

WHISTLEBLOWING AND ITS LINK ON CORPORATE GOVERNANCE AND COMPLIANCE: THE CASE OF FINANCIAL COMPANIES LISTED ON THE GHANA STOCK EXCHANGE

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ABSTRACT: *Whistleblowing in institutions is key for corporate governance and compliance in organizations. In this study we determine whether there exist whistleblowing mechanisms and policies in the financial institutions listed on the Ghana Stock Exchange (GSE). The study also sought to examine the level of staff knowledge and perceptions on those policies and procedures. A two-stage sampling scheme was adopted in selecting the samples. Four out of nine banks listed on the Ghana Stock Exchange were selected using simple random sample. For each bank selected two branches in greater Accra were included randomly in the sample from which 100 was selected. The results of the analysis indicated that majority of the respondents were eager to blow the whistle at all cost, however education on knowledge on procedures for reporting at the time of appointment was little. Out of the 80 participants who took part in the study, none of them responded no to reporting wrongdoing even when their report will lead to the closure of the company, or dismissal. The chi-square test of independence also shows that, there is a link between whistleblowing, corporate governance and compliance in the financial companies listed on Ghana Stock Exchange (GSE). It is recommended that organizations carry out periodical education on policies and procedures on whistleblowing to increase the consciousness of all employees.*

KEYWORDS: whistleblowing, corporate governance, compliance, financial companies, Ghana, stock exchange

INTRODUCTION

Many nations see whistleblowing as an approach to guarantee ethical conduct of firms, and therefore, different statutory tenets have been established to embrace such behaviour. Whistleblowing is an act of reporting perceived organizational wrongdoing within the organisation in which a person works. It can be carried out by both public and private sector employees (Eaton and Akers, 2007).

The two arrangements of the Sarbanes-Oxley Act of 2002 (SOX) instituted in the United States of America is an example. Since the legislation of the US Sarbanes-Oxley Act in 2002 and a few other national corporate administration codes, whistleblowing strategies have been executed in an increasing number of organisations to motivate employees to reveal wrongdoing in their organisations (Moberly, 2006). Whistleblowing, according to Eaton and Akers (2007), is an act of reporting to internal or external perceived organisational wrongdoing within the organisation in

which a person works. It can be carried out by both public and private sector employees. These actions have consequences for the organisations, its leaders and sometimes the whistleblower. Sometimes effort by the employees to blow the whistle have destroyed their career and ruined their personal lives (Eaton and Akers, 2007). When an organisation can demonstrate the existence of "effective" internal compliance structure, it is presumed that the incidence of prohibited conduct in the organisation has gone down (Krawiec, 2003). If an employee of a company finds out the wrongdoing in an organisation, that person needs to be encouraged to respond in a way that supports corrective action (Kaptein, 2011).

Numerous researchers such as (Ewing and Nielsen, 1983; Near, Dworkin and Miceli, 1993, Near and Marcia, 2016, Lim, et al., 2017), have accepted that whistleblowing either will or should expand considering the assumed advantages of whistleblowing to society at large. There might be negative results of whistleblowing to supervisors, their associations, and, in a few occurrences, to the community. Around the globe, whistleblowers have been hailed as "heroes" for unveiling corruption and fraud in their institutions and for stopping possible harmful errors from leading to catastrophes (Banisar, 2011, 1). Whistleblowers are celebrated as "the heroes of our time" who are "contributing to ethics and integrity" and whose legal protection is considered an essential concern for public policy (UN, 2016). The topical issue of whistleblowing needs immediate worldwide recognition and attention since it leads to corporate governance and compliance, which in turn mainly boost economic growth in respective countries; hence, the ultimate purpose of this study.

In Ghana, beyond occasional public opinions that sometimes trigger some discussions on radio, little is known about how the public perceives the whistleblower and their impact on the companies and the economy at large. Parliament of Ghana passed the Whistleblower Act (Act 720) in 2006 as an essential anti-corruption tool. The Act aims at improving the nation's ability to fight corruption and other forms of unlawful conduct that negatively affect the development of the country. A person can blow the whistle to outside institutions such as; the regulator of the institution, Ghana Anti-Corruption Coalition (GACC), Commission on Human Rights and Administrative Justice (CHRAJ), and Economic and Organised Crime Office (EOCO). In 2017, the parliament of Ghana passed a bill for the establishment of the Office of the Special Prosecutor (OSP) to help fight corruption and other related offences. These organisations have the legal backing to protect the whistleblower. The law was passed after a progression of money related outrages shook Ghana. Surprisingly, ten years after its inception, most Ghanaians seem reluctant to secure the whistleblowing habit.

Since the implementation of the Whistleblowers Act (720), 2006 in Ghana, several organisations have implemented hotlines for whistleblowers to disclose unethical practices in good faith. Many institutions in Ghana are believed to have afforded employees and customers to make anonymous disclosures without fear of retaliation. While such systems are in place and being implemented, less study has been conducted to determine whether it has been taken seriously or existed at all and if so, what has been the impact on the organisation (Puni, Agyemang, and Asamoah, 2016; Boateng, Boateng, and Acquah, 2014; Ndebugri, and Senzu, 2018). The study would help validate the decision-making process of internal and external disclosure behaviour of financial companies listed

on the Ghana Stock Exchange. It will examine the moderating effects of individual and situational characteristics on the relationship between members of the financial companies listed on the Ghana Stock Exchange and their judgments concerning whistleblowing and their whistleblowing intent and finally postulate ways in which whistleblowing can be used to improve compliance in organizations and firms.

LITERATURE REVIEW

The quality and the security of the accounting systems have been put under scrutiny after the financial reporting scandals in Germany and the US (Schmidt, 2005). Whistleblowing is the Act whereby individuals of an organisation (previous or current) discloses acts which they seem to be illegal, unethical, untrustworthy and illegitimate to their bosses or to people or associations whom they think are in an excellent position to effect action (Near and Miceli, 1985, 4). The whistleblower does typically not have the power to make the change(s) that can stop or prevent the wrongdoing, so need to report to a higher authority for an action to be taken (Graham, 1986; Near & Miceli, 1987). The individuals who do the work of whistleblowing are termed, whistleblowers. In the Ghanaian community, for example, the word “informant” is more preferred to whistleblowers. While informants typically have both internal and external revealing channels accessible to report authoritative wrongdoings, research proposes that about all whistleblowers, at first sight, will endeavour to notify the wrong behaviour through inward channels as compared to the usage of external channels (Miceli and Near, 1992, 2002). If managers do a proper investigation about issues reported to them, internal whistleblowers can help companies to avoid or minimise their reputation cost (Miceli, Near, and Dworkin, 2008). For effective whistleblowing in any organisation, the compliance department of the institution should work well. Companies that show that they are complying well with all the set standards earn respect from the regulators (Hodges, 2015, 467).

According to Dworkin and Baucus (1998), theoretically, we can identify two main types of whistleblowers, internal and external whistleblowers. Along these lines, various laws exist to secure whistleblowers. Laws have been enacted to protect the whistleblower from been harm (Hodges, 2015, 525). About seventy countries have enacted relevant laws to get access to information. However, only a few, such as the United Kingdom, South Africa, the United States, Canada, and Japan, have general statutes (Banisar, 2006). Every organisation needs a governing institution that will monitor the affairs of its activities in the right direction and make the necessary correction when the need be. This guidance makes the role of corporate governance essential in the running of a successful organisation (Krechovská, and Procházková, 2014). Companies have many provisions which are followed by outside observers. The key among these provisions is the link between corporate governance and the value of the firm (Bebchuk, Cohen and Ferrell, 2009, 4).

According to Shleifer and Vishny (1997), corporate governance is a way to ensure that shareholders of a company will get a return on their investment. In financial terms, this definition means that corporate governance is intended to address "agency problems" between shareholders and managers or between majority and minority shareholders (Shleifer, and Vishny,1997). Alam and Ali (2013, 91) were of the view that whistleblowing has gained much prominence in corporate governance as

it exposes the offences committed by the staff of an organisation. Whistleblowing helps to identify problems in an organisation and address them before it damages the company (Alam and Ali, 2013, 91-92). Notwithstanding the advantages, the demonstration of whistleblowers uncovering bad behaviour inside an association is not a simple assignment, and informants are regularly presented to negative results, for example, downgrade, expulsion, and boycotting (Cassematis and Wortley, 2013; Chang et al., 2013; Miceli and Near, 1992). The significance of informant security has been perceived as a worldwide dimension, and various nations have ordered enactment (Park et al., 2008). Specifically, following OECD suggestions in 1998, the extent of part states offering legitimate security for informants expanded from 44% in 2000 to 66% in 2009 (OECD, 2012a). As of late, the advance has been made in the right insurances for whistleblowers among G20 nations, including the United States, Australia, China, France and India (Wolfe et al., 2014). There are many other recorded incidents about whistleblowing around the world, for instance, Enron, Abbey National, NSAS, Dow Corning, BCCI, WorldCom, Rockwell, and many more. Many countries have established law and procedures for dealing with whistleblowing (Maria, 2006; Vandekerckhove, 2009). This laws are to protect whistleblowers (Miceli, and Near, 1994) and their employers as well (Davis and Konishi , 2007), such as the Sarbanes-Oxley Act of the United States, Protected Disclosures Act of New Zealand, Whistleblowing Policy of France, Audit Reform and Corporate Disclosure Act of Australia, and Public Interest Disclosure Act of the United Kingdom.

RESEARCH METHODOLOGY

This study adopted the mixed method approach. According to Creswell (2018, p. 31-46), this method involves the collection and analysis of both qualitative and quantitative research data to ensure that the conclusions drawn will be valid, credible and reliable.

Study population and Sample

The target population is the first step in the sampling process. Defining the target population should be the second step. Thus, the target population defines the collection of all items that generate information pursued by the researcher with which the findings of the survey are meant to -generalize (Pentz,1994, 75-83). The target population for the research consisted of all companies listed on the Ghana stock exchange. The study population for this project comprises of financial institutions listed on the Ghana stock exchange. The two-stage sampling design was used in selecting the samples for the study. Thus, four banks were selected randomly from a total of 9 banks on GSE. Two branches of each selected bank in Greater Accra were randomly selected out of which 100 samples were drawn. Out of 80% responded to the study.

a contingency table.

Sampling procedure

Stratified proportionate random sampling was used. The nine (9) banks listed on the Ghana Stock exchange were considered as strata. In all, there were nine (9) strata. A simple random sampling procedure was employed to randomly select four strata (4) from the nine (9) strata. This procedure was used in the sense that it accounts for representativeness while eliminating biases; the results

obtained can also be generalized to the general population. Each of the nine (9) strata was given a unique number. The following shows the distribution of the numbers for the various sectors;

- 001 – Ecobank Ghana
- 002 – Agricultural Development Bank
- 003 – Trust Bank Limited (The Gambia)
- 004 – Standard Chartered Bank Ghana
- 005 – Cal Bank Limited
- 006 – Republic Bank Ghana limited
- 007 – Ghana Commercial Bank
- 008 – Societe Generale Ghana Limited
- 009 – Access Bank Ghana

The researcher went through the process of selecting samples using simple random sampling, and the papers with numbers 001, 009, 007 and 004 respectively representing: Ecobank Ghana, Access Bank Ghana, Ghana Commercial Bank, and Standard Chartered Bank Ghana were randomly chosen. Under each stratum, the researcher noticed that the research population was extensive and thus used quota sampling technique in selecting samples from each stratum. Random samples of employers and employees were randomly chosen from each company and questionnaires were administered.

Sample size determination

The total sample size for this study was determined based on the theory of sampling proportion. The total sample size for the survey was calculated using the formula $n = \frac{(Z_{\alpha/2})^2 pq}{\epsilon^2}$. In this study, the investigator desired a confidence level of 95%, which gave a $Z_{\alpha/2}$ value as ± 1.96 and an acceptable error of **0.1**. From the evidence of the symmetric nature of the normal distribution, Kothari (2004) recommends a value estimate of p at 0.5 as this gives the maximum sample value and equally yield the desired results. The sample size was calculated to make use of the estimates; a sample approximate of 100 was derived.

- n = size of the sample
- $Z_{\alpha/2}$ = value of standard variance at a given confidence
- p = Proportion of the sample population
- q = (1 – p) and ϵ = margin of error

Using the formula above, substitute the value of a $Z_{\alpha/2}$, p, q and ϵ as follows;

$$n = \frac{1.96^2 \times 0.5 \times 0.5}{0.1^2}$$

$$n = \frac{0.9604}{0.0100}$$

$$n = 96.04$$

$$n \approx 100$$

Source of data and research instrument

This research makes use of primary data collected through the administration of questionnaires to some selected financial companies listed on the Ghana stock exchange. The primary data was secured through a four-paged self-administered questionnaire. The questionnaire was primarily

designed to examine the perception of employers and employees of the selected financial companies listed on the Ghana stock exchange on whistleblowing and its link to corporate governance and compliance in Ghana. The research objective played a significant role in the questionnaire design. The questionnaire consisted of four sections, namely section A, B, C, and D. Section A talks about the demographic characteristics of respondents, Section B solicited information on perception of respondents towards whistleblowers. Section C explored internal whistle blowing mechanisms and Section D sought information on the effectiveness of whistleblowing mechanisms in respondents' organizations.

Statistical methods for processing and analyzing of data

Editing of the responses obtained from the survey was carried out in order to detect and deal with any form of inconsistency. Each response was classified and quantitatively analyzed using descriptive statistics extracted from the common use of Microsoft Office Excel Spread Sheet 2016 and Statistics Packages for Social Sciences (SPSS). Thus, both quantitative and qualitative methods were used to analyze the data to facilitate appropriate analytical techniques which would give a clear picture of the relationship between various responses obtained from the research questionnaire. Some data from the study were analyzed using descriptive methods such as bar graphs as well as frequency tables. A bar chart is a useful tool to use in presentations and reports. They are perfect to use because they allow the researcher to recognize patterns or trends far more quickly than looking at a table of numerical data.

Chi-square test of independence

A chi-square test is any statistical test in which the sampling distribution follows a chi-square distribution when the null hypothesis is correct. The chi-square test is a non-parametric procedure that does not follow a strict assumption, unlike that of the parametric test of any distribution of interest. The chi-square test of independence, Goodness of fit and homogeneity are all examples of Chi-square tests. The primary purpose of the test is to determine the relationship between variables of interest. Chi-square test of independence is used to investigate the association or relationship between two categorical variables. It can also be used to determine whether frequency counts are distributed identically across populations. If variables are independent, outcomes of a variable do not affect the other variable.

RESULTS AND DISCUSSION

Introduction

This chapter presents the statistical analysis and results based on the study objective. The chapter comprises of a preliminary analysis of demographic characteristics, workers perception on whistleblowing, internal whistleblowing mechanisms as well as measures to promote whistleblowing. This chapter focuses on the preliminary analysis of data collected on whistleblowing using statistical tools like chi-square. The Statistical Package for Social Science was used in the analysis.

Demographics

The first section described the demographics of the respondents categorized on gender, age group, and marital status, level of education, position and work experience.

Gender

Out of the one hundred (100) questionnaires that were administered, 80 of them were returned, and the results of the research show that 62.5% of the respondents were females whereas 37.5% of the respondents were males. This response is a clear indication that more females took part in the study than males as shown in Figure 1.

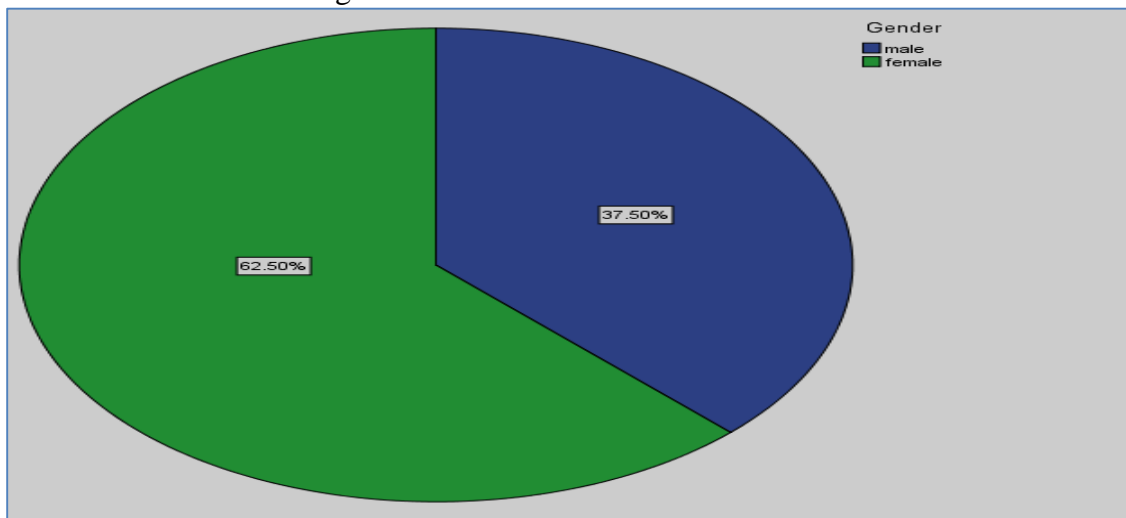


Figure 1: Gender of Respondents

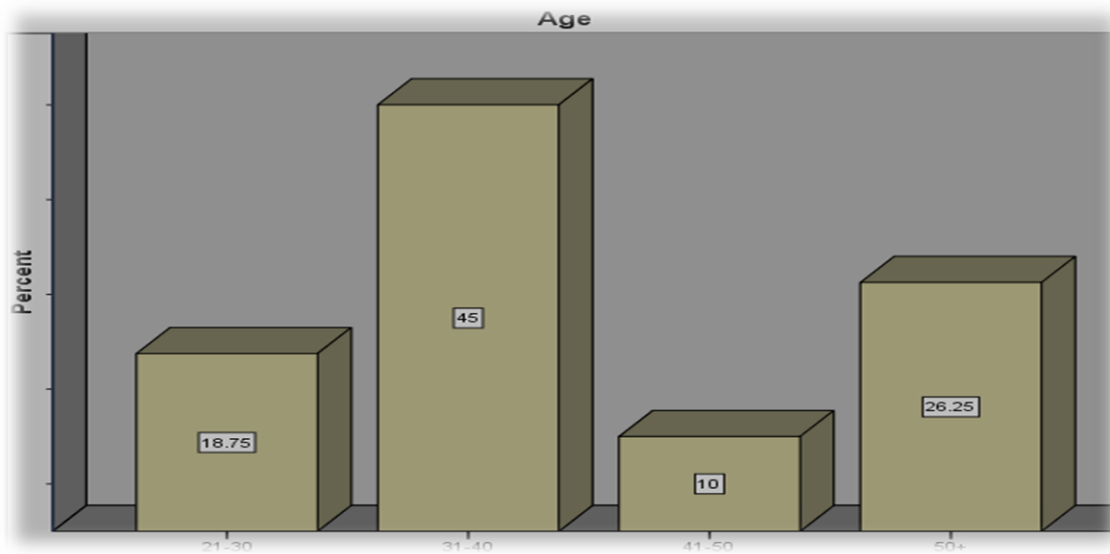


Figure 2: Age Group of Respondents

Source: Field Data, 2019

The ages of the respondents were categorized into groups starting from 21-30 years, which represented 18.75% of the total number of workers interviewed. The 31-40 age group represented 45% (highest) of the respondents under study. Those in the age category 41-50 recorded 10%, which was the least while the workers who fall in the age group of 50 years and above represented 26.25% of the entire populace under study.

Marital Status

The results showed that out of the total of 80 participants selected for the study, 37 of them were single, 37 were married and the remaining six were divorced with their respective percentages of 46.3, 45.0 and 8.8.

Educational level

From the table below, of the 80 participants that were involved in the study, 8 of them had Diploma degree representing 10%, 44 of them had bachelor's degree amounting to 55% while the other 28 participants had master's degree which accounted for 35% of the total participants.

Table 1: Level of Education

Educational Status	Frequency	Percent	Valid Percent	Cumulative percent
Diploma	8	10	10	10
Bachelors	44	55	55	65
Masters	28	35	35	100
Total	80	100	100	

Position of Respondents

The position that one holds in the various organizations was considered a significant factor. There was a total of 8 branch managers taking part in the research, which represented 10%, 14 workers representing 17.5% stood in for Bank marketing representative and 15 Compliance managers with 18.8%. The rest were 22 loan officers with 27.5% whereas Data processing officers, Accountant and Tellers each represented with seven members with a total percentage of 26.2%. In all loan officers had the most representative since they were ready and eager to blow the whistle on illegal activities.

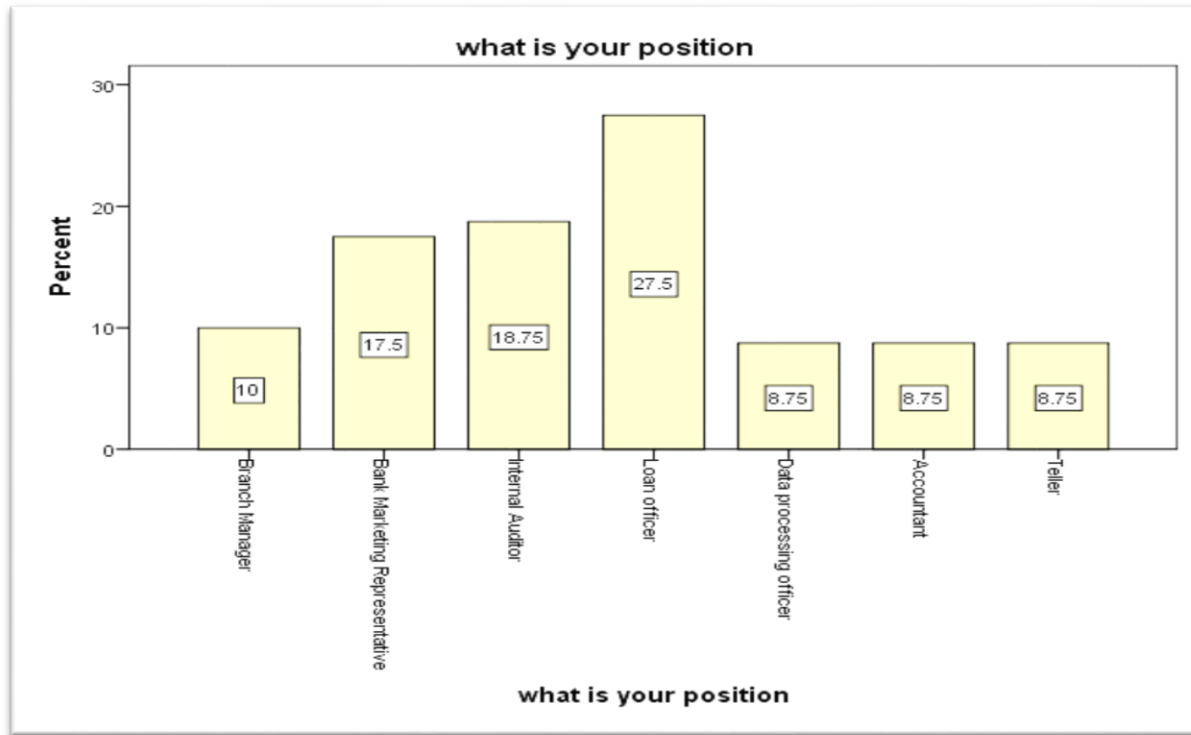


Figure 3: Position of Respondents and their associated percentages.

Work Experience

The years of experience that one has in their workplace was also considered a contributory factor. Amongst the 80 participants, 23 had 0-4 years of work experience with a percentage of 28.8%, 35 of them had 5-10 years of work experience with the highest percentage of 43.8% while a total number of 22 participants had 11-20 years of work experience.

Table 2: Work experience

Years of work experience	Frequency	Percent	Valid Percent	Cumulative Percent
0-4	23	28.75	28.75	28.75
5-10	35	43.75	43.75	72.50
11-20	22	27.50	27.50	100.00
Total	80	100	100	

Perception of whistleblowing

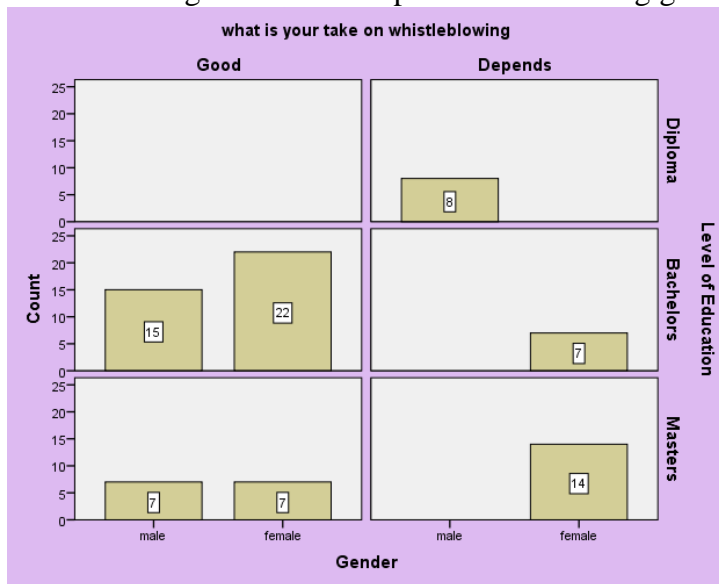
All the 80 respondents were assessed based on their perception of whistleblowing in their respective organizations. From table 4.3 below, it can be seen that 51 respondents see whistleblowing to be good act whilst the remaining 29 participants could not take a clear stance; their response was somewhat dependent on other factors such as to save a friend from being sacked, fear of victimization, job losses and personal gain like promotion.

Table 3: Respondents views on whistleblowing

	Frequency	Percent	Valid Percent	Cumulative Percent
Good	51	63.75	63.75	63.75
Depends	29	36.25	36.25	100
Total	80	100	100	

Gender versus the level of education on the perception of whistleblowing

The figure below shows the distribution of gender with their respective level of education on the response rate of their perception of whistleblowing. It can be deduced that out of the 80 participants who took part in the study, none of the participants responded poorly to whistleblowing which affirms that fact that whistleblowing is vastly needed in the various development to boost national growth. A more significant number of participants who greatly esteem whistleblowing are those with a bachelor's degree with 37 respondents answering good and 7 of these responding depends.



For the 28 master's degree holders involved, 14 responded good, and the remaining 14 responded depends. Those with diploma degrees had little interest in blowing the whistle in their workplace with 8 of them responding depends. It can, therefore, conclude that the higher a person is educated, the higher the chances of him/her blowing the whistle in the workplace.

Figure 4: Gender versus the level of education take on whistleblowing

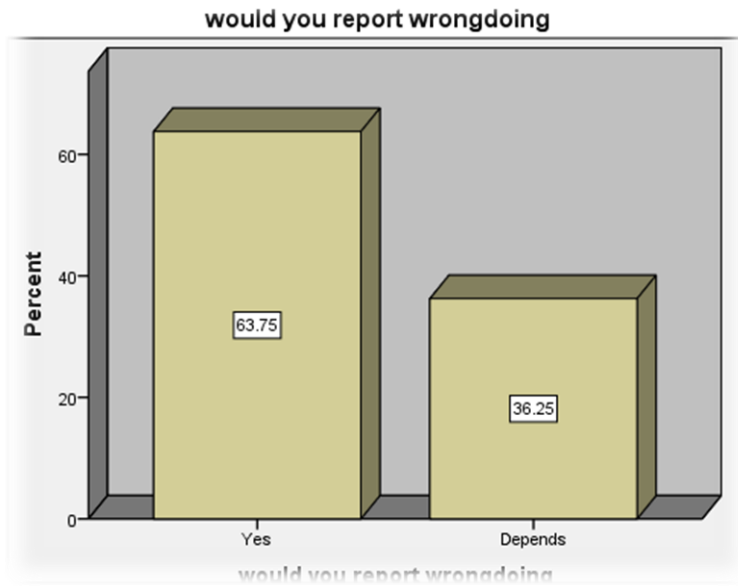


Figure 5 Respondents eagerness to report wrongdoing

Majority of the respondents were eager to blow the whistle. Of the 80 participants, none of them responded no to reporting wrongdoing even when their report will lead to the closure of the company, lead to their dismissal or even when it is an abuse of power of their branch manager. Fifty-one participants responded yes to reporting wrongdoing, which consists of 63.75% while the remaining 29 participants who responded "depends" constitute 36.5%. Of the 51 participants who responded yes, 15 further said that they would have reported those evil acts to their supervisor, 16 of them said they would have also reported those cases to the compliance officer while the other 20 participants kept to themselves whom they would have reported. Of the 29 participants responding "depends", all of them based their dependence on saving a friend from being sacked. Every respondent has his/her reason for blowing the whistle. For the study, 26.25% of the participants blow the whistle in search of the good of the people, 26.25% of the respondents also do so to save the company from collapse while the majority 47.5% do so in alerting regulators on wrongdoings.

All the 80 respondents were assessed on how they will describe a whistleblower in their respective organizations. From table 4.4 below, it can be seen that 56 of the respondents representing 70% said they would describe whistleblower as a "hero", 9 of the respondent representing 11.25% said they would describe whistleblower as a "traitor" and the remaining 15 representing 18.75% said their description would depend on other factors. Those who said they would describe whistleblower as a hero gave various reasons which include; risking their life's and jobs to save their customers, shareholders and even putting their families at risk. The 11.25% who said they are traitors gave some reasons which included, betrayal of their employers in a country where there is a high rate of unemployment, especially when it leads to revocation of the license. Interestingly, all 15 compliance

officers said that internal whistleblowers would be considered as a hero, but external ones will be classified as traitors. From the above respondents, it can be concluded that a whistleblower must be considered as a hero and need to be celebrated.

Table 4 : Description of a whistleblower

	Frequency	Percentage	Valid Percent	Cumulative Percent
Hero	56	70.00	70.00	70.00
Traitor	9	11.25	11.25	81.25
Depends	15	18.75	18.75	100.00
Total	80	100.00	100.00	

Internal whistleblowing mechanisms.

The summary results in fig 4.7 below indicate that out of the total number of 80 participants interviewed, 73 participants representing 91.3% responded that they have well laid down guidelines to encourage whistleblowing in their respective organizations while the remaining constituting 8.8% responded that their organizations have no laid down guidelines to encourage whistleblowing. Based on the analysis, 53.75% of the participants responded that in a situation that would lead to the closure of the company they would still have blown the whistle or not whereas the remaining 46.25% of the respondents were not sure whether they would have reported those acts of wrongdoings. For those who said yes, 8.75% of the participants were willing to report to the compliance officer, 10% to the branch manager and 81.25% to any senior member. The results further showed that 91.25% of the respondents said some guidelines encourage whistleblowing, and only 6.75% said no. The most exciting aspect is that while most participants boasted of guidelines that encourage whistleblowing, 73.75% of these same respondents reported that there are no mechanisms to protect whistleblowers and only 26.25% answered that their organizations have measures put in place to protect the whistleblower. The analysis shows that a vast majority of workers blow the whistle at their own cost since no protection is assured. Below are the diagrammatic representations of the above analysis.

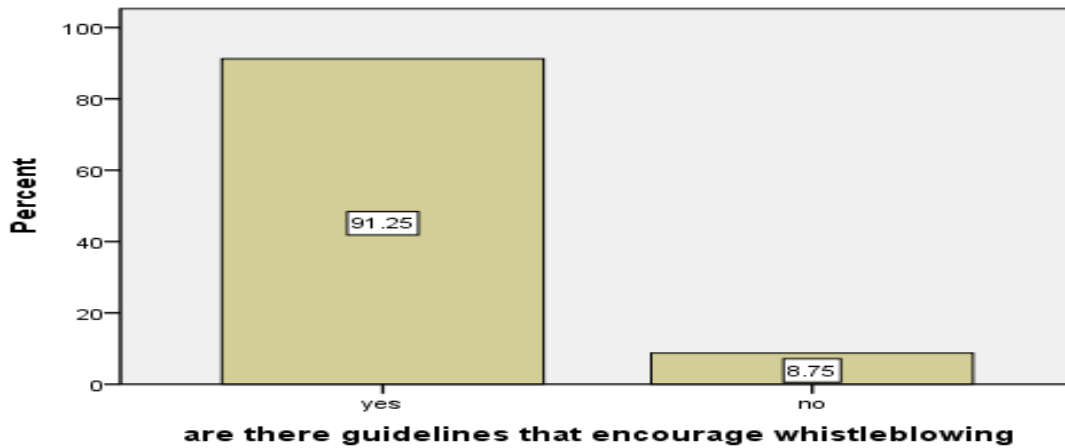


Figure 6: Are there guidelines that encourage whistleblowing?

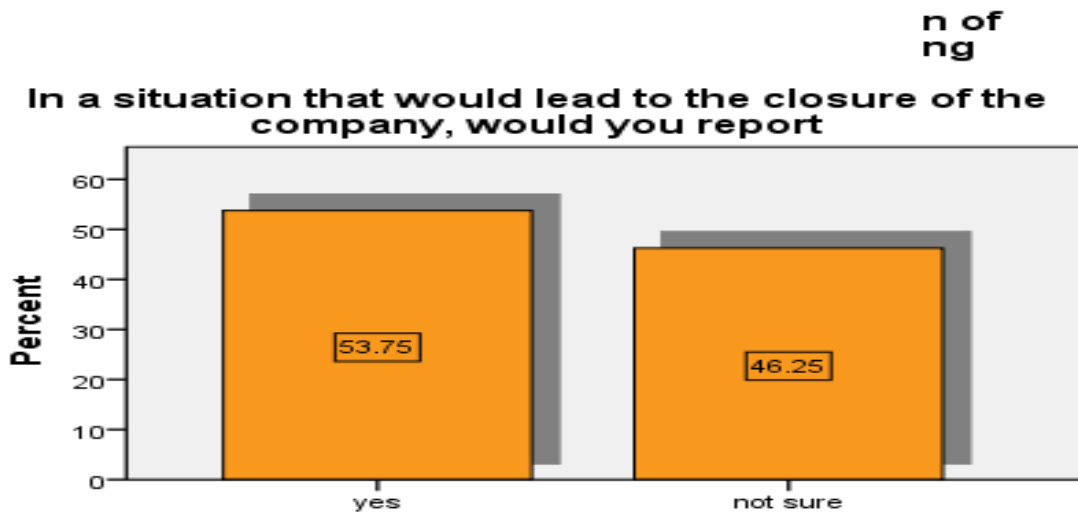
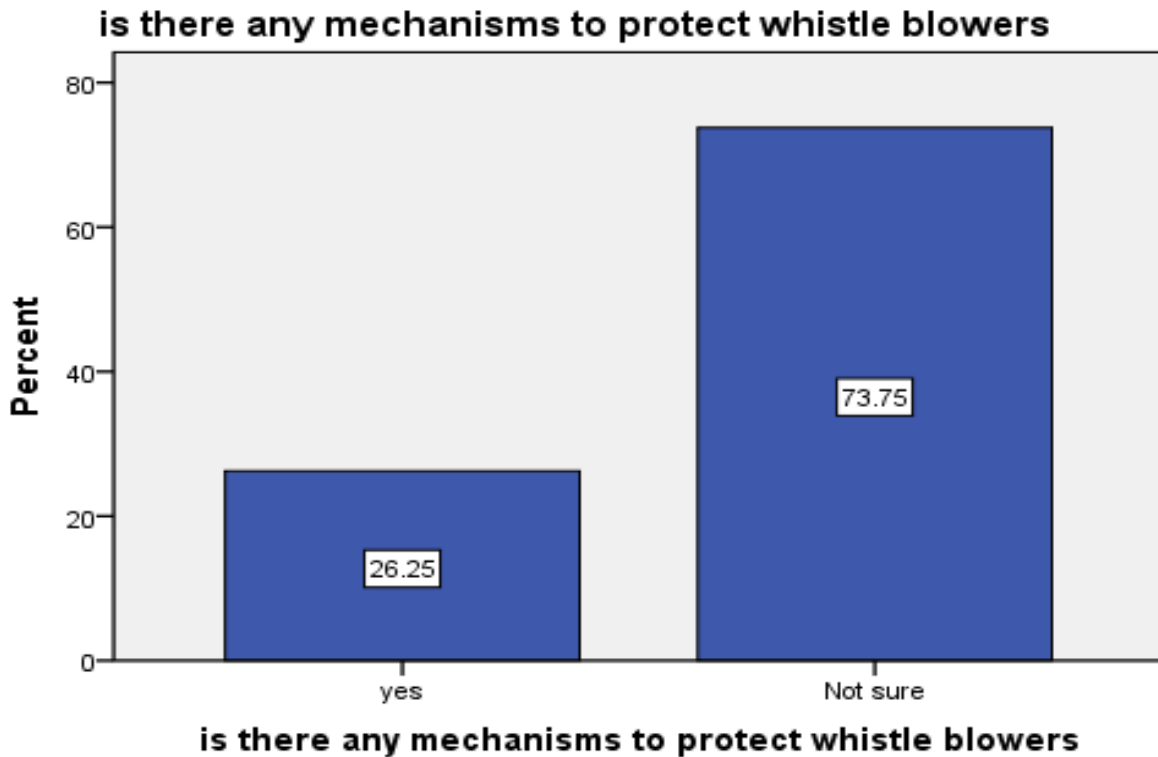


Figure 7: Report if the closure of the company



Source: Field data, 2019

Figure 8 Whistleblowing mechanisms responses

Effectiveness of whistleblowing mechanisms and measures to promote whistleblowing

In this section of our study, we looked at how serious the report on whistleblowing would be taken, the medium through which the report is delivered, the duration that it takes for stakeholders to react to those reports and lastly the measures to promote whistleblowing internally in the various workplaces.

The results indicated that 17.5% of the respondent's report acts of wrongdoing through a hotline, 20% report through personal contact, while 62.5% did not disclose their medium of reporting such cases. The analysis further indicated that 65% of the participants want clear procedures to be put in place to encourage whistleblowing internally. The respective percentages of workers who want the implementation of internal control and access to an active 24/7 hotline are 17.5% and 17.5%. 14 out of the 80 participants rated whistleblowing effectiveness as high, 29 each rated less moderate and moderated while 8 rated lowest with their respective percentages 17.5, 36.3, 36.3 and 10.0.

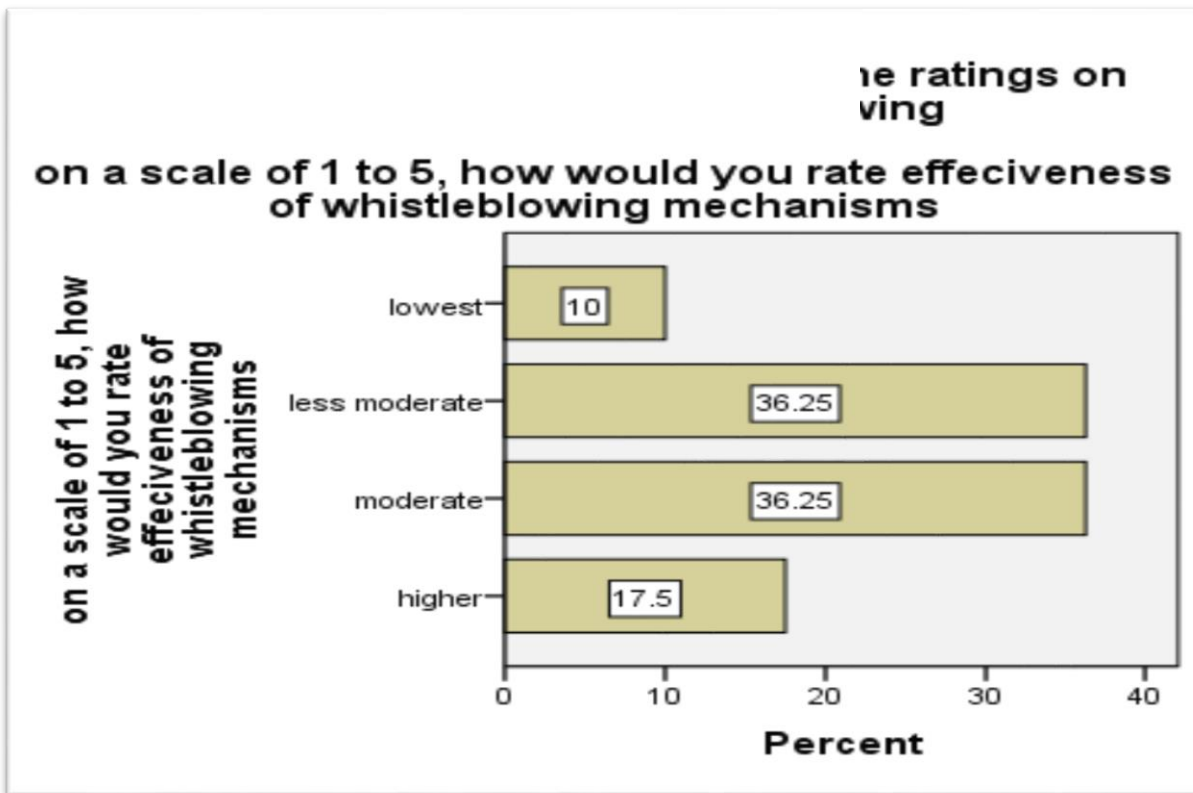


Figure 9: Ratings on the effectiveness of whistleblowing

4.6 Chi-square test of independence

To establish the association between the position that one holds in an organization, gender and their perception on whistleblowing and its impact on corporate governance and compliance in Ghana, the chi-square test of independence was used.

The hypotheses for position and perception on whistleblowing are stated as follows.

Hypothesis 1

H_0 : Position and perception of whistleblowing are not related to or independent of each other.

H_a : Position and perception of whistleblowing are related or dependent on each other.

Where H_0 and H_a are the null and alternative hypothesis, respectively.

Table 4: Table showing the chi-square output of position and perception of the respondent

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	89.313			
Final	75.684	13.629	1	.000

Link function: Logit.

Decision and Conclusion

From Table 4, we can conclude that since the p-value is less than 0.05 that is $0.00 < 0.05$ we reject the null hypothesis and conclude that there is a relationship between the positions that one hold in an organization and perception on whistleblowing.

Hypothesis 2

The study also tested for gender perception and its relationship with whistleblowing.

H_0 : Gender perception of whistleblowing are not related.

H_a : The perception of whistleblowing depends on gender.

Where H_0 and H_a are the null and alternative hypothesis, respectively.

Table 5: Table showing the chi-square output of gender and perception of the respondent

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	9.943			
Final	7.992	1.951	1	.163

Link function: Logit.

Decision and Conclusion

From Table 5, we can conclude that since the p-value is greater than 0.05 that is $0.163 > 0.05$ we fail to reject the null hypothesis and conclude that there is no relationship between the gender of an individual in an organization and their perception on whistleblowing.

Hypothesis 3

The study also examined whether, in the view of the respondents, whistleblowing was vital in improving the quality of corporate governance and compliance.

H_0 : There is no link between whistleblowing and corporate governance and compliance.

H_a : There is a link between whistleblowing and corporate governance and compliance

Where H_0 and H_a are the null and alternative hypothesis respectively

Table 6: Table showing the chi-square output of relationship between whistleblowing and corporate governance and compliance.

From the output in Table 6, since the p-value is less than 0.05 ($0.00 < 0.05$), we reject the null

Table 6: Table showing the chi-square output of the link between whistleblowing corporate governance and compliance.

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	99.313			
Final	85.684	12.894	1	.000

Link function: Logit.

Decision and Conclusion

hypothesis and conclude that there is a relationship between whistleblowing and corporate governance. In reference to the above, the practice of whistleblowing could be an essential catalyst in ensuring improvement in the quality of corporate governance and compliance in most organization in Ghana.

SUMMARY, CONCLUSIONS AND RECOMMENDATION

Summary

The study aims to identify the internal whistleblowing mechanism in the financial organizations listed on the Ghana Stock Exchange and analyze staff perceptions on the effectiveness of whistleblowing mechanism and compliance. The study sought to examine possible factors that would possibly encourage whistleblowing internally. There was a clear indication that a higher percentage (approximately 92%) of the participants responded that they have well laid down guidelines to encourage whistleblowing in their respective organization and this shows how serious companies listed on the Ghana Stock exchange have taken whistleblowing. The perception of the different staffers from the different companies listed on the Ghana stock exchange was a good one. The study confirmed this by showing that out of the 80 respondents who took part in the study, 53.75% of the participants responded that in a situation that would even lead to the closure of the company they would still have blown the whistle whereas the remaining 46.25% of the respondents were not sure whether they would have reported those acts of wrongdoings. The painful part is that while the majority of participants boasted of guidelines that encourage whistleblowing, 73.75% of these same respondents reported that there are no mechanisms to protect whistleblowers in the institutions they belong to, and only 26.25% answered that their organizations have measures put in place to protect the whistleblower. From the above analysis, it can be inferred that the vast majority of workers blow the whistle at their own cost since their stakeholders assure no protection. The establishment of the core values of the institution by putting clear procedures in place was a key so far as the study was concerned. 65% of the populace chose that as a measure to promote whistleblowing internally.

In the assessment of the other objectives, a chi-square test of independence was carried to find the association between the position that one holds and their perception of whistleblowing. The study indicated that there is an association between the positions that one hold in an organization and perception on whistleblowing. This means that their perception of whistleblowing dramatically influences one's position. Another chi-square test of independence was also carried to find the association between the gender of an individual and their perception of whistleblowing. The study found out that there is no association between the gender of an individual and their perception of whistleblowing. This means that the gender of an individual play no role as far as the perception of whistleblowing is concerned.

Again, there was a chi-square test of independence on whether whistleblowing has a link to corporate governance and compliance. The study found out that there is a relationship between whistleblowing and corporate governance. It can thus be inferred that, in the respondents' view, the practice of whistleblowing could be an essential catalyst in ensuring improvement in the quality of corporate governance and compliance in most financial organizations in Ghana.

CONCLUSIONS

The primary data collected on whistleblowing and its link on corporate governance were analyzed based on demographic data, perception on whistleblowing, internal whistleblowing mechanisms, the effectiveness of whistleblowing mechanisms and measures to promote whistleblowing. For demographic data, gender, age group, marital status, level of education, position and work experience were considered. The results show that respondents were eager to blow the whistle at all cost. Of the 80 participants who took part in the study, none of them responded no to reporting wrongdoing even when their report will lead to the closure of the company, lead to their dismissal or even when it is an abuse of power of their branch manager. A total of 51 participants responded yes to reporting wrongdoing, which consists of 63.75% while the remaining 29 participants who responded "depends" constituted 36.5%. The study also establishes a clear association between one's position and their perception of whistleblowing, which means that one's stance on whistleblowing is affected by the position h/she holds. On the other hand, the chi-square test of independence for gender and perception proved that there is no association between gender of an individual and their take on whistleblowing which is an indication that one's gender is not affected by position on whistleblowing. Also, the chi-square test of independence for whether whistleblowing has a link to corporate governance and compliance. The study showed that there is a link between whistleblowing, corporate governance and compliance. To the respondent, the practice of whistleblowing could be an essential catalyst in ensuring improvement in the quality of corporate governance and compliance in most financial organizations in Ghana.

Recommendations

Looking at the deplorable state of the whistleblower act in Ghana now which had led to the collapse of many financial institutions in Ghana, the following are some recommendations.

- ❖ The government in power should put measures in place to protect and reward the whistleblower at all cost if the information given by them are proven right since their activities are very instrumental in national development.
- ❖ The stakeholders in various institutions should make it a point to widen the modes of reporting instances of wrongdoing in their organization and pay attention to the information given to them by their employees. This will help save the company in both the short and long term in building firewalls.
- ❖ The board of directors themselves should show a high level of leadership by example. This will help instill the right code of conduct in their employees.
- ❖ Any person irrespective of their position should be made to face the full rigours of the law if found guilty of any illegal act that will tarnish the image of the company. This will instil fear and prevent other workers from committing the same offence.

Further studies

This study was limited to selected banks listed on the Ghana Stock exchange. The study can be extended to:

- Cover all the companies listed on the Ghana Stock Exchange as well and obtain details or copies of their whistleblowing policies for each of the companies for analysis.
- Make a comparative analysis of the perception of employees on whistleblowing in the public and private sectors in Ghana.
- West Africa sub-region and Africa to investigate how whistleblowing policies have been implemented in various countries in Africa.

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