Sig. (2-tailed)	.	.000	.000
		N	185	185	185
	Total locus of control	Correlation Coefficient	.338**	1.000	.126
		Sig. (2-tailed)	.000	.	.086
		N	185	185	185
	Total ethics	Correlation Coefficient	.282**	.126	1.000
		Sig. (2-tailed)	.000	.086	.
		N	185	185	185

** . Correlation is significant at the 0.01 level (2-tailed).

Correlation between Ethics and Perception and Intention

Based on Table 5 above, the p-value of ethics and perception and intention among the Malaysian enforcement agencies’ employees on the WPA 2010 is 0.000 which is less than 0.05. This shows that there was significant positive correlation between ethics and perception and intention among the Malaysian enforcement agencies’ employees on the WPA 2010. The positive correlation indicated that when the level of employees’ ethics increases, the perception and intention among the Malaysian enforcement agencies’ employees on the WPA 2010 also increases. Based on Table 10, correlation and coefficient value is 0.282 which indicated a small relationship between ethics and the perception and intention among the Malaysian enforcement agencies’ employees on the WPA 2010 (Cohen, 1998).

Correlation between Locus of Control and Perception and Intention

Meanwhile, the p-value of locus of control and perception and intention among the Malaysian enforcement agencies’ employees on the WPA 2010 is 0.000 which is less than 0.05 (Table 5). This indicated that there was significant positive correlation between locus of control and perception and intention among the Malaysian enforcement agencies’ employees on the WPA 2010. The positive correlation shows that, when the level of employees’ locus of control increases, the perception and intention among the Malaysian enforcement agencies’ employees on the WPA also increases. By referring Table 10, the correlation coefficient value is 0.338 which presents medium relationship between locus of control and the perception and intention among the Malaysian enforcement agencies’ employees on the WPA (Cohen, 1998).

In summary, the findings on the relationship between the ethics and locus of control of the Malaysian Enforcement Agencies’ employees towards the perception and intention on the WPA 2010 indicated a positive correlation between ethics and the perception and intention among the Malaysian Enforcement Agencies’ on the WPA 2010. It is consistent with the prior research by Massey & Thorne (2003) and Teen (2007).

Conclusion

There were three research objectives which have been pursuit throughout this research. The first research objective was to identify the level of perception and intention on the WPA 2010 among the Malaysian Enforcement Agencies’ employees. The

results showed that most Malaysian Enforcement Agencies' employees were well perceived about the WPA 2010. It was consistent with the prior study (Syahrul, 2011).

The second research objective was to identify the relationship between the demographic factors on the perception and intention among the Malaysian Enforcement Agencies' employees towards WPA 2010. The results indicated that the effect of all demographic factors did not influence the perception and intention of the Malaysian Enforcement Agencies' employees. This result was in line with the findings by Syahrul, (2011), Loe et al (2000) and O'Fallon & Butterfield (2005).

Finally, the third research objective was to identify the relationship between the ethics, culture and locus of control of the Malaysian Enforcement Agencies' employees towards the perception and intention on the WPA 2010. There were three hypotheses that have been developed to determine the relationship between the perception and intention among the Malaysian Enforcement Agencies' employees on the WPA 2010. The result indicated a positive correlation between ethics, locus of control and the perception and intention among the Malaysian Enforcement Agencies' on the WPA 2010. It is consistent with the prior research by Massey & Thorne (2003); Teen (2007); Singhapakdi & Vitell (1991); Mesmer-Magnus & Viswesvaran (2005) and Miceli et al (2008). However in the case of culture, there was no further statistical analysis has been done since the findings in reliability test does not fulfill the criteria.

Limitations and Recommendations

In carry out this research, there were some limitations encountered.

Firstly, lack of the prior research in WPA studies especially towards enforcement agencies' in Malaysia. Prior research only focuses on the auditor or other respondents except for enforcement agencies. Thus, it is difficult to find relevant references in carry out this research. Second limitation is that most of the enforcement agencies' employees refused to answer the survey. Out of 300 questionnaires distributed, only 185 of them were returned. However, based on Field (2009), the number of questionnaires collected suffices for the purpose to this study. The third limitation is that the nature of study itself. This study involved sensitive issue. In prior research, the essence of whistleblowing studies is very complicated because it involved serious ethical issues (Miceli & Near, 1984; Miceli, Near, & Schwenk, 1991). Thus, the response given may not reflect the true situation of the respondent. In addition, whistleblowing study may inflate various sensitive organizational issues and respondents may refuse to identify themselves or may not respond to the questionnaires honestly.

Based on the result of this study, there are some improvements that can be exercised in order to increase the level of perception and intention on the Malaysian enforcement agencies' employees towards WPA 2010.

Firstly, more similar studies should be done focusing on the Malaysian enforcement agencies' employees since there is lack of study in this aspect. Hence, the research gaps can be reduced. Secondly, the government should improve the strong culture in the Malaysian enforcement agencies' employees. Based on the findings of this study, the trend of the respondents agreed that it is a norm for employees to break the rules. For example, top management in the department should display good example. Thus, by developing good positive culture, it would motivate employees to do the right things. Lastly, the enforcement agencies should conduct more courses and workshops to their employees for better understanding on WPA 2010. Based on the results, it shows a small relationship between ethics and the perception and intention among the Malaysian enforcement agencies' employees to the WPA 2010. Hence, conducting more courses and workshops will motivate employees to have more decent moral value and behavior in their working environment.

Based on the findings of this study, relevant authorities (such as the Malaysian Institute of Corporate Governance (MICG)) and agencies (such as the Malaysian Institute of Accountants (MIA) or other professional bodies) may formulate the strategies to promote and enhance the enforcement of the WPA to be more effective.

References

- Ahmad, S. A. (2011). Internal Auditors And Internal Whistleblowing Intention. *A Study Of Organisational, Individual, Situational And Demographic Factor*, 1-207.
- Anwar, Z. (2003). Reviewing corporate excellent in the 21st century whistle blowing: Subversive spy or responsible corporate citizen? *In Regional Conference on Agenda for 21st century-Revitalising the Corporation*. Kuala Lumpur, Malaysia:
- Banisar, D. (2010). Whistleblowing: International Standards and Developments. *Ssrn*, 1-64.
- Barnett, T. &. (2000). The Moderating Effect Of Individuals' Perceptions Of Ethical Work Climate On Ethical Judgements And Behavioral Intentions. *Journal Of Business Ethics*, 27(4), 351-362.
- Brennan, N. &. Kelly,J (2007). A Study Of Whistleblowing Among Trainee Auditors. *The British Accounting Review*, 39(1), 61-87.
- Brief, A. M. (1986). Prosocial Organizational Behaviors. *The Academy of Managemet Review*,11(4), 710-725.
- Brown, A. J. (2014). *International Handbook on Whistleblowing Research*. Cheltenham: Edward Elgar Publishing.
- Callahan, E. a. (2002). Integrating Trends in Whistleblowing and Corporate Governance. Promoting Organizational effectiveness,Societal Responsibility and Employee Empowerment. *American Business Law Journal*,40(1), 177-215.
- Carroll, J. A. (1999). On The Bipolarity Of Positive And Negative Affect. *The American Psychological Association*, 1-28.

- Chiu, R. K. (2002). . Ethical judgment, locus of control, and whistle-blowing intention: a case study of mainland Chinese MBA students. *Managerial Auditing*, 581–587.
- Cohen, J. (1988). “*Statistical power analysis for the behavioral sciences*” (2nd ed). Hillsdale, NJ: Lawrence Erlbaum Associates.
- Cudeck, R. d. (2001). Structural Equation Modeling: Present and future. *analysis of nonlinear latent coefficient regression models*, 259-278.
- Curtis, M. B. (2009). Whistleblowing In Public Accounting: Influence Of Identity Disclosure, Situational Context, And Personal Characteristics. *Accounting And The Public Interest*, 9,, 191-210.
- Dennis Hwang, B. S.-S. (2008). Confucian culture and whistle-blowing by professional accountants: an exploratory study. *Managerial Auditing Journal*, 504-526.
- Dozier, J. (1985). Potential predictors of Whistleblowing.A prosocial behavior perspective. *Academy of Management Review*,10(4), 823-836.
- Dworkin, T. M. (1998). Internal Vs. External Whistleblowers: A Comparison Of Whistleblowing Processes. *Journal Of Business Ethics*, 17(12), 1281-1298.
- Field, A. (2009). *Discovering Statistics Using SPSS 3rd Edition*. London: SAGE Publication.
- Fook, T. P. (2011). Adequacy of Employee Whistleblower Protection (EWP) In Malaysia. *International Conference on Social Science and Humanity* (Pp. 1-5). Singapore: IACSIT Press.
- Ford, R. C. (1994). Ethical decision-making: A review of the empirical literature. *Journal of Business Ethics* 13 (3), 205-221.
- Frisque, D. A. (2008). The effects of an ethics training program on attitude, knowledge, and transfer of training of office professional: A treatment-and control-group design. *Human Resource Development Quarterly* 19 (1), 35-53.
- Fritzsche, D. (2000). Ethical climates and the ethical dimension of decision making. *Journal of Business Ethics*,24(2), 125-140.
- Gerald Vinten (2000) *Whistleblowing towards Quality*, Volume 12. Number 3,171
- Ghani, N. A. (2013). Predicting Whistle-Blowing Intention in Malaysia: Evidence from Manufacturing Companies. *Espace@Curtin*, 1-270.
- Gobert, J. &. (2000). Whistleblowers, The Public Interest, And The Public Interest Disclosure Act 1998. *The Modern Law Review*, 63(1),, 25-54.
- Haron, H. (2010, April 30). *Strengthening Malaysia's whistle-blowing provisions*:. Retrieved from Business Times: http://www.btimes.com.my/Current_News/BTIMES/articles/gbs02/gbs02.pdf
- Hassan, M. J. (2006). *Making Malaysia corruption free*. Kuala Lumpur, Malaysia: ISIS Malaysia.
- Johnson, D. (2009). An Educational Psychology Success Story: Social Independence Theory And Cooperative Learning. *Educational Researcher*, 365-379.
- Jones, J. D. (2003). Auditors' ethical reasoning: insight from past research and implications for the future. *Journal of Accounting Literature* 22, 45-103.
- Julia Zhang, Randy Chiu and Li-Qun Wei (2009), *On Whistleblowing Judgment and Intention the Roles of Positive Mood and Organizational Ethical Culture*, 627-649
- Kaptein, M. (2011). From Inaction To External Whistleblowing: The Influence Of The Ethical Culture Of Organizations On Employee Responses To Observed Wrongdoing. *Journal Of Business Ethics*, 98(3),, 513-530.
- Keenan, J. P. (2000). Blowing the whistle on less serious forms of fraud: A study of executives and managers. *Employee Responsibilities and Rights Journal*, 12(4), 85-94.
- Keenan, J. P. (2002). Whistleblowing: A Study Of Managerial Differences. *Employee Responsibilities And Rights Journal*, 14(1),, 17-32.
- Keller, J. a. (2008). Locus of control and the flow experience: An experimental analysis. *European Journal of Personality* 22, 589-607.
- Kerlinger, F. (1992). *Foundations of Behavioural Research*. Fort Worth, United States: Harcourt Brace.
- Kolb, D. A. (2008). *The Effects Of An Ethics Training Program On Attitude, Knowledge, And Transfer Of Training Of Office Professionals: A Treatment- And Control-Group Design*. Human Resource Development Quarterly.
- KPMG (2009). *KPMG Malaysia Fraud survey Report*. Petaling Jaya, Selangor: KPMG Forensic Malaysia.
- KPMG. (2013). *KPMG Malaysia Fraud, Bribery and Corruption Survey 2013*. Petaling Jaya, Selangor, Malaysia.
- Laura P. Hartman, D. R. (2009). Translating Corporate Culture around the World: a cross-cultural analysis of whistleblowing as an example of how to say and do the right thing. *Ethical Values in Global Business*, 255-272.
- Lewis, D. (2008). “Ten Years of Public Interest Disclosure Legislation in the UK: Are. *Journal of Business Ethics*, 497-507.
- Lim. Guan Eng (2012). How Effective Has the Enforcement of The Whistleblower Protection Act 2010 (WPA) Been in Malaysia? Kuala Lumpur:. *The 4th Annual Corporate Governance Summit*.
- Lim. Guan Eng (2012, February 12). Lim Kit Siang for Malaysia. *Retrieved From The Malaysia Insider*.
- Lim. Guan Eng (2012, March 6). The Whistleblower Protection Law Not Helping Fight Against Graft. *Retrieved from The Malaysian Insider*.
- Lindblom, L. (2007). Dissolving The Moral Dilemma Of Whistleblowing. *Journal Of Business Ethics* 76, 413-426.
- Lobel, O. (2008). *Citizenship, Organizational Citizenship,And The Laws Of Overlapping Obligations*, 1-60.
- Meng, O. S. (2011). Comparative analysis of whistleblower protection legislations in England, USA and Malaysia. *African Journal of Business Management Vol. 5(27)*, 11246-11255.
- Mesmer-Magnus, J. R. (2005). Whistleblowing in Organizations: An Examination of Correlates of Whistleblowing Intentions, Actions and Retaliation. *Journal of Business Ethics*, 62. 3: 277-297.
- Miceli, M. a. (1992). *Blowing the Whistle*. New York.: Lexington Books.
- Miceli, M. N. (1985). Characteristic of Organization climate and perceived wrongdoing associated with whistleblowing decisions. *Personnel Psychology*,38(3), 525-544.
- Miceli, M. P. (2008). Whistle-blowing in organizations. Edited by A. Brief and J. Walsh. New York: Routledge Taylor & Francis Group.

- Nadzri, A. G. (2013). Predicting whistle-blowing intention in Malaysia : evidence from manufacturing. *Curtin's Institutional Research Repository*, (pp. 81-86).
- Near, J. P. (1985). Organizational Dissidence: The Case Of Whistleblowing. *Journal Of Business Ethics* 4(1), 1-16.
- Near, M. &. (1993). Blowing The Whistle:The Organizational And Legal Implications For Companies And Employees. *Administrative Science Quarterly* Vol 38 Issue 4 , 683.
- Neuman, W. (2006). Social research Methods: Qualitative and Quantative Approaches (6th ed.). *Boston:Allyn and Bacon*.
- Nordin, D. H. (2013, December 11). *NKRA*. Retrieved From *NKRA Against Corruption*.
- Nunnally, J. C. (1978). *Psychometric theory*. New York: McGraw-Hill.
- O'Fallon, M. a. (2005). A review of the empirical ethical decision making literature 1996-2003. *Journal of Business Ethics* 59, 375-413.
- Park, H. J. (2008). Cultural Orientation And Attitudes Toward Different Forms Of Whistleblowing: A Comparison Of South Korea, Turkey, And The UK. *Journal Of Business Ethics* 82:, 929-939.
- Park, H. M. (2005). The influence of confucian ethics and collectivism on whistleblowing intentions: A study of South Korean public employees. *Journal of Business Ethics*, 387-403.
- Patel, C. (2003). Some cross-cultural evidence on whistle-blowing as an internal control mechanism. *Journal of International Accounting Research*, 69-96.
- Ponnu, C. H. (2007). Whistle-blowing as planned behaviour: A survey amongst executives in the banking sector in Malaysia. Retrieved from [http://eprints.um.edu.my/992/1/Ponnu_et_al_\(138\).pdf](http://eprints.um.edu.my/992/1/Ponnu_et_al_(138).pdf).
- PWC. (2014). *Global Economic Crime 2014 Survey*. Retrieved From PWC Website: <Http://Www.Pwc.Com/Gx/En/Economic-Crime-Survey/>
- Roscoe, J. (1975). *Fundamental Research Statistics for the Behavioural Sciences*. New York: Holt Rinehart & Winston.
- Rusniah, D. R. (2009). Whistleblowing protection and freedom of speech: finding respect at the workplace. *International Conference on Corporate Law (ICCL)*, (pp. 1-12). Surabaya, Indonesia.
- Shariff, D. R. (2009). Whistleblowing Protection and Freedom of Speech: Finding Respect at the Workplace. *International Conference on Corporate Law (ICCL)* (Pp. 1-12). Surabaya, Indonesia: International Conference on Corporate Law (ICCL).
- Shawver, T. J. (2008). Whistleblowing: Factors That Contribute To Management Accountants Reporting Questionable Dilemmas. *Management Accounting Quarterly*, 9(2), 26-38.
- Siaw, M. M. (2012). Will Final Year Accountancy Students Whistle Blow? A Malaysian Case. *International Journal of Trade, Economics and Finance*, Vol. 3, No. 5, 327-331.
- Singhapakdi, A. A. (1991). Research Note: Selected Factors Influencing Marketer's Deontological Norms. *Journal Of The Academy Of Marketing Science* 19 (1):, 37-42.
- Smith, M. (2011). *Research Methods in Accounting*. London: Sage.
- Spector, P. E. (1988). Development Of The Work Locus Of Control Scale. *Journal Of Occupational Psychology*, 61(4), 335-340.
- Stead, W. E. (1990). An integrative model for understanding and managing ethical behavior in business organizations. *Journal of Business Ethics* 9 (3), 233-242.
- Syahrul Ahmar Ahmad, *A Study Of Organisational, Individual, Situational And Demographic Factors*, April 2011
- Syahrul Ahmar Ahmad, M. S. (2013). Internal Whistleblowing Intentions in Malaysia: Factors That Influence Internal Auditors' Decision-Making Process. 1-15.
- Syahrul Ahmar Ahmad, Malcom Smith, Zubaidah Ismail; Internal Whistleblowing Intention by Internal Auditors: *A Prosocial Behaviour Perspective; Malaysian Accounting Review*, Volume 12 No1, 2013
- Tavakol & Dennick, R. D. (2000). Making sense of Cronbach's alpha. *International Journal of Medical Education* , 53-54
- Teen, M. Y. (2006). "Whistleblowing ;Recent Development and Implementation Issues".Public Sector Opinion.issue 5 . p. 3.
- Totton, N. &. (2011, July). The Ubiquitous Mythical Normal Distribution. *UWE Bristol*.
- Trangmateerut, P. S. (2013). The Influence of Subjective Norms on Whistleblowing; A Cross Cultural Investigation. *Journal of Business Ethics*,112, 437-451.
- Trevino, L. K. (1986). Ethical decision making in organizations: A person-situation integrationist model. *Academy of Management Review* 3, 601-617.
- Tsahuridu, E. E. (2008). Organisational whistleblowing policies: Making employees responsible or liable? *Journal of Business Ethics*, 107-118.
- Vardi, & Y. (2001). The effects of organizational and ethical climates on misconduct at work. *Journal of Business Ethics* ,29(4), 325-337.
- Williamsom, O. &. (1985). *The Economic Institution Of Capatalism*. (Nunnally, 1978) (D, 2011)
- Worcester. R. (1975). A statistical examination of the relative precision of verbal scales. *Journal of Market Research Society*, 181-197.
- Yakcob, N. M. (2005). *The role of accountants in the development of the Malaysian Capital Market*. Kuala Lumpur, Malaysia: MICPA .
- Zeinab Amini Yekta, D. Z. (2010). Corporate Code of Ethics and Reporting Wrongdoing in Private Sector Organizations in Malaysia. *International Journal of Business and Management*, 1-8.
- Zhuang, J. M. (2005). Examining Culture's Effect on Whistleblowing and Peer Reporting. *Business & Society*,44(4), 462-486.