Curtin Graduate School of Business

Predicting Whistle-blowing Intention in Malaysia: Evidence From Manufacturing Companies

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DECLARATION

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgement has been made.

This thesis contains no material, which has been accepted for award of any other degree or diploma in any university.

Signature:

Date:

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DEDICATION

In loving memory of

Haji Ab Ghani Ab Malek

and

Hajjah Che Kamariah Omar

ABSTRACT

*'The world will not be destroyed by those who do evil, but by those
who watch them without doing anything' – Albert Einstein*

The function of whistle-blowing as an effective internal control mechanism has been accepted around the globe. Previous whistle-blowing literature includes many studies that have attempted to identify various predictive variables of whistle-blowing intention. However, the results of these studies remain inconclusive. Further, little is known about the underlying mechanism behind the relationships between the predictive variables and whistle-blowing intention.

This study intends to advance research by investigating the relationships between several predictive variables (internal locus of control, work experience and ethics training) and whistle-blowing intention among supervisors in Malaysia. Additionally, supported by cognitive moral development theory, this study empirically investigates the mediating effect of ethical reasoning on such relationships.

A two-stage sampling technique was applied to randomly collected data from 311 supervisors in large manufacturing companies listed under Bursa Malaysia Berhad. Structural equation modelling software (Analysis of Moment Structures, or AMOS) was applied to examine the direct and mediating effects of posited relationships.

Results failed to support hypothesised relationships between both internal locus of control and work experience, and whistle-blowing intention. Only ethics training was statistically significant as a predictive variable for whistle-blowing intention among supervisors in Malaysia. Furthermore, internal locus of control was not significantly related to ethical reasoning. The other two predictive variables (work experience and ethics training), however, were significantly related to ethical reasoning. As hypothesised, ethical reasoning is significantly related to whistle-blowing intention. Findings confirmed that ethical reasoning mediates the relationships between both work experience and ethics training, and whistle-blowing intention.

This study makes several theoretical contributions and provides further insights about current the whistle-blowing literature in Malaysia. Methodological and practical implications are discussed and several potential avenues for future research are identified and proposed.

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Ab Ghani, N., R. Evans, and J. Galbreath. 2011. *Annual Summit on Business and Entrepreneurial Studies (ASBES 2011), 17-18 October 2011: Predicting whistle-blowing intention among supervisors in Malaysia*. Sarawak, Malaysia: Conference Master Resources.

Ab Ghani, N., R. Evans, and J. Galbreath. 2011. *25th Annual Australian and New Zealand Academy of Management Conference, 7-9 December 2011: Work experience and whistle-blowing intention: The mediating role of ethical reasoning*. Wellington, New Zealand: Australian and New Zealand Academy of Management (ANZAM).

Journal publication

Ab Ghani, N., J. Galbreath, and R. Evans. 2012. Predicting whistle-blowing intention among supervisors in Malaysia. *Journal of Global Management* 3(1): 1-18.

CHAPTER 1

INTRODUCTION

1.1   Background

This study expands research on whistle-blowing by examining the relationship between the selected individual variables; namely, internal locus of control, work experience and ethics training, and intention of whistle-blowing in Malaysia, a cultural context previously unexplored. These variables are the most likely to affect an individual's propensity to whistle-blow on an organisation's misconduct or wrongdoing (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008).

Ethical breaches were well-publicised in the late 1990s and the early part of the twenty-first century. Principally, these ethical breaches were apparent in some US-based corporations like Enron[1], WorldCom[2] and Tyco[3], which collapsed because of accounting scandals. Many of these accounting scandals came to light because of the actions taken by the companies' employees (whether they were former or present employees) who believed that any wrongdoing that occurred in their corporation should be relayed to the authorities for corrective action (Pulliam and Solomon 2002). The actions made by the concerned employees in reporting their

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[1] Congressional Research Service (CRS) Report for Congress from Government and Finance Division (Jickling 2002).

[2] The New York Times dated 22 July 2002 (Romero and Atlas 2002).

[3] World Socialist Web Site (wsws.org) dated 18 June 2002 (Kay 2002).

companies' wrongdoing or misconduct [4] is known as whistle-blowing. They themselves are called whistle-blowers.

Likewise, the same phenomenon has occurred in many Asian countries, including Malaysia. The financial scandals that occurred in Malaysia in the same time period caused the government to intervene to safeguard majority and minority shareholders for large corporations like Perwaja Steel, Renong Berhad, United Engineers (Malaysia) Berhad and Technology Resources Industries (Mat Norwani, Mohamad, and Tamby Chek 2011; Zainal Abidin and Ahmad 2007). Actions taken in correcting the wrongdoing or misconduct were via the government and not individual parties (Lee, Md Ali, and Gloeck 2009, 2008).

At present, whistle-blowers in US corporations appear to be more courageous, when compared to their Asian counterparts, in embracing whistle-blowing actions (Park, Rehg, and Lee 2005). One of the possible reasons could be the perception of whistle-blowing itself. Researchers still believe that the action of whistle-blowing is not uncommon in Western countries like the United States, the United Kingdom, Canada, Europe and Australia (Park et al. 2008). However, this cannot be said of countries such as China, Japan and Hong Kong, where whistle-blowing is regarded as unacceptable behaviour (Bond 1996; Fukuyama 1995; Redding 1990).

In Malaysia, the action of whistle-blowing is not a popular means of reporting wrongdoing in organisations (Ngui 2005). However, the Malaysian government has mandated a law for reporting wrongdoing in organisations (Yekta, Ahmad, and Kaur 2010). The government views whistle-blowing as an accountability and risk management tool for safeguarding the interest of organisations and public (Anwar 2003). Hence, whistle-blowing in Malaysia is expected to become much more prevalent given recent changes to legislation. This reinforces the importance of studying whistle-blowing and the significance of this thesis.

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4 The misconduct is generally referred as 'threats to public interests, frauds, health/safety violations, violation of law and regulations and corruption' (Saha 2008, p. 2).

PriceWaterhouseCoopers Global Economic Crime Survey 2005 reports that 23% of large Malaysian companies are subjected to misconduct in terms of unreported fraud (PriceWaterhouseCoopers 2006). Moreover, the KPMG Malaysia Fraud Survey reveals that fraud is a major problem for most of the Malaysian public and private companies (KPMG 2009). The survey indicates that, out of 1,125 companies that participated, nearly half had been subjected to fraud.

In encouraging whistle-blowing actions, whistle-blowing laws have been introduced in many countries. For example, in the United States, whistle-blowing laws were developed by the Sarbanes-Oxley Act 2002. Another whistle-blowing law, in the United Kingdom, was established by the Public Interest Disclosure Act 1998 (PIDA). The gist of these acts highlights that whistle-blowing is one tool for ethics management (Horne 2012). Read and Rama (2003) valued the suggestion by the Committee of Sponsoring Organisations (COSO 1992), in relation to whistle-blowing, as an effort in maintaining an effective control environment within an organisation.

This is supported by Ponemon (1994, p. 118), who states that whistle-blowing 'can play an essential role as a perspective and detective control if an organisation explicitly incorporates reporting mechanisms that disclose incidents of wrongdoing into its internal control structure'. In other words, whistle-blowing can play an important role in the internal control environment of an organisation (Read and Rama 2003). Thus, effective corporate governance in an organisation can be enhanced through the practice of whistle-blowing.

As for Malaysia, the function of whistle-blowing as an internal control mechanism has only recently been considered by statutory authorities (Anwar 2003). Specifically, Malaysia introduced its first whistle-blowing law in 2003 under the Securities Industry (Amendment) Act 2003 (Wahab 2003). Preliminary legislative provisions mandating whistle-blowing by certain individuals, i.e., accountants, auditors and advisors, are based on the Malaysia Companies Act 1965 as well as the Malaysia Securities Industry Act 1983 (Mak 2005).

In moving towards a corruption-free country, the government has urged major stakeholders to uphold whistle-blowing laws with provisions of protection, incentives and non-monetary rewards for whistle blowers (Hassan 2006). For instance, accountants, auditors and advisors must provide assurance on financial statements and must not have any tolerance for corporate misconduct, whereas investors and other users must be accountable for their decisions and, thus, decisions must be based upon a spirit of transparency (Yakcob 2005).

In fulfilling its mandate, the Government of Malaysia introduced the new Companies (Amendment) Act 2007. The Act covers almost everything, from the duty of whistle-blowers to the protection of whistle-blowers for their whistle-blowing actions. However, the Act only covers the occurrence aspect of whistle-blowing within public and private companies in Malaysia. Therefore, the Government has introduced the broader Whistleblower Protection Act 2010 under the Laws of Malaysia (Act 711) to combat corruption and other wrongdoings which cover all aspects of the public and private sectors.

Despite laws such as the Whistleblower Protection Act 2010, issues remain. According to Lim (2012), the Government of Malaysia was faced with corruption and mismanagement within the RM250million National Feedlot Centre Project. In fact, such frauds of corruption and mismanagement in Malaysian organisations have been reported earlier by the PriceWaterhouseCoopers Global Economic Crime Survey 2005 as well as by the KPMG Malaysia Fraud Survey. The severity of such fraud cases is well defined in literatures as employees' attitude toward fraudulent behaviour in workplace (Ahmad and Norhashim 2008). Hence, Malaysia suffered a decline in the rankings of Transparency International's Corruption Perception Index, from 56 in 2010 to 60 in 2011 (Lim 2012).

Thus, studies on whistle-blowing are essential in determining good and effective corporate governance. Survey evidence suggests that studies on whistle-blowing as an effective internal control mechanism are increasing (Demetriadou 2003). Yet, such studies still require more attention, possibly because whistle-blowing is considered as a hidden activity, which makes the topic difficult to research (Patel

2003). Researchers have only been able to investigate behavioural intentions rather than the actual behaviour of respondents (Miceli, Near, and Dworkin 2008). While actual whistle-blowing events should be based on reports that concern illegal acts, ethics violations or fraud in organisations (Ponemon and Gabhart 1994), such studies or events in the Malaysian environment are virtually non-existent (Patel 2003).

1.2   Rationale of the Study

Given the aspect of whistle-blowing as an internal control mechanism within an organisation and the effort made by the government of Malaysia to introduce the whistle-blowing Act, as yet, not successfully implemented, this study intends to add valuable knowledge to the literature on whistle-blowing. Hence, the rationale of this study is to re-examine several individual (personal) variables of intention to whistle-blow, in the form of culture differences that may give a new perspective and interpretation of research on whistle-blowing (Park et al. 2008). Vogel (1992) asserted that whistle-blowing is particularly affected by cultural contexts, as perceptions of right versus wrong, justice, morality and loyalty may differ very much in different countries.

Further, human behaviour is believed to be a result of cultural and social backgrounds (Chiu and Kosinski 1999). Hence, employees with different socio-economic influences may have different views on what is ethical or what is not (Chen 2001). Thus, this study expands research on whistle-blowing by examining the relationship between the selected individual variables; namely, internal locus of control, work experience and ethics training, and intention to whistle-blow, in a cultural context previously unexplored. These variables are the most likely to affect an individual's propensity to whistle-blow on an organisation's misconduct or wrongdoings (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008).

Studies on individual variables of whistle-blowing intention have become popular (Keil et al. 2010; Lih-Bin and Hock-Hai 2010; Taylor and Curtis 2010; Zhang, Chiu,

and Li-Qun 2009a). Even so, findings on the relationships between several individual variables, such as internal locus of control and work experience, and whistle-blowing intention are still open for discussion (Miceli, Near, and Dworkin 2008). A review from Miceli, Near and Dworkin (2008) has shown that the effect of any individual variable on whistle-blowing intentions has indicated mixed results.

Study of the relationship between internal locus of control and whistle-blowing intention has produced inconclusive empirical results, ranging from a positive relationship (Miceli and Near 1992; Stead, Worrell, and Stead 1990; Trevino 1986), to a mixed relationship (Wise 1995), to a moderated relationship (Chiu 2003), and even an insignificant relationship (Miceli et al. 2001; Starkey 1998). Similarly, results for work experience range from a positive relationship (Brewer and Selden 1998; Dworkin and Baucus 1998; Goldman 2001; Miceli and Near 1988), to a mixed relationship (Wise 1995), and to an insignificant relationship (Keenan and Sims 1995; Lee, Heilmann, and Near 2004; Sims and Keenan 1998).

Having noted the above results, this study tries to find reasons for the mixed findings by introducing a cognitive aspect of ethical reasoning. According to Miceli, Near and Dworkin (2008), little emphasis has been placed on the effect of cognitive dimensions on whistle-blowing intentions. Therefore, this study examines such effects by treating ethical reasoning as a mediator in the relationships between the selected individual variables and whistle-blowing intention. The rationale for treating ethical reasoning as a mediator is based on researchers' attention to ethical issues in accounting and auditing from the perspective of moral development theory (Louwers, Ponemon, and Radtke 1997). Several assumptions have been made regarding this theory, which proposes that individuals progress through sequential stages in the development of ethical reasoning (Thorne 2000).

On the other hand, the inclusion of ethics training as one of the individual variables further strengthens the rationale of this study. The inclusion of ethics training is based on a proposition from Jones, Massey and Thorne (2003) that an individual's intention to act ethically is influenced by ethics training. Frisque and Kolb (2008) agree that an ethics program can have an impact on an individual's decision to

whistle-blow. Further, Miceli, Near and Dworkin (2008, p. 190) advised that there is '... no controlled research demonstrating the effectiveness of ethics training regarding whistle-blowing and such research is sorely needed'. Thus, the inclusion of ethics training as another predictive variable of whistle-blowing intention in this study will add to the literature on studies of whistle-blowing.

As a whole, whistle-blowing research in Malaysia has been deemed significant, especially in investigating the possible factors that could influence the decision to whistle-blow and, at the same time, highlight the important function of whistle-blowing action as an internal control mechanism. Moreover, studies are needed to provide an understanding about why certain people decide to whistle-blow while others do not (Miceli, Near, and Dworkin 2008; Miceli and Near 1992; Miceli et al. 2012; O'Fallon and Butterfield 2012). Therefore, the main objective of this study is to re-examine the relationship between the predictive variables and whistle-blowing intention and to investigate the mediating effect of ethical reasoning on such relationships.

1.3   Research Questions

Recent studies suggest whistle-blowing behaviour involves an individual's intention and judgment in ethics (Xu and Ziegenfuss 2008). The theory of planned behaviour (Ajzen 1991, 1988; Ajzen and Fishbein 1985), for example, posits that formation of intention will lead to behavioural action. Since whistle-blowing also involves judgment in ethics (Xu and Ziegenfuss 2008), cognitive moral development theory (Kohlberg 1969) serves as a means to highlight the issue of ethical reasoning (Arnold and Ponemon 1991).

Therefore, this study leverages both planned behaviour and cognitive moral development theories to investigate whistle-blowing intention. Internal locus of control, work experience and ethics training have been selected as predictive variables for whistle-blowing intention. Also, the literature illustrates that ethical reasoning is relevant to the development of ethical behaviour (Jones, Massey, and

Thorne 2003; Hunt and Vitell 1986). Such an argument provides impetus for this study to further investigate the role of ethical reasoning as a mediator.

Ethical reasoning has not been directly theorised as a mediator for the relationship between the predictive variables and whistle-blowing intention. However, researchers believe that ethical reasoning is widely regarded as a key factor in the development of internal locus of control (Cherry and Fraedrich 2000; Forte 2004a, 2004b; Tsui and Gul 1996), work experience (Herington and Weaven 2008; Izzo 2000; Ponemon 1995; Stewart and O'Leary 2006) and ethics training (Bebeau and Thoma 1994; Bebeau 1994; Eynon, Hill, and Stevens 1997; Herington and Weaven 2008). It also is seen as a significant antecedent of whistle-blowing intention (Brabeck 1984; Liyanarachchi and Newdick 2009; Xu and Ziegenfuss 2008).

Accordingly, the research questions developed for this study are:

RQ1:   Do internal locus of control, work experience and ethics training predict whistle-blowing intention?

RQ2:   Does ethical reasoning influence the relationship between the predictive variables (internal locus of control, work experience and ethics training) and whistle-blowing intention?

1.4   Research Objectives

Based on the above research questions, the research objectives of this study are:

RO1:   To explore the predictive variables of whistle-blowing intention.

RO2:   To investigate the role of ethical reasoning in mediating the relationship between the predictive variables and whistle-blowing intention.

RO3:   To assess the relevance of organisational culture and its impact on whistle-blowing intention in the Malaysian context.

The latter research objective (RO3) is based on past research that has identified that supportiveness of organisational culture is associated more with external[5] whistle-blowing than internal whistle-blowing (Miceli, Near, and Dworkin 2008). However, results from a study within Chinese society demonstrate that organisational culture functions as an important variable affecting individual ethical behaviour (Zhang, Chiu, and Li-Qun 2009b). Although organisational culture is not the main focus, this study recognises that organisational culture can be an influencing factor on whistle-blowing intention. Thus, the relevance of this construct will be assessed through its inclusion as one of the control variables, and through qualitative interviews.

From the above research objectives, this study's proposed theoretical framework is as follows:
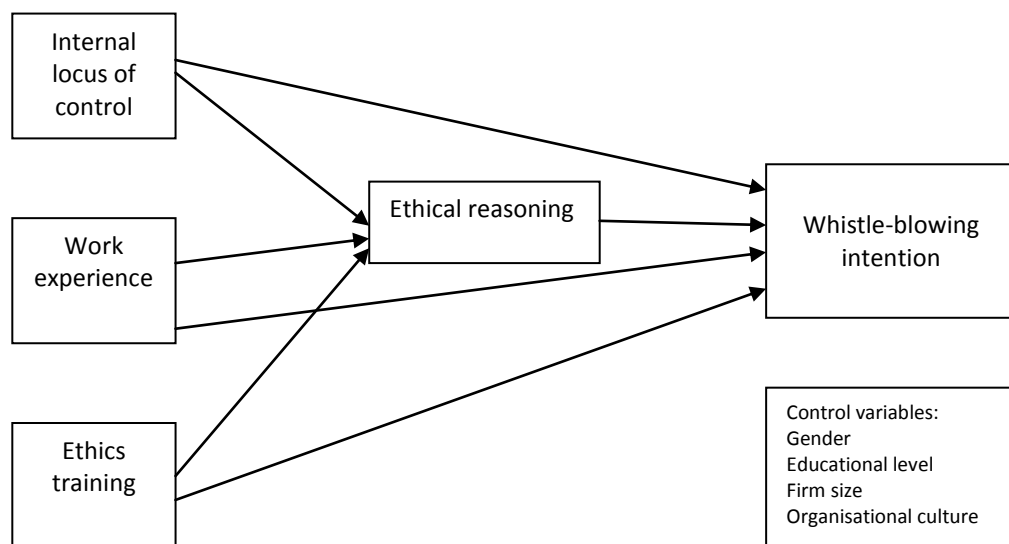
Figure 1.1: Theoretical Framework

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[5] External whistle-blowing refers to voluntary disclosures of wrongdoing made by members of organisations (current or former employees) to parties outside the organisations (e.g., newspapers, electronic media and etc). Whereas, internal whistle-blowing involves voluntary disclosures of wrongdoing to parties within the organisations (Wise 1995).

Figure 1.1 shows the theoretical framework of whistle-blowing intention for this study. The framework consists of a dependent variable or endogenous variable i.e., whistle-blowing intention, and three independent variables or exogenous variables which are internal locus of control, work experience and ethics training. Ethical reasoning acts as a mediating variable for the relationships of all independent variables with whistle-blowing intention. Accounting for confounding effects, control variables include gender, educational level, firm size and organisational culture. These control variables have been proposed by Miceli and Near (1992) as potential influences on whistle-blowing decisions (Barnett, Bass, and Brown 1996; Barton 1995; Regh et al. 2008).

1.5   Significance of the Study

This study contributes to theoretical and managerial knowledge. Overall, this study expands theoretical knowledge, specifically, on whistle-blowing literature with respect to a non-Western context. Also, this study advances methodological approaches by using a mixed-method approach, by using a sample of large manufacturing companies and by using supervisors as respondents, in examining the hypothesised relationships. In addition, from a managerial perspective, this study provides valuable knowledge regarding the management of organisations. This study will contribute important guidelines to Malaysian companies who seek to implement whistle-blowing policies as required by the authorities.

Several theoretical contributions are expected from this study. Firstly, studies regarding whistle-blowing are consistently emerging in a Western context (Park et al. 2008) rather than in relation to an Eastern context (Zhang, Chiu, and Li-Qun 2009a). According to whistle-blowing literature, past studies in Eastern contexts come from China (Bond 1996), South Korea (Park, Rehg, and Lee 2005), Hong Kong (Chiu 2003) and Japan (Fukuyama 1995). Yet, studies within Eastern contexts are needed just as much but, for a country like Malaysia, are hardly ever found (Ponnu, Naidu, and Zamri 2007).

This is important, as many researchers agree that human behaviour is believed to be a result of cultural and social backgrounds and, further, employees in organisations with different socio-economic influences may have different views on what is ethical or what is not (Chen 2001; Chiu and Erdener 2003; Chiu and Kosinski 1999). As argued by Nayir and Herzig (2012), little has been reported about whistle-blowing action taken by employees in non-Western cultures. Therefore, as one of the very few studies investigating whistle-blowing in Malaysia, this study will provide new insights regarding whistle-blowing research in a non-Western context.

Secondly, this study provides further insight into the direct relationship between the predictive variables and whistle-blowing intention. Following the calls of several researchers (Chiu 2003; Herrington and Weaven 2008; Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008), this study investigates the relationships between internal locus of control, work experience and ethics training, and whistle-blowing intention. These antecedent variables have been predicted to be linked to individuals' whistle-blowing intentions (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008).

Previous findings on the relationships between the variables and whistle-blowing intention are still mixed and open for discussion. As argued by Miceli, Near and Dworkin (2008), one reason for the mixed findings is because contingent variables have been omitted. In trying to reconcile such findings, this study proposes that ethical reasoning is a mediating variable. The reasoning for this proposition is based on the fact that Goolsby and Hunt (1992) have found that an individual's ethical reasoning ability is positively associated with the individual's socially responsible behaviour.

Moreover, researchers assume that individual characteristics, such as locus of control, as well as background and knowledge (e.g., work experience and ethics training), will affect their ethical reasoning abilities when faced with ethical dilemmas (Goolsby and Hunt 1992; Thorne 2000). Therefore, this study seeks to advance theory by attempting to resolve the many mixed results of previous findings through the examination of mediated relationships.

Thirdly, the inclusion of ethics training is another contribution to the advancement of theoretical knowledge in whistle-blowing research. This study responds to Jones, Massey and Thorne (2003), who argue that there is likely to be a direct relationship between ethics training and whistle-blowing intention. As mentioned, although ethics training has been considered as an important factor for an individual's decision to whistle-blow (Frisque and Kolb 2008), there is little empirical evidence suggesting such a direct relationship (Jones, Massey, and Thorne 2003; Miceli, Near, and Dworkin 2008). From the perspective of methodology, this study contributes to the knowledge of whistle-blowing research by applying a mixed-method research paradigm (Creswell 2009). In employing such a paradigm (quantitative and qualitative methods), this study expects richer findings for the hypotheses under investigation. The main reason for choosing this paradigm is based on an opinion from Miceli, Near, and Dworkin (2008, p. 31), where 'unfortunately, collecting data from representative samples of whistle-blowers requires holding in abeyance some of the field's most stringent requirements for careful research design. In this instance, we believe that relevance justifies research, with appropriate rigor to the extent feasible'. As argued by Babbie (2004), a mixed-method approach helps to increase the quality, accuracy, validity and reliability of data analysis.

This study uses large manufacturing companies[6] listed under Bursa Malaysia Berhad[7] (BMB) as the sample, which is in line with the requirements imposed by Malaysian authorities for preliminary studies on whistle-blowing in Malaysia (Anwar 2003; Khan 2003). Many researchers agree that large manufacturing companies are an adequate research environment because such companies often incorporate a greater incidence of wrongdoing (Hooks, Kaplan, and Schultz 1994; Lau, Au, and Ho 2002; Ponemon and Gabhart 1994). This study utilised supervisors as its

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[6] Large manufacturing companies refer to manufacturing companies having more than 1000 employees and market capitalization of RM500 million (BMB 2009; FMM 2008).

[7] BMB was formerly known as the Kuala Lumpur Stock Exchange (KLSE), the stockbroking company in Malaysia (BMB 2009).

respondents, which deviates from typical samples used in whistle-blowing studies, for example, students (Wise 1995), internal auditors (Arnold and Ponemon 1991), external auditors (Patel 2003), civil servants (Starkey 1998) and accountants (Shawver and Clements 2008).

Moreover, supervisors were chosen based on their greater likelihood to disclose organisational wrongdoings as they are protected from victimisation and retaliation under Malaysia's whistle-blowing provisions in the Securities Industry (Amendment) Act 2003 (Khan 2003; Mesmer-Magnus and Viswesvaran 2005). Therefore, by using supervisors as respondents, new insights into the function of whistle-blowing action, as an internal control mechanism in Malaysia's organisations, can hopefully be achieved. Finally, from a managerial perspective, this study seeks to contribute to the top management of organisations. As argued by Hooks, Kaplan and Schultz (1994) and Mesmer-Magnus and Viswesvaran (2005), top management, particularly in Malaysia's organisations, may gain from supervisors who are said to be the first parties in an organisation that can be relied upon to receive whistle-blowing complaints. Hence, this situation will enhance any effective internal control mechanism and at the same time stimulate good corporate governance and ethics. As required by the Malaysian authorities, good policies relating to whistle-blowing will be useless if employees feel uncomfortable blowing the whistle (Anwar 2003; Mak 2006; Vandekerckhove and Lewis 2012). In considering this, this study has proposed ethics training as one of the predictive variables under investigation. Ethics training may become one of the elements that should be incorporated into good and effective whistle-blowing policies.

Besides ethics training, this study also focuses on the impact of individuals' ethical reasoning abilities for their whistle-blowing intentions. This can be influenced by the said effective ethics training programs for employees, particularly supervisors. In other words, effective ethics training programs may equip employees or supervisors in organisations to be aware of the occurrence of wrongdoings in organisations. The development of individuals' ethical reasoning abilities and skills via ethics training programs has long been supported by scholars (Jones, Massey,

and Thorne 2003; Trevino, Weaver, and Reynolds 2006). Therefore, this study seeks to determine the effectiveness of ethics training programs, which are predicted to benefit Malaysian organisations, particularly in responding to the mandatory regulation of implementing whistle-blowing policies.

1.6   Definitions of Terms

As presented below, the brief definitions of terminology used in this study are for the purpose of interpreting the concepts presented in this study.

Whistle-blowing

A communication process in which the process itself focuses on voluntary reporting of potential or improper acts by an employee or ex-employee within an organisation to authorities (MacNab and Worthley 2008).

Whistle-blowing intention

The likelihood that organisation members will report illegal or unethical activities to parties in the organisation who are willing and able to take action to correct the wrongdoing (Mesmer-Magnus and Viswesvaran 2005).

Internal locus of control

The beliefs individuals hold regarding the relationship between actions and experienced outcomes (Keller and Blomann 2008).

External locus of control

The belief that outcomes are generally contingent upon the work and effort put into them (Keller and Blomann 2008).

Work experience

The individual's length of time employed by his/her current organisation (Cherry 2006).

Ethics training

The curriculum (education) or programs that provide thoughts and applications of ethics in decision-making processes (Frisque and Kolb 2008).

Ethical reasoning

The decision process that an individual uses to judge whether a course of action is ethically or morally appropriate (Ge and Thomas 2008).

Organisational culture

The ethical environment and values within an organisation that are created via management practices to deter unethical behaviour (Douglas, Davidson, and Schwartz 2001).

1.7   Organisation of the Thesis

The present chapter introduces the central theme of this study in the context of its background, research questions, objectives and significance. Also, the chapter provides brief definitions of the terms used in this study. A brief description of the subsequent chapters is as follows:

Chapter 2: The literature review supplies the theoretical background and identifies gaps that lead to the conceptual framework of this study. Also, there is a review of previous literature on the constructs used in this study.

Chapter 3: The conceptual framework that was developed in Chapter 2 is described and used to develop the theoretical framework and hypotheses that form the basis of this study.

Chapter 4: The chosen research paradigm employed in this study is illustrated. Also, this chapter describes the research process, research design, instrument development, pilot study and data collection procedures.

Chapter 5: Structural equation modelling (Analysis of Moment Structures or AMOS) as well as focus group interviews (NVivo 8 software program) are used to analyse both quantitative and qualitative data respectively. The results are presented in forms of both statistical (quantitative) and thematic (qualitative) analyses.

Chapter 6: Finally, this chapter summarises the findings, discusses the implications, describes the limitations of this study and suggests directions for future research.

CHAPTER 2

LITERATURE REVIEW

2.1   Introduction

This chapter explores the theoretical underpinnings and empirical studies related to whistle-blowing intention. Following this section, section two provides an overview of the term whistle-blowing. Sections three to five provide explanations of the main theory used in the thesis. Section six gives a detailed explanation of ethical reasoning as the chosen cognitive aspect. Section seven supplies evidence for treating ethical reasoning as a mediator. Section eight presents reviews of prominent whistle-blowing studies within the Western context, Asia and Malaysia. Section nine highlights the gaps for continuing the study on whistle-blowing. Finally, a short summary concludes the chapter.

2.2   An overview of the term whistle-blowing

The term 'whistle-blowing' was first used in 1963 to address the act performed by Otto Otopeka, who provided evidence concerning security risks to the chief counsel of United States Internal Security (Hersh 2002). According to Strader (1993), the term whistle-blowing is derived from English policemen blowing their whistles to alert people to criminal acts. Despite having no specific definition, scholars have attempted to provide definitions for the term 'whistle-blowing' in their own ways (Greene and Latting 2004). According to Mesmer-Magnus and Viswesvaran (2005), many scholars were fond of using the definition provided by Near and Miceli (1985):

'the disclosure by organisation members of an employer's illegal, immoral, or illegitimate practices that are under the control of their employers to persons or organisations who may be able to effect action' (Near and Miceli 1985, p. 4).

Considering the above definition, there are several points that need to be understood. Firstly, organisation members are employees or ex-employees from an organisation and not from outside the organisation. Secondly, the act of whistle-blowing involves voluntary disclosure of wrongdoing committed by individuals within an organisation. Lastly, the word whistle-blowing itself covers both internal and external whistle-blowing actions. Internal whistle-blowing involves voluntary disclosure of wrongdoing to parties within the organisation, whereas external whistle-blowing involves voluntary disclosure of wrongdoing to parties outside the organisation.

Whistle-blowing has been defined in several ways by scholars recently. However, definitions are still largely derived from Near and Miceli's definition of whistle-blowing (Ahmad 2011). For example, a study by Susmanschi (2012) defines whistle-blowing as 'the decision to blow the whistle regarding illegal/improper situations, lies in the person's judgment, based on considerable motivations whether altruistic or personal'.

Briefly, the definition of whistle-blowing describes a communication process in which the process itself focuses on voluntary reporting of potential or improper acts by an employee or ex-employee within an organisation to authorities (MacNab and Worthley 2008). Others refer to the term 'whistle-blowing' as allegations made by employees (whether present or former employees) within organisations, and thus, this term distinguishes allegations made by insiders from those made by outsiders of organisations (Rocha and Kleiner 2005).

2.3   Theory of Planned Behaviour

The theory of planned behaviour was proposed by Ajzen (1985). According to the theory, the way an individual will behave can be predicted from the individual's behavioural intentions which, in turn, can be predicted from the individuals' relevant attitudes and beliefs. Unlike Ajzen and Fishbein's (1980) theory of reasoned action, Ajzen's (1991) theory of planned behaviour has considered an additional element of perceived behavioural control. Therefore, there are three

elements for consideration, including attitude, subjective norms and perceived behavioural control (Figure 2.1).

These three elements are necessary to determine an individual's behavioural intention. Therefore, in predicting whistle-blowing intention as postulated in this thesis, the variables under study are internal locus of control, work experience, and ethics training. These variables are derived from the theory of planned behaviour, as will be discussed in this chapter.
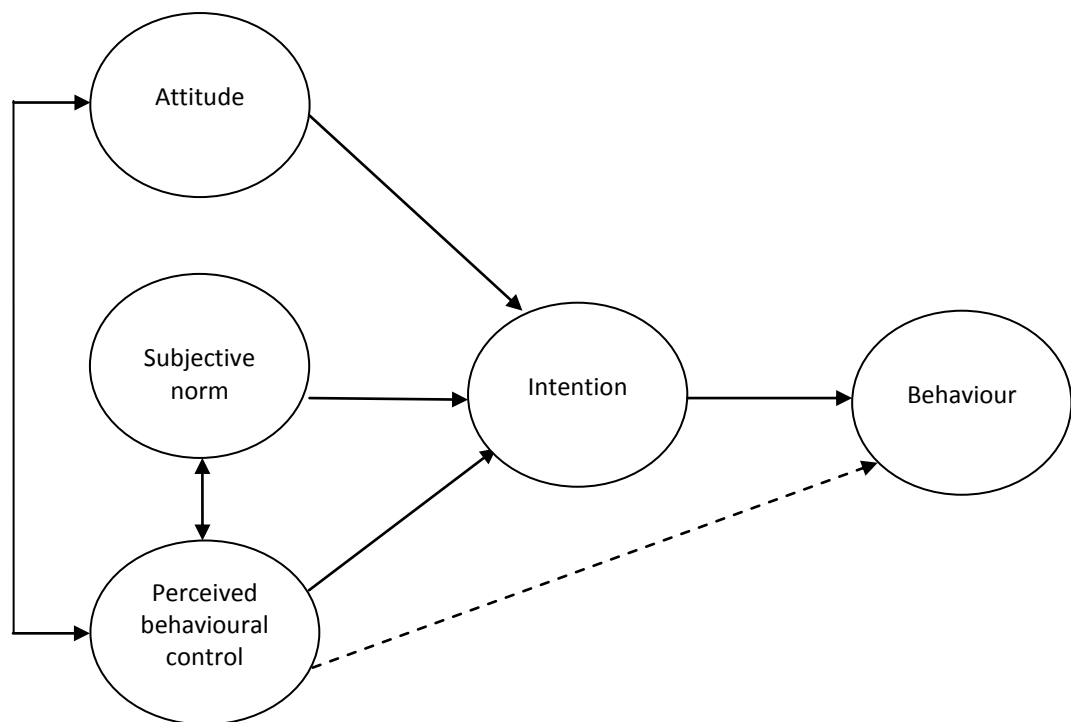
Figure 2.1: Theory of planned behaviour. Adapted from Ajzen (1991)

According to Demetriadou (2003), the theory of planned behaviour proposes that an individual's behavioural intention is a weighted additive function of three elements; namely, the individual's attitude, subjective norms and perceived behavioural control. Chiu (2003) defines all the elements respectively as such: the individual's attitude is the individual's judgment of that behaviour, subjective norm is the individual's perceived acceptability of that behaviour, and perceived behavioural control is the individual's perception of the difficulty level of

performing that behaviour. Therefore, an individual will exercise his/her behavioural intention depending upon his/her attitude, subjective norm, and perceived behavioural control. This suggests that the three elements are inter-related in constituting behavioural intention.

2.4   Theory of Planned Behaviour and Whistle-blowing Intention

The theory of planned behaviour has been shown to be an effective theoretical framework for predicting intentions of ethical behaviour (Buchan 2005; Chang 1998; McMillan and Conner 2003; Randall and Gibson 1991). In addition, Gundlach et al. (2003) argued that the theory of planned behaviour seems particularly suitable for explaining whistle-blowing intention. Moreover, 'Ajzen's theory of planned behaviour has been widely accepted as a tool to analyse differences between attitude and intention as well as intention and behaviour' (Park and Blenkinsopp 2009, p. 3).

Since the endogenous (dependent) construct of this study is whistle-blowing intention rather than actual whistle-blowing action, the issue of behavioural intention needs to be understood. According to Ajzen's (1991) theory of planned behaviour, 'behavioural intention is a good predictor of actual behaviour' (Chiu 2003, p. 66). Ajzen (1991) claims that the best predictor of behaviour is intention; he further adds that intention is the cognitive representation of an individual's readiness to perform a given behaviour, and it is considered to be the immediate antecedent of behaviour. Therefore, a behavioural intention is the subjective probability that an individual assigns to the likelihood that a given behavioural alternative will be chosen (Ajzen 1991; Hunt and Vitell 1986).

Hence, the decision to study whistle-blowing intention rather than actual whistle-blowing is due to the impossibility and difficulty of carrying out investigations of unethical conduct in the workplace by first-hand observation (Victor, Trevino, and Shapiro 1993). However, a study of restaurant employees in the fast food industry has provided evidence that behavioural intention correlates with peer reporting of unethical behaviour (Victor, Trevino, and Shapiro 1991).

2.5   Ajzen's (1988) Model of Planned Behaviour

Having explained the general view of the theory of planned behaviour in Figure 2.1, the extension of the theory can referred to Ajzen's (1988) model of planned behaviour. The Ajzen's (1988) model of planned behaviour describes the underlying assumptions that people act in accordance with their beliefs and available information. According to Ajzen and Madden (1986), people's intentions and performance of a specific behaviours are related to the appropriate opportunities or adequate resources (e.g., time, money, skills, cooperation of other people, etc.) available to them.

Ajzen's (1988) model of planned behaviour considers all three elements: attitude, subjective norm and perceived behavioural control. These elements are considered to be antecedents of behavioural intention. However, the elements are subjected to their determinants (behavioural belief, normative belief and control belief, respectively). The determinants become the intervening variables that mediate the relationship between external stimuli and behavioural intention.

The external stimuli refers to antecedent variables external to the primary model that include individual characteristics such as locus of control and demographic or background variables. These variables have been postulated in the existing literature to influence whistle-blowing behaviour through their effects on the perceived efficacy of whistle-blowing behaviour, among other factors (Miceli et al. 2001).

All three elements of Ajzen's (1991) theory of planned behaviour - attitude, subjective norm and perceived behavioural control - have been linked to the predictive variables used in this study. Precisely, the link between the elements in the theory with the chosen predictive variables can be supported by Ajzen's (1988) model of planned behaviour. There is considerable evidence in support of the model's use via research conducted in a variety of experimental and naturalistic settings (Ajzen and Madden 1986; Beck and Ajzen 1991).

A report from several studies by Ajzen (1988) reveals multiple correlations ranging from 0.73 to 0.89 in the investigation of the link between intention as the dependent variable and both attitudes toward, and subjective norms relative to, behaviour as the independent variables. Moreover, other studies have confirmed a high correlation of attitudes and subjective norms with behavioural intention, and subsequently to actual behaviour (Ajzen 2002; Armitage and Mark 2001; Rhodes and Courneya 2003).

Moreover, all the elements within the theory that constitute an individual's behavioural intention have been argued to be affected by antecedent variables external to the model (Ajzen 1988). Several of these antecedent variables in the model have been identified as strongly affecting an individual's whistle-blowing intention for the purpose of the investigation in this study. As mentioned, the variables are internal locus of control, work experience and ethics training. Further, these selected antecedent variables, external to the model, will be explained later under this sub-section. Thus, Ajzen's (1988) model of planned behaviour is shown as follows:
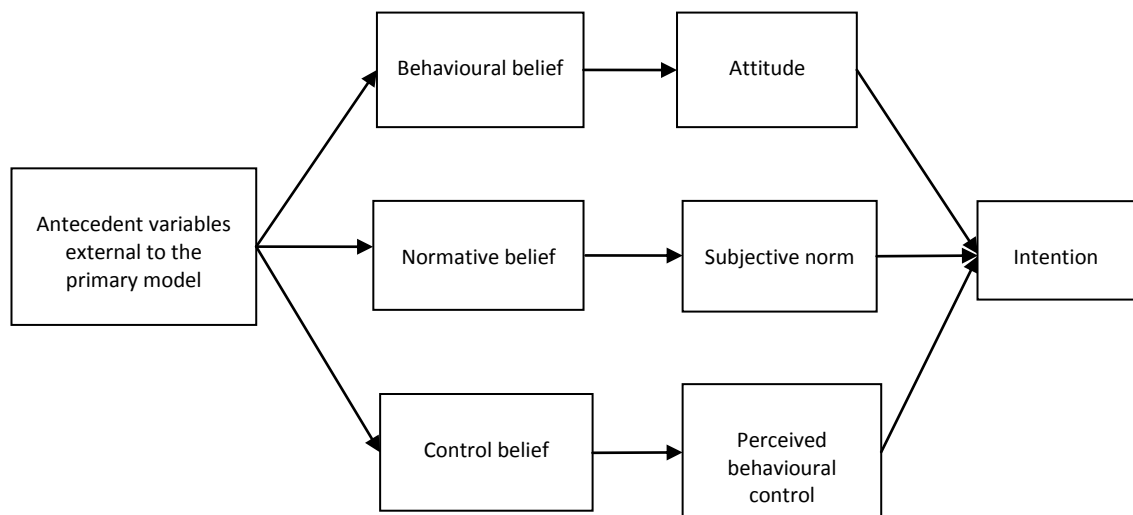
Figure 2.2: Model of Planned Behaviour. Adapted from Ajzen (1988)

2.5.1 Attitude and Behavioural Belief

According to Ajzen and Fishbein (1980) and Ajzen (1988), the first element under Ajzen's (1988) model of planned behaviour is attitude, which means an individual's intention to perform a given behaviour. Toward a given behaviour, attitude is comprised of behavioural beliefs (i.e., beliefs about the probability of occurrence of certain consequences of performing the behaviour in question), each of which is multiplied by the individual's evaluation of the consequences. Therefore, the sum of all the (expectancy) x (value) products yields the individual's attitude toward the behaviour in question.

Research conducted by Miceli and Near (1984) has indicated that whistle-blowers are more likely to believe that whistle-blowing actions are desirable when compared with inactive observers or non-observers of wrongdoing. However, Miceli and Near (1992) argue that the cause-effect relationship of whistle-blowing action demonstrated by Miceli and Near (1984) is not conclusive. They state that 'while values and beliefs predict whistle-blowing, their effects, in general, are weaker than are those of situational variables concerned with the particular incident of wrongdoing' (Miceli and Near 1992, p. 114).

According to the theory of planned behaviour, general measures of attitudes, beliefs or values (e.g., whether whistle-blowing is desirable) will weaken the relationship between the prediction of whistle-blowing intention and actual behaviour in a specific situation. This is because such general measures can only predict behavioural predispositions or overall patterns of behaviour (Ajzen and Fishbein 1980). Ajzen and Fishbein (1980, p. 27) state that such general measures 'are of little value if we are interested in predicting and understanding some particular action with respect to the object'.

Both Ajzen and Fishbein (1980, p.27) further argue that 'any behavioural criterion can be predicted from attitude – be it a single action or a pattern of behaviour – provided that the measure of attitude corresponds to the measure of behaviour'. Clearly, there is a limitation that can be overcome by assessing individuals' attitudes

toward specific behaviour and not the general behavioural category. Moreover, the word 'correspond' in the quote refers to the concept of obtaining accurate indices of relationships between predictors and criteria. In other words, the measures used to assess these variables have to match each other in their level of specificity or generality in terms of target, action, context and time (Ajzen and Fishbein 1980).

If there is a lack of correlation between the four elements in assessing the relationships, it would likely reduce the accuracy of prediction (Ajzen and Fishbein 1980). Ajzen and Fishbein (1980) concluded that the strength of prediction is dependent upon several factors, including the temporal proximity of obtaining predictor and criterion measures. The longer the lapse of time between assessing intentions and actual behaviour, the lower is the observed relationship between intention and behavior in the presence of unexpected events.

2.5.2 Subjective Norm and Normative Belief

The second element of an individual's intention to perform a given behaviour is subjective norm (Figure 2.2). Subjective norm regarding a given behaviour comprises of normative beliefs (i.e., beliefs about what significant others think an individual should do), each of which is multiplied by the individual's motivation to comply. Therefore, the product of (expectancy) x (value) yields the individual's subjective norm.

The assessment of both attitude and subjective norm corresponds to the underlying assumptions of the major theoretical frameworks employed to explain the relationship between various factors and whistle-blowing behaviour (Sheppard, Hatwick, and Warshaw 1998). For example, according to expectancy theory, the force for individuals' whistle-blowing actions in organisations is a function of the individuals' expectancies (i.e., perceived likelihood). The whistle-blowing actions by individuals are based on certain desirable outcomes (e.g., correction of the wrongdoing or managerial attention to their complaints) (Demetriadou 2003).

Within Ajzen's (1988) model of planned behaviour (Figure 2.2), the expectancy theory perspective is incorporated into both behavioural and normative beliefs of individuals in relation to whistle-blowing in general. The perspective is used in the measurement of both the strength of each behavioural belief and the normative beliefs. However, the expectancy theory perspective does not hold a counter-argument against a high relationship between behavioural intention and actual behaviour because results of some studies do not show that behavioural intention always leads to actual behaviour (Schifter and Ajzen 1985).

Since behavioural intention cannot be the exclusive determinant of actual behaviour, researchers have argued that an individual's control over the behaviour is incomplete (Ajzen 1991; Ajzen and Fishbein 1985). Research findings have indicated that, for certain cases in which target behaviour is difficult, an individual's feelings of perceived control over the behaviour add substantially to the prediction of intention and behaviour (Ajzen and Madden 1986). Hence, the third element of perceived behavioural control has been proposed and included in Ajzen's (1988) model of planned behaviour. Thus, as a general rule, the more favourable the attitude and the subjective norm, and the greater the perceived control, the stronger should be the individual's intention to perform the behaviour in question.

2.5.3 Perceived Behavioural Control and Control Beliefs

According to the theory of planned behaviour, the final element of perceived behavioural control 'refers to the perceived ease or difficulty of performing the behaviour and it is assumed to reflect past experience as well as anticipated impediments and obstacles' (Ajzen 1988, p. 132). Perceived behavioural control for a given behaviour is comprised of control beliefs and an individual's behavioural control. 'Control beliefs' refers to an individual's beliefs about the presence of factors that may facilitate or impede performance of the behaviour (Ajzen 2002). Thus, perceived behavioural control is determined by the total set of accessible control beliefs.

Within Ajzen's (1988) model of planned behaviour, beliefs about resources and opportunities may be viewed as being the determinants of perceived behavioural control. The beliefs about resources and opportunities may be based on past experience with the behaviour under investigation. However, the beliefs may also be influenced by indirect information about the behaviour, experiences of other relevant individuals or by other factors that may increase or reduce the perceived difficulty of performing the behaviour of interest (Ajzen and Madden 1986).

Within whistle-blowing studies, the concept of perceived behavioural control allows for the incorporation of a number of variables. These variables have been postulated to affect an individual's decision to report observed organisational wrongdoing. As an example, under power-dependence theory, whistle-blowing is viewed as a political behaviour (Farrell and Peterson 1982). Perceived power[8] will affect both the observer's decision to whistle-blow and the organization's response to both the reporter and the reported wrongdoing. However, according to Emerson (1962), the observer's decision to whistle-blow will likely be affected by the observer's degree of dependence on the organisation and the availability of alternative resources.

For example, from Emerson's (1962) postulate, researchers have hypothesised that whistle-blowing occurrence will be higher when alternative job opportunities are perceived by the observer as both available and acceptable (Miceli and Near 1985). Therefore, within Ajzen's (1988) model of planned behaviour, these variables (perceived power and perceived job opportunity) can be determined using the concept of perceived behavioural control, which considers an individual's beliefs about resources and opportunities available in an organisation.

Many recent studies involve the usage of the theory of planned behaviour in highlighting an individual's attitude, subjective norm, and perceived behavioural

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[8] Perceived power has been defined as the inverse of dependence (Emerson 1962).

control for predicting the individual's intention (Damron-Martinez, Presley, and Zhang 2013; Pickett et al. 2012). For example, a concluding remark made by Pickett et al. (2012, p. 339), states that "Ajzen's theory of planned behaviour maintains that an individual's behaviour can be predicted based on attitudes, subjective norms, perceived behavioural control, and especially, intentions".

2.5.4 Antecedent Variables External to the Primary Model

According to Ajzen (1988), 'antecedent variables external to the primary model' refers to variables that influence an individual's intention to perform a given behaviour. The variables include demographics, personality characteristics and situational variables. The theory of planned behaviour does not deny that such variables are influential in shaping the behavioural, normative and control beliefs an individual holds. Thus, such variables will influence the individual's attitude, subjective norm and perceived behavioural control in the intention to perform the target behaviour.

Among the antecedent variables within the theory, two individual variables are selected from Miceli and Near's (1992) model of whistle-blowing decision-making: internal locus of control and work experience (years of service). These variables have been postulated, in the existing literature, to influence the individual's whistle-blowing behaviour (Miceli et al. 2001). However, the relationships between the variables and whistle-blowing intention still remain inconclusive in their findings. Another individual variable is ethics training, which this study considers, based on the work of Jones, Massey and Thorne (2003).

2.6   Cognitive Moral Development Theory

Piaget (1932), Kohlberg (1958) and Rest (1986a) have been seminal researchers advancing the field of cognitive moral development (Daniels 2009). Cognitive moral development "refers to a set of assumptions and research strategies that are common to a variety of specific theories of social and cognitive development" (Galla 2007, p. 22). Through the work of Piaget, Kohlberg and Rest, an individual's stages

of moral development have been proposed and linked to theories about development of moral principles (Galla 2007).

Cognitive development theory has been widely accepted by recent scholars in determining individuals' moral principles (Jordan et al. 2013; Roberts and Wasieleski 2012). For example, a study by Jordan et al. (2013) indicates that individuals who are ethical reasoners are likely to stand out as ethical role models. Findings from another study by Roberts and Wasieleski (2012) demonstrate that individuals with ethical reasoning are more able to differentiate between positive and negative behaviours.

In examining cognitive moral development theory, this study focuses only on the studies by Kohlberg and Rest. The main reason is that the variable under examination (ethical reasoning) may be well explained by referring to Kohlberg's and Rest's studies. This has been justified by Shaub (1994), where theory development in the area of moral reasoning[9] is generally credited to Piaget (1932), however, research within the past three decades has largely risen out of the work of Kohlberg (1958, 1969) and Rest (1979a, 1994).

2.6.1   Psychology of Ethical Reasoning

Drawing from the field of cognitive moral development posited by Kohlberg (1969), and originally based on Piaget's theory (Piaget 1932, reprint 1966), the psychology of ethical reasoning provides a theory to explain the human decision-making process prior to ethical behaviour. According to Arnold and Ponemon (1991, p. 4), "the theory is concerned with the process that individuals follow in making decisions and not with the moral philosophy of what is right or wrong". Within the cognitive moral development theory, ethical reasoning is based on decision-making through the development of an individual's problem-solving skills (Izzo 2000).

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[9] The terms ethical reasoning and moral reasoning are used interchangeably as commonly found in prior behavioural ethics research (Trevino, Weaver, and Reynolds 2006).

Kohlberg (1981) believed that cognitive moral development theory combines moral philosophy with cognitive psychology in making the assertion that an individual's cognitive development is a prerequisite for the individual's moral reasoning. In short, cognitive moral development theory is about the cognitive processes that an individual uses in making decisions between right and wrong, depending on the individual's level of ethical reasoning. According to Forte (2004a), Kohlberg's theory of cognitive moral development discusses the cognitive process that underlies the reasoning used by an individual to justify ethical decisions.

Further, cognitive moral development theory proposes that the level of an individual's ethical reasoning ability is closely linked to the individual's chosen action and the chosen action is likely to be more ethical as the level of ethical reasoning increases (Kohlberg 1976). In this case, the level of ethical reasoning will determine an individual's ethical reasoning ability (Herington and Weaven 2008). Ethical reasoning ability is measured by the six different stages of cognitive moral development and is classified under the three levels of moral development; namely, pre-conventional, conventional, and post-conventional (Colby and Kohlberg 1987). Thus, the six stages of cognitive moral development are shown and explained in the following table (Table 2.1).

Table 2.1: Six Stages of Cognitive Moral Development. Adapted from Rest and Narveaz (1994)

Pre-conventional level	
Stage 1	Obeying rules and authority, avoiding punishment, and not doing physical harm.
Stage 2	Serving one's own or others' needs and making fair deals in terms of concrete exchange.
Conventional level	
Stage 3	Playing a good (nice) role, being concerned about other people and their feelings, keeping loyalty and trust with partners, and being motivated to follow rules and expectations.
Stage 4	Doing one's duty in society, upholding the social order, and maintaining the welfare of the society or the group.
Post-conventional level	
Stage 5	Upholding the basic rights, values and legal contracts of a society, even when they conflict with the concrete rules and laws of the group.
Stage 6	Assuming guidance by universal ethical principles that all humanity should follow.

Table 2.1 shows the six stages of cognitive moral development that describes the three levels of an individual's ethical reasoning. In summary, at the pre-conventional level, an individual will resolve an ethical dilemma based on the immediate cost and/or benefit of the individual's ethical action. At the conventional level, an individual's resolution is based on avoidance of harm to others who belong to that society. Finally, at the highest level (the post-conventional level), an individual makes moral decisions based on reasoning springing from universal ethical principles held by the individual. Kohlberg's (1969) cognitive moral development theory is important, because the stages are organised in line with an individual developmental process (Xu and Ziegenfuss 2008). Moreover, the theory has been widely used in many studies in various parts of the world (Rich and DeVits 1994).

On the other hand, to measure ethical reasoning ability, Kohlberg (1969) developed his own instrument called the Moral Judgment Interview (MJI). According to Kohlberg (1969), the MJI would determine the level of an individual's ethical reasoning, and thus be able to describe the individual's ethical reasoning ability in relation to the six stages of cognitive moral development. However, Kohlberg's (1969) work in introducing the MJI also provided the foundation for the work of James Rest. Rest (1986a) realised that methodological improvements would be needed because the MJI was considered a very detailed interviewing and scoring method, which was potentially problematic for research purposes.

At that time, the guide for scoring Kohlberg's MJI was over 800 pages in length. Rest recognised the need for a valid and reliable instrument to assess moral judgment in accordance with Kohlberg's stages (Rest et al. 1999; Rest 1979a, 1979b). Therefore, in developing a valid, reliable instrument to measure ethical reasoning, Rest (1979a) proposed a four-component model that describes the process most individuals use in ethical decision-making behaviour. Lapsley (1996) concluded that Rest's four-component model may be necessary 'to improve our understanding of ethical reasoning' (Lapsley 1996, p. 105). According to Lampe and Finn (1992), Rest's four-component model depicts how Kohlberg's (1969) cognitive structures combine to

lead to one's reasoning processes when presented with an ethical dilemma. This is shown in Table 2.2 as follows:

Table 2.2: Rest's Four-component Model of Moral Action. Adapted from Thorne (1997)

Psychological process	Outcomes
I. Moral sensitivity	Identification of a moral dilemma
II. Prescriptive reasoning	Moral judgment of the ideal solution to the moral dilemma
III. Deliberative reasoning	Intention to comply or not comply with the ideal solution
IV. Moral character	Moral action or behaviour

Table 2.2 shows Rest's four-component model of moral action, which describes an individual's psychological processes that are used for ethical reasoning when given an ethical dilemma. Moreover, Rest (1979a) provides the outcomes for each process when an individual is presented with the dilemma. In short, Lampe and Finn (1992, p. 36) summarised Rest's four-component model as follows:

I.   Moral sensitivity

The person must be able to make some sort of interpretation of the particular situation in terms of what actions are possible, who would be affected by each course of action, and how the interested parties would regard such effects on their welfare.

II.   Prescriptive reasoning

The person must be able to make a judgment about which course of action is morally right (or fair, just or morally good), thus labelling one possible action as what a person ought to do in that situation.

III.   Deliberative reasoning

The person must give priority to moral values above other personal values such that there is an intention to do what is morally right.

IV.   Moral character

The person must have sufficient perseverance, ego strength and implementation skills to be able to follow through on his or her moral intention, to withstand fatigue, and to overcome obstacles.

With the above extension of Kohlberg's work on cognitive structures, Rest (1979a) proposed another instrument, the Defining Issues Test (DIT) for measuring ethical reasoning ability. The DIT is the most widely-accepted instrument to measure ethical reasoning ability (Gibbs and Widaman 1982; Goolsby and Hunt 1992; Narvaez and Bock 2002; Rest 1986a; Rest et al. 1999). Rest (1979a) states that the DIT provides greater scoring reliability than the MJI. Recently, Narveaz and Bock (2002) claimed that the DIT overcomes issues related to the ability to articulate one's reasoning.

2.6.2   Defining Issues Test (DIT)

The purpose of the Defining Issues Test (DIT) is to measure the way people think about issues dealing with social justice, i.e., their ethical reasoning when facing ethical dilemmas. One's ethical reasoning can be determined using scores from the DIT. DIT research is based on the assumption that 'developmental stages of moral judgment involve distinctive ways of defining social dilemmas and of evaluating crucial issues in them' (Rest 1979a, p. 85). In this study, an individual's ethical reasoning is measured using the widely-used short version of Rest's (1979a, 1979b) DIT. The original DIT has remained unchanged for over twenty years and is cited in over 400 published articles (Rest et al. 1999).

The original DIT consists of a series of short standardized vignettes relating to general social dilemmas (Herrington and Weaven 2008). The full version of the DIT contains six vignettes; however, this study utilizes a shorter version, i.e., a three-vignette version. This shorter version is popular among researchers, particularly because there is a concern regarding likely response rates (e.g., Goolsby and Hunt (1992); Ho et al. (1997); Eynon et al. (1997); Bay and Greenburg (2001); Early and

Kelly (2004)). The details of the shorter version of the DIT are explained in Chapter 4 (Research Method).

2.7   Ethical Reasoning as a Mediator

Ethical reasoning has been proposed to act as a mediator for the relationships between the predictive variables and whistle-blowing intention in this study. According to Izzo (2000, p. 121), an individual's ethical reasoning ability develops 'as the individual develops, gaining experience and autonomy, and producing relationships that are based on mutual reciprocity giving rise to the emergence of subjective responsibility'. Further, Izzo (2000) posits that an individual's belief, experience from working and training in ethics are important elements for the growth of the individual's ethical reasoning ability. Therefore, such elements may affect an individual's ethical reasoning ability and, thus, this enables the individual's propensity to act ethically (Izzo 2000).

Such ethical reasoning ability is not directly theorised as a mediator between Izzo's (2000) proposed elements (i.e., internal locus of control, work experience and ethics training, under study) and whistle-blowing intention. However, researchers believe that ethical reasoning is not only widely regarded as a key benefit of internal locus of control (Cherry and Fraedrich 2000; Forte 2004a, 2004b; Tsui and Gul 1996), work experience (Herington and Weaven 2008; Izzo 2000; Ponemon 1995; Stewart and O'Leary 2006) and ethics training (Bebeau and Thoma 1994; Bebeau 1994; Eynon, Hill, and Stevens 1997; Herington and Weaven 2008), but also is a significant antecedent of whistle-blowing intention (Brabeck 1984; Liyanarachchi and Newdick 2009; Xu and Ziegenfuss 2008).

For example, Cherry and Fraedrich (2000) provide empirical evidence for the importance of ethical reasoning in an individual's decision-making process. Their study uses sales managers, and examines the utility of locus of control to predict the managers' ethical reasoning, and its effect on ethical decision-making. Results

indicate that managers with external locus of control attach greater importance to teleological[10] reasoning. However, managers with internal locus of control form their ethical judgments and behavioural intentions based on their deontological[11] reasoning.

A study by Forte (2004a) investigates the degree to which there are differences in the ethical reasoning ability of various managers in selected industries. In determining the relationship between a manager's locus of control and their ethical reasoning ability, she concluded that corporations may seek to hire individuals with an internal locus of control in order to try to ensure an environment of moral maturity. In fact, a similar proposal has been put forward by Forte in her other study of ethical reasoning on the relationship between an individual's locus of control and ethical reasoning ability (Forte 2004b).

In strengthening her argument regarding locus of control and the ethical reasoning of managers, Forte (2005) conducted another study of the relationship between managers' loci of control and their ethical reasoning in conjunction with their personalities. The result remains the same. Forte concludes that 'when employees perceive that locus of control resides internally they themselves decide what is appropriate behaviour, but with an external locus of control, employees will look at others to decide their appropriate behaviour' (Forte 2005, p. 67).

Similarly, a study by Tsui and Gul (1996) investigated the interaction effects of locus of control, a personality variable and ethical reasoning on the behaviour of eighty experienced auditors from a sample of Big Six and Non-Big Six CPA firms in Hong Kong. An implication from the results explicitly recognises both internal locus of

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[10] Teleological theory holds that certain actions are right because they have positive consequences in terms of the various goods humans desire: for example, happiness, friendship, economic outcomes and the traditional notion of the common good (Finnis 1988).

[11] Deontological theory stresses that the inherent rightness of an act arises from the premise that certain actions are correct in and of themselves because they stem from fundamental obligations or duties (Ashmore 1987).

control and ethical reasoning of the auditors as ingredients in responding to clients' requests and audit conflict situations for ethical decision-making.

Briefly, Kohlberg (1976, 1978) believed that an individual's internal locus of control is a significant determinant of his/her ethical reasoning ability. As argued by Granitz (2003), an individual who shares in his/her internal locus of control is more likely to share in his or her ethical reasoning and moral intent. Thus, empirical research examining the effect of internal locus of control as a key determinant of an individual's ethical reasoning and moral intent has also demonstrated it to be an excellent predictor of the individual's ethical behaviour (Granitz and Ward 2001).

On the other hand, an empirical study by Herington and Weaven (2008) using cluster analysis showed the impact of an individual's work experience in relation to his or her ethical reasoning ability in an organisation. Herington and Weaven (2008) suggested that there is a need to explore further the nature of the mediating influence of ethical reasoning in response to the relationship between an individual's work experience and ethical behaviour such as whistle-blowing.

Further, Izzo (2000) investigated the ethical reasoning of real estate practitioners by applying Kohlberg's cognitive moral development approach. The findings suggest that cognitive moral development is a significant indicator, along with education and experience, for success in real estate. This suggests that a practitioner's work experience will likely enhance his/her ethical reasoning ability in making ethical judgments for organisational disciplines.

Considering other respondents, like accountants, Ponemon (1995) examined accountants' objectivity when serving as litigation specialists and expert witnesses in legal cases. By employing litigation specialists and auditors from two firms, Ponemon (1995) used the DIT as a psychometric instrument for practitioners' ethical reasoning abilities. The results showed that work experience coupled with ethical reasoning reduces the extent of bias in litigation support judgments.

A study by Stewart and O'Leary (2006) explores the ethical reasoning of internal auditors and examines the impact of other corporate governance mechanisms on their ethical sensitivity and judgments. They also explore whether ethical reasoning is influenced by years of experience in internal auditing. With a sample of sixty-five internal auditors, the results indicate that years of experience (work experience) has some influence on ethical reasoning.

In short, researchers believe that individuals' perceptions of ethical behaviour, such as whistle-blowing, do not depend on their work experience alone (Ponemon 1992). As argued by Arnold and Ponemon (1991), individuals with relatively low levels of ethical reasoning as measured by DIT scores were unlikely to use whistle-blowing as a means for disclosing wrongdoing. Thus, an individual's work experience influences his/her stage of ethical reasoning in explaining behaviour in the face of ethical crises within organisations (Sridhar and Camburn 1993).

For ethics training, a study by Bebeau and Thoma (1994) shows that fourth-year medical students' ethical reasoning skills improved after ethics training programs. Also, Bebeau (1994) concluded that a dental ethics curriculum encompassing ethical reasoning had made students aware of ethical behaviour and conduct when faced with ethical dilemmas.

In addition, Eynon, Hill, and Stevens (1997) support ethics training because it provides a significant positive effect on accounting students' ethical reasoning scores. Herington and Weaven (2008) agree with Eynon, Hill and Stevens (1997) that researchers and practitioners should consider ethics training as a means to enhance individuals' ethical reasoning abilities and skills.

As argued by Andreoli and Lefkowitz (2008), the importance of promoting ethical behaviour among employees within organisations is necessary to decrease any misconduct, and hence uphold ethical standards. The researchers believe that this can be done through ethics training programs, because such programs will increase ethical reasoning abilities among employees when faced with ethical challenges (Andreoli and Lefkowitz 2008). Moreover, Callan (1992) has shown such a

statement to be true via his study which predicted that ethics training is needed in ensuring employees' ethical values.

From another point of view, ethical reasoning has been argued by many researchers to play a significant role in the whistle-blowing process (Gundlach, Douglas, and Martinko 2003). The closest study that examines the relationship between ethical reasoning and whistle-blowing intention may come from Brabeck (1984). This study suggests that an individual's ability to resolve or interpret an ethical dilemma is affected by his or her ethical reasoning and, thus, this will lead to his or her intention to perform ethical actions.

Another study by Liyanarachchi and Newdick (2009) examines, experimentally, the effect of retaliation strength and accounting students' levels of ethical reasoning on their propensity to whistle-blow on serious wrongdoing. The results show that there is a significant effect on the relationship between the students' ethical reasoning levels and their propensity to whistle-blow on the wrongdoing.

Similarly, a study by Xu and Ziegenfuss (2008) investigates the issue of whistle-blowing behaviour among internal auditors when preparing financial information. The study examines the likelihood of auditors to disclose wrongdoing with respect to reward systems such as cash incentives or employment contracts. The results reveal that the internal auditors with lower levels of ethical reasoning are more sensitive to cash incentives.

In summary, according to Ponemon and Gabhart (1994), ethical reasoning research in accounting and auditing is important for development of professional ethics in order to maintain a good image and reputation. This is because 'the ethical reasoning process is part of the individual's overall moral consciousness from which he or she deals with difficult conflicts or dilemmas in everyday practice' (Xu and Ziegenfuss 2008, p. 325). Moreover, there are increasing numbers of studies that focus interest on ethical issues in accounting and auditing from the aspect of cognitive moral development theory (Louwers, Ponemon, and Radtke 1997).

2.8 Previous Empirical Studies Regarding Whistle-blowing

2.8.1 Studies of Whistle-blowing in the Western context

As mentioned, whistle-blowing is not uncommon in countries such as the United States, the United Kingdom, Canada, Europe and Australia. Hence, according to Demetriadou (2003, p. 4), 'there has been a fair amount of literature on the topic of whistle-blowing over the past two decades by a quite diverse group of individuals, including journalists, attorneys, government agencies and academicians from a variety of backgrounds'. Therefore, this study has chosen the most prominent whistle-blowing studies conducted in Western contexts.

One of the prominent whistle-blowing studies in the Western context comes from Weinstein (1979). He examined several whistle-blowing cases in organisations in the United States and proposed organisational dissidence, or principled dissent, as a theory for studying whistle-blowing behaviour. Also, Weinstein (1979) suggested that whistle-blowing in organisations could be construed as a challenge and threat to organisational authority. Thus, organisations should consider the potential negative consequences prior to engaging in attempts to encourage whistle-blowing (Weinstein 1979).

On the other hand, a study by Westin (1981) presented a compilation of case studies of whistle-blowing. The case studies were based on documented examples of whistle-blowing within US organisations. The aim of the study was to indicate the need for the development of policies to encourage and protect responsible whistle-blowing Acts. The finding from Westin's (1981) study suggested that whistle-blowing Acts should encompass provisions for protecting whistle-blowers in order to encourage whistle-blowing actions.

Encouraged by Westin's (1981) study, Elliston (1982a) utilised and examined supporting data from the United States Merit Systems Protection Board (MSPB). The supporting data from the MSPB were based on illegal organisational activities in the US Office of Personal Management and the Offices of the Inspector General.

Elliston (1982a) concluded that anonymity was a significant factor that might encourage an individual to whistle-blow on wrongdoing. Also, the findings suggested that anonymity might affect the nature of any whistle-blowing act and provide credibility in terms of theoretical and practical implications.

Further, Elliston (1982b) also studied the relationship between civil disobedience and whistle-blowing within the context of using the supporting data from the MSPB. According to Elliston (1982b), civil disobedience captured individuals who were reluctant to whistle-blow on observed wrongdoings. The findings concluded that factors like anonymity and degree of harm might affect such relationships. Elliston (1982b) suggested that condemnation of anonymous whistle-blowing decreased as degree of harm caused by unethical acts increased.

Despite focusing on the encouragement of whistle-blowing action, studies in the Western context have also shifted toward giving attention to the identification of common experiences and characteristics of whistle-blowers. One of the prominent studies on these aspects comes from Brabeck (1984). Her study utilised thirty-two undergraduates who participated in a confederate-peer study of whistle-blowing behaviour. Using the Defining Issues Test as a measure of moral reasoning, the study suggested that individuals who reasoned at a higher conventional level of moral development were more likely to blow the whistle than those who reasoned at the lower conventional level.

According to Mesmer-Magnus and Viswesvaran (2005), another prominent study comes from Miceli and Near (1984). The study by Miceli and Near (1984) utilised survey data from a random sample of 8,500 employees in public sector organisations. The objective of the study was to determine whether or not employees who reported the perceived organisational wrongdoing differed from other employees as to their beliefs about organisational conditions and their organisational positions. The findings suggested that there were four broad categories of organisational employees: employees who do not observe wrongdoing; employees who observe but do not report wrongdoing; employees who observe and report wrongdoing through internal channels only, and;

employees who observe and report wrongdoing through both internal and external channels.

A review by Miceli, Near and Dworkin (2008) indicates that a doctoral study by Wise (1995) has provided a valuable reference for personal and situational factors of whistle-blowing intention. The study by Wise (1995) utilised university students as respondents with the purpose of gaining further insight into the personal variables (intrinsic religiosity, internal locus of control, high general self-efficacy, tenure, i.e., work experience and also male or female gender) and the situational variable that is degree of harm. The result supported the hypothesis that the degree of harm influences whistle-blowing intention. However, mixed support was found for the hypotheses regarding internal locus of control and work experience in relation to whistle-blowing intention.

Another doctoral study by Starkey (1998) has added value to the findings by Wise (Miceli, Near, and Dworkin 2008). The study by Starkey (1998) utilised hospital employees as respondents, with the main objective being to investigate the impact of several personality and situational variables on whistle-blowing behaviour. Internal locus of control, self-esteem, relativism and idealism became the personality variables in the study. The situational variables were seriousness of wrongdoing and supportiveness of organisational culture. The findings suggested that all variables influenced employees' intentions to blow the whistle, except for internal locus of control, where no relationship was found between an employee's internal locus of control and his/her intention to blow the whistle.

Besides Starkey (1998), two studies by Rothwell and Baldwin (2006; 2007) applied ethical climate theory to study relationships between both years of service (work experience) and supportiveness of organisational culture, and willingness to blow the whistle. Two different types of respondent were utilised in the studies; namely, civilian employees and police officers (Rothwell and Baldwin 2006; Rothwell and Baldwin 2007). The results from both studies indicated that work experience was not related to respondents' willingness to blow the whistle.

2.8.2   Studies of Whistle-blowing in Asia

As mentioned, for countries like China, Japan and Hong Kong, whistle-blowing can be regarded as unacceptable behaviour (Bond 1996; Fukuyama 1995; Redding 1990). Therefore, many researchers from non-Western countries have attempted to further investigate the individual, organisational or situational factors for whistle-blowing behaviour (Mesmer-Magnus and Viswesvaran 2005). A review from Mesmer and Viswesvaran (2005), using a meta-analysis, has provided several prominent studies from non-Western countries regarding these investigations. Moreover, a review from Miceli, Near and Dworkin (2008) furnished several findings of such investigations that were not included in the meta-analysis by Mesmer and Viswesvaran (2005).

One of the prominent studies in a non-Western context comes from Chiu (2003). The study from Chiu (2003) considers the challenge provided by inconclusive empirical findings from previous studies (Miceli and Near 1992; Starkey 1998; Wise 1995) on the relationship between internal locus of control and whistle-blowing intention. Utilising Chinese managers and professionals as respondents, the study found that an individual's internal locus of control does moderate the relationship between ethical judgment and whistle-blowing intention.

Chiu (2003) suggested that other organisational and situational variables that are under the control of organisations, like supervisor support, organisational culture and formal whistle-blowing procedures, also are likely to influence an individual's decision to report wrongdoings (Near and Dworkin 1998; Sims and Keenan 1998). However, the review by Miceli, Near and Dworkin(2008) indicated that only organisational culture may differ across countries with regards to cultural influences and social backgrounds.

With this view, a study by Zhang, Chiu and Wei (2009a) included the role of organisational ethical culture[12] as one of the variables under investigation regarding an individual's whistle-blowing judgment and intention. Using Chinese bankers as respondents, the study found that the individual's whistle-blowing judgment explained a high variance in his or her whistle-blowing intention while organisational ethical culture moderated the relationship between another variable under investigation (positive mood) and whistle-blowing intention. Hence, the individual's perceptions of organisational ethical culture will affect their mood to whistle-blow on wrongdoings.

Another study by Zhang, Chiu and Wei (2009b) tested whistle-blowing intentions among employees in the Chinese banking industry with respect to their respondents' positive effects (i.e., acquiring a positive expectation of whistle-blowing complaints, having the ability to correct wrongdoing and thinking less about potential risks of reporting wrongdoing) and organisational ethical culture. The study found both a positive effect and organisational ethical culture moderated the relationship between whistle-blowing judgment and whistle-blowing intention.

2.8.3   Studies of Whistle-blowing in Malaysia

Perhaps, the most prominent empirical study on whistle-blowing intention in Malaysia comes from Patel (2003). This study examined cultural influences on the professional judgments of Australian, Indian and Chinese-Malaysian senior external auditors in relation to whistle-blowing as an internal control mechanism. Specifically, the findings indicate that whistle-blowing as an internal control mechanism is likely to be more effective in Australian culture in comparison with Indian and Chinese-Malaysian cultures.

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[12] Organisational ethical culture is 'a subset of organizational culture, representing a multidimensional interplay among various formal and informal systems of behavioral control that are capable of promoting either ethical or unethical behavior' (Trevino, Butterfield, and McCabe 1998, p. 12).

Even though cultural influences on whistle-blowing behaviour have been studied in Malaysia, there still needs to be further investigation of such behaviour within the Malaysian context (Patel 2003). Patel (2003) implied that the influence of culture on the behavioural intentions of the accountants in his study may be explained by other individual factors within the theory that is concerned with intentions. Also, he argued that scenarios provided in his study differ from real work situations. A suggestion was made for additional information in the scenarios or perhaps, consideration of a general hypothetical situation, as has been adapted for the present study.

Recently, a study by Ahmad (2011) has considered almost all factors contributing to internal whistle-blowing intention within the Malaysian context. The objective of his study is to examine several organisational, individual, situational, and demographic factors that influence the internal whistle-blowing intentions of internal auditors in Malaysia. In addition, Ahmad's (2011) study tests the strength of such influences by examining several whistle-blowing scenarios. His study utilises two theories, which are prosocial behaviour and ethical work climate theory.

By examining the direct relationships of those factors upon whistle-blowing intention, Ahmad (2011) found that ethical climate (organisational factor), relativistic dimensions of ethical judgment (individual factor), seriousness of wrongdoing (situational factor) and gender (demographic factor) had an effect on internal auditors' whistle-blowing intentions. This is in line with the predictive variables for the present study, i.e., findings on internal locus of control and work experience remain mixed, and different interpretations can likely be made within the Malaysian context.

Yet, Ahmad's (2011) study does not consider either the propositions from Patel (2003) or the suggestion from Jones, Massey and Thorne (2003) on ethics training with regard to whistle-blowing intention. For example, as argued by scholars (Demetriadou 2003; Miceli, Near, and Dworkin 2008), and mentioned by Patel, appropriate behavioural theory must be applied when studying intentions such as whistle-blowing. The present study applies Ajzen's (1991) theory of planned

behaviour for investigation of such behaviour. Further, an unpublished article by Ponnu, Naidu, and Zamri (2007) provides another justification for the suitability of using the theory of planned behaviour within the Malaysian environment.

Another aspect comes from the usage of auditors in Ahmad's (2011) study. Previously, scholars have suggested that supervisors are important respondents to be utilised in whistle-blowing studies (Keenan 2002a; Mesmer-Magnus and Viswesvaran 2005). Such respondents have been argued to be effective participants for such studies because they are members close to the inner workings of an organisation. Further, within Malaysian organisations, the respondents are argued to be appropriate (Yekta, Ahmad, and Kaur 2010). Moreover, such respondents, particularly in publicly listed companies, have been suggested by Malaysian authorities for studies of whistle-blowing in Malaysia (Khan 2003; Wahab 2003).

Below is Table 2.3, in which whistle-blowing studies in Malaysia have been summarised. Also, the table differentiates between the present study and other whistle-blowing studies documented within the Malaysian context.

Table 2.3: Summary of Whistle-blowing Studies in Malaysia

Studies	Theories applied	Samples	Respondents
Patel (2003)	Hofstede's (1980) cultural dimensions	Big 6 accounting firms	Senior external auditors
Yekta, Ahmad and Kaur (2010)	Social exchange theory	Private sectors	Middle level managers
Ahmad (2011)	Prosocial behaviour and Ethical work climate theory	Institute of Internal Auditors Malaysia	Internal auditors
This study	Theory of planned behaviour and Cognitive moral development theory	Publicly listed companies	Supervisors

2.9 Research Gaps

This study seeks to fill several research gaps. Firstly, this study is one of only a few studies on whistle-blowing intentions (Ahmad 2011; Patel 2003) in Malaysia. Following calls from Malaysian authorities, the impact of the first whistle-blowing

law in Malaysia has received little empirical support (Anwar 2003; Hassan 2006; Yakcob 2005). As argued by Patel (2003), whistle-blowing research in Malaysia is virtually non-existent (Ponnu, Naidu, and Zamri 2007).

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

Thirdly, unlike other variables, internal locus of control is most likely to affect an individual's whistle-blowing decision (Miceli and Near 1992). The main reason is that a whistle-blower may be strongly motivated 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 determinants, they may share in ethical disposition (Ford and Richardson 1994; Loe, Ferrell, and Mansfield 2000). If compared to external locus of control, internal locus of control has been predicted to have a positive correlation with whistle-blowing intention (Miceli and Near 1992; Stead, Worrell, and Stead 1990; Trevino 1986).

However, based on reviews from Mesmer-Magnus and Viswesvaran (2005) and Miceli, Near and Dworkin (2008), internal locus of control needs further investigation in predicting whistle-blowing intention. Mesmer-Magnus and Viswesvaran (2005), in their review using meta-analysis, found limited research involving personality characteristics, such as internal locus of control, as predictors of whistle-blowing intention. Additionally, the relationship between internal locus of control and whistle-blowing intention has produced inconclusive empirical results ranging from a positive relationship (Miceli and Near 1992; Stead, Worrell, and Stead 1990; Trevino 1986) to a mixed relationship (Wise 1995) to a moderated relationship (Chiu 2003) and even an insignificant relationship (Miceli et al. 2001; Starkey 1998). Therefore, this study believes that there is still a gap in

understanding such relationships because the mixed results may be due to a contingent variable having been omitted. Although no study to date has used ethical reasoning as a potential contingent variable, scholars state that individuals with a higher level of ethical reasoning will be more likely to act ethically (Arnold and Ponemon 1991; Brabeck 1984; Xu and Ziegenfuss 2008).

Fourthly, unlike other demographic variables, adequate work experience is essential in determining one's decision to whistle-blow on wrongdoing (Mesmer-Magnus and Viswesvaran 2005; Miceli and Near 1988; Sims and Keenan 1998). Researchers argue that experienced employees generally will be expected to have more knowledge about organisational operations, stronger commitment and more loyalty to their organisations than the inexperienced employees (Morrow and McElroy 1987; Sims and Keenan 1998).

Similar to internal locus of control, studies investigating the relationship between work experience and whistle-blowing demonstrate mixed results (Miceli, Near, and Dworkin 2008). The relationship ranges from a positive relationship (Brewer and Selden 1998; Dworkin and Baucus 1998; Goldman 2001; Miceli and Near 1988), to a mixed relationship (Wise 1995), and to an insignificant relationship (Keenan and Sims 1995; Lee, Heilmann, and Near 2004; Sims and Keenan 1998). Therefore, this study believes that there is still a gap in understanding the association between work experience and whistle-blowing intention, possibly because the relationship may be complex and indirect, rather than simple and direct.

Further, this study fills a gap by extending the whistle-blowing literature to include ethics training as one of the antecedents to whistle-blowing intention. The inclusion of ethics training is based on a proposition from Jones, Massey and Thorne (2003), who argue it is an important factor affecting an individual's intention to act ethically. Frisque and Kolb (2008) also argue that an ethics training program could have an impact on an individual's decision to blow the whistle. Besides, Miceli, Near and Dworkin (2008, p. 190) advise that there is '... no controlled research demonstrating the effectiveness of ethics training regarding whistle-blowing and such research is sorely needed'.

Many scholars argue that ethics training does not seem to demonstrate the potential to achieve a major reduction in the occurrence of unethical behaviour or an increase in acts of whistle-blowing (Davis and Welton 1991; Decker and Calo 2007; Weber 1990). Thus, this study believes that there is a gap in understanding the simple and direct relationship between ethics training and whistle-blowing intention. Further research is needed to determine if the impact of ethics training on whistle-blowing intention is influenced by an intervening variable. Specifically, following the above arguments, ethical reasoning is posited as a key mediating variable for the relationship between ethics training and whistle-blowing intention.

Finally, this study fills a research gap by considering supervisors for its respondents. According to Mesmer-Magnus and Viswesvaran (2005), utilising supervisors as respondents in whistle-blowing studies is rare and more research using such respondents is highly recommended. Further, as agreed by several researchers, 'supervisory status emerges as the most consistent predictor of intentions and behaviors' (Rothwell and Baldwin 2006, p. 216). This is in line with Ajzen's (1991) theory of planned behaviour, adapted in this study. The theory of planned behaviour focuses on behavioural intention,[13] which constitutes actual behaviour. Moreover, according to the theory of planned behaviour (Ajzen 1991; Ajzen and Fishbein 1985), 'behavioural intention is a good predictor of actual behaviour' (Chiu 2003, p. 66).

Other reasons why this study utilises supervisors as its respondents include the belief that respondents like supervisors are capable of disclosing organisational malpractice and, further, they are protected from victimisation and retaliation under Malaysia's whistle-blowing provisions in the Securities Industry (Amendment) Act 2003 (Khan 2003; Mesmer-Magnus and Viswesvaran 2005). Additionally, this study deviates from the dominate use of samples that include students (Wise 1995),

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[13] By definition, Chiu (2002, p. 582; 2003, p. 66) provides that, 'a behavioural intention is the subjective probability assigned to the likelihood that a given behavioural alternative will be chosen' (Ajzen 1991; Hunt and Vitell 1986).

internal auditors (Arnold and Ponemon 1991), external auditors (Patel 2003), civil servants (Starkey 1998) and accountants (Shawver and Clements 2008). Therefore, this study fills a research gap by providing new insights into the function of whistle-blowing as an internal control mechanism, especially in Malaysian organisations. Perhaps this paves the way for other studies in whistle-blowing research to consider using supervisors as the target informants.

2.10 Chapter Summary

Based on a review of literature and identification of several gaps, this study aims to enrich the understanding of whistle-blowing intention within the Malaysian context. Applying the theories of planned behaviour and cognitive moral development, the present study attempts to fill in the gaps and to further knowledge in the whistle-blowing literature. Also, this study proposes the effect of ethical reasoning as a mediator in order to advance the theories used in investigating whistle-blowing intention. Detailed explanation of the theoretical framework and development of hypotheses for this study are presented in Chapter 3.

CHAPTER 3

THEORETICAL FRAMEWORK AND HYPOTHESES

3.1   Introduction

This chapter explains the theoretical framework and development of hypotheses in seven sections. Following the introduction, the second section presents the motivation for the study of whistle-blowing. The third section justifies the selected variables used in this study. The fourth section presents a conceptual framework based on Ajzen's (1988) model of planned behaviour as discussed in Chapter 2. The fifth section describes the theoretical framework, based on past theories and literature, proposed by this study. The sixth section provides the development of hypotheses, based on the theoretical framework. In the final section, a brief chapter summary is included.

3.2   Motivation for the Study

Firstly, Ponemon and Gabhart (1994) believe that whistle-blowing can play an important role as an effective internal control mechanism within organisations (Read and Rama 2003). Other researchers claim individuals who whistle-blow act as model employees to organisations (Vinten 1999). However, in China, Japan and Hong Kong, whistle-blowing can be regarded as unacceptable and unethical behaviour (Bond 1996; Fukuyama 1995; Redding 1990). Vogel (1992) asserts that whistle-blowing is particularly affected by cultural contexts, as perceptions of right versus wrong, justice, morality and loyalty may differ very much in different countries. Similary, supported by the research of Chen (2001), individuals with different socio-economic influences may have different views or perceptions on what is ethical or what is not. Therefore, this study will expand upon previous studies of whistle-blowing. Specifically, it will investigate whistle-blowing intention by examining the relationship between a selection of predictive variables and

whistle-blowing intention in a cultural context, an area that has seen little empirical research.

Secondly, the function of whistle-blowing as an internal control mechanism has only recently been considered by statutory authorities in Malaysia (Anwar 2003). Malaysia introduced its first whistle-blowing law in 2003 under the Securities Industry (Amendment) Act 2003 and under the new Companies (Amendment) Act, 2007 (Hassan 2006; Yakcob 2005). However, the KPMG fraud survey and the PriceWaterhouse Coopers Global Economic Survey 2005 indicate that many individuals in Malaysian corporations remain reluctant to whistle-blow on wrongdoing (Ngui 2005). Ngui (2005) suggests that authorities should encourage studies on whistle-blowing in order to uphold and upgrade the whistle-blowing laws in Malaysia (Anwar 2003). Therefore, this study seeks to advance understanding of the effectiveness of the Malaysian whistle-blowing laws.

Lastly, past conceptual and empirical studies have examined the whistle-blowing process from the perspective of individual and contextual variables since these variables have been identified as possible influences on individuals' whistle-blowing intentions (Miceli, Near, and Dworkin 2008; Miceli and Near 1992). However, Mesmer-Magnus and Viwesvaran (2005) stated that the effect of some individual variables on the intention to whistle-blow are still inconclusive. Past studies have shown dissimilar results on individuals' whistle-blowing intentions (Brewer and Selden 1998; Chiu 2003; Goldman 2001; Lee, Heilmann, and Near 2004; Starkey 1998; Wise 1995). Researchers agree that there is still a gap in understanding the association between individual variables and whistle-blowing intention (Jones, Massey, and Thorne 2003; Decker and Calo 2007; Forte 2004b; Wise 1995). To date, other researchers have suggested that the effect of cognitive aspects such as ethical reasoning may influence an individual's whistle-blowing intention (Liyanarachchi and Newdick 2009; Miceli, Near, and Dworkin 2008; Xu and Ziegenfuss 2008). Therefore, this study tries to bridge the gap by introducing an intervening variable to overcome the inconclusive findings surrounding the relationship between the

individual variables and whistle-blowing intention. This attempt will make a contribution to the whistle-blowing literature.

3.3   Justification of the Selected Variables

The selected exogenous constructs (independent variables) in this study are internal locus of control, work experience and ethics training. The first two individual variables were selected from Miceli and Near's (1992) model of whistle-blowing decision-making, whereas ethics training was considered, based on Jones, Massey and Thorne's (2003) suggestion. The justification for choosing these individual variables is explained below.

Unlike other variables, internal locus of control is most likely to affect whistle-blowing decisions (Miceli and Near 1992). The reason is that whistleblowers may be strongly motivated by the degree to which the situation is potentially under their control (Chiu 2002). Past studies have concluded that, when individuals share in individual determinants, they may share in ethical disposition (Ford and Richardson 1994; Loe, Ferrell, and Mansfield 2000). Hence, internal locus of control has been predicted to have a positive correlation with whistle-blowing intention (Trevino 1986; Miceli and Near 1992; Stead, Worrell, and Stead 1990). However, Mesmer-Magnus and Viswesvaran (2005) concluded that there is limited research involving personality characteristics, such as internal locus of control, as a predictor of whistle-blowing intention. Moreover, Miceli, Near and Dworkin (2008) claim that other personality variables, such as tolerance for ambiguity, field dependence, low self-esteem and low self-monitoring, (but not internal locus of control), have been shown to have positive correlations with whistle-blowing behaviour.

In addition to internal locus of control, adequate work experience is essential in determining one's decision to whistle-blow (Mesmer-Magnus and Viswesvaran 2005; Miceli and Near 1988; Sims and Keenan 1998). Experienced individuals generally will be expected to have more knowledge about organisational operations, stronger commitment and more loyalty to their organisations than inexperienced individuals (Morrow and McElroy 1987; Sims and Keenan 1998). Near and Miceli

(1996), in their study, proposed that individuals' decisions to whistle-blow may be connected with being powerful employees. "Powerful employees" refers to experienced supervisors or senior employees who receive high salaries based on their good performances in organisations (Near and Miceli 1996). Yet, in many studies there was no relationship between whistle-blowing and work experience (Miceli, Near, and Dworkin 2008). The conclusion by Miceli, Near and Dworkin (2008) that whistle-blowers are likely to be powerful employees remains debatable.

The inclusion of ethics training as an important individual variable comes from a suggestion by Jones, Massey, and Thorne (2003). Ethics training can be regarded as an important factor affecting an individual's intention to act ethically (Jones, Massey, and Thorne 2003; Jones 1991). Jones, Massey and Thorne (2003) believe that ethics training might have a significant relationship on whistle-blowing behaviour. Similarly, Frisque and Kolb (2008) proposed that successful ethics training programs could have an impact on individuals' decisions to whistle-blow. Yet, Miceli, Near and Dworkin (2008, p. 190) advised that '... (there has been) no controlled research demonstrating the effectiveness of ethics training regarding whistle-blowing and such research is sorely needed'.

A preliminary study of whistle-blowing intention concentrates on key individual variables because the impact of these would result in different interpretations when dealing with different cultural and social backgrounds (Chiu 2003, 2002). To date, variables contributing to whistle-blowing have been studied across many disciplines (Kaplan and Schultz 2007). Individual, organisational and situational variables are the three most common areas that have been explored (Park, Rehg, and Lee 2005). Re-examining such variables of whistle-blowing in the form of an introduction to intercultural perspectives may allow a new interpretation of research on whistle-blowing (Park et al. 2008). More precisely, antecedent variables such as individual variables (e.g., internal locus of control) need to be explored further because human behaviour is a result of one's cultural and social backgrounds (Chiu and Kosinski 1999).

Most theories used in whistle-blowing studies are based on prosocial behaviour (Dozier and Miceli 1985; Miceli and Near 1985; Miceli et al. 2012) and motivational perspectives (Fleischer and Schmolke 2012; Miceli and Near 1992). However, this study offers the use of Ajzen's (1991) theory of planned behaviour to investigate the relationships between the selected individual variables and whistle-blowing intention. This is because the theory of planned behaviour clearly proposes the relationships between individuals' intentions and their behaviour and actions (Ajzen 1991). Moreover, Miceli, Near and Dworkin (2008) argue that the application of suitable theory is vital in determining an individual's intention to blow the whistle. Utilisation of the theory of planned behaviour is justified as follows.

Firstly, researchers have currently put forward the claim that there is no comprehensive theory of whistle-blowing behaviour (Zhang, Chiu, and Li-Qun 2009a). According to Zhang, Chiu and Li-Qun (2009a), attempts have been made to understand whistle-blowing behaviour from different disciplinary perspectives. Among them are business ethics (Sims and Keenan 1998), social work (Greene and Latting 2004), psychology (Near and Miceli 1986), moral philosophy (Lindblom 2007) and organisational theory (Somers and Casal 1994). Therefore, this study tries to put forward the theory that is most appropriate for its variables, and thus, may become a reference to others in studying whistle-blowing behaviour.

Secondly, Demetriadou (2003, p. 50) states that "domains of behaviour can potentially be problematic and may help explain the reasons for failing to obtain support for hypotheses that would otherwise appear intuitively appealing". Therefore, to resolve this state of affairs, and as an alternative and more comprehensive way of looking at whistle-blowing behaviour, this study proposes the use of the theory of planned behaviour (Ajzen 1991, 1988; Ajzen and Fishbein 1985). Thus, the main purpose of using this theory is to explore and gain further understanding of the formation of organisational members' intentions to report any observed wrongdoing.

Finally, the theory of planned behaviour offers two advantages over other approaches used to date. Primarily, the theory of planned behaviour allows for an

exploration of factors affecting whistle-blowing behaviour, especially, whistle-blowing intention. The theory will act as a mechanism in which the factors exercise their effects on the behaviour. In addition, the theory incorporates theoretical postulations and methodology, by comparing many of the mentioned perspectives, e.g., prosocial behaviour[14] (Latane and Darley 1970, 1968; Staub 1978), resource dependence theory[15] (Near, Dworkin, and Miceli 1993; Pfeffer and Salancik 1978) and expectancy theory[16] (Fudge and Schlacter 1999; Vroom 1964)), to explain whistle-blowing behaviour. Hence, the theory of planned behaviour is deemed appropriate to be applied in the context of whistle-blowing intention.

Furthermore, the relationships between the selected individual variables and whistle-blowing intention are still under review by many researchers because the relationships have yielded inconclusive empirical findings (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008). Thorne, Massey and Magnan (2003) believe that there is still a gap in understanding the relationships between the selected variables and whistle-blowing intention. This is because the relationships might be complex and indirect, rather than simple and direct (Thorne, Massey, and Magnan 2003). Therefore, this study offers a contingent variable that has been previously omitted as one reason for such inconclusive results. Here, ethical reasoning appears to be a potential contingent variable and it is treated as a mediating variable.

Moreover, this study uses the cognitive moral development theory Kohlberg (1969), which relates to the mediating variable, i.e., ethical reasoning. Variables like internal locus of control, work experience and ethics training are the proposed

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[14] According to Brief and Motowildo (1986, p. 711), prosocial behaviour means 'behaviour which the actor expects will benefit the person or persons to whom it is directed'.

[15] Resource dependence theory posits that 'when one party possesses resources upon which another is dependent, that party will be more powerful' (Mesmer-Magnus and Viswesvaran 2005, p. 280).

[16] According to Oliver (1974), expectancy theory proposes that a person will decide to behave in a certain way because he or she is motivated to a specific behaviour due to his or her expectation on the result of such behaviour (Anonymous 2008).

variables under the cognitive moral development theory that may affect an individual's ability to act ethically (Louwers, Ponemon, and Radtke 1997). According to Xu and Ziegenfuss (2008), recent studies suggest that whistle-blowing behaviour involves individuals' intentions and judgment in ethics. Since whistle-blowing also involves such judgment, cognitive moral development theory serves as a means to highlight the issue of ethical reasoning (Xu and Ziegenfuss 2008). Further, several assumptions on the theory indicate that individuals progress through sequential stages in the development of ethical reasoning (Thorne 2000). This means individuals' ethical reasoning is relevant to the development of their ethical behaviour (Hunt and Vitell 1986; Jones, Massey, and Thorne 2003). Researchers agree that individuals with higher levels of ethical reasoning will be more likely to act ethically (Arnold and Ponemon 1991; Brabeck 1984; Xu and Ziegenfuss 2008). According to cognitive moral development theory, personal variables and demographic characteristics are the main individual determinants for particular cognitive levels (Kohlberg 1981; Rest 1994, 1979a).

Finally, from a methodological perspective, this study differs from other studies of whistle-blowing intention in terms of its respondents and samples. The supervisors, chosen as particular respondents, are used to investigate the relationships between the selected individual variables and whistle-blowing intention. In highlighting the chosen respondents (supervisors), this study intentionally deviates from other studies that use civil servants (Starkey 1998), management accountants (Shawver and Clements 2008), internal auditors (Arnold and Ponemon 1991) and MBA students (Chiu 2002). The rationale of choosing supervisors is based on the argument that reports of wrongdoing are usually made by members close to the inner workings of an organisation (Mesmer-Magnus and Viswesvaran 2005). Further, Wahab (2003) indicates that supervisors who intend to disclose their organisation malpractices will be protected from victimization and retaliation under the Securities Industry (Amendment) Act, 2003. Generally, the Malaysian whistle-blowing provisions apply to breaches of securities law and stock exchange rules. Khan (2003), however, suggested that the issue of implementation of the Act should

first be confined to specific employees, such as supervisors in publicly listed companies.

Further, this study uses large manufacturing companies listed under Bursa Malaysia Berhad (BMB). Previous research has shown that large organisations have a greater number of incidents of wrongdoing (Lau, Au, and Ho 2002). Manufacturing companies are posited as an adequate environment, because such companies often exhibit incidents of wrongdoing (Hooks, Kaplan, and Schultz 1994; Ponemon and Gabhart 1994). The rationale for choosing the companies under BMB is based on the provisions within the Malaysian whistle-blowing laws (Hassan 2006; Yakcob 2005). Moreover, Malaysian authorities suggest that manufacturing companies listed under BMB are more likely to run investigations for whistle-blowing behaviour (Anwar 2003; Wahab 2003).

3.4   Conceptual Framework

Having justified the selected variables, the conceptual framework for this study is illustrated in Figure 3.1.
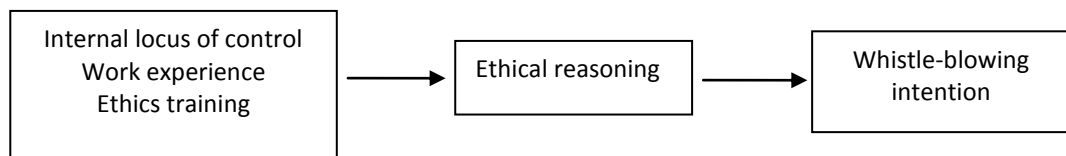
Figure 3.1: Conceptual Framework

Briefly, Figure 3.1 shows the conceptual framework of the relationships between the predictive variables considered from Ajzen's (1988) model of planned behaviour and whistle-blowing intention. The predictive variables, namely internal locus of control, work experience, and ethics training, are posited to influence an individual's whistle-blowing intention. These variables are proposed to have a direct relationship with whistle-blowing intention as well as to have indirect relationships accounting for the mediating variable of ethical reasoning. The mediated relationship, in particular, is presented in the following section.

3.5   Theoretical Framework

Figure 3.2 shows the theoretical framework of whistle-blowing intention for this study. The framework consists of a dependent variable, or endogenous variable, i.e., whistle-blowing intention, and three independent variables, or exogenous variables, which are internal locus of control, work experience and ethics training. Ethical reasoning is predicted to act as a mediating variable for the relationships of all independent variables with whistle-blowing intention. Accounting for confounding effects, control variables include gender, educational level, firm size and organisational culture. These control variables had been proposed by Miceli and Near (1992) to be potential influences on whistle-blowing decisions (Barnett, Bass, and Brown 1996; Barton 1995; Regh et al. 2008).
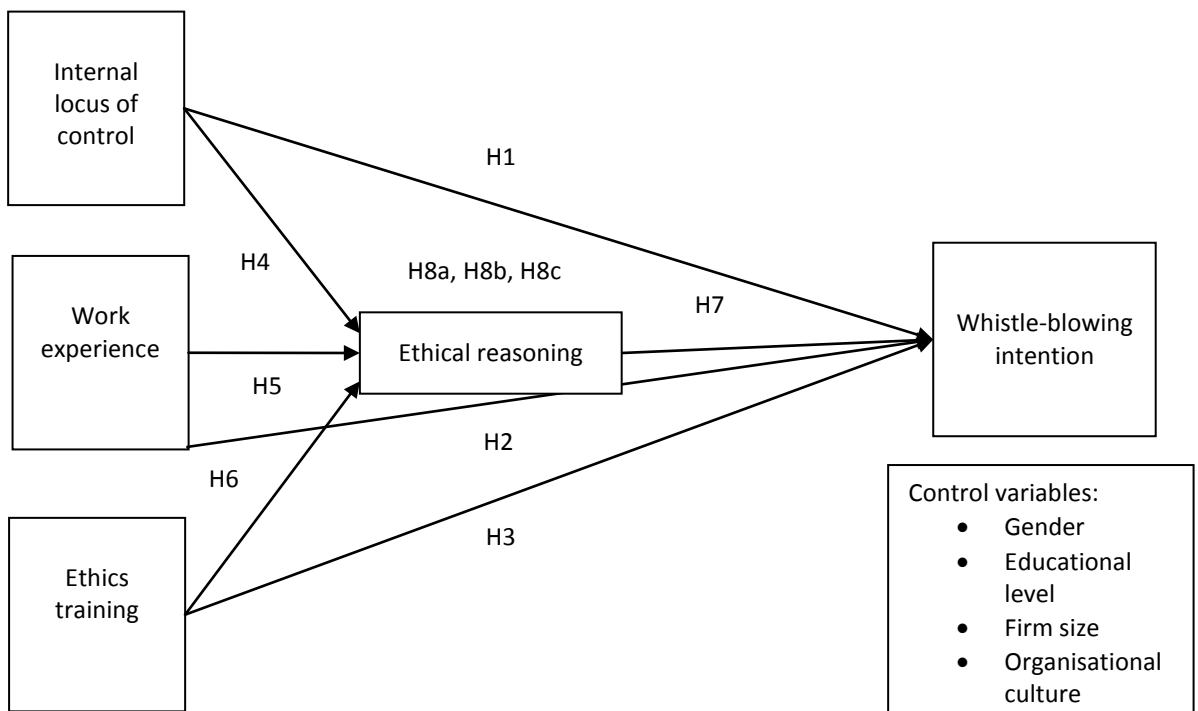
Figure 3.2: Theoretical Framework of Whistle-blowing Intention

3.6   Hypotheses Development

Durbin (2004, p. 1196) defines a hypothesis as "a formal statement of the research question". A hypothesis is a tentative statement that proposes a possible explanation for some phenomenon or event (Collis and Hussey 2003; Zikmund 2003). For the purpose of this study, the following hypotheses are proposed based on the theoretical framework in order to satisfy the research questions.

3.6.1   Internal Locus of Control and Whistle-blowing Intention

The literature states that an individual's locus of control is divided into internal locus of control and external locus of control (Detert, Trevino, and Sweitzer 2008; Rotter 1966). Locus of control reflects a belief an individual holds regarding the relationship between actions and experienced outcomes (Keller and Blomann 2008). Hence, an individual's internal locus of control is concerned with the belief that an outcome is influenced by the work and effort put into it (Keller and Blomann 2008; Wise 1995), whereas, an individual's external locus of control is concerned with the belief that outcomes are based on outside factors such as fate, luck or destiny (Keller and Blomann 2008; Lefcourt 1991).

This study leverages the exogenous variable of locus of control based on the arguments by Levenson (1981) and Singhapakdi and Vitell (1991). According to Levenson (1981), an individual with a strong internal locus of control may provide a better connection between his or her own behaviour and the outcomes of that behaviour. Singhapakdi and Vitell (1991) believe that a person with a strong external locus of control may show lower deontological norms. The philosophical view of deontology identifies 'a contractual obligation'. In other words, 'an action is right only if it is consistent within a set of moral rules, and wrong only if it violates those rules' (Shawver and Clements 2008, p. 27).

Internal locus of control has been argued to have a potential relationship with whistle-blowing (Chiu 2003, 2002; Miceli and Near 1992). Research shows that individuals with an internal locus of control are more inclined than individuals with

an external locus of control to engage in ethical behaviour such as whistle-blowing (Spector 1982; Stead, Worrell, and Stead 1990; Trevino 1986). One reason is that individuals with internal locus of control acknowledge that they could control the events that affect them because they have a stronger belief in their actions than individuals with external locus of control (Spector 1982).

Further, the theory of planned behaviour suggests that a personality characteristic such as internal locus of control is one of the antecedents for the intention to perform a target behaviour (Ajzen 1988; Ajzen and Madden 1986). Precisely, according to this theory, internal locus of control is viewed as one of the determinants for the element of perceived behavioural control (Chiu 2003). Specifically, 'an individual may not behave in a particular way if the resources and opportunities are not available' (Chiu 2003, p. 67). Beliefs about resources and opportunities are considered as determinants for the element of an individual's perceived behavioural control (Ajzen 1988). Thus, Ajzen (1991) suggests that individuals may have the intention to perform the behaviour if they perceive that they are in control of both the situation and the likely outcome.

Previous studies have predicted a positive relationship between internal locus of control and whistle-blowing intention. For example, Miceli and Near (1992) suggest that locus of control is one of the characteristics that affects the whistle-blowing decision. This is because whistle-blowers may be strongly motivated by the degree to which conditions suggest that the situation is potentially under their control. Miceli and Near (1992) argue that individuals with internal locus of control might have a greater propensity to blow the whistle. Further, the relationship between internal locus of control and whistle-blowing intention may be justified based on the idea that 'individuals who have internal locus of control may blow the whistle when their external locus of control counterparts would not' (Chiu 2003, p. 67).

Therefore, this study proposes the following hypothesis:

Hypothesis 1: Internal locus of control is positively associated with whistle-blowing intention.

3.6.2 Work Experience and Whistle-blowing Intention

Work experience refers to the length of time the individual has been employed by his or her current organisation (Cherry 2006). Work experience has been identified as an important factor that influences an individual's ethical decision-making process (Bebeau 1994; Bebeau and Thoma 1994; Hiltebeitel and Jones 1992). As an exogenous variable in this study, work experience is related to ethical behaviour including whistle-blowing intention (Jones, Massey, and Thorne 2003; Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008).

For example, researchers have found significant relationships between work experience and both ethical decision-making and ethical behaviour (Callan 1992; Kidwell, Stevens, and Bethke 1987). Similarly, research also has indicated the influence of ethics training in deciding what action to take when faced with ethical challenges (Kolb, Frisque, and Lin 2004; Trevino 2007; Weaver, Trevino, and Agle 2005). Further, researchers posit that ethics training must be provided to solidify employees' duty to report wrongdoing or encourage whistle-blowing (Applebaum, Grewal, and Mousseau 2006; Baker 2008; Near and Miceli 1994).

Under the theory of planned behaviour, Ajzen (1991, 1988) suggests that individuals' demographic or background variables such as tenure (work experience) are essential determinants of the intention to perform a target behaviour. This is because such variables affect an individual's attitude in making judgments of that behaviour, his/her subjective norm for accepting that behaviour and his/her perceived behavioural control of performing that behaviour (Ajzen 1988; Demetriadou 2003). Similarly, Ajzen (1988) and Ajzen and Madden (1986) believe that individuals' beliefs about resources and opportunities may be influenced by past experiences with the target behaviour under investigation. This means work experience may decrease the perceived difficulty of performing the target behaviour (Demetriadou 2003).

Miceli et al. (2001) suggest that demographics variables have effects on the perceived efficacy of whistle-blowing behaviour, apart from other factors. For

instance, Miceli and Near (1988) argue that the combination of age and service (work experience) is associated with more instances of whistle-blowing decisions. Further, a study by Keenan (1990a), indicates that first-level managers with lower levels of service have less adequate information about where to report wrongdoing than do more senior first-level managers. This suggests that junior managers may be less likely to report the wrongdoing. Moreover, a review by Trevino, Weaver and Reynolds (2006) posits that employees with more work experience are more likely to blow the whistle. Also, other scholars believe that there may be a positive correlation between work experience and intention to blow the whistle (Mesmer-Magnus and Viswesvaran 2005; Near and Miceli 1996).

Therefore, this study proposes the following hypothesis:

Hypothesis 2: Work experience is positively associated with whistle-blowing intention.

3.6.3   Ethics Training and Whistle-blowing Intention

Ethics training is concerned with the curriculum (education) or program that provides thoughts and applications of ethics in the decision-making process (Frisque and Kolb 2008). Similarly, ethics training has been identified as a significant factor that influences an individual's ethical decision-making process (Bebeau 1994; Bebeau and Thoma 1994; Hiltebeitel and Jones 1992). As one of the exogenous variables, ethics training is related to ethical behaviour such as whistle-blowing (Jones, Massey, and Thorne 2003; Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008).

According to the theory of planned behaviour, Ajzen (1991, 1988) suggested that individuals' background variables such as exposure to ethics through knowledge (education) or practice (training) are essential determinants for the intention to perform a target behaviour. Individuals with such exposure would better judge and accept a given target behaviour, thus performing that behaviour (Ajzen 1988; Ajzen and Madden 1986). As argued by Demetriadou (2003), Ajzen (1991, 1988) believed

that indirect information such as knowledge of ethics provides a greater tendency for individuals to perform the target behaviour. Such information, obtained via ethics training, will lead individuals to distinguish between right or wrong, and being ethical or unethical in performing such behaviour (Park et al. 2008; Park, Rehg, and Lee 2005).

A study conducted by Sheler (1981) suggests that ethics training will have an impact on the disclosure of wrongdoing. According to several researchers, the existence of ethics training in organisations may promote employees' decisions to whistle-blow (Baker 2008; Applebaum, Grewal, and Mousseau 2006). Likewise, Frisque and Kolb (2008) argue that successful ethics training programs can have an impact on employees' decisions to blow the whistle. This is because ethics training can make employees in organisations aware of possible wrongdoings by business people or other professionals (Decker and Calo 2007).

Miceli and Near (1985) state that organisations can prevent demoralization, and at the same time can increase employees' awareness of wrongdoing, by conducting ethics training. Stead, Worrell and Stead (1990) argue that managing ethical behaviour is an important solution to complex problems faced by business organisations nowadays, and this can be done by providing ethics training. As stated by Stead, Worrell and Stead (1990, p. 240), '... employees need to have an experience of the types of ethical dilemmas they may face, and they need to know what actions to take in these dilemmas. Providing ethics training for experienced employees is one key to increasing this awareness'.

Therefore, this study proposes the following hypothesis:

Hypothesis 3: Ethics training is positively associated with whistle-blowing intention.

3.6.4   Internal Locus of Control and Ethical Reasoning

Ethical reasoning refers to an individual's ability to apply values and standards to socio-moral problems and determine a course of action (Sivanathan and Fekken 2002). The psychology of ethical reasoning draws from the field of cognitive moral

development theory put forward by Kohlberg (1969) that is based on Piaget's original theory (Piaget 1932, reprint 1966). According to Kohlberg (1981), cognitive moral development theory combines moral philosophy with cognitive psychology in making the assertion that an individual's cognitive development is a prerequisite for an individual's ethical reasoning.

Piaget's (1967, 1965) theory of moral development asserts that an internally-oriented belief (internal locus of control) of an individual plays an important role in advancing the individual's ethical reasoning. From this view, Kohlberg's (1969) cognitive moral development theory proposes that 'moral reasoning skills develop over time and improve with increasing experience in ethical reasoning through interactions and collaboration with others' (Cherry and Fraedrich 2000, p. 174). This means that individuals' ethical reasoning abilities could be enhanced through their relationships with their peers or colleagues (Deflumeri 1982; Jones 1993). As argued by Granitz and Ward (2001), individuals are more likely to share the ethical reasoning and moral intent of members of their group, which supports previous studies on ethics that focused on the influence of significant others.

Deflumeri (1982) and Jones (1993) suggest that, when individuals perceive situations using their internal locus of control, they will reason and decide on appropriate behaviour. However, individuals with an external locus of control will look to others to provide reasons and help them decide appropriate behaviour. A study by Cherry and Fraedrich (2000) proves the suggestion by Deflumeri (1982) and Jones (1993) where internally-oriented sales managers with their deontological reasoning tend to emphasise rules or dogma in making ethical decisions. Similarly, Granitz (2003) claims that individuals who utilise their internal locus of control are more likely to exercise their ethical reasoning for moral intent.

Therefore, this study proposes the following hypothesis:

Hypothesis 4: Internal locus of control is positively associated with ethical reasoning.

3.6.5   Work Experience and Ethical Reasoning

Under his cognitive moral development theory, Kohlberg (1969) proposes that individuals develop their work experience for ethical reasoning over time within a work environment (Forte 2004a, 2004b). In other words, individuals with more working experience in an organisation could better exercise their reasoning skills when faced with ethical challenges in comparison to individuals with less working experience (Harris 1990). Further, research has shown that work experience is a significant predictor of cognitive moral development (Kohlberg 1969, 1984a; Izzo 2000). For example, Harris (1990) found that managers employed by an organisation for at least ten years were less tolerant of fraudulent practices than employees with less experience. As argued by Fogarty (2000), 'experienced organization members selectively provide reinforcement, communicate the approved range of action, and serve as examples of achievement' (Brown-Liburd and Porco 2011, p. 442).

According to Izzo (2000), Kohlberg's longitudinal study showed that adults continue their cognitive moral development beyond their years in school (Colby et al. 1983). Supported by the findings of Trevino (1986), work experience plays a vital part in adults' moral development as applied to resolving moral dilemmas in the workplace. Additionally, Kelley, Ferrell and Skinner (1990b) suggest that individuals with longer work experience will behave more ethically than individuals with less work experience. Ponemon (1992) found that cognitive moral development scores increased from general staff to senior levels.

Several prior studies have noted conflicting impacts of work experience on ethical reasoning ability. For example, both Ponemon (1990) and Shaub (1994) found that 'higher ranked Certified Public Accountants displayed lower levels of ethical reasoning than their less experienced counterparts' (Herington and Weaven 2008, p. 503). However, a study by Kujala (1995) proves the proposition by Kohlberg (1984a, 1969) where top managers with longer managerial experience have more positive attitudes toward ethical issues in relation to stakeholders. Further, O'Fallon and Butterfield (2005) believe that work experience influences ethical decision-making.

Moreover, as argued by Izzo (2000), individuals develop their ethical reasoning skill through work experience, which then gives rise to ethical responsibility.

Therefore, this study proposes the following hypothesis:

Hypothesis 5: Work experience is positively associated with ethical reasoning.

3.6.6 Ethics Training and Ethical Reasoning

According to cognitive moral development theory, Kohlberg (1969) proposes that sensitizing individuals to ethics could further develop their moral reasoning skills (Fraedrich et al. 2005). This means that ethics training is considered to be a significant factor in developing an individual's ethical reasoning abilities (Eynon, Hill, and Stevens 1997). Previously, Trevino (1992, p. 454) suggested that 'one potential practical approach to influencing moral reasoning is through cognitive moral development-based education and training interventions'. Others view ethics training as a tool to increase individuals' ethical reasoning skills for dealing with ethical issues and dilemmas (Brady and Hart 2006; Jones 2009).

A study by Bebeau and Thorma (1994) has shown that medical students' ethical reasoning skills improve following ethics training. Further, Jones and Hiltebeitel (1995) suggest that organisational support via ethics training positively influences employees' ethical decision-making processes. Moreover, others believe that providing training in ethics could advance employees' ethical reasoning patterns and allow them to meet stakeholders' demands for ethical corporate behaviour (Baxter and Rarick 1997).

Therefore, this study proposes the following hypothesis:

Hypothesis 6: Ethics training is positively associated with ethical reasoning.

3.6.7 Ethical Reasoning and Whistle-blowing Intention

Under cognitive moral development theory, Kohlberg (1981, 1976) proposes that individuals will justify their actions if they are put in particular moral situations.

Individuals' justifications of their actions depend much on their competency to make moral judgments (Desplaces et al. 2007; Kohlberg 1981). Moral judgment competency is defined as 'the capacity to make decisions and judgments that are moral (i.e., based on internal principles) and to act in accordance with such judgment' (Kohlberg 1964, p. 425). Thus, an element of moral judgment competency is ethical reasoning, which Kohlberg (1964) defined as an individual's practical reasoning about, morally, what they ought to do for a given dilemma (Richardson 2003).

According to Brabeck (1984), Kohlberg (1981) views moral judgment as structures that could influence individuals' moral actions that are consistent with their cognitive dispositions. The moral judgment structures are related to ethical reasoning components (Rest 1979a). In relation to individuals' ethical intentions such as whistle-blowing, Rest (1979a, 1994), in his model of ethical action, theorizes that ethical reasoning consists of four components: (1) identification of an ethical dilemma, (2) ethical judgment, (3) intention to act ethically, and; (4) ethical action or behaviour (Jones, Massey, and Thorne 2003).

In addition, Trevino and Nelson (1999) suggest that Kohlberg's ethical reasoning is 'a cognitive development theory, which focuses on how people decide what course of action is morally correct' (Monga 2007, p. 180). Hence, the strength of the theory lies in the moral judgment competency of how people reason, rather than in what people think (White 1999). Thus, Monga (2007) and White (1999) argue that ethical reasoning is a significant factor for affecting an individual to make decisions and behave ethically. Moreover, Trevino, Weaver and Reynolds (2006) posit that ethical reasoning has been considered as an important variable by many prior scholars when studying ethical behaviour such as whistle-blowing (Arnold and Ponemon 1991; Brabeck 1984; Ponemon 1995, 1992).

Linking with behavioural intention under the cognitive moral development theory, Kohlberg (1981) proposes that individuals interpret their activities when planning, learning and acting. Individuals' interpretations of their actions are closely related to their morality (Kohlberg 1981). Also, Kohlberg (1981) believes that individuals'

morality can be determined by knowing their intentions and points of view. Such cognitive processes are subject to their attitudes, subjective norms and perceived behavioural control (Ajzen 1991). In other words, for an individual to act morally when given an ethical dilemma, the individual's ethical reasoning ability and skills can be influenced by his or her behavioural intention.

Hence, many scholars agree that the ethical reasoning process is part of an individual's overall moral consciousness when dealing with difficult conflicts or dilemmas in everyday practice (Louwers, Ponemon, and Radtke 1997). In order to act ethically, an individual is expected to have well-developed ethical reasoning abilities (Falkenberg 2004; Werhane 1998). This is because ethical reasoning is understood as the cognitive process that people use for ethical behaviour (Trevino and Youngblood 1990). Thus, scholars suggest that ethical reasoning plays a significant role in the whistle-blowing process (Gundlach, Douglas, and Martinko 2003). Many scholars claim that ethical reasoning does influence an individual's decision-making process when deciding to blow the whistle on wrongdoing (Brewer and Selden 1995; Chan and Leung 2006; Miceli, Dozier, and Near 1991; Near and Miceli 1986).

Therefore, this study proposes the following hypothesis:

Hypothesis 7: Ethical reasoning is positively associated with whistle-blowing intention.

3.6.8   Ethical Reasoning as a Mediator

Drawing from the field of cognitive moral development theory (Kohlberg 1981, 1969), the psychology of moral reasoning provides a theory to explain an individual's decision-making process prior to ethical behaviour. Cognitive moral development theory proposes that ethical reasoning develops 'as the individual develops, gaining experience and autonomy, and producing relationships that are based on mutual reciprocity giving rise to the emergence of subjective responsibility' (Izzo 2000, p. 121).

Simply put, Izzo (2000) posits that an individual's belief, experience from working and training in ethics are important elements for the growth of the individual's ethical values. Such elements might enhance the individual's propensity to act ethically (Izzo 2000). On the other hand, the literature has shown that researchers agree that whistle-blowing behaviour involves judgment in ethics and that ethical reasoning is relevant to an understanding of such ethical behaviour (Xu and Ziegenfuss 2008; Arnold and Ponemon 1991). Moreover, ethical reasoning is regarded as a concept that permits an individual to render judgment unaltered by self-interest that could impair his or her professional responsibility (Xu and Ziegenfuss 2008; Tong and Wang 2006).

Researchers do not directly hypothesise ethical reasoning as a mediator for the relationships between the variables of internal locus of control, work experience and ethics training, and whistle-blowing intention. However, ethical reasoning is widely regarded as one of the key benefits of internal locus of control (Cherry and Fraedrich 2000; Forte 2004a, 2004b; Tsui and Gul 1996). For example, a study by Cherry and Fraedrich (2000) provides empirical evidence on the ethical reasoning of managers in the decision-making process. The scholars argue that managers with an internal locus of control form their ethical judgments and behavioural intentions based on their own ethical reasoning.

Further, ethical reasoning is also related to work experience (Herington and Weaven 2008; Izzo 2000; Kenny, Lincoln, and Balandin 2007; Ponemon 1995; Stewart and O'Leary 2006). For example, Izzo (2000) investigated the ethical reasoning of real estate practitioners by applying Kohlberg's cognitive moral development theory. The findings suggest that work experience influences ethical reasoning abilities. This further suggests that practitioners' work experience is likely to enhance their ethical reasoning ability in making ethical judgments.

Similarly, researchers argue that ethical reasoning is associated with ethics training (Bebeau and Thoma 1994; Bebeau 1994; Eynon, Hill, and Stevens 1997; Herington and Weaven 2008). For example, a study by Eynon, Hill and Stevens (1997) concluded that ethics training provided a significant positive effect on accounting

students' ethical reasoning scores. Moreover, Herington and Weaven (2008) and Eynon, Hill and Stevens (1997) argue that researchers and practitioners should consider ethics training as a means of enhancing individuals' ethical reasoning abilities and skills.

Also, ethical reasoning is argued by scholars to be an important antecedent of whistle-blowing intention (Brabeck 1984; Liyanarachchi and Newdick 2009; Xu and Ziegenfuss 2008). For example, a study by Brabeck (1984) suggests that an individual's ability to resolve or interpret an ethical dilemma is affected by his or her ethical reasoning and, thus, will lead to his or her intention to practice ethical behaviour. Another study conducted by Liyanarachchi and Newdick (2009) indicates that an accounting student's level of ethical reasoning determines his or her propensity to blow the whistle when faced with a serious wrongdoing.

Therefore, this study proposes the following hypotheses:

Hypothesis 8a: *Ethical reasoning mediates the relationship between internal locus of control and whistle-blowing intention.*

Hypothesis 8b: *Ethical reasoning mediates the relationship between work experience and whistle-blowing intention.*

Hypothesis 8c: *Ethical reasoning mediates the relationship between ethics training and whistle-blowing intention.*

3.7   Chapter Summary

This chapter provides the theoretical framework and hypotheses development for this study. The proposed theoretical framework and hypotheses have been developed based on past theories and literatures in Chapter 2. The main purpose is to satisfy research questions presented in Chapter 1. In order to test the framework and its hypotheses, Chapter 4 will provide an appropriate research methodology to be applied. This study uses a mixed-method approach to triangulate the

quantitative and qualitative data. Such an approach will be used to analyse the data which will be presented in Chapter 5.

CHAPTER 4

RESEARCH METHOD

4.1   Introduction

This chapter explains the research method adapted by this study. Following the introduction, the second section presents a justification of the selected research paradigm as well as the research process. The third section describes the research design and the methods used in this study. The fourth section addresses the survey questionnaire, the survey items and the translation process used in the study. The fifth section refers to pre-dissertation, which consists of explanation and discussion of the pilot study. The sixth section describes the dissertation methodology, including the sampling frame and sample size, as well as its justifications. The seventh section provides the procedure for the data collection. The eighth section states the ethical issues of the study research. In the final section, a brief chapter summary is included.

4.2   Research Paradigms

In human and social sciences, the design of a research study always begins with selection of a research topic and a research paradigm (Creswell 1994; Creswell and Dana 2000; Creswell and Clark 2007; Zhou and Creswell 2012). Paradigms are 'universally recognised scientific achievements that for a time provide model problems and solutions to a community of practitioners' (Kuhn 1962, p. viii). Intrinsically, paradigms offer a framework comprising a set of accepted theories, methods and ways of defining data (Collis and Hussey 2003).

Guba and Lincoln (1994, p. 107) elaborate and further define a paradigm 'as a set of basic beliefs (metaphysics) that deals with ultimate or first principles. It represents a worldview that defines, for its holder, the nature of the world, the individual's place

in it, and the range of possible relationships to that world parts, as for example, cosmologies and theologies do'. In short, a research paradigm is the progress of scientific practice based on people's philosophies and assumptions about the world, and in this context, it is about how research should be conducted (Hussey and Hussey 1997).

Literature provides two of the most common research paradigms; namely, quantitative (or positivistic) and qualitative (or phenomenological or interpretivist) (Bryman and Bell 2003; Collis and Hussey 2003; Creswell 2003, 1994; Guba and Lincoln 1994; Guba 1990). In brief, the positivistic paradigm considers that reality is stable and can be observed and described from an objective viewpoint. The paradigm can identify the precise relationships between chosen variables, and thus, it focuses on the use of quantitative data. On the other hand, the phenomenological or interpretivist paradigm considers that phenomena should be isolated and interpretations gathered. The paradigm suggests that reality is fully understood only through subjective interpretation of and intervention in reality. This philosophy employs qualitative data. According to Guba and Lincoln (1994, p. 105), 'both schools of thought may be used appropriately with any research, which subscribes to common elements as systematic enquiry or investigation to validate old knowledge and generate new knowledge'.

To justify the use of quantitative (or positivistic) or qualitative (or phenomenological or interpretivist) paradigms, researchers have to carefully consider the emphasis of a study. According to Denzin and Lincoln (2011, 2005, 2000), qualitative researchers emphasise the 'answers to questions that stress how social experience is created and given meaning' (Denzin and Lincoln 2005, p. 10), whereas, quantitative researchers emphasise the 'measurement and analysis of causal relationships between variables, not processes' (Denzin and Lincoln 2005, p. 10).

Further analyses have been made and Creswell (2003) puts forward other researchers' different assumptions for the two paradigms. In understanding the assumptions, several dimensions are contrasted, and these contrasts highlight the nature of alternative strategies (Creswell 1994, 2003). The assumptions of

positivistic and phenomenological (interpretivist) paradigms are based on ontological, epistemological, axiological, rhetorical and methodological assumptions. Creswell (1994) summarises the assumptions as follows:

1.   Ontological assumption

The ontological assumption is concerned with the nature of reality. Positivist thinkers consider reality is objective and singular, while phenomenologist (interpretivist) thinkers regard reality as subjective and multiple. This research primarily adopted a positivist ontology. This was justified by the confidence in previous studies into whistle-blowing, such that valid and reliable variables were presented in the literature. However, in parallel to the positivist ontology, the study was expanded to introduce focus group interviews. This meant, at the stage of survey analysis, seeking constructed realities of respondents.

2.   Epistemological assumption

Epistemological assumption refers to the relationship between the researcher and the issue being researched. Positivist thinkers believe that the researcher is independent from what is being researched, while phenomenologist (interpretivist) thinkers believe that the researcher interacts with and affects the issue being researched. This study, in keeping with the positivist ontology, adopted an empirical epistemology. Issues included in the survey instrument were extracted from theories and previous research and were considered to be valid. However, at the stage of data analysis, the search for understanding as well as casual relationships was undertaken. This meant an accompanying adoption of interpretive epistemology. The assumption was that meaning would be interpreted by respondents and the researcher would be less distant in collecting the data.

3.   Axiological assumption

The axiological assumption is concerned with the role of values. Positivist thinkers believe that science is value-free and unbiased, while phenomenologist (interpretivist) thinkers accept scientific study as value-laden and biased. This study

took an objective, unbiased and value-free stance. However, in addition and at the stage of data analysis, for greater understanding, a more interpersonal position was taken.

4.   Rhetorical assumption

The rhetorical assumption relates to the language of research. Positivist thinkers accept the language for research as formal. They prefer the use of quantitative words that are based on a set of definitions, while phenomenologist (interpretivist) thinkers accept the language for research as informal and prefer the use of qualitative words that evolve decisions. This study adopted the formal language position of positivist research. Primary care was taken to be clear and have well defined and universal descriptions which are a feature of positivist research. However, at the stage of data analysis the language of respondents was introduced. This was less formal and more folkloric (Gabriel 2004). The research aim was to allow respondents to 'make sense' of the data and increase their opportunities for understanding the survey results.

5   Methodological assumption

Methodological assumption refers to the process of research. Positivist researchers believe that any concept used can be operationalised. They believe in realism, and they focus on objective facts and hypothesis formulation, as well as using large samples, which reduces the phenomena into their simplest parts. As argued by Wicks and Freeman (1998, p. 125) the use of a quantitative, scientific method, under a positivistic approach 'allows researchers to test their hypotheses and rely on objective measures'. Moreover, data can be replicated for verification purposes in future studies and, thus, replication of results is critical for theory testing (Flew 1979; Rudner 1966).

This study adopted the methodological assumption under positivistic approach for its primary concern is to offer quantitative results that are common and relevant in order to advance knowledge in whistle-blowing literature. The positivist study

approach to whistle-blowing research is widely applied by many scholars in providing empirical knowledge for individuals' perceptions and actions of whistle-blowing (Mesmer-Magnus and Viswesvaran 2005). Literature has provided studies on whistle-blowing with a variety of research designs from such approaches as: field experimental or laboratory studies (Everton 1996; Miceli, Dozier, and Near 1991), quasi-experiments i.e., scenarios studies (Keenan 2002a, 2002b; King 2000; Sims and Keenan 1998; Starkey 1998; Wise 1995) and legal case studies (Dworkin and Baucus 1998).

Phenomenologist (Interpretivist) thinkers use different research methods to obtain different perceptions of the phenomena. They believe in idealism and seek to understand what is happening in a situation. The aim of interpretive research is to examine emergent issues not known going into the study. It also allows emergence of insights when faced with issues such as, in this study, where survey findings are considered in parallel to respondents' views. This study recognises the usefulness of interpretive input into this positivist study and uses the focus group method to elicit respondents' insights into whistle-blowing.

The dominant paradigm in business research is the positivistic paradigm, which includes a positivist ontology, empiricist epistemology and quantitative methodology (Creswell 2009, 2003). However, the phenomenological (interpretivists), or qualitative, approach is becoming more acceptable for today's business research studies (Creswell and Clark 2007). Tashakkori and Teddlie (2003) claim that, nowadays, paradigms could be changed to meet a complex and dynamic environment. In brief, there has been some research attempting to utilise the two paradigms (positivistic and phenomenological or interpretivist) to manage relevant research issues (Goles and Hirschheim 1999; Mingers 2001).

Additionally, Tashakkori and Teddlie (2009) argue that an integration of quantitative and qualitative approaches (mixed-methods approach), each paying allegiance to its ontology, epistemology and methodology in the social and behavioural sciences, gives latitude to the use of required analytical tools to answer research questions. This study accepts that, often, it may be difficult to adequately address all issues

using a single method approach. Researchers who employ both approaches have an advantage of cross-fertilisation between paradigms through transposing contributions from studies in one paradigm into the theoretical frameworks of another (Goles and Hirschheim 1999).

Moreover, Mingers (2001) claims that the research results are richer and more reliable if different research methods are combined, because the world is multidimensional. Agreeably, many researchers have called for the combination of positivist and interpretive research methods, in other words, mixing methods in research approach (Tashakkori and Teddlie 2003; Gable 1994). Considering the calls from researchers, this study employs a mixed-methods research approach which is based on a pluralist framework.

The mixed research method is applied to triangulate quantitative and qualitative data. In other words, this study links the positivist standpoint (quantitative) with the phenomenologists (interpretivists) or qualitative approach, in order to corroborate data and strengthen insights.

4.2.1 Research Process

Research process is defined as the ordered set of activities focused on the systematic collection of information using accepted methods of analysis as a basis for drawing conclusions and making recommendations[17].

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[17] Refer to http://www.utexas.edu/academic/diia/assessment/iar/glossary.php#r
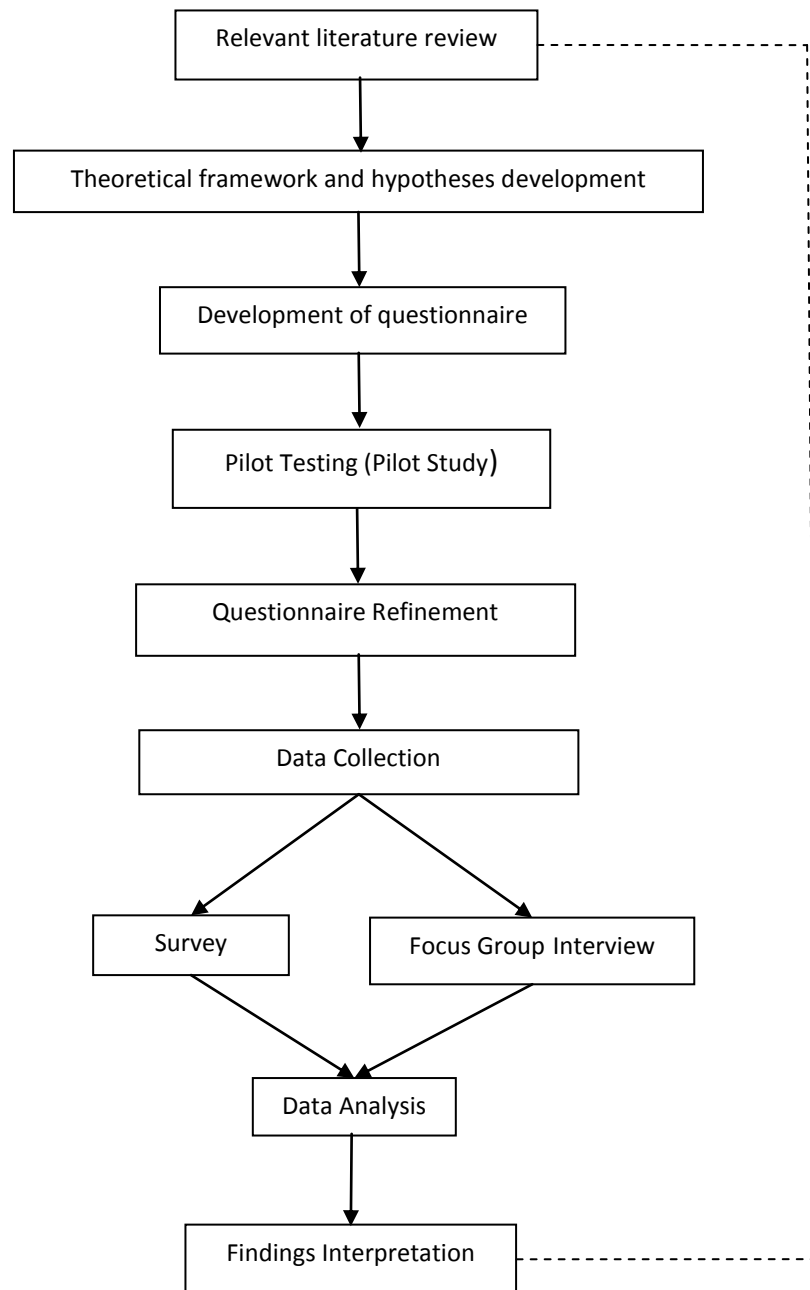
Figure 4.1: Research Process. Adapted from Collis and Hussey (2003)

Figure 4.1 provides an overview of the mixed-method research process used in this study. The first step of the research process was to review the literature. Literature from past research was used to identify predictive variables and to determine research questions and objectives. The second step was to develop the theoretical framework and hypotheses. Having done this, a questionnaire was developed based on validated measurement scales and a set of vignettes/scenarios from previous studies. Along with this, semi-structured interview questions were designed for the

focus group interviews. Questionnaires were translated into the Malay language in a back-to-back translation process. The fourth step was to carry out a pilot study using a small sample of supervisors from a manufacturing company in Malaysia. A pilot test of the tentative questionnaires served as a means to assess reliability and face validity of the questionnaires. Where appropriate, questionnaires were refined and a final version was developed. Then, data were collected based on two methods i.e., survey and focus group interview. Quantitative data were analysed using Statistical Package for Social Science (SPSS version 18.0) and Structural Equation Modelling (Amos version 18.0), whereas qualitative data were analysed using NVivo (NVivo version 8.0). Findings were interpreted based on statistical test results of quantitative data, qualitative analysis, and agreement with literature review.

4.3   Research Design

Research design means 'a master plan specifying the methods and procedures for collecting and analysing the needed information' (Zikmund 2003, p. 65). Another scholar defines research design as 'the science (and art) of planning procedures for conducting studies so as to get the most valid findings' (Vogt 1993). This study applied a mixed-methods design (Creswell 2009) with both quantitative (cross sectional sample survey) and qualitative (focus group interview) components.

There are several reasons for the usage of a mixed-methods design. Firstly, a researcher may wish to extend results from one phase of the study to inform procedures in another phase (Creswell 2009). For example, the researcher may want to follow quantitative data collection with gathering of qualitative data in order to support and extend (through rich description) the results of the quantitative method. This would help to increase the quality, accuracy, validity and reliability of the data (Babbie 2004). Therefore, mixed-method approaches provide greater description of the phenomenon under investigation than single method approaches, and do so from different perspectives (Creswell and Clark 2007; Denscombe 2007; Gil-Garcia and Pardo 2006; Onwuegbuzie and Teddlie 2003;

Tashakkori and Teddlie 2003). Further, such approaches can improve the validity and reliability of the resulting data as well as strengthening casual inferences by providing the opportunity to observe data convergence or divergence in hypothesis testing (Abowitz and Toole 2010). Hence, a richer understanding of the realities of the research area will be gained by combining several methods together in a single research program (Mingers 2001).

Secondly, combining methods capitalizes on strengths and reduces the limitations associated with either the quantitative or qualitative approach alone (Creswell 2009; Creswell and Clark 2007; Johnson and Turner 2003). For example, while quantitative data facilitates the generalization of results from samples to populations by gathering information from a large number of people, qualitative research allows for in-depth exploration of a small group of individuals (Bullock, Little, and Millham 1992; Creswell 2009; Gordon and Langmaid 1993). As argued by Creswell and Clark (2007, p. 9), 'quantitative research is weak in understanding the context or setting in which people talk'. Qualitative research, on the other hand, can compensate for such limitations. However, Creswell and Clark (2007) also point out that a limitation of qualitative research is associated with the difficulties in generalizing findings to a larger group.

Thirdly, a mixed-method design provides in-depth study of certain issues, problems or objectives at different levels of the research process (Todd et al. 2004). For instance, a researcher may want to apply different methods for looking at different levels of the same problem, and only through mixed-methods can these different levels be approached simultaneously (Todd et al. 2004). Thus, by employing a mixed-methods design, the researcher will generate more detailed and comprehensive information about his/her research issues, problems or objectives and draw a concrete conclusion for his/her in-depth study (Wiersma and Jurs 2005). The fact that the study by Wiersma and Jurs (2005) concentrates on the re-entry adjustment and experiences of international students suggests that a mixed-method design is also suitable for other studies which facilitate investigations of individuals' experiences in social settings, situations or events that may well include

whistle-blowing actions (Berg 2001; Creswell and Clark 2007; Leedy and Ormrod 2005).

Lastly, a mixed-methods design is more suitable for usage in studying real life situations; for example organisational behaviour studies (Scandura and Williams 2000). According to Scandura and Williams (2000), a mixed-methods research design is strong in realism and, thus, the design enhances the validity of studies involving organisational behaviour. Further, any measurement of a key construct of behaviour, trait or attitude may well be determined by employing both survey and interview methods (Abowitz and Toole 2010). Motivated by this view, this study employs the mixed-methods design. As suggested by Miceli, Near and Dworkin (2008) and Miceli and Near (1992), the application of a multi-method of testing data from research findings will allow for drawing more robust conclusions about whistle-blowing.

4.3.1   Cross Sectional Sample Survey Research

According to Zikmund (2003, p. 187), 'a cross-sectional study is a study in which various segments of a population are sampled at a single point in time'. In addition, field studies can be defined as non-experimental scientific inquires designed to discover the relations among variables in real social structures, for example, communities, institutions and organisations (Kerlinger 1992). As suggested by Zikmund (2003), most sample surveys fall into cross-sectional field studies. There are a few advantages in using cross-sectional sample surveys.

Firstly, a cross-sectional sample survey provides the advantage to the researcher of having a sizeable amount of information from a comparatively large sample (Kerlinger 1992). Secondly, according to Scandura and Williams (2000), a sample survey maximizes the representative sampling of the population units studied and, thus, improves the generalizability of the results. Thirdly, in comparison to experimental research, sample survey research is strong in realism and can be very important for real-life business situations (Kerlinger 1992). Finally, according to Dawes (1999), many argue that data for objective and subjective measures of

company performance obtained from sample survey research are often accurate because the instrument is specifically designed to answer the research questions (Slater 1995; Dess and Robinson 1984).

Survey Method

A survey refers to 'a research technique in which information is gathered from a sample of people, using a questionnaire' (Zikmund 2003, p. 66). According to Miceli, Near and Dworkin (2008) and Mesmer-Magnus and Viswesvaran (2005), the survey method is the most common method of generating primary data for whistle-blowing intention studies. Further, researchers posit that the usage of a survey is considered as an appropriate method to assess and draw conclusions about the findings from a sample of responses (Creswell 1994; Chrisnall 1992). Moreover, the survey method is argued to be quick, inexpensive and efficient in terms of administration (Zikmund 2003; Sekaran 2003). Others suggest that the method is used to gather information about respondents' thoughts, opinions and feelings (Shaughnessy and Zechmeister 1997). Likewise, researchers believe that the method is suitable for collecting data in relation to beliefs, attitudes and motives (Burns and Bush 2000).

With regard to this study, the use of self-administered questionnaires is applied in accordance with their appropriateness to measure the constructs. This is because the constructs include established measurements and are suitable to be used by researchers from different countries (Rest et al. 1999; Spector et al. 2001; Zhang, Chiu, and Li-Qun 2009b). Besides, another important aspect is that the study uses a large sample size from publicly listed companies in Malaysia. This could be well justified by Hair, Bush and Ortinau (2003) who posit that the survey method is suitable for research with a large sample size.

However, Spector (1992) suggests that the survey method has its own disadvantages with respect to its reliance on self-reporting data. Other researchers like Hair, Bush and Ortinau (2003) suggest that using the survey method gives rise to difficulties in determining the truthfulness of the answers, lack of detail and in-

depth information, and lack of control over timeliness. Considering the above concerns, only validated scales were applied to measure all constructs in this study. Moreover, back-to-back translation was applied to ensure respondents' understanding of the questionnaire. This is important to avoid any response bias (Hair, Bush, and Ortinau 2003).

4.3.2 Focus Group Interview

A focus group interview is another part of the research design applied in this study. Zikmund (2003, p. 117) defines a focus group interview as 'an unstructured, free-flowing interview with a small group of people. It is not a rigidly constructed question-and-answer session, but a flexible format that encourages discussion of, say, a labor issue, reactions to a political candidate, or a new-product concept'. Similarly, the use of a focus group interview in the present study is based on an argument made by several scholars (Miceli, Near, and Dworkin 2008) in conducting whistle-blowing studies. The argument highlights the issue of an individual's response to a given hypothetical situation possibly not being the same if actually faced with the situation.

According to Miceli, Near and Dworkin (2008), a researcher enables support of such an investigation using a hypothetical situation by elaborating methods to link respondents' questionnaire responses with the respondents' views on the situation. This is done for the purpose of validating and strengthening respondents' perceptions of the given hypothetical situation (Miceli, Near, and Dworkin 2008). As argued by Miceli, Near and Dworkin (2008, p. 31), 'Unfortunately, collecting data from representative samples of whistle-blowers requires holding in abeyance some of the field's most stringent requirements for careful research design. In this instance, we believe that relevance justifies research, with appropriate rigor to the extent feasible'. Therefore, as mentioned, this study employs a mixed-methods research approach.

As agreed by several researchers, a focus group interview has become a popular technique for gathering qualitative data, and is used to support and strengthen

quantitative data (Abowitz and Toole 2010; Morgan 1996). This is because a focus group interview may generate valid information which can be used for the triangulation of data that may have been collected through other means, such as a survey, an experiment or a longitudinal survey (Grudens-Schuck, Allen, and Larson 2004). Within the study of whistle-blowing, a focus group interview is essential in the evaluation process as part of a needs assessment, to gather perceptions on the outcome (Lewis 1995). This is because a carefully planned discussion for a focus group study may provide a better understanding of how individuals feel and think about a certain situation (Kreuger and Casey 2000).

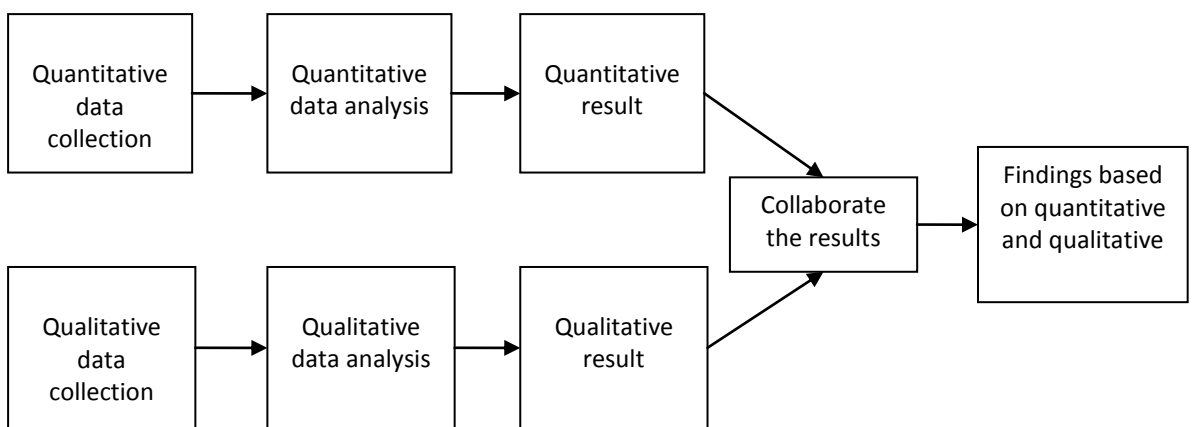### 4.3.3   The Triangulation Mixed-methods Design

The triangulation mixed-methods design employs a one-phase research process in which quantitative and qualitative components are implemented concurrently (Creswell 2009; Creswell and Clark 2007). This study adapts the triangulation mixed-method design which is known as the 'convergent model' (Creswell and Clark 2007) (Figure 4.2).

Triangulation Design
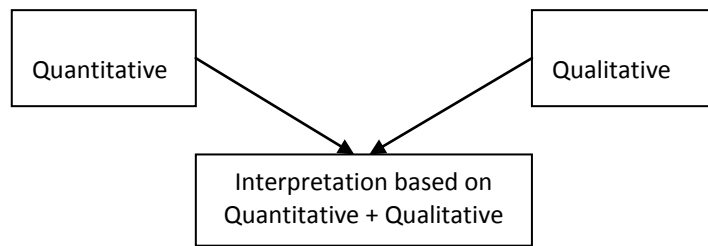
Triangulation Design: Convergence Model

Figure 4.2: The Triangulation Design. Adapted from Creswell and Clark (2007)

Figure 4.2 illustrates the triangulation mixed-methods design. Based on the figure, quantitative and qualitative results are collaborated and interpretations of the findings are derived from both quantitative and qualitative data. The triangulation design helps to strengthen quantitative data with qualitative data. In short, for this study, findings from both were synthesized to produce a robust conclusion to research questions and objectives.

4.4   Survey Questionnaire Development

As mentioned earlier, only validated measurements were applied in this study. The prime benefit of using validated measurements is that the measurements have already been assessed for validity and reliability (Kitchenham and Pfleeger 2002). The survey (Appendices 1 and 2) consisted of measurements previously developed and validated, from the literature.

In designing the questionnaire, several elements were considered, for example, language used, sequence of the questions, and length of the questionnaire. This study followed suggestions by Frazer and Lawley (2000), specifically that questionnaires in the survey should be simple, straight-forward and easy to understand. Moreover, the wordings used in the questionnaires are suited to the level of respondent comprehension i.e., high school level (Frazer and Lawley 2000). Also, following Horst (1968) and Oppenheim (1986), the maximum words used in most of the questions were up to 20 words. Further, the length of the questionnaire was designed to be less than twelve pages, as recommended by other researchers (Frazer and Lawley 2000; Hoinville and Jowell 1978).

The questionnaire was designed to encourage respondents to respond to the most important questions first. Such arrangement has been previously supported by Alreck and Settle (1995). The respondents' possible fatigue levels could be minimized by placing relatively important questions in the earlier parts of the questionnaire and relatively less important in the later parts of the questionnaire. Finally, simple instructions were designed to enable easy understanding, so as to increase response rate (Sanchez 1992; Babbie 1990) and to minimize measurement error (Sanchez 1992).

4.4.1   The Questionnaire

A cover letter was enclosed with the questionnaire (Appendices 5 and 6). The cover letter asked respondents to honestly participate in giving information via the questionnaire. The cover letter explained the importance of respondents' participation in the study, including the researcher's appeal for respondents' participation and a personalized signature in the researcher's own handwriting. The cover letter was prepared to faciltate respondents' understanding of the study objectives and the reasons behind answering the questionnaire and, thus, it sought to improve the response rate (Dillman 2007; Singleton and Straits 2005; Bourque and Fielder 1995).

This study follows Church (1993) where the respondents were not compensated for their participation in answering the questionnaire, but instead they were given a small token of appreciation (a souvenir) to induce a better response rate. Also, following Church (1993), an offer of the summary of the study's findings was made available to respondents upon their request. The structure of the questionnaire (Appendices 1 and 2) is divided into five sections; namely, Section A to Section E.

Section A is concerned with whistle-blowing intention. In the first part, respondents are asked to provide their intention to whistle-blow whilst in the second part the respondents need to assume their peers' intentions.

Section B comprises three short vignettes to measure the ethical reasoning construct. Under each vignette, there are three tasks to be completed by respondents. Task 1 requires respondents to make decisions regarding the given vignettes. Task 2 requires respondents to evaluate the importance of each of the given twelve statements. Task 3 requires respondents to evaluate the importance of the twelve statements.

Section C contains eight questions to measure internal locus of control. The respondents were asked to assess the questions based on a 6-point Likert scale.

Section D composes five statements to assess the organisational culture construct. The respondents were asked to evaluate the statements based on a 6-point Likert scale.

Section E contains twelve questions enquiring about the demographic information of the respondents.

The final part of the questionnaire allows respondents to provide comments regarding the questionnaire.

4.4.2   Survey Items

The selection of the survey items considers several factors, for instance item reliability, item validity, and theoretical guidance and judgment. The item reliability

(where reported) is examined to ensure that it meets minimum acceptable thresholds (e.g., Cronbach alpha of 0.60 or greater). Then, both convergent and discriminant validity are examined (where reported) to determine the measurement of each construct. Finally, theoretical guidance and judgment is used to assess the suitability of the measurement for the constructs.

This study utilized a 6-point Likert scale in order to eliminate the central tendency error (Cooper and Schindler 2003). Similarly, the middle response of *can't decide* in measuring ethical reasoning was also eliminated, for the same reason. In other words, respondents, especially in Asian countries, tend to rank their priorities in the neutrality dimension (Trompenaars and Hampden-Turner 1997). Therefore, the middle response such as *neither agree nor disagree* was excluded.

Whistle-blowing Intention

Whistle-blowing intention is an endogenous variable in this study. Whistle-blowing intention refers to the likelihood that organisation members will report illegal or unethical activities to parties in the organisation who are willing and able to take action to correct the wrongdoing (Mesmer-Magnus and Viswesvaran 2005). Many researchers claim that the whistle-blowing intention construct could be best measured by providing participants with one or more social situations (Zhang, Chiu, and Li-Qun 2009b; Demetriadou 2003; Wise 1995; Fritzche and Becker 1984).

Whistle-blowing intention is measured using a short scenario or vignette[18] adapted from Demetriadou (2003). The vignette approach is utilized in this study because the vignette provides a more realistic context for the respondents, i.e., puts the respondents in the position of a character portrayed in a hypothetical situation (Reidenbach and Robin 1990; Weber 1992; Patel 2003). Along with the vignette, a four-item semantic differential scale of behavioural intention, adapted from Barnett

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[18] Vignettes are 'short descriptions of a person or social situation which contain precise reference to what are thought to be the most important factors in the decision-making or judgment-making process of respondents' (Alexander and Becker 1978, p. 94).

et al. (1996), is used to measure whistle-blowing intention. This scale is utilized because it displays respondents' intentions in a consistent manner for the given vignette (Barnett, Bass, and Brown 1996; Zhang, Chiu, and Li-Qun 2009b). The respondents are asked to read the vignette and assess the probability of blowing the whistle in both terms of "given the hypothetical situation above, indicate your likelihood to report the observed violation to the next higher level" and "given the hypothetical situation above, indicate your colleagues'/peers' likelihood to report the observed violation to the next higher level". The purpose of asking the respondents to imagine their colleagues'/peers' behavioural intention is to identify any social desirability response bias[19] that might be present in the response (Watkins and Cheung 1995). The semantic differential scale included six points ranging from 1 (definitely would) to 6 (definitely would not). Table 4.1 shows the vignette (a hypothetical situation), items and semantic scale for whistle-blowing intention.

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[19] Social desirability response bias refers to 'the desire, at either a conscious or unconscious level, to give a particular picture of oneself by the way in which one responds to questionnaire items' (Watkins and Cheung 1995, p. 490).

Table 4.1: A vignette (a hypothetical situation), items and scale for whistle-blowing intention

A hypothetical situation for whistle-blowing intention
Imagine that, while working for your current employer, you are assigned to work on a project. While working on this project, you become aware of certain organizational practices which you find personally objectionable because you feel they violate certain ethical principles.

Survey items and scale for whistle-blowing intention

1. Given the hypothetical situation above, indicate your likelihood to report the observed violation to the next higher level.

Likely	____ :	____ :	____ :	____ :	____ :	____ :	Unlikely
Probable	____ :	____ :	____ :	____ :	____ :	____ :	Improbable
Possible	____ :	____ :	____ :	____ :	____ :	____ :	Impossible
Definitely would	____ :	____ :	____ :	____ :	____ :	____ :	Definitely would not

2. Given the hypothetical situation above, indicate your colleagues'/peers' likelihood to report the observed violation to the next higher level.

Likely	____ :	____ :	____ :	____ :	____ :	____ :	Unlikely
Probable	____ :	____ :	____ :	____ :	____ :	____ :	Improbable
Possible	____ :	____ :	____ :	____ :	____ :	____ :	Impossible
Definitely would	____ :	____ :	____ :	____ :	____ :	____ :	Definitely would not

Internal Locus of Control

The first exogenous variable in this study is internal locus of control. Locus of control refers to individuals who believe they have control over their own fate (Keller and Blomann 2008; Levenson 1981; Rotter 1966). Locus of control is differentiated into internal and external (Rotter 1966). Internals are those who believe that they have direct control of their fate and therefore, they are confident to control their external environment (Thomas, Kelly, and Lillian 2006). Externals, on the other hand, are those who believe they do not have direct control of their fate and thus, they are not confident to control their external environment (Thomas, Kelly, and Lillian 2006). However, as discussed in Chapter 3, this study only focuses on internal locus of control and not both.

According to Detert, Trevino and Sweitzer (2008), individuals with strong internal locus of control might provide better connection between their own behaviour and the outcomes of that behaviour (Levenson 1981; Rotter 1966). Theoretically, internal locus of control links directly with the outcome of ethical behaviour (Detert,

Trevino, and Sweitzer 2008; Trevino and Youngblood 1990). Agreed by Cherry and Fraedrich (2000), individuals with internal locus of control tend to emphasize rules in line with ethical behaviour. On the other hand, external locus of control is said to correlate with a less ethical perspective on life (Wise 1995; Singhapakdi and Vitell 1991; Mudrack 1990).

Internal locus of control is measured using Spector's (1988) Work Locus of Control Scale (WLCS). Recent studies employing work locus of control suggest that the construct is an important and useful personality variable for explaining behaviour in a work setting (Oliver, Jose, and Brough 2006). Spector (1988) developed the WLCS by means of measuring an individual's generalized control belief in an organisational setting. Muhonen and Torkelson (2004, p. 22) define WLCS as 'a domain-specific measure of locus of control in organisational settings'. The WLCS measures locus of control beliefs in terms of rewards and outcomes such as promotions, salary increases and general career progress (Spector 1988). The domain-specific measures are generally considered better predictors of work behaviour than the generalized measure of locus of control (Muhonen and Torkelson 2004; Blau 1993; Orpen 1992). Supported by Macan, Trusty and Trimble (1996), with this domain-specific scale, Spector found correlations between organisational variables and locus of control to be larger than they were with general control measures like Rotter (1966). This has been proven in several studies concerning, for example, different performance dimensions (Blau 1993), unemployment (Cvetanovski and Jex 1994), stress and well-being (Lu et al. 2000; Spector and O'Connell 1994; Daniels and Guppy 1994), and selection interviews (Silvester et al. 2002).

Using Spector's (1988) WLCS, respondents were asked to indicate their beliefs by answering eight items designed to tap internal control. A sample of an internal control item is, "A job is what you make of it". As recommended by Spector, a 6-point Likert-type response format was used (1 = strongly disagree to 6 = strongly agree). However, the internal control items must be reversed before summing. This is because high scores on the scale indicate respondents with external locus of

control. For example, a score of 6 representing an external control item is equivalent to a score of 1 representing an internal control item. Table 4.2 shows the items and scale for internal locus of control.

Table 4.2: Internal locus of control items and scale

No.	Statements	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
1.	A job is what you make of it.	1	2	3	4	5	6
2.	On most jobs, people can pretty much accomplish whatever they set out to accomplish.	1	2	3	4	5	6
3.	If you know what you want out of a job, you can find a job that gives it to you.	1	2	3	4	5	6
4.	If employees are unhappy with a decision made by their boss, they should do something about it.	1	2	3	4	5	6
5.	Most people are capable of doing their jobs well if they make the effort.	1	2	3	4	5	6
6.	Promotions are given to employees who perform well on the job.	1	2	3	4	5	6
7.	People who perform their jobs well generally get rewarded.	1	2	3	4	5	6
8.	Most employees have more influence on their supervisors than they think they do.	1	2	3	4	5	6

Work Experience

The second exogenous variable in this study is work experience. Cherry (2006) notes that work experience refers to the individual's length of time employed by his/her current organisation. In this study, work experience was measured by asking respondents to indicate the length of their employment in their organisation. The respondents therefore stated the number of years for their length of employment. This procedure follows similar studies in the field (Mesmer-Magnus and Viswesvaran 2005; Sims and Keenan 1998). Table 4.3 shows the item for work experience.

Table 4.3: Work experience item

How long have you been employed by your current employer: _____ years and _____ months (please specify a number – if less than 1 year please specify number of months)

Ethics Training

The last exogenous variable is ethics training. Frisque and Kolb (2008) define ethics training as the curriculum, or program, which provides thoughts and applications of ethics in decision-making processes. Ethics training was measured by asking respondents to indicate a 'yes' or 'no' answer, based on four questions. The measurements are adapted from Daniels (2009) original version. Table 4.4 shows the items for ethics training.

Table 4.4: Ethics training items

I.	Does your school/university/other institutions that you have attended offer ethics courses? (please circle the corresponding number):
	1 Yes
	2 No
	If **yes**:
J.	Have you completed the courses? (please circle the corresponding number):
	1 Yes
	2 No
K.	Does your company offer training on ethics? (please circle the corresponding number):
	1 Yes
	2 No
	If **yes**:
L.	Have you attended the training?
	1 Yes
	2 No

Ethical Reasoning

Ge and Thomas (2008) contend that ethical reasoning could be defined as the decision-making process which an individual uses to judge whether a course of action is ethically or morally appropriate. In brief, ethical reasoning pertains to the process that an individual follows in making a decision, i.e., an ethical decision (Ponemon 1992).

Ethical reasoning is measured using the widely used short version of Rest's (1979a, 1979b) Defining Issues Test (DIT). The DIT is employed to measure the respondents'

cognitive moral development levels[20] (Rest 1986a; Colby and Kohlberg 1987). The DIT consists of a series of short standardized vignettes relating to general social dilemmas (Herrington and Weaven 2008). The full version of the DIT contains six vignettes; however, this study utilizes a shorter version, i.e., a three-vignette version. This shorter version is popular among researchers, particularly because there is a concern regarding likely response rates (e.g., Goolsby and Hunt (1992); Ho et al. (1997); Eynon et al. (1997); Bay and Greenburg (2001); Early and Kelly (2004)). The choice of social dilemmas for the three vignettes was based on the respondents' "applicability to the environment"[21], i.e., Malaysian environment.

According to Rest et al. (1999), statistical reliability and validity for the DIT has been assessed in terms of seven criteria cited by over four hundred published articles. Several related criteria by the researchers are worth mentioning. Firstly, DIT scores (a single measure known as P (principled) score) are significantly related to the cognitive capacity measure of moral comprehension (r = 0.60s) to recall post-conventional moral arguments, to Kohlberg's measure (Cognitive Moral Development Theory as described in Chapter 2), and (to a lesser degree) to other cognitive development measures. Secondly, DIT scores are significantly linked to much prosocial behaviour (as described in Chapter 2) and to desired professional decision-making. Thirdly, test and retest reliability for P score is generally in the high 0.70s or 0.80s. Finally, DIT scores show discriminant validity from verbal or general intelligence and from political attitudes. Moreover, the DIT is equally valid for males and females.

The respondents were asked to read the three dilemmas and answer a set of questions. The three dilemmas pose the questions: (a) Should a man (Chua) steal a drug from an inventor in town, to save his wife who is dying and needs the drug? (b)

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[20] The DIT is adopted because 'DIT is an objective recognition instrument which is considered more scientific, valid, and reliable' (Tsui and Gul 1996; Tsui and Windsor 2001).

[21] See Herrington and Weaven (2008) where there is a necessity to minimal cultural adaptation of ethical dilemma topics.

Should a man (Kamal) who escaped from prison but has since been leading an exemplary life be reported to authorities? (c) Should a student newspaper be stopped by a Principal of a secondary school when the newspaper stirs controversy in the community? After reading each dilemma, the respondents were asked to rank order their top four (out of twelve) issue statements based on their level of importance.

The ethical reasoning score is determined based on the respondents' ranking of the four most important issue statements. More specifically, the score is known as P score (standing for "principled morality"). The P score represents the percentage of total possible scores (0 to 90) assigned to stage 5 and 6 (Table 2.1) issue statements (according to Kohlberg's cognitive moral development theory). According to Herrington and Weaven (2008), an individual with a high P score possesses a high level of ethical reasoning ability and this equates with an ability to reason at a high stage of cognitive moral development. As a reference, ethical reasoning dilemmas, items and scale are presented under Appendix 2 (English version) and Appendix 4 (Malay version).

Control Variables

This study provides an account of gender, educational level, firm size and organisational culture. These variables have been proposed by Miceli and Near (1992) to have an influence on whistle-blowing decisions and, thus, have been used as control variables in this study (Regh et al. 2008; Barnett, Bass, and Brown 1996; Barton 1995). Control variables like gender, educational level and firm size were obtained from demographic information. The variables are measured using both categorical and ordinal scales. Organisational culture, on the other hand, is recognized as a potential influence on the openness, honesty and transparency of business organisations (Keenan 2007; Sims and Keenan 1999). To allow for any confounding effects on whistle-blowing intention, organisational culture is measured using five items adapted by Hunt et al. (1989). All of these items are measured using a 6-point Likert scale ranging from 1 (strongly disagree) to 6

(strongly agree). Table 4.5 shows the control variable items and scale (also in Appendices 1 and 2).

Table 4.5: Control variable items and scale

Gender:

Please indicate your gender (circle the corresponding number):
1   Male
2   Female

Educational level:

What is your highest obtained educational level? (please circle the corresponding number):
1   Diploma
2   Degree
3   Master's degree
4   Other (Please specify:_____)

Firm size:

My company has: _____ full-time equivalent employees (please specify a number)

Organisational culture:

In this section of the survey, the researcher is interested in assessing the relevancy and impact of the organizational culture of your company. Please **circle only one number from 1 to 6** that best matches the degree to which you agree or disagree with the following statements:

No.	Statements	Strongly disagree	Disagree	Slightly Disagree	Slightly Agree	Agree	Strongly agree
1.	Supervisors in my company often engage in behaviours that I consider to be unethical.	1	2	3	4	5	6
2.	In order to succeed in my company, it is often necessary to compromise one's ethics.	1	2	3	4	5	6
3.	Directors in my company have let it be known in no uncertain terms that unethical behaviours will not be tolerated.	1	2	3	4	5	6
4.	If a supervisor in my company is discovered to have engaged in unethical behaviour that results primarily in personal gain (rather than corporate gain), he or she will be promptly reprimanded.	1	2	3	4	5	6
5.	If a supervisor in my company is discovered to have engaged in unethical behaviour that results primarily in corporate gain (rather than personal gain), he or she will be promptly reprimanded.	1	2	3	4	5	6

4.4.3 Translation Process

This study considers the fact that the respondents are Malaysians and little research has been carried out using the chosen measures outside of Western countries. Therefore, a back-translation process was utilized to minimize any possible variance due to cultural and linguistic differences (Kim and Han 2004).

Brislin, Looner and Throndike (1973) point out that there are four translation techniques, namely; back-translation, bilingual techniques, committee approach and pre-test (Maneesriwongul and Dixon 2004). According to Brislin, Looner and Throndike (1973), back-translation refers to a target language version which is translated back into the source language version in order to verify translation of the research instrument. The bilingual technique involves testing both source and target language versions among bilingual respondents in order to detect items yielding discrepant responses in the two versions. The committee approach is the use of a team of bilingual people to translate from the source to the target language. In pre-test procedures, a pilot study should be carried out after instrument translation is completed in order to ensure that 'future users of the target language version can comprehend all questions and procedures' (Maneesriwongul and Dixon 2004, p. 176).

In short, this study uses the back-translation technique. As argued by Yu, Lee and Woo (2004), the back-translation technique is the most widely used and accepted translation technique for obtaining equivalence between the source language and the target language. Two qualified bilingual translators translated the questionnaire in both English and Malay languages. One of the translators translated the questionnaire from English to Malay, whereas, another translator served as a back translator (translating the questionnaire from Malay to English). The next step involved a review process of the translated questionnaire by professionals working in publicly listed companies. These professionals evaluated the questionnaire in terms of items, words and phrases to suit common practices and usage by companies and workers.

However, the back-translation technique may result in a possibility of false positive translation [22] (Wang, Lee, and Fetzer 2006). Therefore, this study employs a decentering approach in addition to the back-translation technique in order to minimize the false positive error and to further improve the quality of the translated questionnaire (Brislin 1970). According to Ami, Robert and Brian (1994, p. 502), a decentering approach refers to 'an ongoing process of revisions in both languages as often as needed until a similar but culturally relevant is validated in each language'. Hence, this additional decentering approach should maximize the translation similarity of the questionnaire's contents from the source language (English) to the target language (Malay).

4.5   Pre-dissertation

4.5.1   Pilot Study

The questionnaire was tested through a pilot study to improve its wording, reliability and validity (Frazer and Lawley 2000). Convenience sampling was applied in selecting the sample in this pilot study. Following a suggestion made by Lucas, Hair and Ortinau (2004), fifty respondents were involved in the pilot study, to permit proper statistical testing procedures. The respondents were supervisors working in listed manufacturing companies under Bursa Malaysia Berhad (BMB), Malaysia's stockbroking company. Reynolds and Diamantopoulos (1998) argued that a smaller number of respondents with certain characteristics were deemed to be more efficient for exploring errors in survey instrument design than respondents chosen randomly from the population of interest. Data for this study were collected using a mail survey. This study did not include or use the prior pilot study data for its data collection.

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[22] According to Wang, Lee and Fetzer (2006, p. 312), 'a false positive error could occur when the forward translation is inadequate but compensated for and corrected by an expert translator'.

The fifty respondents involved were in the supervisory level including senior supervisors, middle to lower level supervisors and training supervisors, representing a range of departments in their company. These supervisors were reasonably knowledgeable about the objectives of the research for this study and familiar with the manufacturing environment in Malaysia.

Since the rationale of conducting a pilot study is to assess and improve the readability and clarity of the survey questionnaire, the last section of the questionnaire provided respondents an opportunity to give comments and to make suggestions for improvement of the survey. This feedback was used to improve the readability and clarity of the survey questionnaire in its final version. Based on comments and feedback given by the respondents in the pilot study, several weaknesses of the questionnaire were indentified.

For example, the respondents suggested that providing more space between each group of questions within the same section would make the questionnaire easier to read. Also, they suggested that the instructions written for each group of questions should be further simplified. Besides, for questions that covered more than one page, the scale should be provided on each page. Hence, considering the comments, the questionnaire was modified and refined by providing more space between the questions, shortening the instructions to be more precise and allow clearer understanding, and the scales used were printed in every page of the questionnaire. These modifications and refinements were made before the data collection was carried out.

4.5.2   Discussion on Pilot Study

The reliability of each construct was assessed to determine the quality of the instrument (Churchill 1979) and was based on the Cronbach alpha coefficient. According to Hair et al. (1998), the lower acceptable limit of Cronbach's alpha is 0.60 to 0.70. As for this study, the reliabilities of the constructs under investigation range from 0.66 to 0.98; all within the acceptable range. Following reliability tests, the convergent and discriminant validity was assessed using confirmatory factor

analysis. However, this assessment was not practical due to the small sample size. Hence, the assessment for validity was conducted after the final data collection.

4.6 Dissertation Methodology

4.6.1 Sampling Frame

Sampling is the 'process of selecting a sufficient number of elements from the population so that by studying the sample, and understanding the properties or the characteristics of the sample subjects, we will be able to generalise the properties or characteristics of the population elements' (Sekaran 1992, p. 226-227). The sampling frame of this study was the Bursa Malaysia Berhad (BMB) directory. The directory consists of a list of large manufacturing companies. The BMB was formerly known as Kuala Lumpur Stock Exchange (KLSE), the only stockbroking company in Malaysia. 'Large manufacturing companies' refers to manufacturing companies having more than 1,000 employees and market capitalization of RM500 million or more (BMB 2009; FMM 2008).

Previous research has shown that large organisations have a greater incidence of wrongdoing (Lau, Au, and Ho 2002). Manufacturing companies are posited as an adequate environment because such companies often report incidents of wrongdoing (Hooks, Kaplan, and Schultz 1994; Ponemon and Gabhart 1994). The rationale for choosing large manufacturing companies is based on the provisions under the Malaysian whistle-blowing law, newly introduced in the Securities Industry (Amendment) Act, 2003 and under the new Companies (Amendment) Act, 2007[23] (Hassan 2006; Yakcob 2005). Manufacturing companies listed under BMB are more likely to run investigations for whistle-blowing behaviour (Anwar 2003).

The respondents of this study were supervisors working in the listed manufacturing companies in Malaysia. The rationale of choosing supervisors is based on the

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[23] Explanations are in Chapter 1.

argument that reports of wrongdoing are usually made by members close to the inner workings of an organisation (Mesmer-Magnus and Viswesvaran 2005). Moreover, Wahab (2003) indicates that supervisors who intend to disclose their organisation's malpractices will be protected from victimization and retaliation under the Securities Industry (Amendment) Act, 2003. Generally, the Malaysian whistle-blowing provisions apply to breaches of securities laws and stock exchange rules. Khan (2003), however, suggests that the issue of implementation of the Act should firstly be confined to specific employees, such as supervisors of publicly listed companies.

4.6.2   Sample Size

A two-stage sampling technique was applied. Using the BMB directory, five companies from three sectors (consumer product, industrial product and technology) were randomly selected to form a total of 15 companies for the sample of this study. Then, the 15 companies were contacted for the distribution of the questionnaires. In any case where companies refused to participate, these companies were then replaced by other companies next on the list.

Based on analysis of the companies from publicly available sources and via personal contact with company representatives, it was estimated that there would be approximately 25 supervisors per company. Thus, accounting for this estimation and the potential that some companies might exceed 25 supervisors, each company was then given 40 questionnaires. In all, a total of 600 questionnaires were distributed to supervisors working in the selected 15 companies.

4.7   Data Collection

The procedure for data collection for this study was carried in two phases. Self-administered questionnaires were used to collect quantitative data. A self-administered questionnaire refers to a questionnaire that is filled in by the respondents rather than by a researcher (Zikmund 2003). According to Dillman (2007), when compared to interview questions, respondents could give more

honest answers to self-administered questions. Dillman (2007) further argues that this method could help to minimize social desirability bias, especially when collecting sensitive data such as whistle-blowing intention.

A drop-off and pick-up method was applied to distribute and collect the questionnaire. This method requires the researcher to travel to the respondents' locations to drop off questionnaires that will be picked up later (Zikmund 2003). The researcher hand-delivered the questionnaire, for distribution to supervisors, and collected them from the appointed representatives of the selected companies.

The drop-off and pick-up method could stimulate the interest of respondents to answer the questionnaire. According to Hair, Bush, and Ortinau (2003), the interest in completing questionnaires develops through the interaction between a representative and respondents. Others argue that the drop-off and pick-up method might provide enough time for respondents to complete questionnaires diligently (Emory and Cooper 1991; Aaker and Day 1990).

The next data collection procedure was the focus group interview. Using the same companies under survey, a total of six separate focus group interview sessions (two companies from each category of consumer product, industrial product and technology) were conducted to gather qualitative data. A group of five supervisors from each of the six companies participated in the focus group interview sessions. The focus group interviews were conducted during the pick-up procedure from the representative of each company. This was done to minimize constraints of time, place and availability of the respondents' participation. Prior to the interview sessions, participants were made aware of the aim of the focus group interviews. This was done through describing the content in the interview information letter (Appendix 9) to the participants. A consent form (Appendix 10) was given to each of the participants in the focus group interviews. This consent form outlined the purpose of this study, the voluntary participation of respondents and the confidentiality of respondents' information for data collection. The participants were asked to sign the form to secure their consent.

The focus group interview sessions utilized semi-structured interviews including open-ended and pre-planned questions (Appendices 7 and 8) and these sessions were digitally recorded. Each session took approximately 30 to 40 minutes to complete. Six questions were asked in the focus group interviews. The questions were as follows:

Q1.	In the context of your professional role as a supervisor, could you please describe your experience in handling wrongdoing in your company?

Q2.	So far, based on your knowledge, how many cases of wrongdoing have been reported?

Q3.	Are there any other conditions that could affect your decision to report wrongdoing? If so, what are they and why do you think this could influence your decision?

Q4.	Some people think that work experience and ethics training could influence the decision to report the wrongdoing. To what extent do you agree with this view?

Q5.	How far do you think wrongdoing must be reported?

Q6.	To what extent do you think organisational culture plays a role in your decision to report wrongdoing?

4.8   Chapter Summary

This chapter explains the research method used in this study in order to answer the research questions and meet the research objectives as outlined in Chapter 1. Data analysis and results will be discussed in Chapter 5.

CHAPTER 5

ANALYSES AND RESULTS

5.1   Introduction

This chapter explains the analyses and results for this study. Following the introduction, the second section describes an overview of the data analysis process. The third section provides the preliminary analysis of the data. A general explanation of Structural Equation Modelling (SEM) is given in section four. Sections five and six explain the two-stage analysis (measurement and structural model, respectively). Hypotheses testing are described in section seven. Section eight provides the summary of hypotheses testing. An analysis of qualitative data and the synthesis of both findings (quantitative and qualitative) are discussed in sections nine and ten. Finally, a short summary concludes this chapter.

5.2   Overview of Analysis and Result

Figure 5.1 illustrates an overview of the analysis employed in this study. Two types of analyses (quantitative and qualitative) were conducted. Reporting of the quantitative data analysis was divided into preliminary analysis and structural equation modelling (SEM). This study employed a two-stage approach of SEM (Anderson and Gerbing 1988; Gerbing and Hamilton 1996; Kaplan 2000; Webster and Fisher 2001) by utilizing AMOS 18.0. Stage 1 involves the specification of a measurement model by conducting confirmatory factor analysis (CFA). Stage 2 develops the structural model to test the hypothesised relationships. At this stage, assessment of fit and model modification were conducted to identify the best fit model. As for qualitative analysis, NVivo 8 was used to analyse focus group interview data. Finally, the quantitative results and qualitative findings were synthesized.
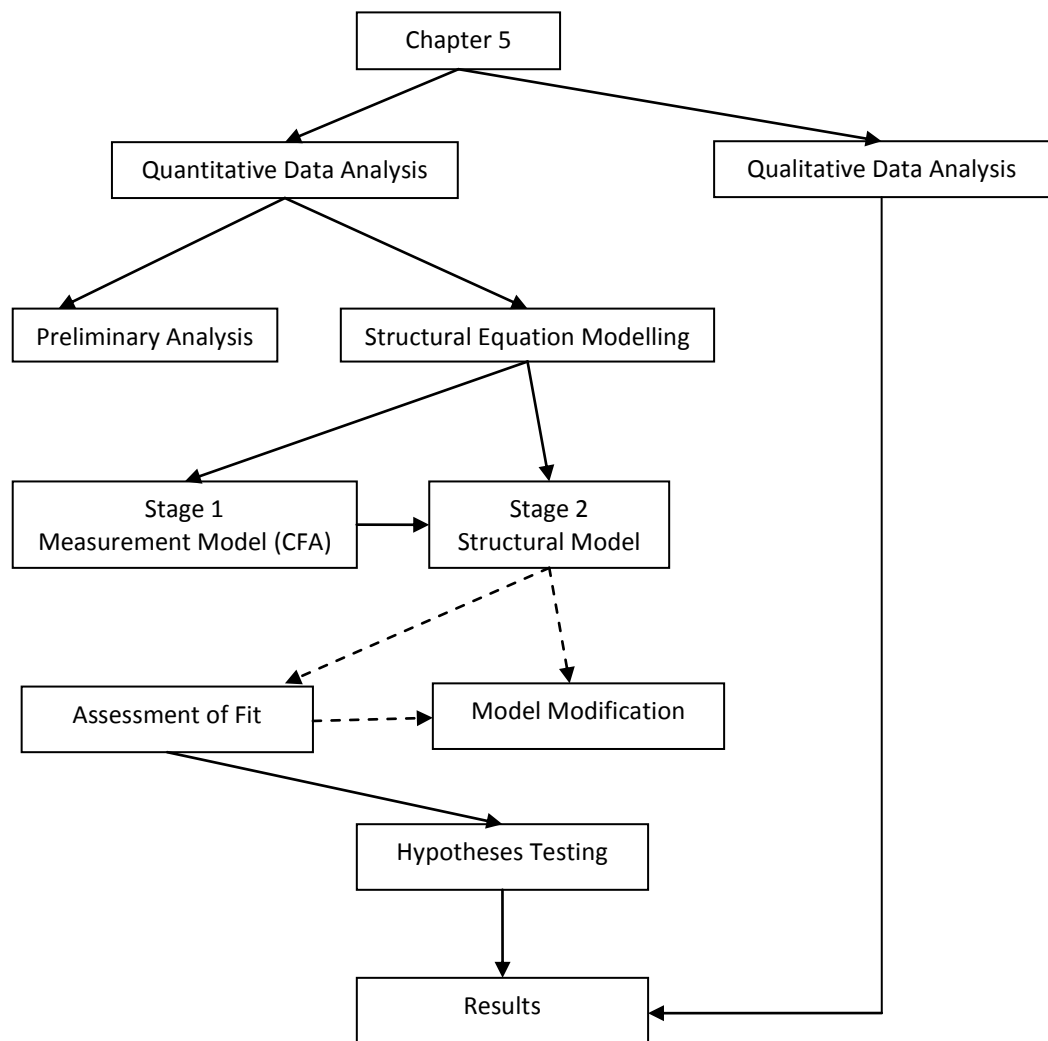
Figure 5.1: Overview of Analysis and Result

5.3 Preliminary Analysis

Preliminary analysis for this study was undertaken using the Statistical Package for Social Science (SPSS) version 18.0. SPSS is a widely used software package to analyse data (Zikmund 2003).

5.3.1 Response Rate

In order to achieve an adequate response rate, a total of 600 questionnaires were distributed to 15 selected companies listed in the BMB directory (40 questionnaires

per company). A total number of 346 responses were returned representing a 57.7% response rate. However, 35 responses (10%) were discarded because they did not meet the reliability checks of the ethical reasoning construct.

The DIT provides two reliability checks, identified as 'Meaningless' and 'Consistency Check' (Rest 1993; Rest 1986a). 'Meaningless' stands for the calculation of an M score where the M index is an internal reliability check for the researcher to detect non-thoughtful respondents. The items for determination of the M index (i.e., M items) are not representative of any stage of thinking and respondents who have scored on the items are considered unreliable respondents and discarded from the data set.

The second reliability check is the 'Consistency Check'. Each respondent's ratings were compared with their rankings and, thus, the rankings should correspond to the ratings. For example, an item ranked as most important in Task 3 should not have any other items rated above it in Task 2 (Appendices 1 and 2). Respondents who were inconsistent in following such correspondence could not be considered reliable. Factors such as careless responding, random checking or misunderstanding of instructions by respondents should not be tolerated (Rest 1986a).

Rest (1986a, 1979a) recommends eliminating respondents from the analysis if they exceed the rules and cut-off points for these two reliability checks. However, researchers may vary such rules and cut-off points according to individual needs (Herington and Weaven 2008). Rest (1986a) also provides a typical response loss of 5% to 15% due to the adoption of the reliability checks.

Therefore, only 311 usable questionnaires were utilized in this study, representing a 51.8% response rate (Table 5.1). This response rate was considered adequate based on the following two reasons. Firstly, according to Babbie (1986), a response rate of at least 50% is adequate for analysing data, while 50% to 60% is good for research on a sensitive topic, such as whistle-blowing. Secondly, a recent study on whistle-blowing among internal auditors in Malaysia demonstrated an 18% response rate. Therefore, the response rate in this study appears to be adequate.

Table 5.1: Summary of the Rate of Return of Questionnaires

	Number of questionnaires	Percentage/Reasons
Total questionnaires distributed	600	100.0%
Completed questionnaires received	346	57.7%
Unusable questionnaires	35	10.0% of responses discarded because of the reliability check of the ethical reasoning construct
Usable questionnaires	311	51.8%

5.3.2 Non-Response Bias

Non-response bias is an issue of concern in survey-based research because it may affect generalisability and validity of the findings (Thomsen 2000). Similarly, Draugalis and Plaza (2009) highlight that non-response bias could lead to inaccurate conclusions for the findings. In this study, non-response bias was checked using the Armstrong and Overton (1977) method of comparing the responses of late respondents with those of early respondents on key demographic variables and the principal constructs (Table 5.2). For this analysis, "early respondents" (62 percent of the sample), refers to those that responded in the first two weeks. Their results were compared with late respondents (38 percent of the sample) using an independent samples t-test. A comparison between early and late respondents revealed no significant difference on all variables (Table 5.2). Therefore, the t-test provides evidence that the responses of those surveyed are typical of the target population.

Table 5.2: Independent Samples Test

	Levene's Test for Equality of Variances			t-test for Equality of Means				
Variable		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Ethical reasoning	Equal variances assumed	.602	.438	.679	309	.497	1.541	2.268
	Equal variances not assumed			.682	284.464	.496	1.541	2.258
Work experience	Equal variances assumed	.031	.860	.452	309	.652	.260	.575
	Equal variances not assumed			.455	285.942	.650	.260	.572
Firm size	Equal variances assumed	5.427	.021	-.779	309	.436	-41.89	53.76
	Equal variances not assumed			-.758	249.247	.449	-41.89	55.23
Internal locus of control	Equal variances assumed	.020	.887	.545	309	.586	.055	.101
	Equal variances not assumed			.545	280.264	.586	.055	.101
Whistle-blowing intention	Equal variances assumed	.287	.593	-.057	309	.954	-.013	.221
	Equal variances not assumed			-.058	282.337	.954	-.013	.220
Gender	Equal variances assumed	.003	.954	-.163	309	.871	-.009	.058
	Equal variances not assumed			-.163	280.094	.871	-.009	.058
Organisational culture	Equal variances assumed	.467	.495	-.448	309	.655	-.044	.097
	Equal variances not assumed			-.443	268.245	.658	-.044	.099
Educational level	Equal variances assumed	2.408	.122	-.701	309	.484	-.088	.125
	Equal variances not assumed			-.694	269.710	.488	-.088	.127
Ethics training	Equal variances assumed	6.092	.019	-.466	309	.642	-.025	.053
	Equal variances not assumed			-.461	269.515	.645	-.025	.054

5.3.3   Profile of Respondents

Table 5.3 displays the profile of respondents. All information is presented in both actual figures and percentages to facilitate interpretation.

Table 5.3: Profile of Respondents

Demographic profile	Number of respondents (*N* = 311)	Valid percentage (%)
Gender:		
Male	156	50.2
Female	155	49.8
Marital status:		
Single	113	36.3
Married	198	63.7
Race:		
Malay	196	63.0
Chinese	68	21.9
Indian	47	15.1
Age:		
<30	18	5.8
30-40	213	68.5
>40	80	25.7
Educational level:		
Diploma	87	28.0
Degree	135	43.4
Master degree	19	6.1
Other qualification	70	22.5
Size of organisation (employees):		
1000 - 1999	207	66.5
2000 - 2999	82	26.4
3000 - 3999	22	7.1
Working experience:		
< 5 years	94	30.2
5 – 10 years	102	32.8
>10 years	115	37.0

The proportion of males to female is 50.2% males and 49.8% females, with 63.7% of the respondents married (36.3% single). The respondents are mainly Malay (63.0%), compared with Chinese (21.9%) and Indian (15.1%). The main age group (68.5%) is between 30 to 40 years. In total, 43.4% of the respondents have a university degree and 33.5% work in large companies having more than 2,000 employees. Nearly 70% of respondents have work experience of five years or more.

5.3.4   Screening of Data

The screening of data involves determining the accuracy of the data file by focusing on the treatment of any missing data and outliers, as well as assessment of data

normality (Tabachnick and Fidell 2007). The purpose of screening data is to ensure that data are correctly entered and conform to the normality assumption (Hair et al. 2006; Hair et al. 1998).

Missing data occurs when respondents fail to complete one or more questions in a survey. The screening of the data indicates there is a minimal amount of missing data (less than 5 percent). As such, the choice of the method used to treat the missing data is not a major concern in this study. Cohen and Cohen (1983) argue that missing data of up to 10% may not cause any serious problem in the interpretation of the results. As for the treatment of missing data, recent literature suggests that Expected Maximisation (EM) is a better method to be adopted when compared to other methods such as like-wise deletion and mean substitution (Graham et al. 1997). However, since there was minimal missing data, the choice of method might not have any significant influence on the results because each method has its advantages and disadvantages (Hair et al. 2006; Hair et al. 1998). Therefore, each item of missing data was replaced with the mean response for that variable. This method was deemed to be the most appropriate because mean substitution is the most common (Schwab 2005) and widely used method (Hair et al. 2006) to treat missing data because it is based on valid responses.

Detecting outliers[24] is important because outliers could affect the normality of the data, which distorts statistical results (Tabachnick and Fidell 2007). Univariate outliers were identified using histograms, box-plots and standardized z-scores. According to Hair (Hair et al. 2006; Hair et al. 1998), for a large sample size, z>4 is evidence of an extreme observation. None of the variables in this study exceeded this value. Furthermore, the Mahalanobis D^2 distance was used to detect multivariate outliers. Mahalanobis D^2 distance refers to "the distance of a case from the centroid of the remaining cases where the centroid is the point created at the

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[24] The term "outliers" refers to observations with a unique combination of characteristics, identifiable as distinctly different from the other observations (Hair et al. 2006; Hair et al. 1998).

intersection of the means of all the variables" (Tabachnick and Fidell 2007, p. 74). Utilizing SPSS Regression, Mahalanobis D^2 distance was generated by treating case numbers as the dependent variables and all non-demographic variables as independent variables. D^2 values >3.5 indicate potential multivariate outliers (Hair et al. 2006). Close examination of D^2 values failed to indicate the presence of multivariate outliers. Therefore, all observations were retained for analysis.

Finally, assessment of data normality was carried out by referring to the skewness and kurtosis values (Hair et al. 1998). Skewness and kurtosis values smaller than the absolute values of 2 and 7, respectively (Curran, West, and Finch 1996), indicate that the data conform to the assumption of normality. Based on this suggestion, the data appear to have sufficient normality (Table 5.4). According to Hair (2006), multivariate normality can be assumed if the data conforms to univariate normality. Furthermore, the large sample size of this study (311) also helps to mitigate difficulties with normality assumptions for multivariate analysis (Tabachnick and Fidell 2007).

Table 5.4: Skewness and Kurtosis of Items

Items	Mean	Std. Deviation	Skewness	Kurtosis
Whistle-blowing intention				
1. Likelihood of reporting observed violation	1.66	.672	.538	-.739
2. Probability of reporting observed violation	1.71	.699	.517	-.624
3. Possibility of reporting observed violation	1.74	.709	.476	-.707
4. Would report observed violation	1.71	.709	.700	.382
5. Likelihood of colleagues/peers reporting observed violation	2.04	.802	.270	-.651
6. Probability colleagues/peers reporting observed violation	2.08	.812	.259	-.621
7. Possibility colleagues/peers reporting observed violation	2.09	.826	.315	-.372
8. Colleagues/peers would report observed violation	2.09	.845	.441	-.067
Ethical reasoning				
1. Ethical reasoning	35.982	19.732	-.210	-.784
Internal locus of control				
1. Job is what you make of it	1.91	.840	.987	1.398
2. Accomplishment	3.10	1.235	.103	-1.160
3. Find a job	2.54	1.201	.469	-.806
4. Decision made by boss	2.82	1.194	.501	-.053
5. Doing jobs well	1.79	.859	1.331	2.701
6. Perform well on job	2.37	1.216	.818	.007
7. Reward	2.75	1.392	.478	-.811
8. Influence of supervisors	3.06	1.103	.263	-.606

Organisational culture					
1.	Supervisors engage in behaviours considered unethical	4.85	1.085	-1.272	1.842
2.	To succeed, it is often necessary to compromise ethics	4.52	1.041	-.748	.568
3.	Directors let it be known unethical behaviour not tolerated	4.72	.877	-.461	.132
4.	If supervisor discovered to engage in personal gain	5.00	.932	-.982	.805
5.	If supervisor discovered to engage in corporate gain	4.97	.965	.965	1.158

5.4   Structural Equation Modelling (SEM)

Structural Equation Modelling (SEM), refers to 'a collection of statistical techniques that allow a set of relationships between one or more independent variables, either continuous or discrete, and one or more dependent variables, either continuous or discrete, to be examined' (Ullman 2007, p.676).

This study employs Structural Equation Modelling (SEM) since SEM deals with both measured and latent variables and can run multivariate statistics simultaneously and accurately (Maruyama 1998). The measured variables in this study are work experience and ethics training whilst the latent variables are internal locus of control and organizational culture.

SEM facilitates estimation of pathways among exogenous constructs (independent variables) and endogenous constructs (dependent variables) after accounting for measurement error (Bollen 1989). The use of SEM is useful in behavioural and social sciences research (Sharma 1996) and is the pre-eminent method of multivariate data analysis (Hershberger 2003).

5.4.1   Sample Size Considerations for SEM Analysis

Sample size plays an important role in SEM analysis. Kline (2005) claims that the SEM technique is generally sensitive to sample size and therefore requires a large sample size in order to obtain stable parameter estimates. For small and medium sized models, a minimum satisfactory sample size is from 100 to 150 cases (Kline 2005; Schumacker and Lomax 1996). Also, Quintana and Maxwell (1999) suggest

that for goodness-of-fit indices to be performed adequately, a minimum of 100 cases is needed. Therefore, a sample size of 311 in this study was deemed appropriate for the application of SEM analysis.

5.4.2 Maximum Likelihood Estimation (MLE)

In this study, parameter estimates were obtained through the use of the MLE method. This is a common method employed when applying SEM (Hair et al. 2006). MLE is defined as 'a procedure that iteratively improves parameter estimates to minimize a specified fit function' (Hair et al. 2006). Other estimation methods, such as weighted least squares (WLS), generally require a sample size in excess of 1,000 (Olsson et al. 2000). Furthermore, several simulation studies show that WLS has not performed well when compared to the parameter estimates generated using MLE (Olsson et al. 2000). In addition, a study by Tanaka (1993) shows that MLE is the best estimation procedure to be employed for valid results with sample sizes in the range of 150 to 400. Hence, MLE was deemed appropriate for this study.

5.4.3 Goodness-of-fit (GOF)

Hair et al. (2006, p. 708) define goodness-of-fit (GOF) as a 'measure indicating how well a specified model reproduces the covariance matrix among the indicator variables'. In other words, GOF addresses how well the observed data fit to a hypothesised model. The most common fit index is represented by the chi-square (χ^2) statistic and is associated with an acceptable value, which is the *p*-value. The chi-square (χ^2) statistic is a measure of exact fit which is a strict test of model fit. If the *p*-value is greater than 0.05, the data is not significantly different from the hypothesised model. Taken together with chi-square, degrees of freedom represent the amount of mathematical information available to estimate model parameters.

However, several researchers have suggested that models representing close fit are considered acceptable and have recommended that multiple criteria should be used to assess GOF in SEM (Bentler 1990; Byrne 2001; Kline 2005). In this study, the Goodness-of-Fit Index (GFI), the Adjusted Goodness-of-Fit Index (AGFI), the Normed

Fit Index (NFI), Comparative Fit Index (CFI), Tucker Lewis Index (TLI) and the Root-Mean-Square Error of Approximation (RMSEA) were use in assessing model fit. These fit indices, together with a brief explanation, are presented in Table 5.5.

Table 5.5: Summary of the Goodness-of-Fit Indices for this Study

Name and Abbreviation	Acceptable Value	Comments
Chi-square (χ^2)	p > .05 (Byrne 2001; Kline 2005)	Indicates exact fit of the model. A non-significant *p* value indicates an adequate representation of the data.
Goodness-of-Fit Index (GFI)	GFI ≥ .90 (Hair et al. 1998; Kline 2005)	Value close to 0 indicates a poor fit, while value close to 1 indicates a perfect fit. GFI indicates the amount of covariance between the latent variables in the model.
Adjusted Goodness-of-Fit Index (AGFI)	AGFI ≥ .90 (Hair et al. 1998; Kline 2005)	Accounts for different degrees of model complexity by taking a ratio of the degrees of freedom used in a model to the total degrees of freedom available.
Normed Fit Index (NFI)	NFI ≥ .90 (Kline 2005)	
Comparative Fit Index (CFI)	CFI ≥ .90 (Bentler 1990; Kline 2005)	Compares the hypothesised model against a null model. Value close to 0 indicates a poor fit, while value close to 1 indicates a perfect fit.
Tucker Lewis Index (TLI)	TLI ≥ .90 (Hair et al. 1998)	
Root-Mean-Square Error of Approximation (RMSEA)	RMSEA ≤ .05 (Browne and Gudeck 1993; Kline 2005)	Values of less than .05 are generally considered "good" fit. Values between .05 and .08 are considered "adequate" fit. A value up to .1 is considered acceptable and represents the lower boundary of fit.

5.5   Stage 1 – Measurement Model (Confirmatory Factor Analysis/CFA)

Using AMOS 18.0, the purpose of conducting CFA was to examine the uni-dimensionality, validity and reliability for the two latent constructs in this study, namely, internal locus of control and organizational culture. However, only the measurement model of internal locus of control is reported because organizational culture, which was treated as a control variable, has been excluded from further analysis. An explanation regarding the non-confounding effect of organizational culture on other variables is given in subsection 5.5.2.

5.5.1 Internal Locus of Control

The internal locus of control construct consists of eight items. Overall, results from CFA show that the initial measurement model needs to be respecified. The chi-square is significant (χ^2 = 155.310, df = 20, p = .000). The GFI is .895, AGFI = .811, NFI = .774, CFI = .795, TLI = .712 and RMSEA = .148. Detailed examination of the standardized residual covariance of each item and the modification indices indicates that four items (C1, C3, C4, C8) have unacceptably high values (see Table 5.6). Thus, the decision was made to iteratively remove these items.

Although half of the internal locus of control items was removed, their removal does not change the content of the internal locus of control construct as it is conceptualised. Each of the remaining 4 items has a high factor loading (.50 and above as stated in Figure 5.2), suggesting that the meaning of the factors has been preserved by these 4 items (Table 5.6).

After removing these items, results indicate that the CFA fit the data adequately. The chi-square is statistically significant (χ^2 = 5.659, df = 2, p = .059). The GFI is .991, AGFI = .956, NFI = .979, CFI = .986, TLI = .958 and RMSEA = .077 (Figure 5.2). As can be seen in Figure 5.2, all the factor loadings have relatively high standardized loadings (.50 or greater). In addition, the CFA meets the multiple fit indices, as reported above. Thus, the internal locus of control construct is assumed to meet the uni-dimensionality as well as validity assessments.

Table 5.6: Internal Locus of Control Items and Descriptions

Original items	Item label	Item deleted
A job is what you make of it.	C1	Deleted
On most jobs, people can pretty much accomplish whatever they set out to accomplish.	C2	
If you know what you want out of a job, you can find a job that gives it to you.	C3	Deleted
If employees are unhappy with a decision made by their boss, they should do something about it.	C4	Deleted
Most people are capable of doing their jobs well if they make the effort.	C5	
Promotions are given to employees who perform well on the job.	C6	
People who perform their jobs well generally get rewarded.	C7	
Most employees have more influence on their supervisors than they think they do.	C8	Deleted
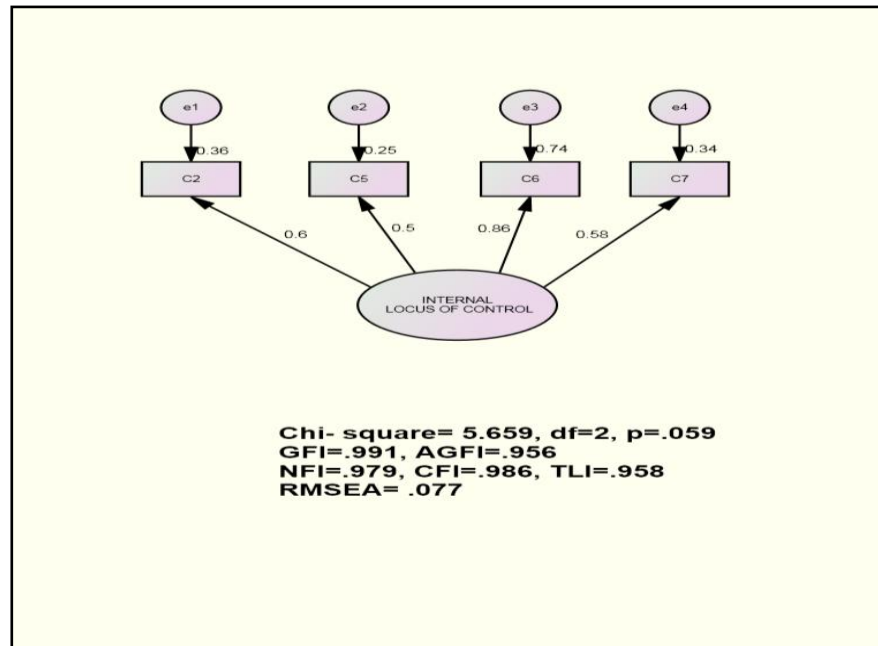
Figure 5.2: A CFA Measurement Model of Internal Locus of Control

The reliability for the internal locus of control construct was assessed by Cronbach's alpha, construct reliability (CR) and average variance extracted (AVE) methods. The Cronbach's alpha of internal locus of control is .720 and thus, meets the benchmark of .70 (Nunnally 1978). Construct reliability (CR) and average variance extracted (AVE) are calculated based on formulae by Fornell and Lacker (1981), which are shown below.

Construct reliability (CR):

$$\rho_\eta = \frac{(\sum \lambda_i)^2}{(\sum \lambda_i)^2 + \sum \delta_i}$$

where λ_i = standardised loading
δ_i = error variance

Average variance extracted (AVE):

$$\rho_{vc\eta} = \frac{(\sum \lambda_i^2)}{(\sum \lambda_i^2) + \sum \delta_i}$$

Where λ_i = standardised loading
δ_i = error variance

The CR and AVE for internal locus of control are .79 and .50, respectively. The values of CR and AVE meet the benchmarks for CR of above .60 and AVE of at least .50, as recommended by Bagozzi and Yi (1988).

5.5.2 Descriptive Analysis

Table 5.7 presents mean values, standard deviations and correlations between constructs. All constructs were in the hypothesised direction except for the relationships of both internal locus of control and ethics training with ethical reasoning. Further, significant correlations were found in most hypothesised relationships except for the relationship between internal locus of control and whistle-blowing intention, as well as ethical reasoning. The results of Cronbach's alpha range from .720 to .965, indicating good reliability of the constructs. Construct reliability and average variance extracted were used to further confirm the reliability of internal locus of control. As for ethical reasoning, the reliability was assessed using the internal reliability check (M score) that was discussed in Chapter 4.

Although work experience and ethics training appeared to have a high correlation of -.608, an assessment of tolerance levels and variance inflation factors (VIF) indicated that multicollinearity[25] was not a major concern. This is because the lowest tolerance value is .621 and the highest VIF is 1.610 (Hair et al. 1998).

In general, the tendency to whistle-blow among the respondents was not too obvious, as indicated by the mean of 3.846 which was assessed by the 6 point scale. In addition, the standard deviation of 1.786 suggests reasonably high variability in respondents' intentions to whistle-blow. Further, the mean of ethical reasoning is

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[25] Tolerance value of less than 0.1 and VIF of greater than 10 could indicate a problem of multicollinearity (Hair et al. 2003; Hair et al. 1998; Pallant 2007).

35.982, indicating that the sample in this study falls into the 'middle third'[26] category. The 'middle third' category shows that the level of ethical reasoning is concentrated on the conventional level (Stages 3 and 4) of CMD theory (Kohlberg 1969, 1981) as discussed in Chapter 2. In brief, this level of ethical reasoning shows the respondents are able to resolve ethical dilemmas.

Table 5.7 also displays the correlation of the control variables (gender, educational level, firm size and organisational culture) and the criterion variable. These control variables have been proposed by Miceli and Near (1992) to have potential influences on whistle-blowing decisions (Barnett, Bass, and Brown 1996; Barton 1995; Regh et al. 2008). Yet, these control variables were found not to be correlated with the criterion variable (whistle-blowing intention) in this study (see Table 5.7). Therefore, the decision was made to exclude the control variables in further analyses since these variables are not likely to have any confounding effect on the hypothesised relationships. This decision is similar to a previous study on whistle-blowing intention, which excluded gender and educational level (control variables) from further analysis (Zhang, Chiu, and Li-Qun 2009b, 2009a).

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[26] Following the DIT manual (Rest 1990), P score of respondent falls into three categories: 'low third' category refers to P score 0%-27%, 'middle third' category refers to P score 28%-41% and 'high third' category refers to 42%-100%.

Table 5.7: Mean (M), Standard Deviation (SD) and Correlation Among the Study Variables

	Variables	*M*	SD	Cronbach's alpha/ CR and AVE	1	2	3	4	5	6	7	8	9
1.	Internal locus of control	2.503	0.878	0.720 0.790[+] 0.500[++]	1.000								
2.	Work experience	8.424	4.999		0.000	1.000							
3.	Ethics training	1.474	0.461		0.096	-0.608**	1.000						
4.	Whistle-blowing intention	3.846	1.786	0.965	0.021	0.180**	0.249**	1.000					
5	Ethical reasoning	35.982	19.732		-0.015	0.949**	-0.631**	0.205**	1.000				
	Control variables:												
6	Gender				- 0.029	- 0.090	0.106	0.023	0.070	1.000			
7	Educational level				0.008	0.108	- 0.075	0.003	-0.134*	-0.112	1.000		
8	Firm size	1855	467.774		- 0.097	- 0.052	- 0.070	- 0.061	- 0.033	- 0.075	-0.084	1.000	
9	Organisational culture	4.885	0.848	0.915	-0.114	0.086	-0.091	-0.021	0.111	-0.108	-0.053	0.080	1.000

M, Means; SD, Standard deviations;

*p < 0.05; **p < 0.01

[+] Construct reliability; [++] Average variance extracted

5.5.3   Common Method Bias

This study also takes into consideration common method bias since the measurement of the constructs is from a single source. By definition, common method bias refers to "variance that is attributable to the measurement method rather than to the constructs the measure represent" (Podsakoff et al. 2003, p. 879). Table 5.7 does not reveal any high correlations among the constructs. According to Bagozzi, Yi, and Phillips (1991), at this stage, there is no initial evidence of possible common method bias.

However, common method bias was further tested using Harman's single-factor test (Podsakoff and Organ 1986). The test assumes that if a substantial amount of common method variance is present, a factor analysis of all the data will result in a single factor accounting for the majority of the covariance in the independent and dependent variables. As shown in Table 5.8, an unrotated factor analysis of all study items yielded three factors in total, explaining 73% of the variance. Therefore, a single factor solution does not emerge and a general factor does not account for most of the variance and common method variance is not seen as a threat in this study (Podsakoff and Organ 1986).

Table 5.8: Summary of Factor Analysis for Common Method Bias Test

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.523	31.534	31.534	2.523	31.534	31.534
2	2.199	27.491	59.025	2.199	27.491	59.025
3	1.175	14.682	73.706	1.175	14.682	73.706
4	.728	9.101	82.807			
5	.633	7.918	90.725			
6	.398	4.975	95.700			
7	.296	3.697	99.397			
8	.048	.603	100.000			

Extraction Method: Principal Component Analysis

5.6 Stage 2 – Analysis and Results of Structural Model

Table 5.9: List of Hypotheses

	Hypotheses
H1	Internal locus of control is positively associated with whistle-blowing intention
H2	Work experience is positively associated with whistle-blowing intention
H3	Ethics training is positively associated with whistle-blowing intention
H4	Internal locus of control is positively associated with ethical reasoning
H5	Work experience is positively associated with ethical reasoning
H6	Ethics training is positively associated with ethical reasoning
H7	Ethical reasoning is positively associated with whistle-blowing intention
H8a	Ethical reasoning partially mediates the relationship between internal locus of control and whistle-blowing intention
H8b	Ethical reasoning partially mediates the relationship between work experience and whistle-blowing intention
H8c	Ethical reasoning partially mediates the relationship between ethics training and whistle-blowing intention
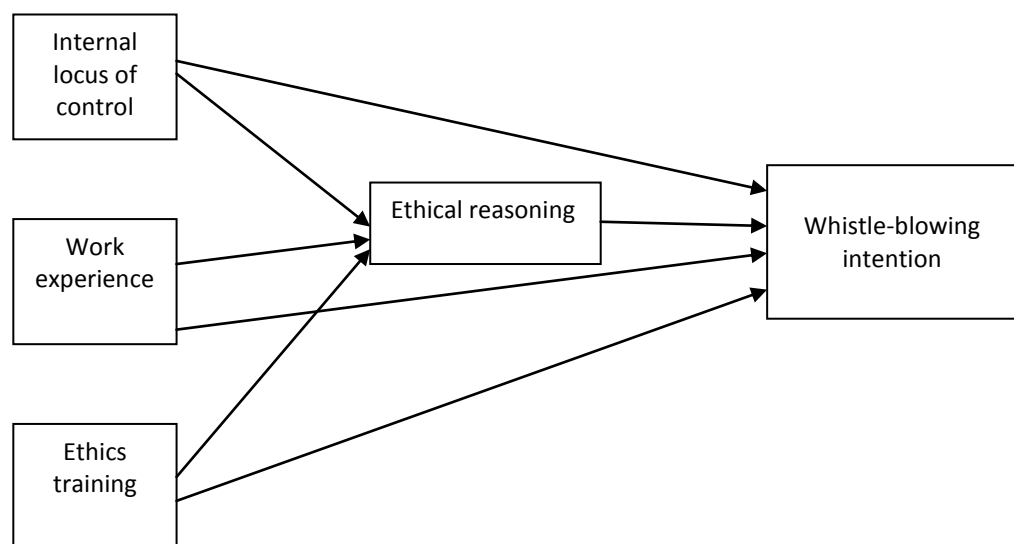
Figure 5.3: Theoretical Framework of Whistle-blowing Intention

As listed in Table 5.9 and illustrated in Figure 5.3, there were 10 hypotheses posited in Chapter 3 to answer the research questions raised in Chapter 1. All hypotheses were tested using the structural model. In doing so, the best-fit model was identified by using goodness-of–fit indices, as explained in subsection 5.4.3.

5.6.1 Structural Model 1: The Hypothesised Model
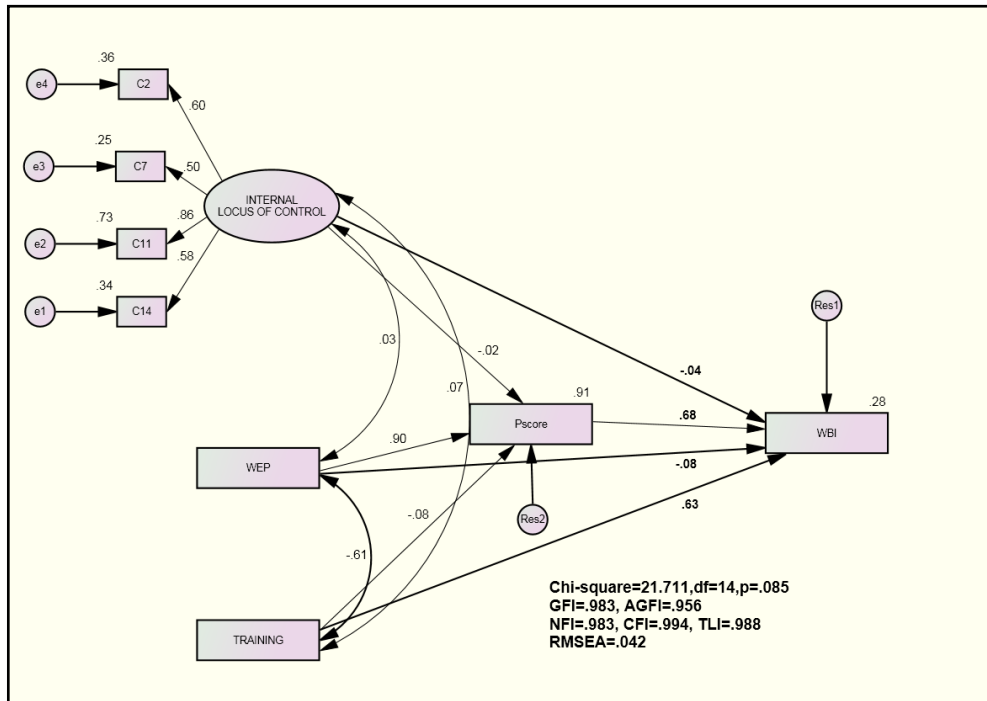
Figure 5.4: Structural Model 1: The Hypothesised Model

Figure 5.4 displays the first structural model (or hypothesised model) with seven hypothesised paths. These hypothesised paths are summarized in Table 5.10 below.

Table 5.10: Hypothesised Paths

Hypothesised path	Hypotheses
H1: Internal locus of control ⟶ WBI	Internal locus of control is positively associated with whistle-blowing intention
H2: WEP ⟶ WBI	Work experience is positively associated with whistle-blowing intention
H3: Training ⟶ WBI	Ethics training is positively associated with whistle-blowing intention
H4: Internal locus of control ⟶ Pscore	Internal locus of control is positively associated with ethical reasoning
H5: WEP ⟶ Pscore	Work experience is positively associated with ethical reasoning
H6: Training ⟶ Pscore	Ethics training is positively associated with ethical reasoning
H7: Pscore ⟶ WBI	Ethical reasoning is positively associated with whistle-blowing intention

Note: WBI=whistle-blowing intention, WEP=work experience, Training=ethics training, Pscore=ethical reasoning

An examination of goodness-of-fit indices indicated that the hypothesised model (Figure 5.4) fit the data adequately with all fit indices showing reasonable values (χ^2 = 21.711, df = 14, p = .085). The GFI = .983, AGFI = .956, NFI = .983, CFI = .994, TLI = .988, RMSEA = .042 and ECVI = .212. The coefficient parameters were then examined to test the hypotheses listed in Table 5.9. Results are displayed in Table 5.11.

Table 5.11: Testing Hypotheses: Model 1

Hypothesised path	Standardised estimate	z-value	Supported
H1: Internal locus of control ⟶ WBI	-.037	-.692	No
H2: WEP ⟶ WBI	-.083	-.540	No
H3: Training ⟶ WBI	.631	10.124***	Yes
H4: Internal locus of control ⟶ Pscore	-.018	-.940	No
H5: WEP ⟶ Pscore	.900	40.789***	Yes
H6: Training ⟶ Pscore	-.083	-3.736***	Yes
H7: Pscore ⟶ WBI	.683	4.348***	Yes

Note: WBI=whistle-blowing intention, WEP=work experience, Training=ethics training, Pscore=ethical reasoning
***p<.001

Hypotheses H3, H5, H6 and H7 are statistically significant and in the hypothesised direction, with standardised estimates of β=.631, p<.001; β=.900, p<.001; β= -.083, p<.001; β=.683, p<.001, respectively. Thus, these four hypotheses (H3, H5, H6 and H7) are supported. However, there are three non-significant paths (H1, H2 and H4) in this model. Therefore these three hypotheses are not supported and the decision was made to delete these non-significant paths in an attempt to achieve the best-fit model (Byrne 2001). Following a suggestion by Holmes-Smith, Coote and Cunningham (2006), deletion was achieved by removing one non-significant path at a time.

5.6.2   Structural Model 2

From the earlier analysis, results indicated that there were three non-significant paths that needed to be deleted. The decision was made to delete the non-significant path between internal locus of control and ethical reasoning (H4) first because this path provided the lowest β coefficient (β = -.018). Figure 5.5 illustrates

the replacement structural model (Structural Model 2). The goodness of-fit indices indicate that this modified model fits the data adequately (χ^2 = 22.586, df = 15, p = .093). The GFI = .982, AGFI = .958, NFI = .982, CFI = .994, TLI = .989, RMSEA = .040 and ECVI = .208. Despite deleting this path, there were no major changes in the results. The other two hypothesised paths in question (H1 and H2) remained insignificant. The decision was made to remove these two paths iteratively. After deleting the path between internal locus of control and whistle-blowing intention (H1), again, no major changes in the results were found. The path between work experience and whistle-blowing intention remained insignificant. Thus, the final step was to delete this path from the model.
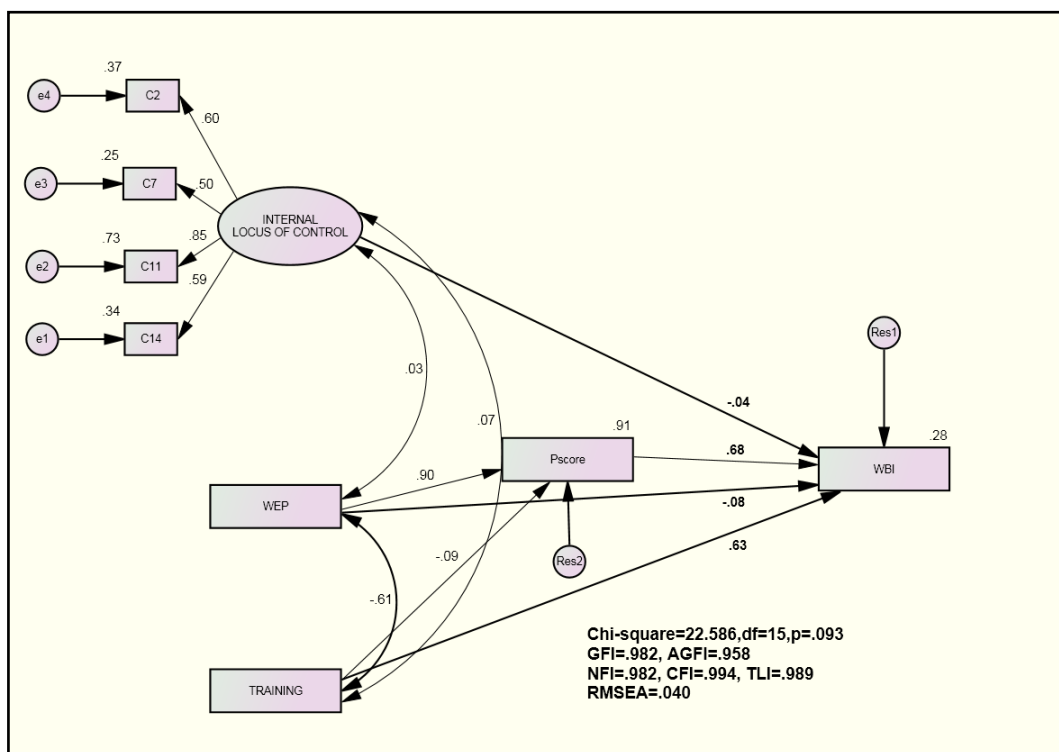
Figure 5.5: Structural Model 2

5.6.3 Final Model

Figure 5.6 illustrates the structural model after removing the three non-significant paths (H1, H2 and H4). An examination of the goodness-of-fit indices shows that the model fits the data adequately (χ^2 = .374, df = 1, p = .541). The GFI = .999, AGFI = .994, NFI = 1.000, CFI = 1.000, TLI = 1.000, RMSEA = .000 and ECVI = .059. Based on the examination of goodness-of-fit indices including ECVI, this structural model

appears to provide the best fit model as compared to the previous model. ECVI (Expected Cross-Validation Index) is 'the additional measure used to determine the best fit model. ECVI measures the discrepancy between the fitted covariance matrix in the analysed sample and the expected covariance matrix in an equivalent sample' (Byrne 2001, p. 86). According to Byrne (2001), the model with the smallest ECVI should be considered as the best fit model. In this case, the ECVI of .059 for the final model is found to be the smallest value as compared to the ECVI value for the previous model.

Although work experience and ethics training appeared to have a high correlation (-.61), multicollinearity is not a major concern as has been discussed in sub-section 5.5.2. Furthermore, Kline (2005) asserts that correlation between factors should not exceed 0.85 in order to ensure the discriminant validity of the constructs.

Therefore, based on the assessment of goodness-of-fit indices together with the ECVI value, Figure 5.6 was confirmed as the best parsimonious model and accepted as the final model. This model was then used to test the remaining hypotheses.
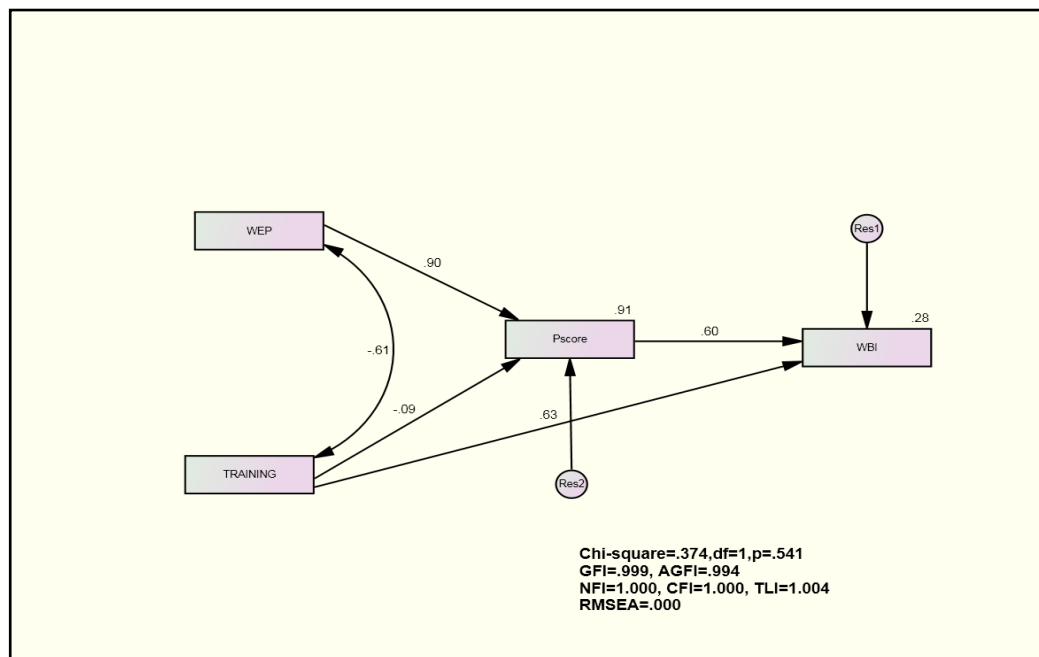
Figure 5.6: Final Model

5.7   Hypotheses Testing

5.7.1   Direct Relationships

There are seven hypotheses which test the direct relationships in the hypothesised model. Based on the final model (Figure 5.6), four hypotheses were found to have significant relationships. Hypotheses H3, H5, H6 and H7 are statistically significant and in the hypothesised direction. The standardised estimates for these hypotheses are all significant at p<0.001 with β= .63, .90, -.09, .60, respectively (Figure 5.6 and Table 5.12). These hypotheses are supported. On the other hand, three other hypotheses (H1, H2 and H4) were found to be statistically insignificant (β= -.04, -.08 and -.02) in the earlier model (Table 5.10 and Figure 5.4). Because of this, these three hypothesised paths (H1, H2 and H4) have been excluded from the final model (Figure 5.6).

Table 5.12: Results of Hypotheses Testing: Direct Relationships

Hypothesised path	Standardised estimate	z-value	Supported
H1: Internal locus of control ➝ WBI	-.037	-.692	No
H2: WEP ➝ WBI	-.083	-.540	No
H3: Training ➝ WBI	.631	10.124***	Yes
H4: Internal locus of control ➝ Pscore	-.018	-.940	No
H5: WEP ➝ Pscore	.900	40.789***	Yes
H6: Training ➝ Pscore	-.083	-3.736***	Yes
H7: Pscore ➝ WBI	.683	4.348***	Yes

Note: WBI=whistle-blowing intention, WEP=work experience, Training=ethics training, Pscore=ethical reasoning
***p<.001

5.7.2   Mediating Effect of Ethical Reasoning

There are three hypotheses (H8a, H8b and H8c) which were developed to test the mediating effects of ethical reasoning. Unfortunately hypothesis H8a could not be examined because in the earlier analysis (under section 5.6), internal locus of control was found to have no significant relationship with either ethical reasoning or whistle-blowing intention. As such, the condition for establishing mediation has been violated for ethical reasoning (Baron and Kenny 1986).

There are two essential conditions that need to be fulfilled in establishing mediation. The conditions are:

a) The predictor variable (X) should be related to the mediator variable (M), and

b) The mediator variable (M) should be related to the criterion variable (Y).

In addition, Baron and Kenny (1986) assert that predictor variable (X) should also have a significant relationship with the criterion variable (Y). Figure 5.7 is an example of a mediation design.
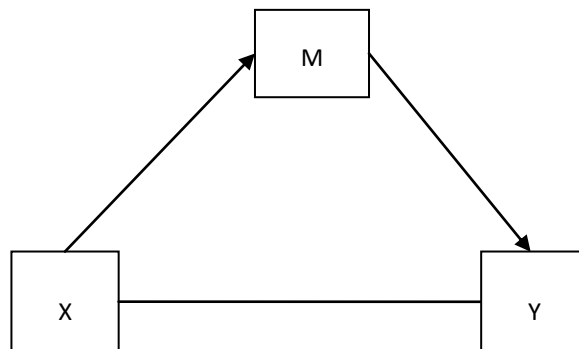
Figure 5.7: Illustration of a Mediation Design (X Affects Y Indirectly Through M)

This study employs the bootstrapping approach (Arbuckle and Wothke 1999) to test the other two mediation hypotheses (H8b and H8c). The bootstrapping approach has been claimed as having more accurate probability estimates, as this method can help with mediation problems in which the mediator and outcome variables are not normally distributed (Hayes 2009; Shrout and Bolger 2002). MacKinnon, Fairchild and Fritz (2007) support the usage of this method as it provides a general way to test significance and confidence intervals in a wide variety of situations. Further, they argue that this method does not require many assumptions and therefore makes the results more accurate.

Thus, the bootstrapping method with 1,000 bootstraps re-sampling and bias-corrected confidence intervals was utilised to test the significance level of each the mediating hypotheses (Cheung and Lau 2008; Preacher and Hayes 2008). Bootstraps

samples are derived by repeatedly estimating the coefficients with a minimum of 1,000 bootstraps, each of which comprises N cases randomly sampled with replacement from the original sample (N=311). Convention suggests that the effect is significant if the 95% confidence interval (CI) denoted by lower and upper bounds exclude the value of 0.

In examining the mediation analysis, firstly, the degree of mediation (partial or full mediation) needs to be determined. Following Mathieu and Taylor (2006), if both the indirect and direct effects are significant, this indicates partial mediation. If the indirect effect and total effect are significant but the direct effect is not significant, a full mediation is established. Table 5.13 displays the direct effect, indirect effect, total effect and the degree of mediation of the hypothesised paths.

Table 5.13: Degree of Mediation

Hypothesised paths	Direct Effect	Indirect Effect	Total effect	Degree of mediation
H8a: ILOC ⟶ ER ⟶ WBI	Cannot be estimated because ILOC has been excluded from the final model.			
H8b: WEP ⟶ ER ⟶ WBI	.000	.193**	.193**	Full
H8c: ET ⟶ ER ⟶ WBI	2.436**	-.198**	2.238**	Partial

Note: **p<.01

Secondly, the indirect effect of each of the remaining hypothesised paths (H8b and H8c) was further examined by looking at the confidence intervals (Lower CI and Upper CI). As can be seen in Table 5.14, the indirect effects of work experience on whistle-blowing intention via ethical reasoning are significant (indirect effect= .193, 95% lower bootstrap CI=.159, upper bootstrap CI=.230). Similarly, the indirect effect between ethics training and whistle-blowing intention via ethical reasoning is also found to be significant (indirect effect= -.198, 95% lower bootstrap CI= -.336, upper bootstrap CI = -.084). Thus, hypotheses H8b and H8c are supported. Hypothesis H8b is found to have a fully mediated path and H8c has a partially mediated path.

Table 5.14: Results of Hypotheses Testing on Ethical Reasoning as a Mediator

Hypothesised paths	Indirect Effect	Lower CI	Upper CI	Supported
H8a: ILOC ⟶ ER ⟶ WBI	Cannot be estimated because ILOC has been excluded from the final model.			
H8b: WEP ⟶ ER ⟶ WBI	.193**	.159	.230	Yes
H8c: ET ⟶ ER ⟶ WBI	-.198**	-.336	-.084	Yes

Note: **p<.01

5.8 Summary of Hypotheses Testing

This study proposed ten hypothesised relationships. Six hypotheses (H3, H5, H6, H7, H8b and H8c) are supported and all results are displayed in Table 5.15.

Table 5.15: List of Hypotheses

	Hypotheses	Result
H1	Internal locus of control is positively associated with whistle-blowing intention	Not supported
H2	Work experience is positively associated with whistle-blowing intention	Not supported
H3	Ethics training is positively associated with whistle-blowing intention	Supported
H4	Internal locus of control is positively associated with ethical reasoning	Not supported
H5	Work experience is positively associated with ethical reasoning	Supported
H6	Ethics training is positively associated with ethical reasoning	Supported
H7	Ethical reasoning is positively associated with whistle-blowing intention	Supported
H8a	Ethical reasoning mediates the relationship between internal locus of control and whistle-blowing intention	Could not be estimated
H8b	Ethical reasoning mediates the relationship between work experience and whistle-blowing intention	Supported
H8c	Ethical reasoning mediates the relationship between ethics training and whistle-blowing intention	Supported

5.9 Qualitative Analysis

5.9.1 Participants

To gather qualitative data, permission was gained from representative companies (two companies each from the industries of consumer product, industrial product and technology). According to Brown (1999), the focus group should consist of 4-12 participants. In total, there were six interview sessions with five supervisors per company. Out of 30 possible interviewees from the six focus group sessions who agreed to participate, only 24 turned up for the sessions. Personal health and other

commitments were among the reasons for absenteeism of the remaining interviewees.

The interviews were conducted at the time the questionnaires were collected from the respective companies. These interviews were held at a time convenient to participants to minimize any disruption to their work commitments (Holloway 1997). Table 5.16 displays the demographic details of the interviewees.

Table 5.16: The Demographic Details of the Interviewees

Demographic details	Number of interviewees (N = 24)	Valid percentage (%)
Gender:		
Male	13	54.2
Female	11	45.8
Marital status:		
Single	7	29.2
Married	17	70.8
Race:		
Malay	12	50.0
Chinese	7	29.2
Indian	5	20.8
Age:		
<30	3	12.5
30-40	14	58.3
>40	7	29.2
Educational level:		
Diploma	7	29.2
Degree	11	45.8
Master degree	2	8.3
Other qualification	4	16.7
Size of organisation (employees):		
1000 - 1999	14	58.3
2000 - 2999	6	25.0
3000 - 3999	4	16.7
Working experience:		
< 5 years	5	20.8
5 – 10 years	9	37.5
>10 years	10	41.7

The sample group consisted of 54.2% males and 45.8% females. A majority of the interviewees were married (70.8%). Half (50.0%) of the respondents were Malay, the other half being Chinese (29.2%) and Indian (20.8%), with 58.3% of the total

aged from 30 to 40 years. In total, 45.8% of the respondents had a university degree and 41.7% worked in large companies employing more than 2,000 workers. More than half of the respondents (79.2%) had a working experience of five years and above.

5.9.2 Interview Procedure

Companies were initially contacted via telephone to arrange the date for collecting questionnaires and conducting focus group interviews. Each interview then took place at the participant's company, where a suitable room had been organized. All the interviewees agreed to have the conversation recorded using a digital recorder. At the beginning of each interview, a briefing was given about the purpose of the study and how the interview would be conducted. All interviews took at least forty five minutes but did not exceed one hour.

The focus group interview sessions utilized semi-structured interviews including open-ended and pre-planned questions. Six questions were asked in the focus group interviews. The questions were as follows:

Q1.   In the context of your professional role as a supervisor, could you please describe your experience in handling wrongdoing in your company?

Q2.   So far, based on your knowledge, how many cases of wrongdoing have been reported?

Q3.   Are there any other conditions that could affect your decision to report wrongdoing? If so, what are they and why do you think this could influence your decision?

Q4.   Some people think that work experience and ethics training could influence the decision to report the wrongdoing. To what extent do you agree with this view?

Q5.   How far do you think wrongdoing must be reported?

Q6.   To what extent do you think organisational culture plays a role in your decision to report wrongdoing?

5.9.3   Data Preparation and Analysis

Thematic analysis was applied to analyse the focus group interview data (Boyatzis 1998; Braun and Clarke 2006). Thematic analysis involves the systematic analysis of texts or words in order to search for patterns and themes which help explain social phenomenon (Berg 2001; Boyatzis 1998; Brewerton and Millward 2001; Maxwell 2005; Patton 2002). Before conducting the analysis, data were transcribed verbatim. Since the interviews were conducted in Malay, it was decided to analyse the Malay language transcription (however, the quotes presented below have been transcribed into English). This method helped the researcher to gain understanding of meaning apparent in the interviews. The method also took into account the original language of expression of interviewees. Taken together, this method mitigated issues relating to translation problems.

Step 1:	Transcribing interviews from digital recorder
Step 2:	Listening to the interviews from the digital recorder, repeatedly
Step 3:	Re-reading the interview transcriptions
Step 4:	Generating initial codes
Step 5:	Determining the themes
Step 6:	A thematic review
Step 7:	Reporting qualitative data
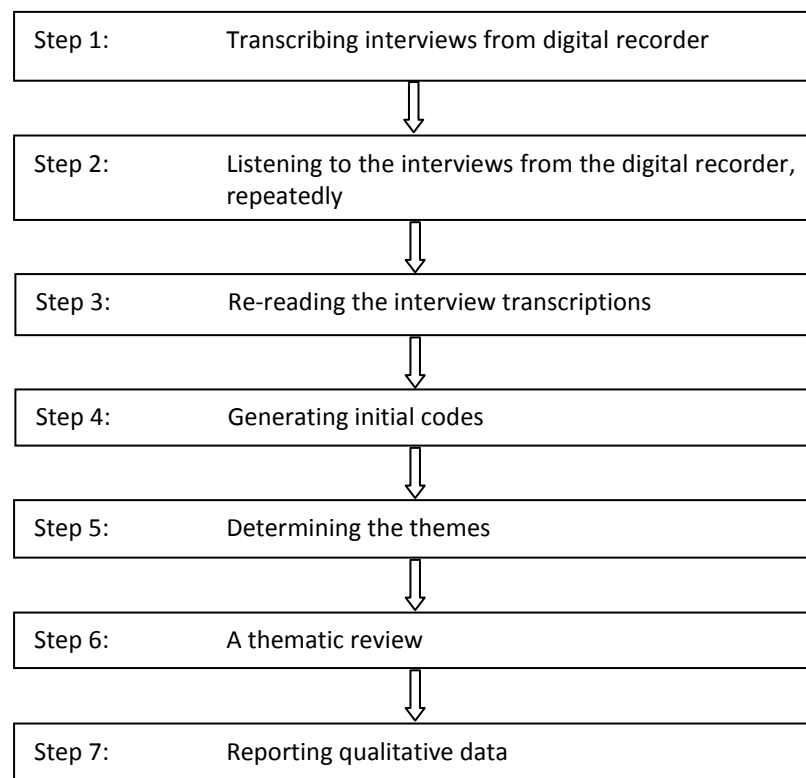
Figure 5.8: Process of Analysing Qualitative Data. Adapted from Braun and Clarke (2006)

Following Braun and Clarke's steps (2006), Figure 5.8 illustrates the process of analysing the qualitative data. The first step was to transcribe interviews from the digital recorder. The next step involved listening to the interviews from the digital recorder, repeatedly. Then, the interview transcriptions were re-read in order to maximize understanding of the meaning and the patterns of the emergent data. In step four, after thorough reading, transcripts were entered into NVivo software to assist with content analysis. Initial codes were generated across the corpus of interview data, based on the actual words or terms used by the participants, using a system of *in vivo* coding, or coding taken directly from the participants' discourses. In this step, first-order codes were derived and the interview transcripts were re-read to verify the coded files, coding for more *in vivo* words.

In the fifth step of the process, first-order codes were examined for relationships between and within the passages, which facilitated assembling them into first-order themes. As displayed in Figure 5.9, several first-order themes emerged. Next, analysis was undertaken to look for links and relationships among first-order themes so that they could be collapsed into distinct clusters, or second-order themes. Here, a recursive approach rather than a linear one was employed, namely, iteration between first-order categories and emerging patterns in the data, until conceptual themes emerged. In Step 6, second-order themes were organized into final themes that reflected the overarching dimensions that emerged from the data. Lastly, findings of the qualitative data were reported according to themes.

5.9.4 Qualitative Findings

In this section, themes emerging from the data (Figure 5.9) are discussed in relation to the research questions.
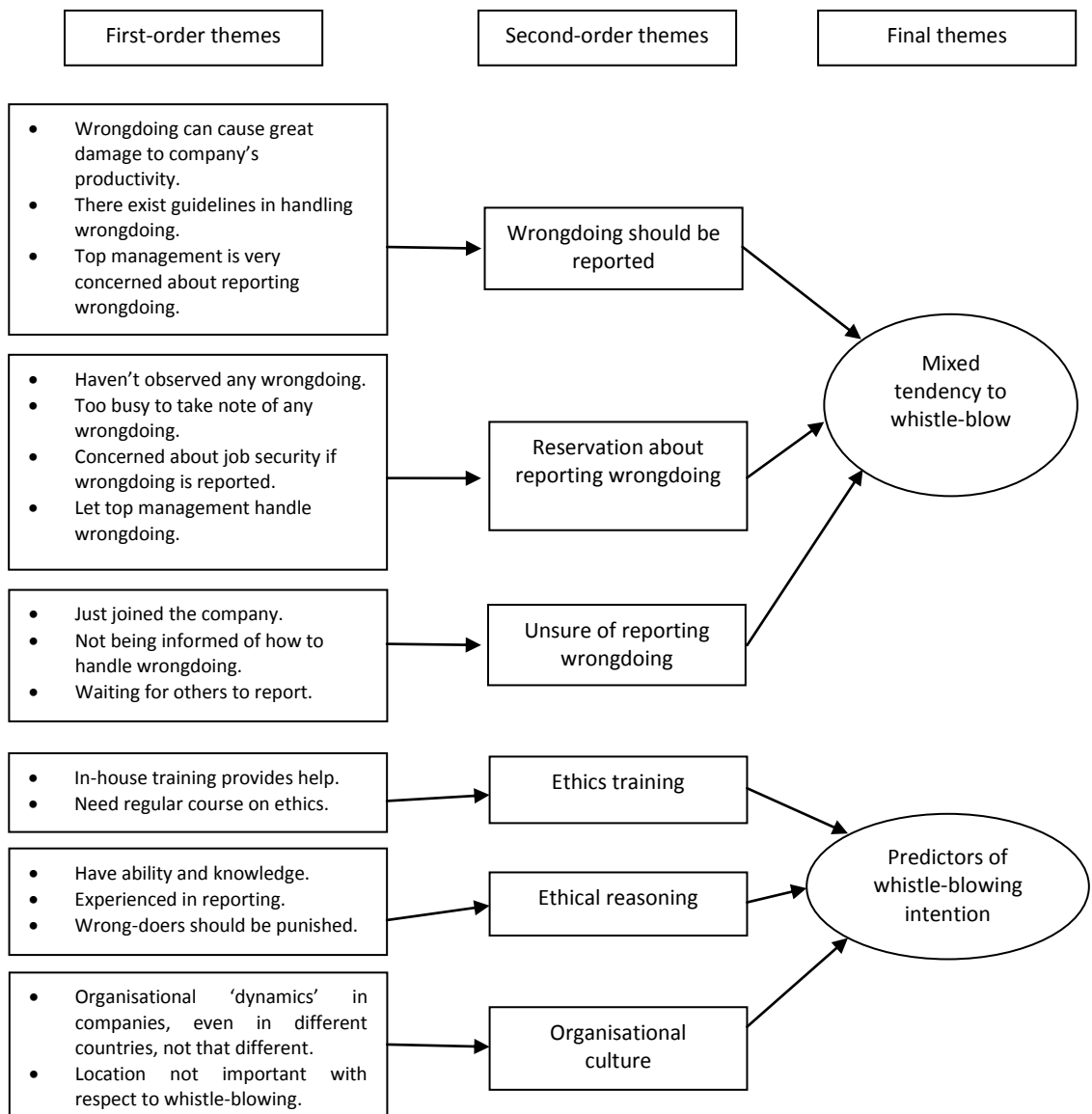
Figure 5.9: Data Structure and Emergent Themes

Theme 1. Results suggest that there appears to be a mixed tendency to whistle-blow among supervisors in the selected manufacturing companies. Some of the supervisors did acknowledge that wrongdoing should be handled appropriately because such behaviour could negatively affect the organisation. In general, most of the companies applied a rules enforcement method, such as an ethical code of conduct, to handle wrongdoing among the employees. Moreover, some companies viewed that their top management was very concerned about the issue of wrongdoing among employees. As one interviewee mentioned:

"I have experienced one of my subordinates [being terminated by management] because of the wrongdoing that he had committed." *(Interviewee No. 7)*

On the other hand, the data suggests some supervisors' hesitancy to whistle-blow. For example, some of the supervisors were still unsure of the proper way to handle wrongdoing. A few of the supervisors did not consider reporting wrongdoing as an important matter and some of the supervisors believed that the reporting of wrongdoing should be handled by top management. The following quotes illustrate a mixed view on whistle-blowing intention.

"As far as I know, there is no specific guideline given on handling wrongdoing. We just use our own judgment on this matter." (Interviewee No. 5)

"I have more than 400 subordinates under my supervision. I think it is too much if I need to observe whether each of them goes against [company rules]." (Interviewee No. 11)

"Self-reporting on wrongdoing is such a waste of time. One man [alone] is not enough to evidence wrongdoing and make a report. I would rather gather a few colleagues and discuss to ensure such reporting could be provided. In fact, getting an agreement from colleagues on any wrongdoing would provide enough evidence for the management." (Interviewee No. 21)

"I always work with my friends in this company. I am afraid if I do such reporting on the observed wrongdoing, my friends will not believe and support me. I'd rather get advice from them first." (Interviewee No. 24)

"Well... as an assistant supervisor, I have to refer to my chief supervisor in reporting wrongdoing. Of course, I could report

straight away to the management, but you know…, it is better for

him to be the first to be aware of the situation." (Interviewee No. 4)

Moreover, some supervisors felt that if they disclosed wrongdoing, they would lose their jobs. The following quotes demonstrate this concern.

"As I mentioned about my action whether to whistle-blow or not, my principle for reasoning whether an action is morally right or wrong depends on views from my other friends. For me, it is important to get advice from them to ensure my action is correctly reasoned because any wrong justification being made would jeopardize my job." *(Interviewee No. 15)*

"Emm … in order to provide good reasons or justifications for actions, we should consider various aspects such as advice from colleagues, and effects on our status like promotions and salaries. Our career and life are much more important than anything else." *(Interviewee No. 16)*

Theme 2. The second theme revealed factors that influence whistle-blowing intention. Two factors that are prominent for whistle-blowing intention appear to be ethics training and ethical reasoning. A majority of supervisors agreed that ethics training helps to enhance their knowledge, and guides them in making ethical decisions, as shown by the following excerpts:

"Last year, I attended an ethics training program which was provided by my company. I was overwhelmed with this program as it helps me clearly understand what constitutes wrongdoing in my company" (Interviewee No. 1)

"I am confident to report on wrongdoing because I have been given a briefing regarding the matter in my recent training." *(Interviewee No. 13)*

In fact, a few supervisors suggested that in-house training on ethics should be implemented regularly. For example, one interviewee mentioned that:

"I strongly believe that my company should provide a compulsory training to all staff members at least once a year." (Interviewee No. 6)

Generally, reasoning skills among the supervisors appear to be at a satisfactory level. They appear to have the ability to identify wrongdoings as well as to resolve issues, for example:

"My company provided us with a booklet detailing the common types of wrongdoing and how to handle them. Having that, I think I will not have any problem in identifying and reporting wrongdoings." (Interviewee No. 8)

"A few years back I had experience in reporting wrongdoing in my company. I think I have the ability and knowledge of handling wrongdoers." (Interviewee No. 11)

On the other hand, organisational culture was found not to have a significant influence on whistle-blowing intention. The following extracts highlight this point:

"I have experience working with both Malaysian and Japanese companies. I don't see any difference in [how they] handle unethical situations." (Interviewee No. 20)

"Whether it is a European, Japanese, Korean or Chinese company is not an issue at all [with respect to whistle-blowing]." (Interviewee No. 17)

5.10 Synthesis of the Quantitative Results and Qualitative Findings

Referring to the quantitative results and qualitative findings, it appears that whistle-blowing intention among supervisors in Malaysia indicates there is some willingness to whistle-blow. However, only ethics training and ethical reasoning were found to be significant factors in predicting whistle-blowing intention among the supervisors. Both methods of analysis (quantitative and qualitative) indicated that internal locus of control and work experience did not have significant influence on whistle-blowing intention. Furthermore, in assessing organisational culture, the correlation matrix in the quantitative analysis and findings from the focus group interviews (Theme 3) provided evidence that organisational culture did not influence the intention to whistle-blow among supervisors in Malaysia.

5.11 Chapter Summary

This chapter described, in detail, both quantitative and qualitative analyses applied in this study. A two-stage Structural Equation Modelling (AMOS 18.0) was utilized to analyse the quantitative data. In addition, thematic analyses with the help of QSR NVivo 8.0 were utilized to analyse focus group interview data. The qualitative findings were used to triangulate the quantitative results. Synthesis of the results from both methods (quantitative and qualitative) was provided in section 5.10. Chapter 6 will discuss these results.

CHAPTER 6

DISCUSSION, IMPLICATIONS AND CONCLUSIONS

6.1   Introduction

This final chapter is divided into seven sections. Following this first section, a brief summary of the study is presented. The third section discusses the findings derived from Chapter 5. Next, the fourth section provides theoretical, methodological and managerial implications of the study. Then, the fifth section provides limitations of the study.   Following limitations, the next section suggests some directions for future research. Finally, a conclusion is provided.

6.2   Brief Summary of the Study

Within the literature, whistle-blowing is defined as the likelihood that organisation members will report illegal or unethical activities to parties who are willing and able to take action towards the wrongdoing (Mesmer-Magnus and Viswesvaran 2005; Susmanschi 2012). In the context of this study, whistle-blowing in Malaysia has only recently been considered by statutory authorities, through the introduction of the first whistle-blowing law (Anwar 2003; Hassan 2006; Wahab 2003). The fact that whistle-blowing can play an important role as an effective control mechanism within organisations (Ponemon and Gabhart 1994; Read and Rama 2003), is motivation for the Malaysian government to uphold the law in moving towards a corruption free country (Hassan 2006; Yakcob 2005). However, Ngui (2005) argues that many large Malaysian companies are still subjected to wrongdoing or misconduct in terms of unreported fraud (PriceWaterhouseCoopers 2006).

Employees in US corporations appear to embrace whistle-blowing actions more commonly than their Asian counterparts (Park, Rehg, and Lee 2005). For example, in countries like China, Japan and Hong Kong, whistle-blowing would be regarded as

unacceptable and unethical behaviour (Bond 1996; Fukuyama 1995; Redding 1990). One possible reason could be the perception of the whistle-blowing action itself. This leads to a question as to why some people intend to blow the whistle on wrongdoing while others do not (Miceli, Near, and Dworkin 2008).

One reason for differences in intention to whistle-blow could be related to cultural influences, which might jeopardize an individual's perceptions of whistle-blowing actions (Patel 1999). For example, relative to Western countries, Malaysia differs in society, culture, language, education, values and beliefs, as well as economic and political systems (Ling 1995; Ansari, Ahmad, and Aafaqi 2004). Malaysia is a multiracial and multiethnic country which consists of three major ethnic groups: Malay, Chinese and Indians (Abdullah 1992). However, even though Malaysia is said to be one of the most culturally complex nations in the Asia Pacific region (Udin and Ahmad 2000), Malaysian workers share common and distinct workplace values (Abdullah 1996).

The argument from Abdullah (1996) motivated this study to explore further a selection of individual-level variables which have been identified by previous studies. As argued by Park, Rehg and Lee (2005), re-examination of antecedent variables of whistle-blowing intention, in the form of an introduction to an intercultural perspective, may provide a whole new interpretation to research on whistle-blowing. In addition, this study attempted to further bridge gaps in the literature by introducing the cognitive aspect of ethical reasoning for strengthening the relationships between the antecedent variables and whistle-blowing intention. Therefore, ethical reasoning was treated as a mediating variable.

Given the above, this study proposed three research objectives, which are: to explore the predictive variables of whistle-blowing intention; to investigate the role of ethical reasoning in mediating the relationship between the predictive variables and whistle-blowing intention; and to assess the relevancy of organisational culture and its impact on whistle-blowing intention in the Malaysian context. The predictive variables chosen for this study were internal locus of control, work experience and ethics training. To fulfil the study objectives, a theoretical framework was

developed, based on the theories of planned behaviour and cognitive moral development.

The theoretical framework was utilized to test ten hypotheses in order to answer two key research questions:

1. Do internal locus of control, work experience and ethics training predict whistle-blowing intention?

2. Does ethical reasoning influence the relationship between predictive variables (internal locus of control, work experience and ethics training) and whistle-blowing intention?

6.3   Discussion of the Findings

6.3.1   Direct Relationships

Table 6.1: Hypotheses and Summary of Results for Direct Relationships

Hypotheses	Result
H1: Internal locus of control is positively associated with whistle-blowing intention	Not supported
H2: Work experience is positively associated with whistle-blowing intention	Not supported
H3: Ethics training is positively associated with whistle-blowing intention	Supported
H4: Internal locus of control is positively associated with ethical reasoning	Not supported
H5: Work experience is positively associated with ethical reasoning	Supported
H6: Ethics training is positively associated with ethical reasoning	Supported
H7: Ethical reasoning is positively associated with whistle-blowing intention	Supported

Table 6.1 shows the hypotheses and a summary of the results for the direct relationships. The direct relationships were between the predictive variables and whistle-blowing intention, between the predictive variables and ethical reasoning and between ethical reasoning and whistle-blowing intention. In total, there were seven tested hypotheses. Findings from this study failed to support three hypothesised relationships between internal locus of control and both whistle-blowing intention and ethical reasoning, and between work experience and ethical reasoning. Therefore, only ethics training was found as a predictive variable of whistle-blowing intention. Also, the results confirmed the hypothesised positive relationships for ethical reasoning with both work experience and ethics training. Lastly, ethical reasoning was significantly associated with whistle-blowing intention.

The following sections discuss the results of all the direct hypothesised relationships in detail.

Internal Locus of Control and Whistle-blowing Intention

H1: Internal locus of control is positively associated with whistle-blowing intention

Variables such as internal locus of control, self-esteem and relativism are expected to predict who will have an intention to whistle-blow after observing wrongdoing (Miceli and Near 1992, 1985, 1984; Parmerlee, Near, and Jensen 1982). Internal locus of control has been particularly singled out to have a strong effect on whistle-blowing intention (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008). Moreover, this study used Ajzen's (1991) theory of planned behaviour, in which internal locus of control was posited as an important antecedent for intention to perform a target behaviour (Ajzen 1988; Ajzen and Madden 1986). In the case of this study, no relationship was found between internal locus of control and whistle-blowing intention. The insignificant relationship offers confirmation of previous studies, mainly of those in Western contexts. For example, from a study by Miceli, Dozier, and Near (1991), internal locus of control had no effect on a student's propensity to report wrongdoing, by a research assistant, to his/her university's research committee respresentative. Likewise, Starkey (1998) found that when scenarios describing wrongdoing were presented to hospital employees, no relationship was found between an employee's locus of control and intent to blow the whistle.

Miceli, Near and Dworkin (2008) justify the non-significant relationship between internal locus of control and whistle-blowing intention using two previous studies. Firstly, Wise (1995) believes that one's decision to whistle-blow may vary according to that individual's beliefs, situations and surroundings. Secondly, using similar arguments, Chiu (2003, 2002) suggests that whistle-blowing behaviour among Chinese people is influenced by traditional Chinese cultural values and teaching. Therefore, the non-significant relationship between internal locus of control and

whistle-blowing intention among supervisors in this study might be influenced by Malaysian culture.

Goodwin and Goodwin (1999) demonstrate that Malaysia has a collectivist culture and high power distance. According to Spector, Sanchez, Siu, Saldago and Ma (2004), individuals in collectivist cultures view themselves in terms of social connections and group harmony. In other words, people are integrated into in-groups, for example, with family or business associates or society as a whole. Further, Spector et al. (2004) argue that, in order to be effective in a collectivist society, a person must cultivate relationships with colleagues at all levels and must express a high level of sensitivity. Thus, supervisors in large manufacturing companies in this study may prefer to apply social standards in their intention to whistle-blow by behaving in ways that seem socially appropriate for the situation (Snyder 1987; Trongmateerut and Sweeney 2013), thus, they might be demonstrating low levels of self-directedness (Bandura 1991).

The following are important quotes, captured from the focus group interviews with supervisors, which support the above argument:

> "Self-reporting on wrongdoing is such a waste of time. One man [alone] is not enough to evidence wrongdoing and make a report. I would rather gather a few colleagues and discuss to ensure such reporting could be provided. In fact, getting an agreement from colleagues on any wrongdoing would provide enough evidence for the management." (Interviewee No. 21)

> "I always work with my friends in this company. I am afraid if I do such reporting on the observed wrongdoing, my friends will not believe and support me. I'd rather get advice from them first." (Interviewee No. 24)

Moreover, collectivist cultures reflect the subordination of personal goals to group goals, a sense of harmony and independence, and concern for others (Hofstede

1991, 1980). Malaysia has three major ethnic groups: Malay, Chinese and Indian. However, Abdullah (1996) states that, although Malaysian society is a multi-cultural mix, Malaysian workers share common and distinct workplace values. In this study, Malays form the majority of the respondents (Table 5.2). Previous studies have indicated that Malays represent a collectivist community with collectivist minds (Abdullah 1996, 1992; Hofstede 1980; House et al. 2004). Thus, a plausible explanation for the non-significant relationship between internal locus of control and whistle-blowing might be the influence of the collectivist view on the issue of whistle-blowing intention. A crucial quote from one of the supervisors supports this perspective:

> *"I am an Indian and attached to this company for over 20 years. Well, there are few other experienced Indians and Chinese working with me. Although the majority of the workers are Malays, we always work together. Also, since we celebrate our major festivals together in this company, our commitment towards this company should also show in harmonious ways."* (Interviewee No. 22)

On the other hand, Malaysian culture has a high degree of power distance (Hofstede 1980; Lim 2001). By definition, power distance means "the extent to which the members of a society accept that power in institutions and organisations is distributed unequally" (Hofstede 1985, p. 348). Malaysians like to show respect to their superiors and place their trust in their superiors to lead them (Abdullah 1996). According to Schermerhorn and Bond (1997), high power distance societies value structured authority relationships more highly than low power distance societies. This means that the structured authority relationship, which is acceptable among Malaysians, demonstrates a society with high power distance. Potential support for the high power distance argument is reflected in the following quote:

> *"Well... as an assistant supervisor, I have to refer to my chief supervisor in reporting wrongdoing. Of course, I could report straight away to the management, but you know..., it is better for him to be the first to be aware of the situation."* (Interviewee No. 4)

Work Experience and Whistle-blowing Intention

H2: Work experience is positively associated with whistle-blowing intention

Following Cherry (2006), this study concentrates on the definition of work experience as the individual's length of time employed by his/her current organisation. Among other variables, adequate work experience has been argued to become an essential element in determining one's decision to whistle-blow (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008). Furthermore, supported by Ajzen's (1991) theory of planned behaviour, individuals' demographic or background variables, such as tenure (work experience), are essential determinants for intention to perform a target behaviour.

While the literature (Brewer and Selden 1998; Goldman 2001; Miceli and Near 1988; Stansbury and Victor 2009) suggests that work experience might be a significant predictor of the tendency to whistle-blow, the finding in this study contradicts such a prediction. The insignificant relationship between work experience and whistle-blowing intention indicates that work experience among supervisors in Malaysia has no effect on their whistle-blowing intention. Therefore, this study suggests that culture might, at least partially, explain the insignificant relationship. This is important, as the majority of the respondents in this study were Malay (Table 5.2).

Malays are particularly concerned about the adherence of their words or actions to the expected social norms (Goddard 1997). Social norms among Malays suggest that Malays tend to respect others' words and actions (Abdullah 1996; Abdullah 1993). In other words, Malays tend to follow decisions made by their peers in order to show courteous manners such as politeness, consideration and respectfulness (Zawawi 2008). Thus, experienced Malay supervisors might have no intention to blow the whistle on wrongdoing if their peers have no experience of doing so.

Another aspect is self-consciousness. According to Abdullah (1993) and McCrae and Terracciano (2005), Malays possess a high self-consciousness relative to other ethnic groups. In other words, Malays are very sensitive about what other people

are thinking about their decisions and actions (Mastor, Jin, and Cooper 2000). Therefore, Malays try to align their decisions and actions in accordance with societal expectations. Hence, they normally follow and copy what others would do in making decisions and performing actions especially when facing dilemmas. Thus, experienced Malay supervisors might possess a hyper-sensitivity in relation to making decisions on whether to whistle-blow or not on observed wrongdoings. This is likely to have a greater influence than work experience alone.

Moreover, Rest (1986a, 1986b) suggests that a person's moral judgment ability, such as whistle-blowing intention, is subject to 'continued intellectual stimuli' rather than years of experience or tenure (work experience). The phrase 'continued intellectual stimuli'refers to a person's continuous education by considering the person's employment status. Rest (1986a, 1986b) argues that education has a major impact on such an ability and thus, this is more in line with status in employment than a person's years of work experience.

Ethics Training and Whistle-blowing Intention

H3: Ethics training is positively associated with whistle-blowing intention

The inclusion of ethics training is based on a proposition from Jones, Massey and Thorne (2003). They argue that ethics training is an important factor affecting an individual's intention to act ethically. By definition, ethics training means the curricula (education) or programs which provide thoughts and applications of ethics in the decision-making processes (Frisque and Kolb 2008). Ethics training has been regarded as a significant predictor to further develop individuals' ethical decision-making and actions within their organisations (Sekerka 2009; Wing and Kin 2003). This is supported by many researchers, who find that the influence of ethics training helps individuals to decide which action to take when faced with ethical challenges (Kolb, Frisque, and Lin 2004; Trevino 2007; Weaver, Trevino, and Agle 2005).

Theoretically, Ajzen (1991, 1988) suggests that background variables such as exposure to ethics through knowledge (education) or practice (training) are

essential determinants for an individual's intention to perform a target behaviour. Hence, individuals with such exposure would well judge and accept a given target behaviour and, thus, perform that behaviour (Ajzen 1988; Ajzen and Madden 1986). According to Demetriadou (2003), information such as knowledge in ethics leads to a greater tendency for individuals to perform the target behaviour. Hence, individuals who have received ethics training should be able to distinguish between right or wrong and between ethical or unethical behaviour (Park et al. 2008; Park, Rehg, and Lee 2005).

Researchers agree that ethics training is an important variable for affecting an individual's intention to whistle-blow on wrongdoing in organisations (Drugan 2010; Miceli et al. 2001). According to Miceli et al. (2001), an employee who receives ethics training is expected to react to observed wrongdoing and thus, make an appropriate decision whether to whistle-blow or not. Hence, Demetriadou (2003) argues that an individual who receives ethics training has an increased likelihood of whistle-blowing.

The finding of a significant relationship between ethics training and whistle-blowing intention in this study supports many previous studies (Frisque and Kolb 2008; Demetriadou 2003; Miceli and Near 1985; Near and Miceli 1994; Shawver 2011; Sheler 1981). Studies from Miceli and Near (1985) and Frisque and Kolb (2008) found support for ethics training having a significant positive effect on employees' decisions to whistle-blow within organisations. Further, a study by Shawver (2011) argues that an ethics training module is necessary within organisations to improve employees' willingness to whistle-blow on wrongdoing.

The significant direct relationship between ethics training and whistle-blowing intention in this study could further be explained by considering the following quotations from Malaysian supervisors:

> *"Last year, I attended an ethics training program which was provided by my company. I was overwhelmed with this program as*

it helps me clearly understand what constitutes wrongdoing in my company" (Interviewee No. 1)

"I am confident to report on wrongdoing because I have been given a briefing regarding the matter in my recent training." (Interviewee No. 13)

Internal Locus of Control and Ethical Reasoning

H4: Internal locus of control is positively associated with ethical reasoning

Internal locus of control has been suggested to motivate individuals to behave ethically (Cherry 2006; Cherry and Fraedrich 2000; Deflumeri 1982; Granitz and Ward 2001; Jones 1993). According to Forte (2005), individuals with internal locus of control are likely to be more creative and productive and, thus, are less likely to engage in immoral behaviour in the workplace that might impede career advancement. Further, individuals with internal locus of control tend to reason and decide appropriate behaviour for their company (Jones 1993). Such reasoning skills and moral decision-making improves companies' productivity (Cherry and Fraedrich 2000).

Arguing from theory, individuals with internal locus of control may advance their ethical reasoning ability and skills and, thus, will be led to perform targeted actions (Cherry and Fraedrich 2000; Kohlberg 1969). Hence, researchers predict that individuals who perceive their internal locus of control should behave more ethically than those with external locus of control, in the sense that they have higher deontological norms[27] (Cherry 2006; Cherry and Fraedrich 2000; Singhapakdi and Vitell 1991). However, the finding on the relationship between internal locus of

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[27] The philosophical view of deontology identifies 'a contractual obligation, an action is right only if it is consistent within a set of moral rules, and wrong only if it violates those rules' (Shawver and Clements 2008, p. 27).

control and ethical reasoning in this study contradicts findings from previous researchers. One possible explanation for the insignificant relationship between internal locus of control and ethical reasoning could be due to the Malaysian environment.

More specifically, the insignificant relationship between internal locus of control and ethical reasoning might suggest that supervisors in Malaysia have not enacted their internal locus of control in providing ethical reasoning for their ethical behaviours and actions. This is confirmed by previous research (Forte 2005, 2004a; Jones 1993; Mudrack 2007). These studies found that internal locus of control was not a significant predictor of ethical reasoning. However, these previous studies did not explain fully why an insignificant relationship between internal locus of control and ethical reasoning exists. As for the present study, Malaysian culture could provide some insight.

Researchers agree that Malaysia has a collectivist culture (Goodwin and Goodwin 1999). Considering this, researchers also agree that individuals in collectivist cultures rely significantly on group connections (Spector et al. 2004). Although Malaysia has a multi-cultural society, Malaysian workers share common and distinct workplace values (Abdullah 1996). Therefore, this study suggests that the insignificant relationship between internal locus of control and ethical reasoning might be affected by the collectivist views and opinions of Malaysian supervisors. This argument is enforced by considering two important quotes from supervisors:

> "As I mentioned about my action whether to whistle-blow or not, my principle for reasoning whether an action is morally right or wrong depends on views from my other friends. For me, it is important to get advice from them to ensure my action is correctly reasoned because any wrong justification being made would jeopardize my job." (Interviewee No. 15)

> "Emm ... in order to provide good reasons or justifications for actions, we should consider various aspects such as advice from

> *colleagues, and effects on our status like promotions and salaries.*
>
> *Our career and life are much more important than anything else."*
>
> *(Interviewee No. 16)*

From the above quotes, this study has reason to conclude that some Malaysian supervisors are afraid to use their own ethical reasoning on any given dilemma or situation. The supervisors are more likely to consider external factors which might affect their job satisfaction, self-esteem and quality of life. As mentioned, this environment suits the cultural values of Malaysians.

Work Experience and Ethical Reasoning

> *H5: Work experience is positively associated with ethical reasoning*

Work experience has been identified as an important factor influencing individuals' ethical decision-making processes (Bebeau 1994; Hiltebeitel and Jones 1992; Jones, Massey, and Thorne 2003; Snell 1995). The relationship between work experience and the ethical decision-making process has been examined by many researchers, who agree that individuals would use their own reasoning and judgment for resolving ethical dilemmas and providing ethical decisions (Hunt and Vitell 1986; Rest 1979a; Trevino 1986; Valentine and Bateman 2011). This ethical reasoning process is known as moral reasoning[28] ability (Kohlberg 1976).

Theoretically, Kohlberg (1969, 1976) suggests that individuals develop ethical reasoning ability through their work experience. Other literatures (Harris 1990; Kelley, Ferrell, and Skinner 1990a; Ponemon 1995; Stewart and O'Leary 2006) corroborate the proposition made by Kohlberg (1976, 1969). For example, a study by Ponemon (1995) found that the working experience of litigation specialists and auditors helped to increase their ethical reasoning ability in supporting ethical

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[28] The terms ethical reasoning and moral reasoning are used interchangeably, as commonly found in prior behavioural ethics research (Trevino, Weaver, and Reynolds 2006).

judgment. Further, Stewart and O'Leary (2006) also found that work experience has some influence on ethical reasoning.

The significant relationship between work experience and ethical reasoning in the present study supports prior research by Harris (1990), Kelley, Ferrell and Skinner (1990a) and Kujala (1995). For example, the study by Harris (1990) found that employees with longer working experience are more aware of fraudulent practices than employees with shorter working experience. Thus, confirming prior studies, individuals appear to develop higher ethical reasoning ability the longer they work within their organisations. As argued by Harris (1990), individuals develop their abilities in reasoning regarding an ethical dilemma through their work experience in their organisations. This finding is strengthened through the following quotes:

> *"As I mentioned about my experience in handling wrongdoing, I think I have the ability to reason whether certain actions are morally right or wrong based on my experience working in this company."* (Interviewee No. 10)

> *"Here, I agree with my friend. Based on my work experience of more than ten years in this company, I would say I also have the reasoning ability if faced with ethical challenges or dilemmas."* (Interviewee No. 14)

From the above discussion, this study suggests that Malaysian supervisors who have longer work experience tenure are likely to develop higher ethical reasoning abilities. Referring to the descriptive analysis, Malaysian supervisors' ethical reasoning abilities are said to fall into the 'middle third'[29] category. The 'middle third' category shows that the level of ethical reasoning is concentrated on the conventional level (Stages 3 and 4) of the CMD theory (Kohlberg 1969, 1981) as

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[29] Following the DIT manual (Rest 1990), the P scores of respondents fall into three categories: 'low third' category refers to P score 0%-27%, 'middle third' category refers to P score 28%-41% and 'high third' category refers to P score 42%-100%.

discussed in Chapter 2. In short, this level of ethical reasoning shows the respondents are able to resolve ethical dilemmas.

Ethics Training and Ethical Reasoning

H6: Ethics training is positively associated with ethical reasoning

Jones, Masey and Thorne (2003) propose that ethics training is an important factor to help individuals address ethical dilemmas. This is corroborated by other researchers, who have indicated ethics training helps individuals cope with ethical challenges (Kolb, Frisque, and Lin 2004; Trevino 2007; Weaver, Trevino, and Agle 2005). Related to ethical reasoning, Goolsby and Hunt (1992) found cognitive moral development is positively related to socially responsible behaviour, which could be enhanced via ethics training.

Theoretically, Kohlberg (1969) proposes that individuals who receive ethics training could further develop their moral reasoning skills (Fraedrich et al. 2005). Thus, ethics training is considered as a significant factor to further develop individuals' ethical reasoning abilities (Eynon, Hill, and Stevens 1997; Baker, Ni, and Wart 2012). Moreover, Trevino (1992, p. 454) states that 'one potential practical approach to influencing moral reasoning is through cognitive moral development-based education and training interventions'. Hence, ethics training is considered as a tool to increase individuals' ethical reasoning skills in regard to ethical issues and dilemmas (Brady and Hart 2006; Jones 2009).

By way of demonstration, the results of a study by Bebeau and Thorma (1994) found that medical students' ethical reasoning skills improved after attending an ethics training program. Others, like Jones and Hiltebeitel (1995), proposed organisational support via ethics training, which positively influenced employees' ethical decision-making processes. According to Baxter and Rarick (1997), provision of ethics training in organisations could advance employees' ethical reasoning patterns and allow them to more adequately be attuned to meet stakeholders' interests.

The significant relationship between ethics training and ethical reasoning in this study supports previous research by Bebeau and Thoma (1994), Eynon, Hill and Stevens (1997), Fraedrich et al. (2005) and Ritter (2006). For example, Fraedrich et al. (Fraedrich et al. 2005) claimed that ethics education and training has an effect on the cognitive moral development of marketing and accounting students. Similarly, Bebaeu and Thoma (Bebeau and Thoma 1994) found that fourth-year medical students' ethical reasoning skills improved following ethics training. Hence, ethics training appears to have a significant positive effect on individuals' ethical reasoning skills.

This study also provides evidence to support the significant relationship between ethics training and ethical reasoning, evidenced by the following focus group quotes:

> *"As I mentioned, my recent ethics training has positively affected my [confidence in] reporting wrongdoing as well as my reasoning skills for a given situation or dilemma." (Interviewee No. 13)*

> *"Ethics training programs provided by my company, together with ethics courses that I learnt at my university, helped me to identify and resolve any ethical challenges that I faced lately." (Interviewee No. 12)*

Therefore, this study suggests that Malaysian supervisors who receive ethics training progress in their ethical reasoning skills and, thus, are positioned to resolve ethical dilemmas.

Ethical Reasoning and Whistle-blowing Intention

> *H7: Ethical reasoning is positively associated with whistle-blowing intention*

Ethical reasoning refers to an individual's ability to apply values and standards to socio-moral problems and determine a course of action (Sivanathan and Fekken 2002). In other words, many researchers agree that the ethical reasoning process is part of an individual's overall moral consciousness when dealing with difficult

conflicts or dilemmas in everyday practice (Louwers, Ponemon, and Radtke 1997). To act ethically, an individual is expected to have a well-developed ethical reasoning ability (Falkenberg 2004; Werhane 1998). This is because ethical reasoning is understood as the cognitive process people use for engaging in ethical behaviour (Liyanarachchi and Newdick 2009; Trevino and Youngblood 1990).

Kohlberg (1981) posits that individuals interpret their activities when planning, learning and acting. Individuals' interpretations of their actions are closely related to their morality (Kohlberg 1981). Kohlberg (1981) believes that an individual's morality could be determined by understanding his/her intentions and points of view. Such cognitive processes are subject to a person's attitudes, subjective norms and perceived behavioural control. The significant direct relationship between ethical reasoning and whistle-blowing intention found in this study supports previous studies like Arnold and Ponemon (1991), Brabeck (1984), Liyanarachchi and Newdick (2009) and Xu and Ziegenfuss (2008). For example, both studies by Arnold and Ponemon (1991) and Xu and Ziegenfuss (2008) used internal auditors as respondents, and found that ethical reasoning did influence an individual's decision-making process when deciding to blow the whistle on wrongdoing. As mentioned by Brabeck (1984), Kohlberg (1981) argues that moral judgment structures will influence individuals' moral actions, which are consistent with their cognitive dispositions.

Also, this study provides further evidence to support the significant relationship between ethical reasoning and whistle-blowing intention by referring to a quote from the focus group interviews:

> *"A few years back I had experience in reporting wrongdoing in my company. I think I have the ability, skill and knowledge of handling wrongdoers."* (Interviewee No. 11)

Therefore, this study suggests that Malaysian supervisors with ethical reasoning ability could resolve ethical dilemmas and, thus, lead to their whistle-blowing intention. As mentioned, the supervisors' ethical reasoning abilities were

concentrated at the 'middle third' category under the conventional level (Stages 3 and 4) of the cognitive moral development theory (Kohlberg 1969, 1981). At this level, supervisors appear to be able to resolve ethical dilemmas and, hence, would form ethical intentions, for instance, the intention to whistle-blow.

6.3.2 Mediating Effect of Ethical Reasoning

Table 6.2: Hypotheses and Summary of Results for Mediating Effect of Ethical Reasoning

	Hypotheses	Results
H8a	Ethical reasoning mediates the relationship between internal locus of control and whistle-blowing intention	Could not be estimated
H8b	Ethical reasoning mediates the relationship between work experience and whistle-blowing intention	Supported
H8c	Ethical reasoning mediates the relationship between ethics training and whistle-blowing intention	Supported

Table 6.2 shows the hypotheses, and a summary of the results, for the mediating effect of ethical reasoning. In total, there were three hypotheses (H8a, H8b and H8c) that were developed to test the mediating effect of ethical reasoning on the relationships between: internal locus of control and whistle-blowing intention (H8a); work experience and whistle-blowing intention (H8b), and; ethics training and whistle-blowing intention (H8c). However, the first hypothesis (H8a) could not be estimated because internal locus of control did not have a significant relationship with ethical reasoning, nor did it have a significant relationship with whistle-blowing intention. Thus, the condition for establishing mediation was violated. The remaining two hypotheses (H8b and H8c) were supported. In short, ethical reasoning fully mediated the relationship between work experience and whistle-blowing intention (H8b). Additionally, ethical reasoning partially mediated the relationship between ethics training and whistle-blowing intention (H8c). The following sections discuss the results of these mediated relationships.

Ethical Reasoning as a Mediator

> *H8b: Ethical reasoning mediates the relationship between work experience and whistle-blowing intention*

H8c: Ethical reasoning mediates the relationship between ethics training and whistle-blowing intention

The positive finding of H8b provides evidence that ethical reasoning fully mediates the relationship between work experience and whistle-blowing intention. As indicated under the descriptive analysis (Table 5.7), the average work experience of supervisors in this study was 8 years. This represented 69.8% of the sample (Table 5.7). Considering the mean of whistle-blowing intention of 3.8, in general, supervisors could be construed as having a relatively low tendency to whistle-blow. However, supervisors are more likely to have whistle-blowing intention if they possess ethical reasoning ability.

Theoretically, ethical reasoning ability is determined by the level of ethical reasoning (Herington and Weaven 2008). In this study, the level of ethical reasoning of Malaysian supervisors falls within the 'middle third' category. The 'middle third' category shows the level of ethical reasoning of the supervisors is concentrated at the conventional level (Stages 3 and 4) of Kohlberg's (1969, 1981) model of cognitive moral development theory. Having this level of ethical reasoning, the supervisors are believed to be able to resolve ethical dilemmas without relying on others in their organisations. Therefore, where supervisors have demonstrated ethical reasoning abilities, whistle-blowing is greater.

Applying the theory of cognitive moral development and following Kujala (1995) and O'Fallon and Butterfield (2005), this study suggests that the more work experience supervisors gain, the greater is the increase in their ethical reasoning abilities, and therefore, the greater is the tendency to whistle-blow. Despite the finding by Miceli et al. (2008) indicating that an individual's level of work experience plays a vital role in his/her decision to whistle-blow, Liyanarachchi and Newdick (2009) suggest that an individual's decision to whistle-blow depends much more upon his/her level of ethical reasoning. This seems to be confirmed by the findings of the present study.

Moreover, ethical reasoning, which has been treated as a mediator, suggests an alternative route for a significant relationship between work experience and ethical behaviour, such as whistle-blowing intention. The finding sheds light on inconclusive empirical results regarding work experience and whistle-blowing intention from previous studies, especially for a mixed relationship (Wise 1995) and an insignificant relationship (Keenan and Sims 1995; Lee, Heilmann, and Near 2004; Sims and Keenan 1998).

With regards to the above empirical finding of this study, qualitative results provide additional support:

> *"Here, I agree with my friend. Based on my work experience of more than ten years in this company, I would say I also have the ethical reasoning ability if faced with challenges or dilemmas."* (Interviewee No. 14)

On the other hand, the finding of a partially mediated relationship for H8c demonstrates a two-fold relationship. The relationship between ethics training and whistle-blowing intention is significantly associated and yet, this relationship could occur via ethical reasoning as a mediator. As argued by Frisque and Kolb (2008), an effective ethics training program covering attitudes, knowledge and analysis of ethical dilemmas among employees, could teach them how to handle ethical violations. This means that an appropriate ethics training program, which could develop employees' ethical reasoning abilities and skills, might improve the ethical standards of the workplace (Keller, Smith, and Smith 2007). Simply put, employees with positive ethical attitudes and behaviours could become role models to other employees if organisations provided ethics training programs. This could further develop employees' cognitive ethical reasoning abilities (Bay and Greenburg 2001; Kantor and Weisberg 2002).

The finding in this study of a partially mediated relationship for H8c is speculated to be due to a few key factors. Considering Table 5.7, the mean for ethics training of 1.474 indicates that ethics training within Malaysian companies appears to be

relatively low. Perhaps this is because ethics training was only targeted at new supervisors joining the companies. Further, supervisors' ethical awareness for whistle-blowing intention and action might be limited within Malaysian organisations if ethics training does not specifically explain whistle-blowing concepts or how to identify acts of wrongdoing in the company. Despite the finding of a partially mediated relationship for H8c, the importance of providing an appropriate ethics training program concentrating on employees' moral awareness and reasoning should be considered within organisations (Ritter 2006). Jones (2009) as well as Pennino (2002) agree that business ethics training for improving moral reasoning could increase moral development among employees for their decision-making styles. Moreover, the finding might also, at least in part, confirm that ethics training alone does not seem to have the potential to achieve a major reduction in occurrences of unethical behaviour or an increase in whistle-blowing actions (Davis and Welton 1991; Decker and Calo 2007; Weber 1990).

Having said this, the qualitative findings from this study seems to suggest that ethics training programs provided by Malaysian companies, at least to some degree, appear to help develop supervisors' ethical reasoning skills for whistle-blowing intention:

> *"I joined this company a year ago. I think I have no problem in handling wrongdoing. This is because I think I could respond and reason toward any wrongdoing since I have finished my ethics training sessions provided by this company"* (Interviewee No. 3)

6.4   Implications of the Study

This study has made several contributions for further understanding whistle-blowing in Malaysia. As a result, the theoretical, methodological and managerial implications are discussed within the following sub-sections.

6.4.1   Theoretical Implications

Studies regarding whistle-blowing are advancing at a greater rate in Western contexts (Park et al. 2008) than in Eastern contexts (Zhang, Chiu, and Li-Qun 2009a). According to whistle-blowing literature, past studies in Eastern contexts mainly have come from mainland China (Bond 1996), South Korea (Park, Rehg, and Lee 2005), Hong Kong (Chiu 2003, 2002) and Japan (Fukuyama 1995). Yet, studies within Eastern contexts need to be expanded (Khan 2003) and, for a country like Malaysia, are rare (Ponnu, Naidu, and Zamri 2007). Hence, firstly, among preliminary studies to explore whistle-blowing in Malaysia, this study provides new insights on whistle-blowing research in a non-Western context.

The findings from the studies on whistle-blowing behaviour using Western data should not simply be generalised for whistle-blowing behaviour in other parts of the world, particularly in Malaysia. This is because Malaysia has a unique multi-cultural society (Abdullah 1996, 1992) that has made this study important within the whistle-blowing literature. For example, Malaysia differs in society, culture, language, education, values and beliefs, as well as economic and political systems (Ling 1995; Ansari, Ahmad, and Aafaqi 2004). Malaysia is a multi-racial and multi-ethnic country which consists of three major ethnic groups: Malay, Chinese and Indian (Abdullah 1992). Even though Malaysia is said to be one of the most culturally complex nations in the Asia Pacific (Udin and Ahmad 2000), interestingly, Malaysian workers share common and distinct workplace values (Abdullah 1996).

As mentioned, study of the antecedents to whistle-blowing intention, in the form of an intercultural perspective, might give an enhanced interpretation of whistle-blowing research (Park et al. 2008). An assertion has been made that whistle-blowing is particularly affected by cultural contexts, as perceptions of right versus wrong, justice, morality and loyalty might differ from one country to another (Vogel 1992). With different cultures and backgrounds represented in this study, including Malays (63.0%), Chinese (21.9%) and Indians (15.1%), this study has explored whistle-blowing behaviour within a non-western context. Researchers argue that human behaviour is believed to be a result of cultural and social backgrounds and,

further, employees in organisations with different socio-economic influences might have different views on what is ethical or what is not (Chen 2001; Chiu and Erdener 2003; Chiu and Kosinski 1999).

Secondly, this study demonstrates further insight into the direct relationships between internal locus of control, work experience and ethics training, with whistle-blowing intention. These three antecedent variables have been predicted to be linked to individuals' whistle-blowing intentions (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008). To date, studies exploring antecedent variables to whistle-blowing intention have become popular (Keil et al. 2010; Lih-Bin and Hock-Hai 2010; Taylor and Curtis 2010; Zhang, Chiu, and Li-Qun 2009a). However, findings on the relationships between internal locus of control, work experience and ethics training are still open for discussion (Miceli, Near, and Dworkin 2008).

According to Applebaum, Grewel and Mousseau (2006), studies on individuals' whistle-blowing intentions should be conducted beyond the ordinary scope of Western countries. As argued by several scholars, individuals' perceptions and actions regarding whistle-blowing are somewhat commonplace in Western countries (Park et al. 2008; Park, Rehg, and Lee 2005) but uncommon in Eastern countries, since whistle-blowing is regarded as an unacceptable behaviour (Bond 1996; Fukuyama 1995; Redding 1990). To account for such perceptions, researchers have attempted to re-examine the predictors of whistle-blowing, particularly, whistle-blowing intention with other contingent variables (Chiu 2003; Zhang, Chiu, and Li-Qun 2009a, 2009b). For example, Zhang, Chiu and Li-Qun (2009b) posit that, for would-be Chinese whistle-blowers, organisational ethical culture moderates the relationship between the people's judgments concerning whistle-blowing and their whistle-blowing intentions.

Similarly, as argued by Patel (2003), whistle-blowing as an internal control mechanism is not effective in Chinese-Malaysian culture. Hence, a re-examination of Malaysians' perceptions of whistle-blowing, such as their whistle-blowing intentions, would advance theory on how Malaysians understand whistle-blowing.

Thus, the findings in this study have advanced theory with respect to work experience, ethics training and ethical reasoning among Malaysians. For example, Malaysian employees should be offered effective ethics training programs to foster their willingness to whistle-blow. Importantly, such programs should help to develop Malaysian employees' ethical reasoning abilities and skills in order to fully affect their whistle-blowing intentions.

Previously, a study using large companies (similar to the sample of this study) indicated that American managers are more likely to whistle-blow, when compared to Chinese managers (Keenan 2007). Therefore, this study expected to learn more about whistle-blowing behaviour among Malaysian employees, which might offer new or corroborating insights related to previous studies. For example, Malaysian employees have different perceptions of whistle-blowing behaviour based on the sharing of cultures, social norms and backgrounds. In this case, this study sought to contribute to the advancement of whistle-blowing studies by using a non-Western sample. Thus, the findings from the study add to the whistle-blowing literature by offering comparative insights from an alternative context.

Another theoretical implication relates to a suggestion by Jones, Massey and Thorne (2003), who specify that researchers should examine a direct relationship between ethics training and whistle-blowing intention. Although ethics training has been considered by many researchers as an important factor to affect an individual's intention to act ethically, there is little to no empirical evidence suggesting that a direct relationship has been found (Jones, Massey, and Thorne 2003). Frisque and Kolb (2008) agree that an ethics training program could have an impact on an individual's decision to blow the whistle. However, Miceli, Near and Dworkin (2008, p. 190) advise that there is '...no controlled research demonstrating the effectiveness of ethics training regarding whistle-blowing and such research is sorely needed'.

Following Miceli, Near and Dworkin's (2008) call, this study finds a significant direct relationship between ethics training and whistle-blowing intention. This finding suggests that ethics training provided by Malaysian companies appears to have

equipped Malaysian supervisors with an awareness and the skills to whistle-blow. This contradicts some scholars who suggest that ethics training alone is not likely to increase whistle-bowing intention (Davis and Welton 1991; Decker and Calo 2007). Hence, if an effective ethics training program is provided, an individual is likely to determine an appropriate action for an ethical dilemma (Keller, Smith, and Smith 2007).

Finally, this study sought to advance theory by attempting to resolve the mixed results of previous findings on the relationships between the predictive variables (internal, locus of control and work experience) and whistle-blowing intention. Miceli, Near, and Dworkin (2008) concluded that studies on the relationships of both internal locus of control and work experience with whistle-blowing intention have produced inconclusive empirical results. As for another predictive variable, i.e., ethics training, researchers argue that ethics training programs help individuals to deal with ethical challenges (Davis and Welton 1991; Decker and Calo 2007). Therefore, this study contrubutes to whistle-blowing research by incorporating ethical reasoning as a mediating variable in affecting the relationship between all the predictive variables and whistle-blowing intention.

Such mediation effects have not been empirically tested in previous research. This study examines ethical reasoning, as a mediating variable, by drawing on the psychology of ethical reasoning from the field of cognitive moral developoment (Kohlberg 1981, 1969). Prior studies have highlighted researchers' attention on ethical issues in accounting and auditing from the perspective of moral development theory (Louwers, Ponemon, and Radtke 1997). Several assumptions were made based on the theory, which proposes that individuals sequentially progress through stages in the development of ethical reasoning (Thorne 2000). Also, researchers have found that cognitive moral development is positively related to socially responsible behaviour (Goolsby and Hunt 1992; Thorne 2000). Since the cognitve aspects have been found to affect individuals' behaviour, the relationships of internal locus of control, work experience and ethics training with whistle-blowing intention might be dependent on ethical reasoning.

Therefore, this study investigated further the role of ethical reasoning, in conjunction with the predictive variables (internal locus of control, work experience and ethics training), regarding whistle-blowing intention. The mediating effects of ethical reasoning on the relationships of both work experience and ethics training with whistle-blowing intention provides evidence for arguments put forth by Goolsby and Hunt (1992) and Thorne (2000). As indicated by Goolsby and Hunt (1992), individuals' ethical reasoning abilities and skills should develop as their work experience tenures increase in an organisation. Thorne (2000) suggests that individuals' perspectives and deliberate ethical reasoning might be useful in measuring their training and education in ethics.

The findings of this study suggest that work experience of employees, and ethics training programs conducted by organisations, appear to develop employees' ethical reasoning skills, which increases whistle-blowing intentions. Hence, this study has provided a new avenue for research by incorporating ethical reasoning as a mediating variable in investigating whistle-blowing intention.

6.4.2 Methodological Implications

Firstly, this study has applied a mixed-method approach, in which quantitative results have been supported with qualitative data from focus group interviews. This has provided a new approach for studies on whistle-blowing. Unlike studies on whistle-blowing intention from Chiu (2003, 2002), Keenan (2007, 2002a), Park and Blenkinsop (2009), Park, Rehg and Lee (2005) and Zhang, Chiu and Li-Qun (2009a, 2009b) in Eastern countries, this study strengthens its findings with a qualitative investigation. Although qualitative investigations are difficult to achieve for a sensitive topic like whistle-blowing (Miceli and Near 1992), a carefully planned discussion for a focus group study might provide researchers with a better understanding of how individuals feel and think about a certain situation (Kreuger and Casey 2000).

Further, the focus group interview in this study generated valid information for triangulation of data that were collected through the survey. Thus, this study

accepted the challenge from Miceli, Near and Dworkin (2008, p. 31), who suggested that 'Unfortunately, collecting data from representative samples of whistle-blowers requires holding in abeyance some of the field's most stringent requirements for careful research design. In this instance, we believe that relevance justifies research, with appropriate rigor to the extent feasible'.

Secondly, the usage of a sample of large manufacturing companies follows early studies of whistle-blowing in Malaysia (Anwar 2003; Khan 2003). Researchers agree that large manufacturing companies are an adequate research environment because such companies often incorporate a greater incidence of wrongdoing (Hooks, Kaplan, and Schultz 1994; Lau, Au, and Ho 2002; Ponemon and Gabhart 1994). The rationale for choosing the large manufacturing companies was based on a requirement by Malaysian authorities to utilise manufacturing companies listed under BMB for running whistle-blowing investigations (Anwar 2003; Hassan 2006; Yakcob 2005; Wahab 2003). Hence, researchers need to carefully select a targeted population of firms, including manufacturing firms, which will permit a more nuanced understanding of whistle-blowing.

In addition, researchers agree that 'supervisory status emerges as the most consistent predictor of intentions and behaviors' (Rothwell and Baldwin 2006, p. 216). Hence, this study has utilised supervisors as its respondents. Supervisors were chosen based on their capabilities to disclose their organisations' malpractices and because they are protected from victimisation and retaliation under Malaysia's whistle-blowing provisions in the Securities Industry (Amendment) Act 2003 (Khan 2003; Mesmer-Magnus and Viswesvaran 2005). Also, this study deviated from normal samples of students (Wise 1995), internal auditors (Arnold and Ponemon 1991), civil servants (Starkey 1998) and accountants (Shawver and Clements 2008). Therefore, by using supervisors as respondents, new insights into the function of the whistle-blowing action, as an internal control mechanism in Malaysia's organisations, has been found. This paves the way for other studies to consider using supervisors as the targeted informants in whistle-blowing research.

Another methodological implication is the translation process adapted by this study, as discussed in Chapter 4. The adapted translation process was considered based on the fact that the respondents are Malaysians and little research has been conducted using the chosen measure outside of Western countries. Hence, an appropriate translation process can minimise translation errors and generate concrete findings from a given questionnaire. Likewise, the back-translation in the process minimises ambiguity in translating the questionnaire for different cultural and linguistic differences (Kim and Han 2004). For example, the mother-tongue language for Malaysians is the Malay (Teeuw 1959), therefore, researchers must consider translation and back-translation processes for valid findings (Fontaine and Richardson 2003; Platt 1977). Also, this study adapted a decentering process to minimise the chance of false positive translation [30] from the back-translation process (Wang, Lee, and Fetzer 2006). Additionally, the decentering process further improves the quality of the translated questionnaire (Brislin 1970). Hence, future research on whistle-blowing in non-Western countries can benefit from the methodological approach taken in the present study.

On the other hand, this study employed a structural equation model (SEM) to test its hypotheses. Tests using SEM are considered limited in studies that examine individuals' intentions (Barnett, Bass, and Brown 1996) and whistle-blowing behaviour (Lee, Heilmann, and Near 2004; MacNab and Worthley 2008). For example, according to Lee, Heilmann and Near (2004), SEM is a suitable tool for hypotheses with mixed variables (latent and measured variables) when investigating whistle-blowing behaviour. This is because SEM deals with both measured and latent variables to run multivariate statistics simultaneously and accurately (Maruyama 1998). Also, SEM is recommended for future whistle-blowing research since it considers the measurement error variances, which enhances the accurateness of relationships between factors in a hypothesised model (Kaptein

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[30] According to Wang, Lee and Fetzer (2006, p. 312), 'a false positive error could occur when the forward translation is inadequate but compensated for and corrected by an expert translator'.

2011). Similarly, in the future, accounting for measurement error variances, researchers can apply the bootstrapping approach for mediation tests and, thus, provide alternative tests to multiple regression analysis (Baron and Kenny 1986) or the Sobel test (Sobel 1982).

6.4.3 Managerial Implications

As argued by several scholars (Hooks, Kaplan, and Schultz 1994; Mesmer-Magnus and Viswesvaran 2005), top management in Malaysian organisations, particularly, would gain from supervisors who could be relied upon to receive whistle-blowing complaints. However, top management should not rely wholly on the educational backgrounds of their employees as a mechanism for fostering confidence to blow the whistle. Work experience, coupled with the development of ethical reasoning skills, are factors top management should uphold to promote whistle-blowing action within their organisations.

Additionally, Malaysian organisations should consider designing and implementing ethics training programs for their employees, particularly supervisors. As posited by several scholars (Applebaum, Grewal, and Mousseau 2006; Baker 2008; Near and Miceli 1994), ethics training should be provided to bolster employees' willingness to report wrongdoing and encourage whistle-blowing. This is confirmed by the findings of this study: whistle-blowing policies put in place by Malaysia's organisations could be strengthened via effective ethics training programs.

Finally, if Malaysia's business organisations are serious about implementing whistle-blowing as an internal control mechanism, they might need to consider enhancing ethical reasoning abilities and skills among their employees via ethics training programs. In other words, an effective ethics training program could equip employees with confidence and the ability to blow the whistle on occurrences of wrongdoing. Ethics training programs have been suggested as important to the development of individuals' ethical reasoning abilities and skills (Jones, Massey, and Thorne 2003; Trevino, Weaver, and Reynolds 2006). Therefore, this study suggests that adequate, appropriate and effective ethics training programs would be

beneficial to Malaysian organisations, particularly in responding to the mandatory regulation of implementing whistle-blowing policies.

6.5   Limitations of the Study

Firstly, using a hypothetical vignette to evaluate whistle-blowing intention, as well as a five item scale to assess organisational culture, might be subject to social desirability bias. According to Zebre and Paulhus (1987), the social desirability bias might occur from a desire to present oneself positively when dealing with social norms and standards. This means that individuals' responses to issues, especially to a sensitive issue like whistle-blowing, might not represent a full disclosure of how they really feel or would react to such issues. However, several preventive steps, such as guaranteed anonymity and confidentially of individual responses, as well as the use of some reversed items, were taken to minimise social desirability bias (Podsakoff et al. 2003).

Secondly, the fact that this study investigated whistle-blowing intention among Malaysian supervisors, at an early stage of the implementation of Malaysia's whistle-blowing act, is a limitation. More specifically, using a hypothetical situation to assess whistle-blowing intention raises potential concerns about validity of the findings. However, it has been argued that the decision to report or not report on observed organisational wrongdoing is a highly personal experience that could only be captured by asking individuals to reflect on a hypothetical situation given to them.

In addition, an argument by Miceli and Near (1984, p. 703) suggests that '...although self-report(ed) data may be flawed, it is not known how better data can be obtained practically. Although organizations may encourage or discourage wrongdoing through observable or measurable activities, such sensitive data would be difficult to collect. Further, a program to increase awareness of channels, for example, may not have the desired impact; one would need to measure awareness through self-reports to know. Therefore, although the potential for perceptual biases resulting from a common method of data collection cannot be ignored, it is considered to be

a minor problem with regard to some of the variables and the 'lesser of evils' with regard to methodological problems'.

Finally, there is a possibility that different results might be obtained from different samples and sizes. This study limits its samples to large manufacturing companies, which limits the applicability of its generalisations. However, researchers agree that large manufacturing companies are an adequate environment to study because such companies often demonstrate a greater incidence of wrongdoing (Hooks, Kaplan, and Schultz 1994; Lau, Au, and Ho 2002; Ponemon and Gabhart 1994). In the future, it would be beneficial to include services companies in whistle-blowing research in Malaysia.

6.6   Direction for Future Research

Firstly, future research might want to incorporate other variables that influence individuals' whistle-blowing intentions. Possible variables might include a respondent's prior exposure to or experience with whistle-blowing behaviour. Another could include the measurement of the degree of knowledge gained (e.g., high versus low levels of knowledge gained) from having ethics education and training for whistle-blowing behaviour. On the other hand, contextual variables could also be studied. Proposed variables such as the existence of whistle-blowing policy in organisations (Lewis 2010), channel of reporting wrongdoing and consequences of retaliation (Vandekerckhove and Lewis 2012) would be important to study in understanding what effects they have on an individual's whistle-blowing intention.

Secondly, the results from the quantitative analysis for internal locus of control could not be estimated due to its insignificant relationships with ethical reasoning and whistle-blowing intention. This study has addressed the findings by drawing on the qualitative results, suggesting that the cultural and social backgrounds of Malaysians could be factors. Future research should further investigate the relationships between internal locus of control and ethical reasoning as well as internal   locus   of   control   and   whistle-blowing   intention   using   different

measurements. This study adapted the Work Locus of Control Scale from Spector (1988) since it is suitable to be used for respondents working in business organisations. As such, use of Rotter's (1966) or Levenson's (1974) internal or external locus of control scales warrants further study in Malaysia.

Thirdly, a mixed-method approach combining a survey and focus group interviews has been applied to gain a better understanding of the hypothesised relationships. Future research could test the hypotheses by conducting in-depth case studies or extensive interviews in order to provide rich and complex qualitative data, which are helpful in building theory and identifying possible causal influences (Alford 2001). Besides this, a cross-cultural study would also provide comparative results on whistle-blowing intentions among employees in Western and non-Western countries. So far, little research has been conducted with regards to whistle-blowing intention in Asian countries such as Malaysia, India, Indonesia, Thailand and others. Thus, a cross-cultural study among these countries, and compared with Western countries, might provide additional insight into whistle-blowing behaviour.

Future research might also consider a proposition on methodological issues. According to Miceli, Near and Dworkin (2008, p. 29), 'Longitudinal non-experiment field surveys may suggest possible cause and effect, and often can reduce same source method problems (e.g., where measures include participants' perceptions of a situation and their reactions to it) to some degree, simply by having measures separated in time'. Nevertheless, some scholars argue that longitudinal data might be hard to obtain and the validity of such studies might be questionable (Mesmer-Magnus and Viswesvaran 2005). As an example, 'few organizations and their employees will cooperate with designs that require identification of participants to enable pairing of information with follow up or supplementary data collection, and these may not be representative of organizations in general (e.g., would wrongdoers permit such studies?)' (Miceli, Near, and Dworkin 2008, p. 29). Yet, time-based experiments are needed and future research that captures this dimension, where feasible, is encouraged.

Finally, future research needs to expand an understanding of whistle-blowing actions by exploring the relationship between behavioural intentions, such as whistle-blowing intentions on organisational wrongdoing, and actual whistle-blowing behaviour. Such exploration, for example, would be beneficial for the effectiveness of the implementation of the whistle-blowing Act in Malaysia. With this, insights could be provided for authorities to further uphold the national legislation changes (Lewis 2010; Vandekerckhove and Lewis 2012) in moving toward a corruption free country (Hassan 2006). Moreover, it would be worth exploring the factors that influence the said relationship as well as the consequences that follow engaging in such behaviour. This would necessarily add to a strengthening of whistle-blowing policy in Malaysia and would allow a deeper comparison with previous studies.

6.7   Conclusion

This study has contributed to an understanding of whistle-blowing intention. By considering several predictive variables, this study has advanced insights into individuals' whistle-blowing intentions. The predictive variables, namely, internal locus of control, work experience and ethics training were used based on previous inconclusive results (Mesmer-Magnus and Viswesvaran 2005; Miceli, Near, and Dworkin 2008) and upon the suggestion from past studies regarding individuals' perceptions of whistle-blowing actions (Jones, Massey, and Thorne 2003). Although researchers have shown increased interest in determining the key factors that contribute to an individual's whistle-blowing intention, the findings for predictive variables on such intentions are still open for discussion.

Findings for the relationships between all the predictive variables with whistle-blowing intention confirmed only that ethics training is significantly associated with whistle-blowing intention. The relationships of both internal locus of control and work experience with whistle-blowing intention were found to be insignificantly associated with whistle-blowing intention. Taken together, the findings of this study have paved the way for further investigation on predictive factors of whistle-

blowing intention, with special attention to the non-Western context. Further, this study investigated the relationships between the predictive variables and whistle-blowing intention via the mediating effect of ethical reasoning. Ethical reasoning is said to be an influential factor for an individual's socially responsible behaviour (Goolsby and Hunt 1992; Kohlberg 1969).

Overall, findings for the mediating effect of ethical reasoning on the relationships of all the predictive variables with whistle-blowing intention confirmed that ethical reasoning mediates the relationship of both work experience and ethics training with whistle-blowing intention. The mediating effect of ethical reasoning on the relationship between internal locus of control and whistle-blowing intention could not be estimated due to the insignificant findings for its relationships with both ethical reasoning and whistle-blowing intention. Specifically, for the mediating effect of ethical reasoning on the relationship between work experience and whistle-blowing intention, this study has demonstrated that mediation could be assessed and established without a significant direct relationship between independent and dependent variables (MacKinnon et al. 2002; Preacher and Hayes 2004; Shrout and Bolger 2002).

Despite the finding of the insignificant relationships of internal locus of control with whistle-blowing intention and ethical reasoning, this study suggests the findings could be due to the cultural and social background of individuals. The fact that Malaysia has a unique multi-cultural society (Abdullah 1996), however, does not mean that future research could not be expanded to gain a better understanding of these relationships. Investigations could be conducted using different measurements for internal locus of control (Levenson 1974; Rotter 1966), in which the measurements might suit the personalities of Malaysians. In addition, a comparative study could be conducted, based on the findings in this study, with other types of participants or respondents. The use of different participants might produce different results based on their personalities, social backgrounds and beliefs, as well as ethical and educational backgrounds (Spector et al. 2004; Spector et al. 2001; Spector and O'Connell 1994; Spector 1982).

As indicated by Menk (2011), the ethical position of an individual is strongly related to an individual's intention to engage in whistle-blowing activities. This study finds that intention to blow the whistle is influenced by ethics training. Further, ethical reasoning appears to act as a mediator between ethics training and whistle-blowing intention. Hence, both ethics training and ethical reasoning appear to play important roles in determining an individual's whistle-blowing intention. Therefore, this study suggests that if organisations seriously want to implement ethics training programs, they should also consider coupling ethics programs with ethical reasoning education. Such combination would further enhance employees' abilities and skills in detecting wrongdoing in the organisations and hence, would further develop good and effective corporate governance. Thus, organisations might be able to reduce the risks and losses incurred, based on the occurrences of wrongdoing (Ngui 2005).

In conclusion, the findings in this study regarding whistle-blowing intention of employees, i.e., supervisors, while important, suggests more insight and study is required. Hence, more investigations in the field should provide valuable theoretical and empirical findings and practical, implementable solutions for companies. According to Demetriadou (2003, p. 204), 'Organizations, by understanding and finding ways to influence or promote [ethical] behaviour, may create valuable opportunities for organizational learning, improvement and operating with a sense of social responsibility'.

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Appendix 1: Questionnaire (English Version)

No:

ORGANISATIONAL BEHAVIOUR IN MALAYSIA

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Please be open, honest and candid with your responses. All information you provide will be treated as strictly confidential. Your responses will only be presented in aggregate and no individual responses will be reported. Please make sure to complete ALL sections and items in the survey.

There are six sections to the survey, which should take approximately 20 to 25 minutes to complete.

Your participation in this survey is greatly appreciated. Once completed, the survey can be placed in the reply paid envelope and lodged for mailing. Please return the survey within two weeks if possible.

This study has been approved by the Curtin University Human Research Ethics Committee. If needed, verification of approval can be obtained by writing to the Curtin University Human Research Ethics Committee, c/- Office of Research & Development, Curtin University of Technology, GPO Box U1987, Perth 6845, or Telephone (08) 9266 2784.

In this section of the survey, the researcher is interested in determining organizational practices of your company.

Please read the hypothetical situation below and give your answers to the following questions by **marking only one cross (X)** on a specific point the scales.

HYPOTHETICAL SITUATION

Imagine that, while working for your current employer, you are assigned to work on a project. While working on this project, you become aware of certain organizational practices which you find personally objectionable because you feel they violate certain ethical principles.

1. Given the hypothetical situation above, indicate your likelihood to report the observed violation to the next higher level.

Likely	_____	:	_____	:	_____	:	_____	:	_____	:	_____	:	Unlikely

Probable	_____	:	_____	:	_____	:	_____	:	_____	:	_____	:	Improbable

Possible	_____	:	_____	:	_____	:	_____	:	_____	:	_____	:	Impossible

Definitely would	_____	:	_____	:	_____	:	_____	:	_____	:	_____	:	Definitely would not

2. Given the hypothetical situation above, indicate your colleagues'/peers' likelihood to report the observed violation to next the higher level.

Likely	_____	:	_____	:	_____	:	_____	:	_____	:	_____	:	Unlikely

Probable	_____	:	_____	:	_____	:	_____	:	_____	:	_____	:	Improbable

Possible	_____	:	_____	:	_____	:	_____	:	_____	:	_____	:	Impossible

Definitely would	_____	:	_____	:	_____	:	_____	:	_____	:	_____	:	Definitely would not

In this section of the survey, the researcher is interested in investigating your decision-making in some situations.

Example CASE:
You have been thinking about buying a car. You are married, have two small children and earn an average income. The car you buy will be your family's only car. It will be used mostly for work, but sometimes for vacation trips. Your employer has offered to pay 10% of the cost of the car, if the car is only used for work purposes.

Example Task 1:
Indicate one of the following two actions you would take.

Answer:

Tell employer the car will be used for private use and risk losing the employer's contribution to the cost of purchase.	①
Although you intend to use the car for private use, tell employer that the car will never be used for private use.	2

Example Task 2:
Rate each of the following statements in terms of its importance in making the moral decision. Some statements will raise important issues, but you should ask yourself whether the decision should rest on that issue. Some statements sound high and lofty but are largely gibberish. If you cannot make sense of a statement, or if you don't understand it's meaning, mark it (5) "Of no importance". Use the following rating scale for your response.

Rating scale

1	Of **Great** importance. This statement or question makes a big, crucial difference one way or the other in making a decision about the problem.
2	Of **Much** importance. This statement or question is something that a person should clearly be aware of (though not always a crucial one) one way or the other in making a decision about the problem.
3	Of **Some** importance. This statement or question involves something you generally care about, but it is not great importance in making a decision about the problem.
4	Of **Little** importance. This statement or question is not very important to consider in making a decision about the problem.
5	Of **No** importance. This statement or question is completely unimportant in making a decision. You would waste your time thinking about it when a decision about the problem.

Answer:

No.	Statements	Great	Much	Some	Little	No
1.	Whether the 10% cost that the employer would contribute, would make up for not having the car for private use?	1	②	3	4	5
2.	If I intend to use the car for private use (i.e. holidays), would a spacious car be better than a compact car?	1	②	3	4	5
3.	Whether I would be comfortable in not telling my employer the truth about the use of the car?	①	2	3	4	5
4.	Whether you can afford the monthly payment if you have to pay the entire cost of the car.	①	2	3	4	5
5.	Whether the front shape of the car was differential (Note that if a statement does not make sense to you, mark it "No importance").	1	2	3	4	⑤

Example Task 3:

Based on you rating in Task 2, rank the **four** most important statements from "1" to "4" that help you make a decision. If you have more than one answer in any column of importance (note that statements 3 and 4 above are both marked as great importance and statements 1 and 2 are both marked as 'much importance') circle which one is more important than the other(s).

Answer:

RATING OF IMPORTANCE	STATEMENTS											
Most importance statement	1	2	3	④	5	6	7	8	9	10	11	12
Second most important statement	1	2	③	4	5	6	7	8	9	10	11	12
Third most important statement	1	②	3	4	5	6	7	8	9	10	11	12
Fourth most important statement	①	2	3	4	5	6	7	8	9	10	11	12

INSTRUCTION:

Please read all cases starting from case 1 to case 3 and indicate the best answer that describes your opinion on the tasks given from the cases.

CASE 1:

In Kedah a woman was near death from a special kind of cancer. There was one drug that doctors thought might save her. It was a form of radium that the druggist in the same town had recently discovered. The drug was expensive to make, but the druggist was charging ten times what the drug cost to make. He paid RM200 for the radium and charged RM2, 000 for a small dose of the drug. The sick woman's husband, Chua, went to everyone he knew to borrow the money, but he could only get together about RM1, 000, which is half of what it cost. He told the druggist that his wife is dying, and asked him to sell it cheaper or let him pay later. But the druggist said, "No, I discovered the drug and I'm going to make money from it". So, Chua got desperate and began to think about breaking into the man's store to steal the drug for his wife.

Task 1:

Based on the above story, please **circle only one number either 1 or 2** which represents the answer that you have chosen.

Should Chua steal the drug?

Answer:

Should steal	1
Should not steal	2

Task 2:

Please **circle only one number from 1 to 5** for each of the following 12 statements to represent the rating of importance (where 1 = **Great**, 2 = **Much**, 3 = **Some**, 4 = **Little**, and 5 = **None**) to the decision that you have made in Task 1.

RATING OF IMPORTANCE

No.	Statements	Great	Much	Some	Little	No
1.	Whether the community's law are going upheld?	1	2	3	4	5
2.	Isn't it only natural for a loving husband to care so much for his wife that he'd steal?	1	2	3	4	5
3.	Is Chua willing to risk getting shot as a burglar or going to jail for the chance that stealing the drug might help?	1	2	3	4	5
4.	Whether Chua is a professional wrestler, or has considerable influence with the professional wrestlers?	1	2	3	4	5
5.	Whether Chua is stealing for himself or doing this solely to someone else?	1	2	3	4	5
6.	Whether the druggist rights to his invention have to be respected?	1	2	3	4	5
7.	Whether the essence of living is more encompassing than the termination of dying, socially, and individually?	1	2	3	4	5
8.	What values are going to be the basis for governing how people act towards each other?	1	2	3	4	5
9.	Whether the druggist is going to be allowed to hide behind a worthless law which only protects the rich anyhow?	1	2	3	4	5
10.	Whether the law in this case is getting in the way of the most basic claim of any member of society?	1	2	3	4	5

No.	Statements	Great	Much	Some	Little	No
11.	Whether the druggist deserved to be robbed for being so greedy and cruel?	1	2	3	4	5
12.	Would stealing in such a case bring about more total good for the whole society or not?	1	2	3	4	5

Task 3:
Please **choose 4 important statements** out of 12 statements given in Task 2 and rate them in relative importance to decision that you have made in Task 1 by **circling the appropriate number.**

RATING OF IMPORTANCE	STATEMENTS											
Most important statement	1	2	3	4	5	6	7	8	9	10	11	12
Second most important	1	2	3	4	5	6	7	8	9	10	11	12
Third most important	1	2	3	4	5	6	7	8	9	10	11	12
Fourth most important	1	2	3	4	5	6	7	8	9	10	11	12

CASE 2:
A man had been sentenced to prison for 10 years. After one year, however, he escaped from prison, moved to another state, and took on the name Kamal. For eight years he worked hard, and gradually he saved enough money to buy his own business. He was fair to his customers, gave his employees top wages, and gave most of his profit to charity. Then one day, Radiah, an old neighbour, recognized him as the man who had escaped from prison eight years before, and whom the police had been looking for.

Task 1:
Based on the above story, please **circle only one number either 1 or 2** to represent the answer that you have chosen.

Should Radiah report Kamal to the police and have him sent back to prison?

Answer:

Should report him	1
Should not report him	2

Task 2:
Please **circle only one number from 1 to 5** for each of the following 12 statements to represent the rating of importance (where 1 = **Great**, 2 = **Much**, 3 = **Some**, 4 = **Little**, and 5 = **No**) to the decision that you have made in Task 1.

RATING OF IMPORTANCE

No.	Statements	Great	Much	Some	Little	No
1.	Hasn't Kamal been good enough for such a long time to prove he isn't a bad person?	1	2	3	4	5
2.	Every time someone escapes punishment for a crime, doesn't that just encourage more crime?	1	2	3	4	5

No.	Statements	Great	Much	Some	Little	No
3.	Wouldn't we better off without prisons and the oppression of our legal system?	1	2	3	4	5
4.	Has Kamal really paid his debt to society?	1	2	3	4	5
5.	Would society be failing what Kamal should fairly expect?	1	2	3	4	5
6.	What benefits would prisons be apart from society, especially for a charitable man?	1	2	3	4	5
7.	How could anyone be so cruel and heartless as to send Kamal to prison?	1	2	3	4	5
8.	Would it be fair to all prisoners who had to serve out their full sentences if Kamal was let off?	1	2	3	4	5
9.	Was Radiah a good friend of Kamal?	1	2	3	4	5
10.	Wouldn't it be a citizen's duty to report an escaped criminal, regardless of the circumstances?	1	2	3	4	5
11.	How would the will of the people and the public good best be served?	1	2	3	4	5
12.	Would going to prison do any good for Kamal or protect anybody?	1	2	3	4	5

Task 3:
Please **choose 4 important statements** out of 12 statements given in Task 2 and rate them in relative importance to decision that you have made in Task 1 by **circling the appropriate number.**

RATING OF IMPORTANCE	STATEMENTS											
Most important statement	1	2	3	4	5	6	7	8	9	10	11	12
Second most important	1	2	3	4	5	6	7	8	9	10	11	12
Third most important	1	2	3	4	5	6	7	8	9	10	11	12
Fourth most important	1	2	3	4	5	6	7	8	9	10	11	12

CASE 3:
Muthu, a secondary school teacher responsible for student discipline, wanted to publish a series of articles in the local newspaper for students to express his opinions on school discipline. He wanted to speak out against military build-up and some of the school's regulations, such as the rule that forbidding boys from keeping long hair. When Muthu started his article, he asked his principal for permission. The principal said it would be all right if before every publication Muthu would turn in all his articles for the principal's approval. Muthu agreed and turned in several articles for approval. The principal approved all of them and Muthu published two issue of the article in the next two weeks. But the principal had not expected that Muthu's articles would receive so much attention. Students were so excited by the article that they began to organise protest against the hair regulation and other school rules. Angry parents objected to Muthu's opinions. They phoned the principal telling him that the articles were unpatriotic and should not be published. As a result of the rising excitement, the principal wondered if he should order Muthu to stop publishing on the grounds that the controversial articles were disrupting the operation of the school.

Task 1:
Based on the above story, please **circle only one number either 1 or 2** to represent the answer that you have chosen.

What should the principal do?

Answer:

Should stop publishing the articles	1
Should not stop publishing the articles	2

Task 2:

Please **circle only one number from 1 to 5** for each of the following 12 statements to represent the rating of importance **(where 1 = Great, 2 = Much, 3 = Some, 4 = Little, and 5 = No)** to the decision that you have made in Task 1.

RATING OF IMPORTANCE

No.	Statements	Great	Much	Some	Little	No
1.	Is the principal more responsible to the students or to the parents?	1	2	3	4	5
2.	Did the principal give his words that Muthu's articles could be published for a long time, or did he just promise to approve the articles one issue at a time?	1	2	3	4	5
3.	Would the students start protesting even more if the principal stopped the articles?	1	2	3	4	5
4.	When the welfare of the school is threatened, does the principal have the right to give orders to the students?	1	2	3	4	5
5.	Does the principal have the freedom of speech to say no in this case?	1	2	3	4	5
6.	If the principal stopped the articles, would he be preventing full discussion of important problems?	1	2	3	4	5
7.	Would the principal's stop order make Muthu lose faith in him?	1	2	3	4	5
8.	Is Muthu really loyal to his school and patriotic to his country?	1	2	3	4	5
9.	What effect would stopping the articles have on the students' education in critical thinking and judgment?	1	2	3	4	5
10.	Is Muthu in any way violating the rights of others in publishing his own opinions?	1	2	3	4	5
11.	Should the principal be influenced by some angry parents when it is the principal who knows best what is going on in the school?	1	2	3	4	5
12.	Is Muthu using the articles to stir up hatred and discontent?	1	2	3	4	5

Task 3:

Please **choose 4 important statements** out of 12 statements given in Task 2 and rate them in relative importance to decision that you have made in Task 1 by **circling the appropriate number.**

RATING OF IMPORTANCE	STATEMENTS											
Most important statement	1	2	3	4	5	6	7	8	9	10	11	12
Second most important	1	2	3	4	5	6	7	8	9	10	11	12
Third most important	1	2	3	4	5	6	7	8	9	10	11	12
Fourth most important	1	2	3	4	5	6	7	8	9	10	11	12

SECTION C: INDIVIDUALS' BELIEFS

In this section of the survey, the researcher is interested in exploring your beliefs in general. Please **circle only one number from 1 to 6** which you believe to be more acceptable or important for the following statements:

No.	Statements	Strongly disagree	Disagree	Slightly disagree	Slightly agree	Agree	Strongly agree
1.	A job is what you make of it.	1	2	3	4	5	6
2.	On most jobs, people can pretty much accomplish whatever they set out to accomplish.	1	2	3	4	5	6
3.	If you know what you want out of a job, you can find a job that givesit to you.	1	2	3	4	5	6
4.	If employees are unhappy with a decision made by their boss, they should do something about it.	1	2	3	4	5	6
5.	Most people are capable of doing their jobs well if they make the effort.	1	2	3	4	5	6
6.	Promotions are given to employees who perform well on the job.	1	2	3	4	5	6
7.	People who perform their jobs well generally get rewarded.	1	2	3	4	5	6
8.	Most employees have more influence on their supervisors than they think they do.	1	2	3	4	5	6

SECTION D: ORGANISATIONAL CULTURE

In this section of the survey, the researcher is interested in assessing the relevancy and impact of the organizational culture of your company. Please **circle only one number from 1 to 6** that best matches the degree to which you agree or disagree with the following statements:

No.	Statements	Strongly disagree	Disagree	Slightly Disagree	Slightly Agree	Agree	Strongly agree
1.	Supervisors in my company often engage in behaviours that I consider to be unethical.	1	2	3	4	5	6
2.	In order to succeed in my company, it is often necessary to compromise one's ethics.	1	2	3	4	5	6
3.	Directors in my company have let it be known in no uncertain terms that unethical behaviours will not be tolerated.	1	2	3	4	5	6
4.	If a supervisor in my company is discovered to have engaged in unethical behaviour that results primarily in personal gain (rather than corporate gain), he or she will be promptly reprimanded.	1	2	3	4	5	6
5.	If a supervisor in my company is discovered to have engaged in unethical behaviour that results primarily in corporate gain (rather than personal gain), he or she will be promptly reprimanded.	1	2	3	4	5	6

SECTION E: DEMOGRAPHIC DETAILS

This part of the questionnaire is designed to collect demographic information about you and your company. Please respond to each question as indicated.

A.   Please indicate your gender (please circle the corresponding number):

   1   Male
   2   Female

B.   What is your marital status? (please circle the corresponding number):

   1   Single
   2   Married
   3   Widowed
   4   Separated, divorced

C.   What is your age? _____ years (please specify a number, rounding off to the nearest year).

D.   Please indicate your race (please circle the corresponding number):

   1   Malay
   2   Chinese
   3   Indian
   4   Other (Please specify:_____)

E.   What is your highest obtained educational level? (please circle the corresponding number):

   1   Diploma
   2   Degree
   3   Master's degree
   4   Other (Please specify:_____)

F.   How long have you been employed by your current employer: _____ years and _____ months
(please specify a number – if less than 1 year please specify number of months).

G.   Please indicate your company's category under Bursa Malaysia Berhad (please circle the corresponding number):

   1   Consumer product
   2   Industrial product
   3   Technology

H.   My company has: _____ full-time equivalent employees (please specify a number).

I.   Does your school/university/other institutions that you have attended offer ethics courses? (please circle the corresponding number):

   1   Yes
   2   No

If **yes**:

J.   Have you completed the courses? (please circle the corresponding number):

     1   Yes
     2   No

K.   Does your company offer training on ethics? (please circle the corresponding number):

     1   Yes
     2   No

If **yes**:

L.   Have you attended the training? (please circle the corresponding number):

     1   Yes
     2   No

COMMENTS: (please put your comments regarding the questionnaire or other aspects which relate to the questionnaire)

THANK YOU FOR YOUR TIME AND COOPERATION IN THIS STUDY

REQUEST FOR THE RESULT OF THIS STUDY

Do you want me to produce a copy of the results of this study to you?

☐   Yes   ☐   No

If **yes**, please provide your contact details:

Name of respondent: _____
Name of company: _____
Mailing address: _____
                            _____
                            _____
                            _____
Post code: _____
E-mail: _____
Phone: _____
Fax: _____

Delivery preference: ☐ Print out (mail)   ☐ File (e-mail)

Appendix 2: Ethical Reasoning English Version

INSTRUCTIONS:
Please read all cases starting from case 1 to case 3 and indicate the best answer that describes your opinion on the tasks given from the cases.

CASE 1:
In Kedah a woman was near death from a special kind of cancer. There was one drug that doctors thought might save her. It was a form of radium that the druggist in the same town had recently discovered. The drug was expensive to make, but the druggist was charging ten times what the drug cost to make. He paid RM200 for the radium and charged RM2, 000 for a small dose of the drug. The sick woman's husband, Chua, went to everyone he knew to borrow the money, but he could only get together about RM1, 000, which is half of what it cost. He told the druggist that his wife is dying, and asked him to sell it cheaper or let him pay later. But the druggist said, "No, I discovered the drug and I'm going to make money from it". So, Chua got desperate and began to think about breaking into the man's store to steal the drug for his wife.

Task 1:
Based on the above story, please **circle only one number either 1 or 2** which represents the answer that you have chosen.

Should Chua steal the drug?

Answer:

Should steal	1
Should not steal	2

Task 2:
Please **circle only one number from 1 to 5** for each of the following 12 statements to represent the rating of importance (where 1 = **Great**, 2 = **Much**, 3 = **Some**, 4 = **Little**, and 5 = **None**) to the decision that you have made in Task 1.

RATING OF IMPORTANCE

No.	Statements	Great	Much	Some	Little	No
1.	Whether the community's law are going upheld?	1	2	3	4	5
2.	Isn't it only natural for a loving husband to care so much for his wife that he'd steal?	1	2	3	4	5
3.	Is Chua willing to risk getting shot as a burglar or going to jail for the chance that stealing the drug might help?	1	2	3	4	5
4.	Whether Chua is a professional wrestler, or has considerable influence with the professional wrestlers?	1	2	3	4	5
5.	Whether Chua is stealing for himself or doing this solely to someone else?	1	2	3	4	5
6.	Whether the druggist rights to his invention have to be respected?	1	2	3	4	5
7.	Whether the essence of living is more encompassing than the termination of dying, socially, and individually?	1	2	3	4	5
8.	What values are going to be the basis for governing how people act towards each other?	1	2	3	4	5
9.	Whether the druggist is going to be allowed to hide behind a worthless law which only protects the rich anyhow?	1	2	3	4	5

No.	Statements	Great	Much	Some	Little	No
10.	Whether the law in this case is getting in the way of the most basic claim of any member of society?	1	2	3	4	5
11.	Whether the druggist deserved to be robbed for being so greedy and cruel?	1	2	3	4	5
12.	Would stealing in such a case bring about more total good for the whole society or not?	1	2	3	4	5

Task 3:
Please **choose 4 important statements** out of 12 statements given in Task 2 and rate them in relative importance to decision that you have made in Task 1 by **circling the appropriate number.**

RATING OF IMPORTANCE	STATEMENTS											
Most important statement	1	2	3	4	5	6	7	8	9	10	11	12
Second most important	1	2	3	4	5	6	7	8	9	10	11	12
Third most important	1	2	3	4	5	6	7	8	9	10	11	12
Fourth most important	1	2	3	4	5	6	7	8	9	10	11	12

CASE 2:
A man had been sentenced to prison for 10 years. After one year, however, he escaped from prison, moved to another state, and took on the name Kamal. For eight years he worked hard, and gradually he saved enough money to buy his own business. He was fair to his customers, gave his employees top wages, and gave most of his profit to charity. Then one day, Radiah, an old neighbour, recognized him as the man who had escaped from prison eight years before, and whom the police had been looking for.

Task 1:
Based on the above story, please **circle only one number either 1 or 2** to represent the answer that you have chosen.

Should Radiah report Kamal to the police and have him sent back to prison?

Answer:

Should report him	1
Should not report him	2

Task 2:
Please **circle only one number from 1 to 5** for each of the following 12 statements to represent the rating of importance (where 1 = **Great**, 2 = **Much**, 3 = **Some**, 4 = **Little**, and 5 = **No**) to the decision that you have made in Task 1.

		RATING OF IMPORTANCE				
No.	Statements	Great	Much	Some	Little	No
1.	Hasn't Kamal been good enough for such a long time to prove he isn't a bad person?	1	2	3	4	5

No.	Statements	Great	Much	Some	Little	No
2.	Every time someone escapes punishment for a crime, doesn't that just encourage more crime?	1	2	3	4	5
3.	Wouldn't we better off without prisons and the oppression of our legal system?	1	2	3	4	5
4.	Has Kamal really paid his debt to society?	1	2	3	4	5
5.	Would society be failing what Kamal should fairly expect?	1	2	3	4	5
6.	What benefits would prisons be apart from society, especially for a charitable man?	1	2	3	4	5
7.	How could anyone be so cruel and heartless as to send Kamal to prison?	1	2	3	4	5
8.	Would it be fair to all prisoners who had to serve out their full sentences if Kamal was let off?	1	2	3	4	5
9.	Was Radiah a good friend of Kamal?	1	2	3	4	5
10.	Wouldn't it be a citizen's duty to report an escaped criminal, regardless of the circumstances?	1	2	3	4	5
11.	How would the will of the people and the public good best be served?	1	2	3	4	5
12.	Would going to prison do any good for Kamal or protect anybody?	1	2	3	4	5

Task 3:

Please **choose 4 important statements** out of 12 statements given in Task 2 and rate them in relative importance to decision that you have made in Task 1 by **circling the appropriate number.**

RATING OF IMPORTANCE	STATEMENTS											
Most important statement	1	2	3	4	5	6	7	8	9	10	11	12
Second most important	1	2	3	4	5	6	7	8	9	10	11	12
Third most important	1	2	3	4	5	6	7	8	9	10	11	12
Fourth most important	1	2	3	4	5	6	7	8	9	10	11	12

CASE 3:

Muthu, a secondary school teacher responsible for student discipline, wanted to publish a series of articles in the local newspaper for students to express his opinions on school discipline. He wanted to speak out against military build-up and some of the school's regulations, such as the rule that forbidding boys from keeping long hair. When Muthu started his article, he asked his principal for permission. The principal said it would be all right if before every publication Muthu would turn in all his articles for the principal's approval. Muthu agreed and turned in several articles for approval. The principal approved all of them and Muthu published two issue of the article in the next two weeks. But the principal had not expected that Muthu's articles would receive so much attention. Students were so excited by the article that they began to organise protest against the hair regulation and other school rules. Angry parents objected to Muthu's opinions. They phoned the principal telling him that the articles were unpatriotic and should not be published. As a result of the rising excitement, the principal wondered if he should order Muthu to stop publishing on the grounds that the controversial articles were disrupting the operation of the school.

Task 1:

Based on the above story, please **circle only one number either 1 or 2** to represent the answer that you have chosen.

What should the principal do?

Answer:

Should stop publishing the articles	1
Should not stop publishing the articles	2

Task 2:
Please **circle only one number from 1 to 5** for each of the following 12 statements to represent the rating of importance **(where 1 = Great, 2 = Much, 3 = Some, 4 = Little, and 5 = No)** to the decision that you have made in Task 1.

RATING OF IMPORTANCE

No.	Statements	Great	Much	Some	Little	No
1.	Is the principal more responsible to the students or to the parents?	1	2	3	4	5
2.	Did the principal give his words that Muthu's articles could be published for a long time, or did he just promise to approve the articles one issue at a time?	1	2	3	4	5
3.	Would the students start protesting even more if the principal stopped the articles?	1	2	3	4	5
4.	When the welfare of the school is threatened, does the principal have the right to give orders to the students?	1	2	3	4	5
5.	Does the principal have the freedom of speech to say no in this case?	1	2	3	4	5
6.	If the principal stopped the articles, would he be preventing full discussion of important problems?	1	2	3	4	5
7.	Would the principal's stop order make Muthu lose faith in him?	1	2	3	4	5
8.	Is Muthu really loyal to his school and patriotic to his country?	1	2	3	4	5
9.	What effect would stopping the articles have on the students' education in critical thinking and judgment?	1	2	3	4	5
10.	Is Muthu in any way violating the rights of others in publishing his own opinions?	1	2	3	4	5
11.	Should the principal be influenced by some angry parents when it is the principal who knows best what is going on in the school?	1	2	3	4	5
12.	Is Muthu using the articles to stir up hatred and discontent?	1	2	3	4	5

Task 3:
Please **choose 4 important statements** out of 12 statements given in Task 2 and rate them in relative importance to decision that you have made in Task 1 by **circling the appropriate number.**

RATING OF IMPORTANCE	STATEMENTS											
Most important statement	1	2	3	4	5	6	7	8	9	10	11	12
Second most important	1	2	3	4	5	6	7	8	9	10	11	12
Third most important	1	2	3	4	5	6	7	8	9	10	11	12
Fourth most important	1	2	3	4	5	6	7	8	9	10	11	12

Appendix 3: Questionnaire (Malay Version)

GELAGAT ORGANISASI DI MALAYSIA

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Sila bersikap terbuka, jujur dan spontan dengan jawapan anda. Setiap maklumat yang diberikan akan dirahsiakan. Jawapan anda hanya akan dinilai dalam bentuk agregat dan tiada jawapan individu yang akan dilaporkan. Sila pastikan KESEMUA seksyen dan butiran dijawab di dalam tinjauan ini .

Terdapat enam seksyen di dalam tinjauan ini, di mana akan mengambil masa kira-kira 20 ke 25 minit untuk disiapkan.

Penglibatan anda dalam tinjauan ini hendaklah dipulangkan semula menggunakan sampul jawapan berbayar untuk pengemelan. Jika boleh, sila pulangkan semula tinjauan ini dalam masa dua minggu.

ARAHAN:

Sila baca situasi di bawah. Untuk **setiap cadangan jawapan dalam 1 dan 2, sila tandakan satu <u>silang (X)</u>** pada ruang yang disediakan di skala.

<u>SITUASI:</u>

Bayangkan anda ditugaskan untuk bekerja bagi sebuah projek. Ketika bekerja untuk projek tersebut, anda menyedari terdapat amalan-amalan organisasi yang melanggari prinsip-prinsip etika tertentu.

1. Berpandukan situasi di atas, nyatakan **tahap kemungkinan anda** untuk melaporkan pelanggaran prinsip-prinsip etika yang dilakukan kepada pihak yang lebih tinggi di dalam organisasi anda.

Mungkin lapor	___ :	___ :	___ :	___ :	___ :	___ :	Tidak mungkin lapor

Besar kemungkinan lapor	___ :	___ :	___ :	___ :	___ :	___ :	Sedikit kemungkinan lapor

Boleh jadi lapor	___ :	___ :	___ :	___ :	___ :	___ :	Mustahil lapor

Pasti lapor	___ :	___ :	___ :	___ :	___ :	___ :	Pasti tidak lapor

2. Berpandukan situasi di atas, nyatakan **tahap kemungkinan rakan sekerja** anda untuk melaporkan pelanggaran prinsip-prinsip etika yang dilakukan kepada pihak yang lebih tinggi di dalam organisasi anda.

Mungkin lapor	___ :	___ :	___ :	___ :	___ :	___ :	Tidak mungkin lapor

Besar kemungkinan lapor	___ :	___ :	___ :	___ :	___ :	___ :	Sedikit kemungkinan lapor

Boleh jadi lapor	___ :	___ :	___ :	___ :	___ :	___ :	Mustahil lapor

Pasti lapor	___ :	___ :	___ :	___ :	___ :	___ :	Pasti tidak lapor

CONTOH MENJAWAB SEKSYEN B

Contoh KES:
Anda berhajat untuk membeli sebuah kereta. Anda telah berkahwin, mempunyai dua anak kecil dan berpendapatan sederhana. Kereta yang anda akan belikan adalah satu-satunya kereta untuk keluarga anda. Kereta tersebut akan digunakan untuk ke tempat kerja dan kadang-kadang untuk perjalanan bercuti. Majikan anda telah menawarkan untuk membayar 10% daripada harga kos kereta tersebut jika kereta itu digunakan untuk tujuan pekerjaan.

Contoh jawapan Tugas 1:
Nyatakan satu daripada dua tindakan yang anda akan lakukan

Contoh jawapan:

Beritahu majikan kereta akan digunakan untuk tujuan persendirian dan mengambil risiko kehilangan pembayaran sebahagian daripada harga kos pembelian kereta.	①
Walaupun anda akan guna kereta untuk tujuan persendirian, beritahu majikan kereta tersebut tidak akan digunakan untuk tujuan persendirian.	2

Panduan menjawab Tugas 2:
Kadarkan setiap kenyataan berpandukan penarafan kepentingan dalam membuat keputusan yang bermoral. Terdapat kenyataan-kenyataan menimbulkan isu yang penting tetapi anda patut tanya diri anda samada keputusan anda patut berpihak kepada kenyataan-kenyataan tersebut. Terdapat juga kenyataan-kenyataan yang agak menonjol tetapi kebanyakannya tidak penting. Jika anda tidak dapat memahami kenyataan, atau anda tidak faham maksud kenyataan, tandakan ianya ⑤ "Tidak penting". Sila berpandukan skala penarafan kepentingan berikut untuk tindakan anda.

Skala penarafan kepentingan

1	Untuk **Sangat penting**. Kenyataan atau soalan menunjukkan jurang perbezaan yang besar dan penting bagi seseorang dalam membuat keputusan kepada permasalahan.
2	Untuk **Penting**. Kenyataan atau soalan membuat seseorang sedar (walaupun tidak semestinya penting) samada untuk membuat keputusan kepada permasalahan atau tidak.
3	Untuk **Agak penting**. Kenyataan atau soalan mengandungi sesuatu yang pada amnya anda ambil berat, tetapi ianya tidak berapa penting dalam membuat keputusan kepada permasalahan.
4	Untuk **Kurang penting**. Kenyataan atau soalan kurang penting untuk dijadikan keputusan dalam membuat keputusan kepada permasalahan.
5	Untuk **Tidak penting**. Kenyataan atau soalan sama sekali tidak penting dalam membuat keputusan. Anda akan membazir masa untuk memahami kenyataan atau soalan tersebut semasa membuat keputusan kepada permasalahan.

Contoh jawapan Tugas 2:

No.	Kenyataan-kenyataan	Sangat penting	Penting	Agak penting	Kurang penting	Tidak penting
1.	Samada 10% pembayaran harga kos daripada majikan, akan membuat kereta tersebut tidak dapat digunakan untuk tujuan persendirian?	1	②	3	4	5
2.	Jika anda berniat untuk menggunakan kereta tersebut untuk tujuan persendirian (umpamanya bercuti), akan membuat kereta berkapasiti luas lebih baik daripada kereta berkapasiti padat?	1	②	3	4	5
3.	Samada anda lebih selesa jika tidak memberitahu majikan anda tentang perkara sebenarnya mengenai penggunaan kereta tersebut?	①	2	3	4	5
4.	Samada anda mampu membayar ansuran bulanan jika anda terpaksa membayar keseluruhan harga kos kereta tersebut?	①	2	3	4	5
5.	Samada bentuk hadapan kereta tersebut berlainan (Perhatian: jika terdapat kenyataan yang tidak masuk akal, bulatkannya sebagai "Tidak penting").	1	2	3	4	⑤

Panduan menjawab Tugas 3:

Pilih 4 kenyataan yang paling penting daripada 12 kenyataan dalam Tugas 2 yang telah anda kadarkan mengikut penarafan kepentingan kepada keputusan yang anda telah buat dalam Tugas 1.

Berpandukan Tugas 2, kadarkan **4** kenyataan paling penting dari "1" hingga "4" untuk membantukan anda membuat keputusan. Jika anda mempunyai lebih daripada satu jawapan dalam ruangan kepentingan (perhatikan di atas kenyataan 3 dan 4 telah dibulatkan sebagai "Sangat penting" dan kenyataan 1 dan 2 dibulatkan sebagai "Penting"), sila bulatkan satu yang lebih penting berbanding yang lain.

Contoh jawapan Tugas 3:

TARAF KEPENTINGAN	KENYATAAN-KENYATAAN											
Kenyataan paling penting	1	2	3	④	5	6	7	8	9	10	11	12
Kedua paling penting	1	2	③	4	5	6	7	8	9	10	11	12
Ketiga paling penting	1	②	3	4	5	6	7	8	9	10	11	12
Keempat paling penting	①	2	3	4	5	6	7	8	9	10	11	12

ARAHAN:

Sila baca kesemua kes bermula dari Kes 1 sehingga Kes 3 dan **bulatkan hanya satu jawapan** untuk setiap pandangan anda kepada setiap tugas yang disediakan daripada kes-kes tersebut.

KES 1:

Di Kedah, seorang wanita dijangka akan meninggal dunia akibat sejenis barah. Ada satu ubat yang doktor sangkakan dapat menyelamatkannya. Ubat itu adalah dalam bentuk radium di mana seorang penyelidik di bandar yang sama baru-baru ini menemuinya. Kos membuat ubat itu memang mahal, tetapi penyelidik tersebut menjualnya sepuluh kali ganda lebih tinggi dari kos membuatnya. Dia membayar RM200 untuk ubat tersebut dan menjualnya RM2, 000 untuk satu dos kecil ubat tersebut. Suami kepada wanita yang sakit, Chua, pergi ke setiap orang yang dia kenal untuk meminjam wang, tetapi dia hanya mampu mengumpul sebanyak RM1, 000 iaitu setengah daripada kos ubat tersebut. Dia memberitahu kepada penyelidik tersebut bahawa isterinya sedang tenat, dan memintanya untuk menjual dengan lebih murah ataupun membenarkan dia membayar kemudian. Tetapi penyelidik tersebut mengatakan, "Tidak, saya menghasilkan ubat ini dan saya akan membuat untung

dengannya". Jadi, Chua sudah berputus asa dan mula berfikir untuk memecah masuk dan mencuri ubat tersebut menyelamatkan isterinya.

Tugas 1:
Patutkah Chua mencuri 'ubat' tersebut?

Jawapan:

Patut mencuri	1
Tidak patut mencuri	2

Tugas 2:
Berpandukan jawapan anda dalam Tugas 1, sila **bulatkan hanya satu nombor dari 1 hingga 5** untuk setiap 12 pernyataan berikut.

PENARAFAN KEPENTINGAN

No.	Kenyataan-kenyataan	Sangat penting	Penting	Agak penting	Kurang penting	Tidak penting
1.	Adakah undang-undang komuniti akan dikuatkuasakan?	1	2	3	4	5
2.	Bukankah wajar bagi seorang suami yang penyayang mengambil berat untuk isterinya hingga dia sanggup mencuri?	1	2	3	4	5
3.	Adakah Chua bersedia menanggung risiko ditembak sebagai seorang pencuri atau ditahan di penjara untuk menyelamatkan isterinya?	1	2	3	4	5
4.	Adakah Chua seorang ahli gusti profesional, ataupun mempunyai pengaruh dikalangan ahli-ahli gusti professional di tempatnya?	1	2	3	4	5
5.	Adakah Chua mencuri untuk kepentingan dirinya atau melakukannya semata-mata untuk membantu menyelamatkan orang lain?	1	2	3	4	5
6.	Adakah penyelidik itu mempunyai hak ke atas ciptaannya dan patut dihormati?	1	2	3	4	5
7.	Adakah kehidupan lebih penting dari kematian, dari pandangan awam atau individu?	1	2	3	4	5
8.	Apakah nilai yang menjadi asas untuk menunjukkan bagaimana manusia harus bertindak terhadap satu sama lain?	1	2	3	4	5
9.	Adakah penyelidik itu disokong oleh undang-undang yang tidak bernilai iaitu hanya menjaga kepentingan mereka yang kaya sahaja?	1	2	3	4	5
10.	Adakah undang-undang hanya menghalang hak setiap ahli masyarakat dalam situasi ini?	1	2	3	4	5
11.	Adakah penyelidik itu patut dirompak akibat sifat tamak and kejam?	1	2	3	4	5
12.	Adakah mencuri dalam situasi ini member kebaikan kepada masyarakat keseluruhan?	1	2	3	4	5

Tugas 3:
Sila **pilih 4 kenyataan penting** dari 12 kenyataan yang diberikan dalam **Tugas 2** dengan **membulatkan satu nombor yang paling sesuai.**

TARAF KEPENTINGAN	KENYATAAN-KENYATAAN											
Kenyataan paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Kedua paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Ketiga paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Keempat paling penting	1	2	3	4	5	6	7	8	9	10	11	12

KES 2:
Seorang lelaki telah dijatuhkan hukuman penjara selama 10 tahun. Walau bagaimanapun, selepas satu tahun, dia telah melarikan diri dan berhijrah ke negeri lain menggunakan nama Kamal. Sejak itu, dia telah bekerja keras selama 8 tahun dan akhirnya mempunyai simpanan yang cukup untuk membuka perniagaannya sendiri. Dia telah bersikap adil kepada pelanggannya, memberi pekerjanya upah yang tinggi, dan memberi sebahagian besar keuntungan perniagaannya kepada tabung kebajikan. Satu hari, Radiah, seorang jiran lama, telah mengenalpasti Kamal sebagai seorang banduan yang telah terlepas dari penjara 8 tahun yang lepas, dan masih menjadi buruan polis.

Tugas 1:
Patutkah Radiah laporkan Kamal kepada polis dan menghantarnya balik ke penjara?

Jawapan:

Kamal patut dilaporkan	1
Kamal tidak patut dilaporkan	2

Tugas 2:
Berpandukan jawapan anda dalam Tugas 1, sila **bulatkan hanya satu nombor dari 1 hingga 5** untuk setiap 12 pernyataan berikut.

No.	Kenyataan-kenyataan	Sangat penting	Penting	Agak penting	Kurang penting	Tidak penting
1.	Bukankah Kamal telah berkelakuan baik untuk jangkamasa yang lama bagi membuktikan dia bukan seorang yang jahat?	1	2	3	4	5
2.	Setiap kali penjenayah lari dari hukuman, bukankah ini menggalakkan lebih banyak jenayah berlaku?	1	2	3	4	5
3.	Bukankah lebih baik tanpa penjara dan penindasan dalam sistem hukuman kita?	1	2	3	4	5
4.	Bukankah Kamal telah menjelaskan hutangnya kepada masyarakat dengan derma dan sumbangannya?	1	2	3	4	5
5.	Adakah masyarakat gagal memberi hak yang sepatutnya Kamal perolehi setelah berkelakuan baik?	1	2	3	4	5
6.	Apakah penjara boleh memberi kebaikan kepada seseorang yang pemurah?	1	2	3	4	5
7.	Bagaimana boleh seseorang itu begitu kejam dan tak berperikemanusiaan hingga menghantar Kamal semula ke penjara?	1	2	3	4	5
8.	Adakah adil bagi banduan lain yang menjalani tempoh hukuman sepenuhnya, jika Kamal dilepaskan begitu sahaja?	1	2	3	4	5

No.	Kenyataan-kenyataan	Sangat penting	Penting	Agak penting	Kurang penting	Tidak penting
9.	Adakah Radiah kawan baik kepada Kamal?	1	2	3	4	5
10.	Bukankah menjadi tanggungjawab individu untuk melaporkan kepada pihak berkuasa tentang banduan yang lari walau bagaimana sekalipun keadaannya?	1	2	3	4	5
11.	Bagaimanakah kehendak dan kepentingan awam dapat dipenuhi dengan cara terbaik?	1	2	3	4	5
12.	Adakah dipenjarakan akan membawa manafaat kepada Kamal atau menjaga keselamatan yang lain?	1	2	3	4	5

TUGAS 3:

Sila **pilih 4 kenyataan penting** dari 12 kenyataan yang diberikan dalam **Tugas 2** dengan **membulatkan satu nombor yang paling sesuai.**

TARAF KEPENTINGAN	KENYATAAN-KENYATAAN											
Kenyataan paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Kedua paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Ketiga paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Keempat paling penting	1	2	3	4	5	6	7	8	9	10	11	12

KES 3:

Muthu, pelajar tahun akhir sebuah sekolah menengah, telah berhasrat untuk menulis dan menerbitkan akhbar sekolah secara mingguan untuk pelajar-pelajar supaya dia dapat meluahkan pandangannya. Dia hendak meluahkan tentang beberapa peraturan sekolah, seperti peraturan menghadkan pelajar lelaki menyimpan rambut panjang. Semasa Muthu memulakan artikelnya, dia telah memohon kepada Pengetua sekolahnya. Pengetua bersetuju memberi pengesahan jika setiap artikel Muthu diberikan kepadanya sebelum penerbitan. Muthu berjanji dan menghantar beberapa artikel untuk pengesahan. Pengetua telah mengesahkan kesemua artikel dan Muthu menerbitkan dua isu artikel selepas dua minggu. Tetapi Pengetua tidak menyangka bahawa artikel-artikel Muthu mendapat perhatian yang meluas. Pelajar-pelajar begitu terpengaruh dengan artikel tersebut dan mereka mula menyusun satu bantahan terhadap peraturan berambut panjang dan beberapa peraturan sekolah yang lain. Ibubapa yang marah dengan keadaan ini telah membantah pandangan Muthu. Mereka telah menalipon Pengetua sekolah dan memberitahu bahawa artikel-artikel tersebut tidak sepatutnya diterbitkan. Pengetua mengarahkan Muthu menghentikan penerbitannya dengan alasan tulisan Muthu telah mengganggu perjalanan pentadbiran sekolah.

Tugas 1:

Patutkah Pengetua menghentikan penerbitan akhbar sekolah tersebut?

Jawapan:

Patut menghentikannya	1
Tidak patut menghentikannya	2

Tugas 2:
Berpandukan jawapan anda dalam Tugas 1, sila **bulatkan hanya satu nombor dari 1 hingga 5** untuk setiap 12 pernyataan berikut.

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Kenyataan-kenyataan</th><th colspan="5">TARAF KEPENTINGAN</th></tr>
<tr><th>Sangat penting</th><th>Penting</th><th>Agak penting</th><th>Kurang penting</th><th>Tidak penting</th></tr>
<tr><td>1.</td><td>Kepada siapakah pengetua lebih bertanggungjawab, pelajar-pelajar atau ibubapa-ibubapa?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>2.</td><td>Adakah pengetua memberi jaminan bahawa artikel-artikel Muthu boleh diterbitkan untuk jangkamasa panjang, atau dia hanya berjanji mengesahkan artikel-artikel satu isu pada satu masa?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>3.</td><td>Adakah pelajar-pelajar akan mula membantah jika pengetua menghalang penghantaran artikel-artikel?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>4.</td><td>Apabila kebajikan sekolah dirasakan terancam, adakah pengetua mempunyai hak untuk memberi arahan kepada pelajar-pelajar?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>5.</td><td>Adakah pengetua mempunyai kebebasan bersuara untuk mengatakan tidak dalam kes ini?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>6.</td><td>Jika pengetua penghalang penghantaran artikel, bukankah dia mengelak daripada perbincangan tentang isu-isu yang penting?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>7.</td><td>Adakah arahan daripada pengetua menyebabkan Muthu hilang kepercayaan kepada pengetua tersebut?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>8.</td><td>Adakah Muthu betul-betul taat setia kepada sekolahnya dan bersikap patriotik kepada negaranya?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>9.</td><td>Apakah kesan daripada tindakan pengetua tersebut terhadap proses pemikiran dan pertimbangan kritis pelajar?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>10.</td><td>Adakah Muthu dalam apa jua keadaan menyalahi hak-hak orang lain dalam menerbitkan pandangannya?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>11.</td><td>Patutkah pengetua dipengaruhi oleh ibubapa sedangkan dia lebih mengetahui apa yang sebenarnya berlaku di sekolah?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
<tr><td>12.</td><td>Adakah Muthu menggunakan artikel-artikelnya untuk menaikkan rasa kebencian dan tidak puas hati?</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr>
</table>

Tugas 3:
Sila **pilih 4 kenyataan penting** dari 12 kenyataan yang diberikan dalam **Tugas 2** dengan **membulatkan satu nombor yang paling sesuai.**

TARAF KEPENTINGAN	KENYATAAN-KENYATAAN											
Kenyataan paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Kedua paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Ketiga paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Keempat paling penting	1	2	3	4	5	6	7	8	9	10	11	12

ARAHAN:
Kenyataan berikut mengenai kepercayaan anda mengenai bidang pekerjaan secara umum dan **tidak merujuk** kepada pekerjaan anda sekarang. Sila **bulatkan hanya satu nombor dari 1 hingga 6** yang paling bersesuaian dengan kecenderungan anda untuk bersetuju atau tidak bersetuju dengan kenyataan-kenyataan tersebut.

No.	Kenyataan-kenyataan	Sangat Tidak Setuju	Tidak Setuju	Agak Tidak Setuju	Agak Setuju	Setuju	Sangat Setuju
1.	Pekerjaan adalah apa yang anda lakukan.	1	2	3	4	5	6
2.	Dalam kebanyakan pekerjaan, orang dapat capai apa yang mereka inginkan.	1	2	3	4	5	6
3.	Jika anda tahu apa yang anda mahukan di dalam sesuatu pekerjaan, anda akan jumpa dengan pekerjaan yang sesuai.	1	2	3	4	5	6
4.	Jika pekerja tidak bersetuju dengan keputusan majikan, mereka patut melakukan sesuatu.	1	2	3	4	5	6
5.	Jika berusaha bersungguh-sungguh, kebanyakan orang akan berjaya melakukan pekerjaan dengan baik.	1	2	3	4	5	6
6.	Kenaikan pangkat adalah untuk pekerja-pekerja yang cemerlang.	1	2	3	4	5	6
7.	Orang yang melakukan kerja dengan baik selalunya mendapat ganjaran yang sepatutnya.	1	2	3	4	5	6
8.	Kebanyakan pekerja berupaya mempengaruhi penyelia mereka lebih dari apa mereka fikirkan.	1	2	3	4	5	6

SEKSYEN D: BUDAYA ORGANISASI

ARAHAN: Sila **bulatkan hanya satu nombor dari 1 hingga 6** yang paling bersesuaian dengan kecenderungan anda bersetuju atau tidak bersetuju dengan kenyataan-kenyataan berikut:

No.	Kenyataan-kenyataan	Sangat Tidak Setuju	Tidak Setuju	Agak Tidak Setuju	Agak Setuju	Setuju	Sangat Setuju
1.	Pengurus-pengurus dalam syarikat saya kerap terlibat dalam gelagat yang saya rasa tidak beretika.	1	2	3	4	5	6
2.	Untuk berjaya dalam syarikat saya, semestinya kerap bertolak ansur dengan etika seseorang.	1	2	3	4	5	6
3.	Pengurusan atasan dalam syarikat saya memastikan bahawa tiada toleransi bagi gelagat tidak beretika walaupun tidak dinyatakan dalam terma-terma yang jelas.	1	2	3	4	5	6
4.	Jika seseorang pengurus dalam syarikat saya didapati terlibat dengan perbuatan yang tidak beretika, terutama jika ia membawa kepada keuntungan peribadi, (lebih dari keuntungan korporat), dia akan segera ditegur.	1	2	3	4	5	6
5.	Jika seseorang pengurus dalam syarikat saya didapati terlibat dengan perbuatan yang tidak beretika, terutama jika ia membawa kepada keuntungan korporat, (lebih dari keuntungan peribadi), dia akan segera ditegur.	1	2	3	4	5	6

ARAHAN: Sila jawab setiap soalan seperti yang dinyatakan.

A.   Sila nyatakan jantina anda (sila bulatkan nombor yang berkaitan):
1   Lelaki
2   Perempuan

B.   Apakah status perkahwinan anda? (sila bulatkan nombor yang berkaitan):
1   Bujang
2   Berkahwin
3   Janda
4   Tinggal berasingan, bercerai

C.   Umur anda: _____ tahun (sila nyatakan nombor, genapkan kepada tahun yang terdekat).

D.   Sila nyatakan bangsa anda (sila bulatkan nombor yang berkaitan):
1   Melayu
2   Cina
3   India
4   Lain-lain (Sila nyatakan:_____)

E.   Apakah taraf pendidikan tertinggi anda? (sila bulatkan nombor yang berkaitan):
1   Diploma
2   Ijazah
3   Ijazah Sarjana
4   Lain-lain (Sila nyatakan:_____)

F.   Berapa lamakah anda telah bekerja dengan majikan terkini:_____ tahun dan _____ bulan (sila nyatakan nombor yang tepat – jika kurang dari setahun sila nyatakan bulan yang tepat).

G.   Sila nyatakan kategori syarikat anda di bawah Bursa Malaysia (sila bulatkan nombor yang berkaitan):
1   Barangan Pengguna
2   Barangan Industri
3   Teknologi

H.   Syarikat saya mempunyai lebih kurang: _____ pekerja tetap (sila nyatakan satu jumlah).

I.   Adakah sekolah/university/lain-lain institusi yang anda telah hadiri menawarkan kursus-kursus etika? (sila bulatkan nombor yang berkaitan):
1   Ya
2   Tidak

Jika **ya**:
J.   Sudahkah anda menamatkan kursus-kursus tersebut? (sila bulatkan nombor yang berkaitan):
1   Ya
2   Tidak

K.   Adakah syarikat anda menawarkan latihan mengenai etika? (sila bulatkan nombor yang berkaitan):

1   Ya
        2   Tidak

        Jika **ya**:
L.   Sudahkah anda menghadiri latihan tersebut? (sila bulatkan nombor yang berkaitan):
        1   Ya
        2   Tidak

KOMEN: (sila letakkan komen anda berkenaan soal selidik atau lain-lain aspek yang berkaitan dengan soal selidik)

TERIMA KASIH ATAS MASA DAN KERJASAMA ANDA DI DALAM KAJIAN INI

PERMINTAAN UNTUK KEPUTUSAN KAJIAN

Adakah anda mahu saya keluarkan satu salinan keputusan kajian ini kepada anda?

☐   Ya   ☐   Tidak

Jika **ya**, sila beri butiran untuk dihubungi:

Nama responden: _____
Nama of syarikat: _____
Alamat pos: _____
                        _____
                        _____
                        _____
Poskod: _____
E-mail: _____
Tel: _____
Fax: _____

Pilihan penghantaran: ☐   Salinan (diposkan)   ☐   Fail (e-mail)

Appendix 4: Ethical Reasoning (Membuat Keputusan) Malay Version

ARAHAN:

Sila baca kesemua kes bermula dari Kes 1 sehingga Kes 3 dan **bulatkan hanya satu jawapan** untuk setiap pandangan anda kepada setiap tugas yang disediakan daripada kes-kes tersebut.

KES 1:

Di Kedah, seorang wanita dijangka akan meninggal dunia akibat sejenis barah. Ada satu ubat yang doktor sangkakan dapat menyelamatkannya. Ubat itu adalah dalam bentuk radium di mana seorang penyelidik di bandar yang sama baru-baru ini menemuinya. Kos membuat ubat itu memang mahal, tetapi penyelidik tersebut menjualnya sepuluh kali ganda lebih tinggi dari kos membuatnya. Dia membayar RM200 untuk ubat tersebut dan menjualnya RM2, 000 untuk satu dos kecil ubat tersebut. Suami kepada wanita yang sakit, Chua, pergi ke setiap orang yang dia kenal untuk meminjam wang, tetapi dia hanya mampu mengumpul sebanyak RM1, 000 iaitu setengah daripada kos ubat tersebut. Dia memberitahu kepada penyelidik tersebut bahawa isterinya sedang tenat, dan memintanya untuk menjual dengan lebih murah ataupun membenarkan dia membayar kemudian. Tetapi penyelidik tersebut mengatakan, "Tidak, saya menghasilkan ubat ini dan saya akan membuat untung dengannya". Jadi, Chua sudah berputus asa dan mula berfikir untuk memecah masuk dan mencuri ubat tersebut menyelamatkan isterinya.

Tugas 1:

Patutkah Chua mencuri 'ubat' tersebut?

Jawapan:

Patut mencuri	1
Tidak patut mencuri	2

Tugas 2:

Berpandukan jawapan anda dalam Tugas 1, sila **bulatkan hanya satu nombor dari 1 hingga 5** untuk setiap 12 pernyataan berikut.

PENARAFAN KEPENTINGAN

No.	Kenyataan-kenyataan	Sangat penting	Penting	Agak penting	Kurang penting	Tidak penting
1.	Adakah undang-undang komuniti akan dikuatkuasakan?	1	2	3	4	5
2.	Bukankah wajar bagi seorang suami yang penyayang mengambil berat untuk isterinya hingga dia sanggup mencuri?	1	2	3	4	5
3.	Adakah Chua bersedia menanggung risiko ditembak sebagai seorang pencuri atau ditahan di penjara untuk menyelamatkan isterinya?	1	2	3	4	5
4.	Adakah Chua seorang ahli gusti profesional, ataupun mempunyai pengaruh dikalangan ahli-ahli gusti professional di tempatnya?	1	2	3	4	5
5.	Adakah Chua mencuri untuk kepentingan dirinya atau melakukannya semata-mata untuk membantu menyelamatkan orang lain?	1	2	3	4	5
6.	Adakah penyelidik itu mempunyai hak ke atas ciptaannya dan patut dihormati?	1	2	3	4	5
7.	Adakah kehidupan lebih penting dari kematian, dari pandangan awam atau individu?	1	2	3	4	5
8.	Apakah nilai yang menjadi asas untuk menunjukkan bagaimana manusia harus bertindak terhadap satu sama lain?	1	2	3	4	5

No.	Kenyataan-kenyataan	Sangat penting	Penting	Agak penting	Kurang penting	Tidak penting
9.	Adakah penyelidik itu disokong oleh undang-undang yang tidak bernilai iaitu hanya menjaga kepentingan mereka yang kaya sahaja?	1	2	3	4	5
10.	Adakah undang-undang hanya menghalang hak setiap ahli masyarakat dalam situasi ini?	1	2	3	4	5
11.	Adakah penyelidik itu patut dirompak akibat sifat tamak and kejam?	1	2	3	4	5
12.	Adakah mencuri dalam situasi ini member kebaikan kepada masyarakat keseluruhan?	1	2	3	4	5

Tugas 3:

Sila **pilih 4 kenyataan penting** dari 12 kenyataan yang diberikan dalam **Tugas 2** dengan **membulatkan satu nombor yang paling sesuai.**

TARAF KEPENTINGAN	KENYATAAN-KENYATAAN											
Kenyataan paling penting	1	2	3	4	5	6	7	8	9	10	11	12
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Ketiga paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Keempat paling penting	1	2	3	4	5	6	7	8	9	10	11	12

KES 2:

Seorang lelaki telah dijatuhkan hukuman penjara selama 10 tahun. Walau bagaimanapun, selepas satu tahun, dia telah melarikan diri dan berhijrah ke negeri lain menggunakan nama Kamal. Sejak itu, dia telah bekerja keras selama 8 tahun dan akhirnya mempunyai simpanan yang cukup untuk membuka perniagaannya sendiri. Dia telah bersikap adil kepada pelanggannya, memberi pekerjanya upah yang tinggi, dan memberi sebahagian besar keuntungan perniagaannya kepada tabung kebajikan. Satu hari, Radiah, seorang jiran lama, telah mengenalpasti Kamal sebagai seorang banduan yang telah terlepas dari penjara 8 tahun yang lepas, dan masih menjadi buruan polis.

Tugas 1:

Patutkah Radiah laporkan Kamal kepada polis dan menghantarnya balik ke penjara?

Jawapan:

Kamal patut dilaporkan	1
Kamal tidak patut dilaporkan	2

Tugas 2:
Berpandukan jawapan anda dalam Tugas 1, sila **bulatkan hanya satu nombor dari 1 hingga 5** untuk setiap 12 pernyataan berikut.

No.	Kenyataan-kenyataan	Sangat penting	Penting	Agak penting	Kurang penting	Tidak penting
				TARAF KEPENTINGAN		
1.	Bukankah Kamal telah berkelakuan baik untuk jangkamasa yang lama bagi membuktikan dia bukan seorang yang jahat?	1	2	3	4	5
2.	Setiap kali penjenayah lari dari hukuman, bukankah ini menggalakkan lebih banyak jenayah berlaku?	1	2	3	4	5
3.	Bukankah lebih baik tanpa penjara dan penindasan dalam sistem hukuman kita?	1	2	3	4	5
4.	Bukankah Kamal telah menjelaskan hutangnya kepada masyarakat dengan derma dan sumbangannya?	1	2	3	4	5
5.	Adakah masyarakat gagal memberi hak yang sepatutnya Kamal perolehi setelah berkelakuan baik?	1	2	3	4	5
6.	Apakah penjara boleh memberi kebaikan kepada seseorang yang pemurah?	1	2	3	4	5
7.	Bagaimana boleh seseorang itu begitu kejam dan tak berperikemanusiaan hingga menghantar Kamal semula ke penjara?	1	2	3	4	5
8.	Adakah adil bagi banduan lain yang menjalani tempoh hukuman sepenuhnya, jika Kamal dilepaskan begitu sahaja?	1	2	3	4	5
9.	Adakah Radiah kawan baik kepada Kamal?	1	2	3	4	5
10.	Bukankah menjadi tanggungjawab individu untuk melaporkan kepada pihak berkuasa tentang banduan yang lari walau bagaimana sekalipun keadaannya?	1	2	3	4	5
11.	Bagaimanakah kehendak dan kepentingan awam dapat dipenuhi dengan cara terbaik?	1	2	3	4	5
12.	Adakah dipenjarakan akan membawa manafaat kepada Kamal atau menjaga keselamatan yang lain?	1	2	3	4	5

TUGAS 3:
Sila **pilih 4 kenyataan penting** dari 12 kenyataan yang diberikan dalam **Tugas 2** dengan **membulatkan satu nombor yang paling sesuai.**

TARAF KEPENTINGAN	KENYATAAN-KENYATAAN											
Kenyataan paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Kedua paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Ketiga paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Keempat paling penting	1	2	3	4	5	6	7	8	9	10	11	12

KES 3:
Muthu, pelajar tahun akhir sebuah sekolah menengah, telah berhasrat untuk menulis dan menerbitkan akhbar sekolah secara mingguan untuk pelajar-pelajar supaya dia dapat meluahkan pandangannya. Dia hendak meluahkan tentang beberapa peraturan sekolah, seperti peraturan menghadkan pelajar lelaki menyimpan rambut panjang. Semasa Muthu memulakan artikelnya, dia telah memohon kepada Pengetua sekolahnya. Pengetua bersetuju memberi pengesahan jika setiap

artikel Muthu diberikan kepadanya sebelum penerbitan. Muthu berjanji dan menghantar beberapa artikel untuk pengesahan. Pengetua telah mengesahkan kesemua artikel dan Muthu menerbitkan dua isu artikel selepas dua minggu. Tetapi Pengetua tidak menyangka bahawa artikel-artikel Muthu mendapat perhatian yang meluas. Pelajar-pelajar begitu terpengaruh dengan artikel tersebut dan mereka mula menyusun satu bantahan terhadap peraturan berambut panjang dan beberapa peraturan sekolah yang lain. Ibubapa yang marah dengan keadaan ini telah membantah pandangan Muthu. Mereka telah menalipon Pengetua sekolah dan memberitahu bahawa artikel-artikel tersebut tidak sepatutnya diterbitkan. Pengetua mengarahkan Muthu menghentikan penerbitannya dengan alasan tulisan Muthu telah mengganggu perjalanan pentadbiran sekolah.

Tugas 1:
Patutkah Pengetua menghentikan penerbitan akhbar sekolah tersebut?

Jawapan:

Patut menghentikannya	1
Tidak patut menghentikannya	2

Tugas 2:
Berpandukan jawapan anda dalam Tugas 1, sila **bulatkan hanya satu nombor dari 1 hingga 5** untuk setiap 12 pernyataan berikut.

TARAF KEPENTINGAN

No.	Kenyataan-kenyataan	Sangat penting	Penting	Agak penting	Kurang penting	Tidak penting
1.	Kepada siapakah pengetua lebih bertanggungjawab, pelajar-pelajar atau ibubapa-ibubapa?	1	2	3	4	5
2.	Adakah pengetua memberi jaminan bahawa artikel-artikel Muthu boleh diterbitkan untuk jangkamasa panjang, atau dia hanya berjanji mengesahkan artikel-artikel satu isu pada satu masa?	1	2	3	4	5
3.	Adakah pelajar-pelajar akan mula membantah jika pengetua menghalang penghantaran artikel-artikel?	1	2	3	4	5
4.	Apabila kebajikan sekolah dirasakan terancam, adakah pengetua mempunyai hak untuk memberi arahan kepada pelajar-pelajar?	1	2	3	4	5
5.	Adakah pengetua mempunyai kebebasan bersuara untuk mengatakan tidak dalam kes ini?	1	2	3	4	5
6.	Jika pengetua penghalang penghantaran artikel, bukankah dia mengelak daripada perbincangan tentang isu-isu yang penting?	1	2	3	4	5
7.	Adakah arahan daripada pengetua menyebabkan Muthu hilang kepercayaan kepada pengetua tersebut?	1	2	3	4	5
8.	Adakah Muthu betul-betul taat setia kepada sekolahnya dan bersikap patriotik kepada negaranya?	1	2	3	4	5
9.	Apakah kesan daripada tindakan pengetua tersebut terhadap proses pemikiran dan pertimbangan kritis pelajar?	1	2	3	4	5
10.	Adakah Muthu dalam apa jua keadaan menyalahi hak-hak orang lain dalam menerbitkan pandangannya?	1	2	3	4	5
11.	Patutkah pengetua dipengaruhi oleh ibubapa sedangkan dia lebih mengetahui apa yang sebenarnya berlaku di sekolah?	1	2	3	4	5
12.	Adakah Muthu menggunakan artikel-artikelnya untuk menaikkan rasa kebencian dan tidak puas hati?	1	2	3	4	5

Tugas 3:

Sila **pilih 4 kenyataan penting** dari 12 kenyataan yang diberikan dalam **Tugas 2** dengan **membulatkan satu nombor yang paling sesuai.**

TARAF KEPENTINGAN	KENYATAAN-KENYATAAN											
Kenyataan paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Kedua paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Ketiga paling penting	1	2	3	4	5	6	7	8	9	10	11	12
Keempat paling penting	1	2	3	4	5	6	7	8	9	10	11	12

Appendix 5: Cover letter (English Version)

Dear Respondents,

The growing globalisation of business today has seen increased research on organisational behaviour in Malaysia. Specifically, this research is conducted jointly by Curtin University of Technology, Australia and Universiti Teknologi MARA, Malaysia. The research will provide your organisation with information about itself and its productivity. Your information will be used to identify possible targets for change for enhancing individual reward system, organizational performance, and profitability. **Knowing this, I encourage your participation**.

You are one of the selected supervisors from manufacturing companies in Malaysia who have the opportunity to provide valuable information regarding organizational behaviour of manufacturing companies across Malaysia. Without your cooperation and participation, it will be impossible to investigate further this positive aspect for you and your company. Your responses are essential to the usefulness of this research.

Taken into consideration your limited time and other commitment, I have created a simple and brief survey which can be completed within 20 to 25 minutes. Once again, I would like to ask for your cooperation to complete the survey and return it in the reply envelope. Please return the survey even if you are unable to answer every question.

Please be open, honest, and candid with your response. **Confidentiality is assured** and only aggregate statistics will be reported. For your participation, only the researcher conducting this research will have access to the completed questionnaires.

The enclosed questionnaire has an identification number for **mailing purposes only**. This will enable the researcher to check your company's name off of the mailing list when your completed questionnaire is returned so that I will not trouble you with repeat mailings. Your name as well as your company's name will never be placed on the questionnaire or seen by anyone other than the researcher. Once your questionnaire has been removed from its envelope, there will be no way to trace it back to you.

Finally, for your participation and at your request, I will send you aggregate results of this survey once they become available. If you have any questions regarding this research, please do not hesitate to contact Nadzri Ab Ghani (nadzribin.abghani@posrgrad.curtin.edu.au).

Thank you very much for your time and cooperation.

Kind Regards,
Nadzri Ab Ghani
PhD Candidate
Graduate School of Business
Curtin University of Technology
Perth 6000
Western Australia.

Appendix 6: Cover Letter (Malay Version)

Responden yang dihormati,

Pertumbuhan perniagaan global pada hari ini telah memperlihatkan peningkatan dalam kajian gelagat organisasi di Malaysia. Secara khususnya, penyelidikan ini dijalankan secara usahasama antara Curtin University of Technology, Australia dan Universiti Teknologi MARA, Malaysia. Penyelidikan ini akan menyumbang organisasi anda dengan maklumat mengenai organisasi itu sendiri dan produktivitinya. Maklumat anda akan digunakan untuk mengenalpasti sasaran-sasaran yang berkemungkinan untuk perubahan dalam mempertingkatkan sistem ganjaran individu, pencapaian organisasi, dan keuntungan. **Sehubungan ini, saya mengalakkan penglibatan anda**.

Anda merupakan salah seorang penyelia yang dipilih berpeluang untuk menyalurkan maklumat yang berguna berkaitan gelagat organisasi di syarikat perkilangan seluruh Malaysia. Tanpa kerjasama dan penyertaan anda, adalah mustahil bagi meneruskan penyiasatan aspek positif ini untuk anda dan syarikat anda. Setiap respon anda adalah penting bagi kegunaan kajian ini.

Mengambilkira kekangan masa dan lain-lain komitmen, saya telah menghasilkan satu tinjauan yang mudah dan ringkas supaya ia dapat dilengkapkan dalam masa 30 to 35 minit. Sekali lagi, saya ingin memohon kerjasama anda untuk melengkapkan tinjauan dan memulangkan semula menggunakan sampul jawapan berbayar. Sila kembalikan semula tinjauan ini walaupun anda tidak dapat menjawab kesemua soalan.

Sila bersikap terbuka, jujur dan spontan dengan respon anda. **Kerahsiaan adalah dijamin** dan hanya statistik agregat yang akan dilaporkan. Tiada siapa selain dari pengkaji yang mempunyai akses kepada keseluruhan borang soal selidik.

Akhir sekali, sebagai balasan kepada kerjasama anda, ringkasan hasil penyelidikan akan dimelkan kepada anda, selepas data-data selesai dianalisa, sekiranya ada permintaan. Jika anda mempunyai sebarang pertanyaan berkaitan dengan kajian ini, sila hubungi Nadzri Ab Ghani (nadzri.abghani@gmail.com).

Salam,
Nadzri Ab Ghani
Calon PhD
Graduate School of Business
Curtin University of Technology
Perth 6000
Western Australia.

Interview Guide: *Organisational Behaviour in Malaysia*

The main objective of this interview is to ascertain organisational practices, individual rewards system, individual decision-making process and beliefs and organisational culture.

Q1. **In the context of your professional role as a supervisor, could you please describe your experience in handling wrongdoing in your company?**

Q2. **So far, in your knowledge, how many cases of wrongdoing have been reported?**

Q3. **Are there any other conditions that could affect your decision to report wrongdoing? If so, what are they and why do you think this could influence your decision?**

Q4. **Some people think that work experience and ethics training could influence the decision to report the wrongdoing. To what extent do you agree with this view?**

Q5. **How far do you think wrongdoing must be reported?**

Q6. **To what extent do you think organisational culture plays a role in your decision to report wrongdoing?**

Probe if necessary: Q1: Handling wrongdoing
Whistle-blow on wrongdoing
Guidelines for wrongdoing
Probe if necessary: Q2: Cases of wrongdoing
Official records
Punishment or penalty
Probe if necessary: Q3: Internal locus of control
Influence from peers
Job security
Probe if necessary: Q4: Work experience and ethics training
Experience in reporting wrongdoing
Ethics education and training courses
Probe if necessary: Q5: Ethical reasoning
Guidelines on wrongdoing
Experience in handling wrongdoing
Probe if necessary: Q6: Organisational culture
Malaysian companies
Foreign companies

Appendix 8: Interview Questions (Malay Version)

Panduan Temuduga: *Gelagat Organisasi di Malaysia*

Objektif utama bagi temuduga ini adalah untuk mengenalpasti amalan-amalan organisasi, sistem ganjaran individu, proses membuat keputusan dan kepercayaan secara individu dan budaya organisasi.

Q1.   **Dalam kontek sebagai seorang penyelia professional, sila terangkan pengalaman anda dalam menandatangani salahlaku di syarikat anda?**

Q2.   **Setakat ini, sepanjang pengetahuan anda, berapa banyak kes salahlaku yang sudah dilaporkan?**

Q3.   **Adakah terdapat keadaan-keadaan lain yang boleh memberi kesan ke atas keputusan anda untuk melaporkan salahlaku? Jika ada, apakah keadaan tersebut dan mengapa keadaan itu boleh mempengaruhi keputusan anda?**

Q4.   **Setengah orang berpendapat pengalaman kerja dan latihan etika dapat mempengaruhi keputusan untuk melaporkan salahlaku? Sejauhmanakah anda bersetuju dengan pandangan ini?**

Q5.   **Sejauhmanakah anda berpendapat salahlaku patut dilaporkan?**

Q6.   **Sejauhmanakah anda berpendapat budaya organisasi memainkan peranan dalam keputusan anda untuk melaporkan salahlaku?**

Mencelah jika perlu: Q1: Menandatangani salahlaku
Melaporkan salahlaku
Peraturan untuk salahlaku
Mencelah jika perlu: Q2: Kes-kes salahlaku
Rekod-rekod rasmi
Hukuman atau denda
Mencelah jika perlu: Q3: Keadaan-keadaan mempengaruhi
Pengaruh rakan-rakan sekerja
Jaminan kerja
Mencelah jika perlu: Q4: Pengalaman kerja dan latihan etika
Pengalaman dalam melaporkan salahlaku
Kursus-kursus pengetahuan dan latihan etika
Mencelah jika perlu: Q5: Membuat keputusan
Peraturan untuk salahlaku
Pengalaman menandatangani salahlaku
Mencelah jika perlu: Q6: Budaya organisasi
Syarikat-syarikat tempatan
Syarikat-syarikat luar negara

Appendix 9: Interview Information Letter

Information letter: ORGANISATIONAL BEHAVIOUR IN MALAYSIA

The aim of this study is to investigate organisational behaviour of listed manufacturing companies in Malaysia. Prof Robert Evans and Dr Jeremy Galbreath from Curtin University of Technology, Western Australia are working with Mr Nadzri Ab Ghani (PhD student) to evaluate the study from your perspective. We hope to identify whether the research is meeting its aim successfully. Furthermore, this research will hope to provide with other valuable information for your company and others within organisational behaviour context.

In realising the mentioned purposes, you are invited to participate in a survey and a focus group interview. The survey questionnaires will take about 25 minutes and the interviews with five (5) supervisors of your company will last about 45 minutes. An informed consent should be completed by the selected supervisors before conducting the interviews.

The purpose of the interviews is only to gather qualitative insight on the aims and construct under study and to triangulate quantitative data from the survey. Confidentiality is assured and only aggregate statistics will be reported. Your participation in this study is entirely voluntary; however, your information is valuable not only to the study but also to your company and other companies in Malaysia.

Any concern you may have regarding this study, you could contact Curtin University Human Research Ethics Committee, c/- Office of Research & Development, Curtin University of Technology, GPO Box U1987, Perth 6845, or Telephone (08) 92662784.

This study has been approved by the Curtin University Human Research Ethics Committee (GSB-10-09)

Appendix 10: Interview Consent Letter

Informed Consent Form

Title of Research Project – Organisational Behaviour in Malaysia

The data collection and gathering processes for this research project will involve focus groups interviews (which will consist of an audio taped, semi-structured interview, including open-ended and pre-planned questions), scheduled during paid work hours. Each interview will take about 30 to 40 minutes. The interview will be transcribed and assessed to gather qualitative insight on the objectives and construct under study and to triangulate quantitative data. The research output may be published in a professional journal or presented at a conference. A summary report of the results from the interview will also be developed.

All audiotapes and transcripts will be held securely and managed in accordance with Curtin University of Technology's research ethical requirements. Interview participants will be coded to preserve confidentiality. Some interview extracts will be used in the report but no information or any subsequent publication will be able to be traced to an individual.

If you have any concerns or further questions, please do not hesitate to contact me on 9266 1170 or nadzribin.abghani@postgrad.curtin.edu.au.

Signed:
Nadzri Ab Ghani, PhD candidate: Graduate School of Business, Curtin University of Technology

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I, _____ [please print full name] have read and understood the information provided about the process and intent of the research and agree to participate in the above research project. I give permission for my interview to be audio-taped and for publication of the results, edited for confidentiality.

Signed:
Participant

Date: