



UNIVERSITAT DE  
BARCELONA

Facultat d'Economia  
i Empresa

**Bachelor degree in Business Administration and  
Management  
Final Project Thesis**

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**Sustainable Whistleblowing**

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**Academic Year:** 2022-2023



## **ABSTRACT**

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A regulation cannot be fully functional if the fact under judgement is unknown. Whistleblowing, if carried out properly, with well established mechanisms and protections, can allow the appropriate authorities to act accordingly. That is, whistleblowing may help the disclosure of unethical business behaviours and penalize the wrongdoers. This study proposes an analysis of the current state of whistleblowing regulation, while comparing some key differences found in the European Union (EU) and The United States (US). Using a survey, we analyse primary information about individuals' whistleblowing intentions and alignment to different legal frameworks (EU vs. US). We find a vast majority of individuals willing to whistleblow unethical acts (83%), but also varying according to the type of wrongdoing. Furthermore, we find European respondents to strongly prefer some legal protections developed in the US over those already in place in the EU.

## **Keywords**

Whistleblowing; Whistleblower; White-collar Crime; Policy Framework; SDGs; EU; USA; Regulation; Whistleblowing Intentions; Rights and Protection; Ethics

## TÍTULO

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## RESUMEN

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La normativa no puede ser plenamente funcional si se desconoce el hecho bajo juicio. El ‘whistleblowing’ (e.g., denuncia de irregularidades), si se lleva a cabo correctamente, con los medios y la protección adecuada, puede permitir a las autoridades oportunas actuar en consecuencia. Es decir, la denuncia puede ayudar a revelar comportamientos poco éticos en las empresas y sancionar a los actores. Este estudio propone un análisis del estado actual de la regulación sobre ‘whistleblowing’, comparando algunas diferencias importantes encontradas en la Unión Europea (EU) y los Estados Unidos (EEUU). Mediante una encuesta, se analiza información primaria sobre las intenciones a denunciar (‘whistleblow’) de los individuos y su preferencia sobre distintos marcos normativos (EU vs. EEUU). Encontramos una gran mayoría de encuestados dispuestos a denunciar comportamientos poco éticos (83%), pero también una variación según el tipo de irregularidad. Además, encontramos que los encuestados europeos prefieren en su mayoría aspectos normativos desarrollados en los EEUU, sobre los que ya existen en la EU.

### Palabras Claves

*Whistleblowing*; *Whistleblower*<sup>1</sup>; Delitos de guante blanco; Marco Normativo; ODSs; UE; EEUU; Regulación; Intención de denunciar; Derechos y Protección; Ética

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<sup>1</sup> Esta palabra no tiene una traducción exacta o legalmente aceptada en catalán/castellano. Algunas generalmente encontradas en la normativa serían *informante*, *denunciante*, *alertador*, *filtrador* o *delator*. Sin embargo, es algo habitual que la regulación sobre este hecho utilice el término anglosajón: ‘whistleblowing’.

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## Acknowledgements

I would like to express my deepest gratitude to my tutor Jonathan Calleja Blanco for his assistance, great patience and insight. I would be remiss in not mentioning my family, partner and friends, in particular my parents Giovanni Russo and Gloria Adzo Asilevi. They have always believed in me and been by my side. I would also like to thank Marta Ortiz and Eva Plazas for helping me to keep my motivation high during the period of writing this thesis.

## INTRODUCTION

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Unlawful and unethical behaviour is widely occurring in our society. There are several mechanisms that help in preventing or penalising unethical behaviours, but they can only be exercised if the governing bodies in charge of enforcing them know about the conduct. That is, for the policy framework to be fully functional, there should be a developed process where reporting these actions is encouraged, operational and protected. One of the most well-known reporting options is the so-called whistleblowing. In short, is the act of disclosing information about unethical activities within an organisation (private or public) to the appropriate authority. Whistleblowing is the most effective way of discovering unethical (even illegal or dangerous) behaviours. Whistleblowers are essential in bringing to light potential unlawful acts that were perpetrated, as organisations will not usually reveal the wrongdoings they are partaking in. Furthermore, regulatory institutions may not always have an inkling that these misconducts are taking place unless someone brings some information to light (*i.e.*, a whistleblower). This makes it a crucial and invaluable tool to fight actions such as white-collar crime, from any nature: environmental, financial, against employees, etc. Sustainability would definitely be affected by such conditions. Additionally, while the USA has a more developed regulation in that vein, the European Union has developed a directive that not all member nations have adopted at this moment. In this paper we will be analysing if sustainable whistleblowing can be improved in the EU by learning from the policies in the United States.

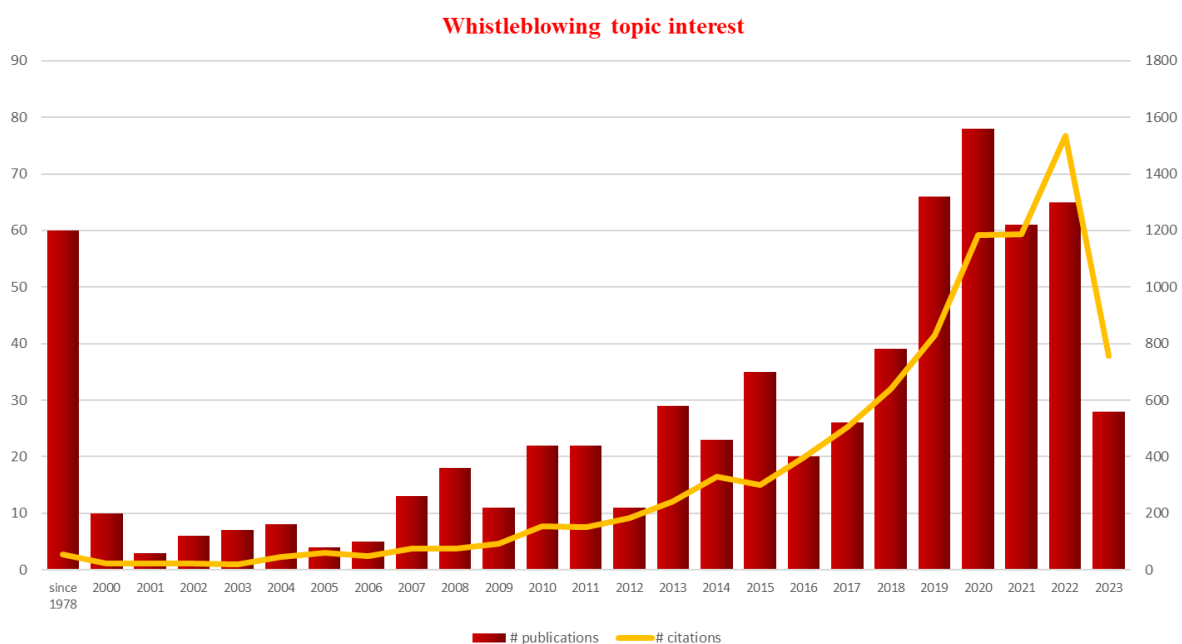
## Objectives

The main objectives this paper will focus on are;

- Profiling the whistleblower by using and comparing previous research to our own survey we have conducted
- Explaining the types of wrongdoings that necessitate or lead to whistleblowing.
- Explaining the two main whistleblowing channels
- Explaining the benefits and consequences of whistleblowing
- Explaining the alignment to different policies: The EU vs the USA.

## Interest in the topic

The growing interest in whistleblowing is evident in the literature. The Scopus database was initially used for academic paper screening. In this database, articles were selected if they included the terms “whistleblow”, “whistleblower” or “whistleblowing” in their title, abstract or keywords. Results were then filtered to the fields of ‘business’ and ‘economics’, ending up with a total outcome of 670 articles. *Figure 1* shows how these articles are distributed per year (left-hand side y-axis), as well as the number of citations that these 670 publications together, had received per year (right-hand side y-axis). In the graph, we can appreciate a significant increasing trend in terms of publications within the last few years, showing that the topic is keeping its momentum. The same analysis was made within the Web of Science resources, leading to the same conclusions. Search engines mimic this trend (e.g., Google Trends), showing interest peaks whenever specific scandals appear in the media.



**Figure 1:** Whistleblowing Topic Interest.

Source: own elaboration; Scopus dataset

## Structure of the Paper

The rest of the study continues as follows. First, we continue with a description of the background. We analyse some relevant terminology in the whistleblowing field, we present a brief bibliometric analysis, describe benefits and consequences of whistleblowing (for firms and for whistleblowers), as well as the types of whistleblowing (internal vs. external). The next section we describe the methodology, where we introduce the survey carried out and we present the main results and we briefly discuss and compare to previous findings.. Next we analyse some important implications, paying special attention to the relationship between our work and the Sustainable Development Goals (SDGs). We conclude in the last section.

# 1. BACKGROUND

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## 1.1. Terminology

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To begin with, we will introduce some terminology and what previous literature has explained which enables us to understand the previous foundations that help us develop our hypothesis.

### 1.1.1. Whistleblowing

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Whistleblowing is defined slightly differently depending on the entity/person defining it but all definitions revolve around the same idea. In this paper, we will be defining a whistleblower as an individual (internal, former member or external) that reveals private or classified information about an organisation's (private or public) activity that can be deemed illegal, immoral or unsafe. They can also prevent damage and detect threats or harm to the public interest. This definition has been created by using different ideas from several definitions.

According to John K. Devitt (2015), the term whistleblowing was made popular in the early 70s by U.S. civic activist Ralph Nader to avoid the negative connotations of the words "informer" and "snitch". However, the word was used before in the 19th century to refer to referees in games that are supposed to make sure the rules are followed and make judgements alerting foul play. It also referred to law enforcement officials (LEO) in the 19th century that used to use whistles to alert the public and fellow LEO of crimes being committed.

### 1.1.2. White-collar crime

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However, corporate crime is not a new topic or problem. Almost a century ago, sociology coined the concept of "white-collar crime", referring to crimes committed by people under their (high) professional roles. Nowadays, the FBI still uses the same term and has since become synonymous with the full range of frauds committed by business and government professionals. White-collar crime is generally non-violent in nature and includes corruption, embezzlement, and money laundering, to name a few. White-collar scams can destroy a company, devastate families by wiping out their life savings, or cost investors billions of dollars (or even all three). Today's fraud schemes are more sophisticated than ever.



### 1.1.3. Sustainability and the SDG Goals

The Sustainable Development Goals (SDGs) are a group of 17 goals adopted by the member countries of the United Nations (UN) in 2015, aiming to tackle current global problems. They follow the approach defined by the UN Commission established in 1987, which is: “*meeting the needs of the present without compromising the ability of future generations to meet their own needs*”. In that vein, their goal is to implement strategies to fight against global problems such as poverty, education gaps, climate change or inequalities, among others. Although whistleblowing is not directly related to a specific SDG, it can have an impact, more or less specific in many of them: promoting transparency, accountability and ethical behaviours. Whistleblowing can contribute to enforcing the existing regulations, by encouraging individuals to report wrongdoings, both in private and public institutions. That would allow authorities to either take appropriate actions (e.g., penalties) or implement preventing mechanisms (e.g., improving the existing law). *Figure 2* exposes the United Nations SDGs that will be talked about posteriorly in this paper.



**Figure 2:** Sustainable Development Goals

Source: The United Nations

Another element that we will be referring to is the Environmental, social, and governance (ESG) framework. This refers to a “*set of standards for a company’s behaviour used by socially conscious investors to screen potential investments.*” Investopedia (2023)

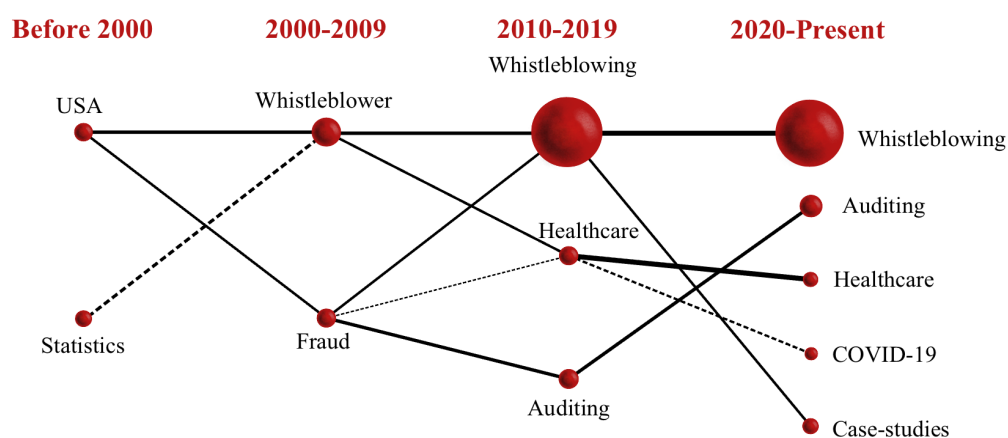
### 1.1.4. Survey

To prove some of the points developed in this thesis we carried out a Google Forms survey asking participants if they would whistleblow in different situations and if they knew what the term even referred to. Most of our results were collected during the first week of June. The survey was distributed via social media platforms. See annex 1 to see the survey questions.

## 1.2. Whistleblowing in Previous Papers

We have made an analysis of the topic of whistleblowing using the research-oriented software SciMAT<sup>2</sup>. It is an open source science mapping tool to analyse the evolution of a research area or topic. The list of 670 articles explained in the introduction were introduced into the software. Then, articles were split into (i) periods and (ii) topics. For the periods, we considered 4 intervals: before the 2000s, 2000-2009, 2010-2019 and from 2020 to the present. Although there is no particular reason for this split, it somewhat coincides with the adoption of the Euro in the EU, the economic crisis of 2008-09 and the pandemic in 2019-20. As for the topics, the software initially identified 1,986 keywords. We were able to reduce it to 900, by grouping keywords that referred to similar things (*e.g.*, regulation and law) or that were exactly the same (*e.g.*, EU and European Union).

Figure 3 shows the evolution of whistleblowing, together with some of the topics commonly related to this main area. The size of the circles represents the number of articles including that keyword (we only keep here keywords that are included in, at least, two different articles within that period). Before the 2000s, we can observe that articles referred to the USA. We can also note that not many articles referred to the biggest keywords of the period. This is because the number of articles published on the topic were relatively few. In the second period, they started to focus on the profile of the whistleblower. Both in the second and the third period, there was an interest in specific industries or sectors and areas where this concept was being relevant. In recent years, not only does this situation hold, but there is also an increasing interest in analysing specific cases. There is also a great interest during the second and third period in the phenomenon of whistleblowing in itself.

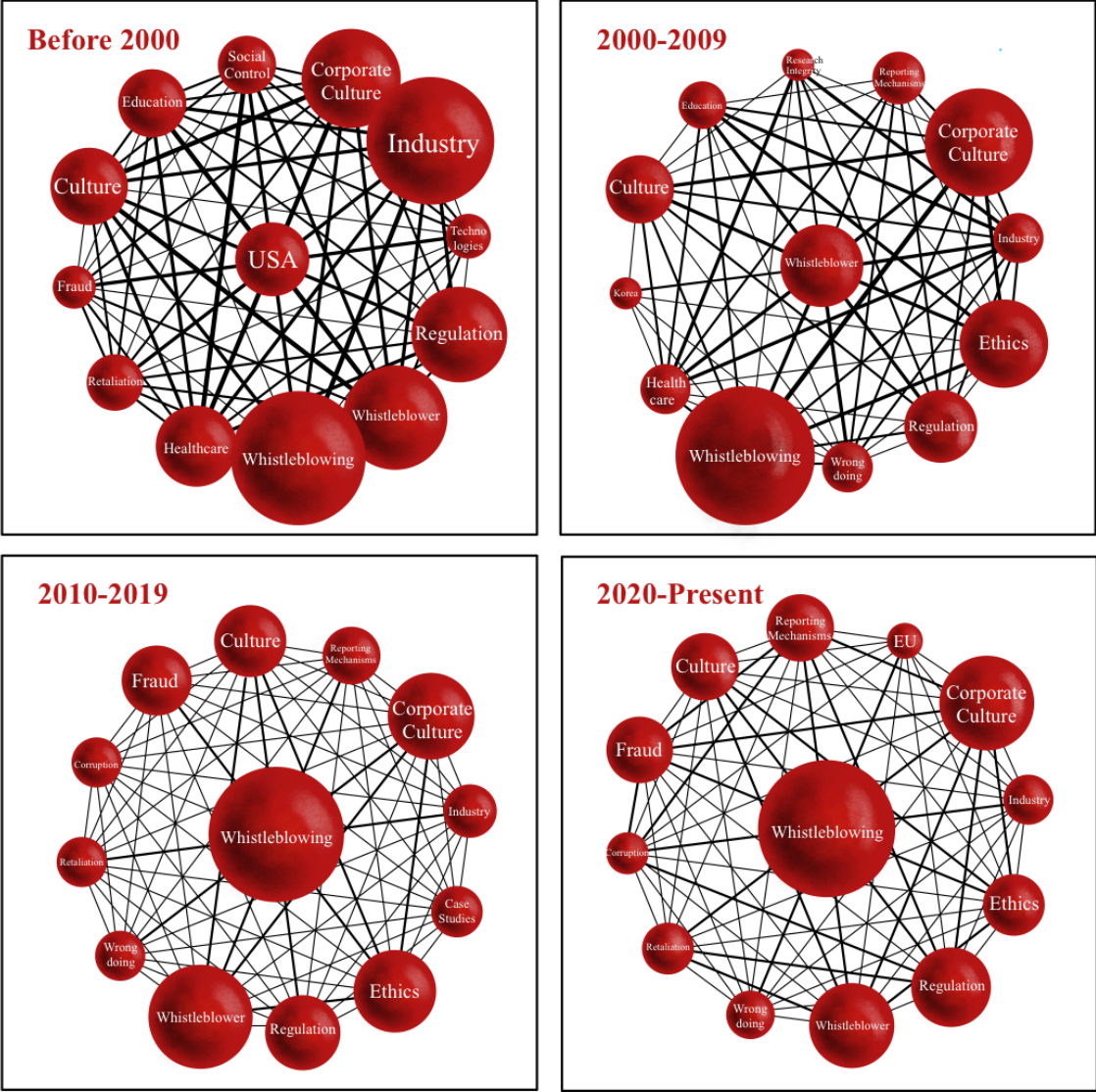


**Figure 3:** Whistleblowing Topic Evolution.

Source: Our own elaboration; SciMAT

<sup>2</sup> <https://sci2s.ugr.es/scimat/>, for further details.

In *Figure 4*, we can see that there are specific keywords that consistently appear in the articles about whistleblowing. For all the periods, we can find the terms “regulation”, “whistleblower”, “culture”, “corporate culture” and “industry”. It shows that there is a timeless interest to analyse the context in which whistleblowing takes place, from the policy framework or cultural aspects, to the company and/or individual profiles of the whistleblowers. In the last 3 periods, we can also find the terms “ethics”, “wrongdoing” and “reporting mechanisms”. It seems that the focus now is not only on the individual reporting, but also on the unethical action exposed by the report and the process that the whistleblower could follow to report such an act. Interestingly, we can only find EU-related studies in the last period of analysis. It probably signals the strong gap existing between the US context and the EU’s. It can also show that the EU is relatively late in conducting research on the topic or a lack of previous interest or need for it.



**Figure 4:** Whistleblowing topic clusters per period.

Source: own elaboration; SciMAT

### **1.3. Benefits of Whistleblowing**

Whistleblowing, as we have explained, helps to prevent wrongdoings and to fight for ethical behaviour in society but it also has concrete benefits.

#### *1.3.1. For Policy Makers and Law Enforcement: Crime Detection*

As noted before, whistleblowers are important as they tend to have inside information including wrongdoings that people outside of the institution do not have access to. This means that in a lot of cases they are the only way unethical behaviour or corporate crime is ever uncovered.

Whistleblowers are highly effective in the detection of crime. This effectiveness can be seen in a study carried out in 2007 by PricewaterhouseCoopers (PWC) called: “*Economic crime: people, culture and controls*”. They carried out a study in over 5400 companies in 40 different countries. In this study they asserted, on page 4, that “ fraud remains one of the most problematic issues for businesses worldwide, with no abatement no matter what a company’s country of operation, industry sector or size.”. This tells us that unethical behaviour and in this case white-collar crime is prevalent in every part of the globe and in every industry. This means that this is a global issue that needs to be solved. And to be able to solve this issue, we need a tool to detect fraud.

Interestingly, they described that whistleblowing, in 2007, was responsible for 43% of fraud detection. They explained that 21% were due to an internal tip-off, 14% was due to an external source and 8% were done through a hotline. This shows that whistleblowing is responsible for almost half of fraud detection which is highly significant. We can also see in their study that we cannot forget about the importance of corporate controls as they are responsible for 34% of detections which is also an important number. Surprisingly, they found that only 3% of fraud was detected by law enforcement. This is an extremely low number and. We can then conclude from this study that whistleblowing is incredibly important. We do need to note that the study is relatively old as it was done in 2007. We should also note that, as PWC also specified, that a lot of the data received was based on opinions and could suffer from bias.

A newer study, performed by the Association of Certified Fraud Examiners in 2022 shows some similarities to the 2007 study by PWC. This study, “Occupational Fraud 2022:

A Report to the nations”, looked at 2110 cases of occupational fraud from 133 countries and 23 industries. They looked into the “costs, schemes, victims and perpetrators of fraud”. They uncovered that 42% of fraud detection was done through tips, which is comparable to

whistleblowing. Their analysis also showed that only 2% were discovered through law enforcement, which seems to be even lower than the 2007 PWC analysis. They then had a more detailed analysis than PWC of the different corporate controls such as internal auditing or document examination. We could group them into corporate controls and it would show that 50% of fraud is detected by corporate controls. The remaining of the small minority is due to 1% of confessions, 5% discovered by accident. This again shows the importance of whistleblowing as it is responsible for almost half of the detection methods. It is then important to develop this tool and make it safe for the reporters.

We can then see that in both studies that the amount of fraud detected by law enforcement and by whistleblowing is relatively similar. This similarity is existent even though we had a 15 year difference between and it was conducted by different companies with different samples. We can then assume that the numbers are relatively consistent throughout time. Furthermore, we can even get some sort of bystander effect where if some coworkers or people in general see that an individual whistleblower and that it had a positive effect, others might be more likely to themselves report wrongdoing.

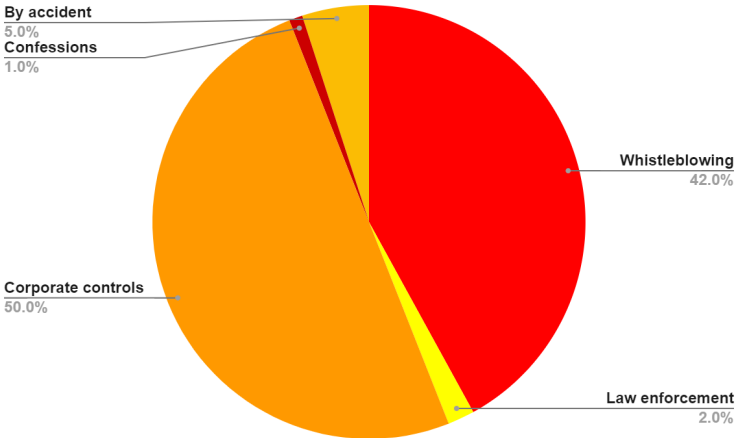


Figure 5: Methods of detection

Source: own elaboration; Association of Certified Fraud Examiners

1.3.2. The Becker's Model: Crime Deterrent

The Becker's model, first introduced in 1968 by Gary S. Becker in his paper "Crime and Punishment: An Economic Approach". In this paper he focuses on what snakes criminals commit crimes and provides a guideline to the optimal way to fight it with an economical approach. It follows the neoclassical theory of demand, which then implies that criminals are rational. This implies that costs, such as potential punishment, serve as a significant deterrent

to commit crime. In this model Becker explains that a person would commit a crime if their expected utility from perpetrating it is greater than the utility from one's legal wage if the crime is not pursued. The expected utility is affected by the expected income from committing the crime (which in itself is affected by one minus the probability of getting arrested), the probability of getting arrested and the potential punishments they might face.

In relation to reporting, whistleblowers increase the probability of detection of a crime as we have seen in the previous subchapter. This then affects Becker's model by increasing the probability of getting arrested as they help in the detection of crime. As we saw beforehand, only 2% of fraud is detected by law enforcement even though the justice system is the one that has to then punish the wrongdoers that then has to investigate and deal potential punishments. Whistleblowers detect the crimes and report them so that the company or law enforcement can investigate. Law enforcement can then arrest suspects. Whistleblowers could affect punishment or jail time by giving the most information possible or even testifying which can potentially change or add to the charges or sentencing given. This can be due to the fact that they have more information and detailed insight. In this view whistleblowers affect two elements of the Becker's model which might deter people from committing crime.

### 1.3.3. *For companies: Transparency and worker satisfaction*

Transparency is very important for companies. Having channels in companies to let people whistleblow, and potentially being open about reports helps promote transparency. In a survey conducted by tinypulse they explain that transparency is the number one factor in determining employee happiness. They found there is a "very strong relationship and correlation between an employee's self-reported happiness level and the transparency of management". Transparency had the highest correlation coefficient (0.937) out of all the other elements they took into consideration. Other elements that had a lot of correlation were ratings and relations with coworkers and the effectiveness of responding to feedback. We could also say that whistleblowing and reporting, especially if done inside a company, can be seen as some sort of feedback. This means that companies that make whistleblowing available could increase transparency which would increase employee satisfaction.

Transparency also helps company investments as it makes shareholders more willing to invest. It also helps shareholders know they can trust companies and know what risks are involved in their potential financing. Companies that also follow up on whistleblowing reports can even reduce the risks that shareholders and stakeholders value.

#### *1.3.4. Reducing Costs and Risks*

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White-collar crime and crime in general have clear costs to victims and governing bodies. Some risks involve: financial punishment, damage to the company's reputation and legal persecutions by law enforcement. Whistleblowing helps in minimising risks. It helps minimise risks not only by deterring people from unethical behaviour which means no costs or less to potential victims but also to companies and public entities. Companies can reduce costs by getting rid of workers that participated in unethical behaviour by avoiding future cases. Whistleblowing is also a cheaper way of fighting crime as it does not involve much costs compared to corporate controls and law enforcement investigations.

In the same study mentioned previously by the Association of Certified Fraud Examiners they talked about the global cost of fraud and explained that fraud caused total losses of \$3,6 billion from their sample of 2110 cases with an average of \$1,78 million per case. They estimated that organisations would lose 5% of their revenue every year which more than \$4.7 trillion lost to fraud globally. We can then see that fraud and potentially other unethical behaviour has great amounts of costs to different members of society. Whistleblowing helps reduce this cost by reducing the amount of wrongdoings that do happen or at least stop them while they do to avoid further repercussions. They explained that “when fraud is detected proactively, it tends to be detected more quickly and results in lower losses and damages” compared to passively. Whistleblowing found itself in the middle where it can either be an active or passive detection method. They explain that it takes an average of 12 months to detect with an average of \$117 000 in losses from fraud. This compared to the best active method which is automated transaction/data monitoring which takes an average of 6 months to detect with losses of \$50 000. The most losses were through law enforcement investigations with \$500 000 in losses with an average detection time of 18 months. The method that took the longest to discover was by accident with an average of 23 months and losses of \$100 000.

#### *1.3.5. For Whistleblowers: Better workspace and society*

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Whistleblowers get mostly personal fulfilment of seeking and enforcing the truth and ethical behaviour. They get to fight for a better workplace for them and their coworkers. They help make sure entities follow the rules and that they can work in a fair workplace or live in an ethical society. They help to better workplaces by exposing unethical behaviour that can be potentially stopped which would then improve work life. Whistleblowers help to stop unethical behaviour before it escalates from smaller things to larger problems. In white-collar crime, a person might start by just changing some numbers and if they do not get caught, they can escalate to more important crimes. This could be due to the fact that in Becker's model,

their perception of risk of getting arrested decreases but the utility of committing the crime increases. A whistleblower can also potentially save their job by letting a company stop unethical behaviour and get an opportunity to rectify it. If not, companies could face backlash or even legal repercussions which could put one's livelihood in jeopardy. Reports being listened to when reported to a company also gives whistleblowers a sense of being part of the entity and for leading the company to a positive future. They also get a sense of satisfaction by helping to help society and protecting others to adhere to their personal sense of justice and integrity. They can make sure that wrongdoers can get potentially punished and stop taking advantage of victims. They can also avoid being potentially liable for having been part of the crime. In certain cases or countries, such as the USA in certain situations, whistleblowers can also benefit from monetary compensation from reporting.

#### **1.4. The profile of a Whistleblower**

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In this research paper, even if not the central idea of this paper, a brief summary of the profile of the whistleblower is necessary to understand the incentives and the reasons why a person would report wrongdoings in the first place. This analysis is also important to understand other different points of our analysis and to understand why we reach some conclusions.. This understanding also helps policy makers to then know what policies to make by keeping in mind the needs of a whistleblower. In the rest of the paper we will look at whistleblowers as a whole.

We need to keep in mind that analyses on whistleblowers and their incentives will usually suffer from bias by either overstating the benefits or underestimating their costs. This can be due to the fact that whistleblowers are only the ones who's benefits exceed their costs. On the other side of the coin those whose costs exceed their benefits would not come forward and you would never know that they had information about wrongdoings. Furthermore, you would not be able to completely know why they chose not to come forward as they would not want to explain their situation. We could then say that we can only analyse incentives of the person that chooses to report and we would struggle to analyse what made others choose not to.

We will now look at how some papers explained the profile and incentives of whistleblowers. In the article "*Who Blows the Whistle on Corporate Fraud?*" by Dyck, A., Morse, A., & Zingales, L.(2007) they talk about the main incentives of whistleblowers to whistleblow. They took data from all firms in the USA who had a securities class action lawsuit filed under the provision of the Federal 1933/1934 Exchange Acts between 1996-2004. They explain that having access to inside information increases someone's possibility of fraud detection by 15%.



As in Becker's model, we assume that people are rational. Similarly to the person participating in unethical behaviour, whistleblowers have to proceed with a personal cost and benefit analysis. They will only report if the utility of reporting exceeds the cost of doing it or once wage cannot compensate for the disutility of reporting. This is why it is almost impossible to know about potential whistleblowers that chose not to come forward. The cost to benefit analysis can be seen as a decision tree with two options<sup>3</sup>: to whistleblow or not to whistleblow. We only observe the people who decided to report and could not be passersby to wrongdoings. This is in some ways a bystander effect.

In the same paper the authors considered several different categories of whistleblowers which were: auditors, analysts, equity holders, short-sellers, media, clients & suppliers, financial market regulators, employees and lawyers. They then found that the most frequent whistleblowers were employees (18,3%), followed by analysts (16,9%) and media (15,5%). One thing to note is that these three types of people would have different incentives and worries to whistleblow or to follow up on fraud. This is important to note because it implies that there cannot be one policy to develop to increase whistleblowing but multiple designed for the different types.

They explain that employees do have the best access to insider information such as company documents and are likely to be direct witnesses to a crime unlike the other two. The problem lies in the fact that they have the highest potential costs and repercussions to face. The article also explains that 63% of employees have revealed their identity with 82% of them facing repercussions. We do need to note that employees usually just change employers and work somewhere else instead of being part of the fraud. They also found that employees that work firms with more vertical organisation, with more middle management, are less likely to blow the whistle. We can assume that is due to the fact that they have more bureaucracy which implies having too many steps to reach the people that can actually do anything about it. For example one's boss would then be willing to whistleblow as well. This might make it more difficult to report. It could also influence the fact that you feel less trusting of higher ups, as you might fear that your complaint would be discovered. This is because employees care about their reputation in the workplace and that employers care more about loyalty than fairness in a lot of situations. The article analyses that monetary remuneration increases incentives to report significantly. They also explained that employees in public entities are more likely to whistleblow due to the fact that they are usually entitled to a percentage of a payout if there is one.

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<sup>3</sup> Idea from: Gavrilova-Zoutman, E. (2022). Chapter 2.4, Whistleblowing. Class presentation. BUS465: Detecting Corporate Crime. Norwegian School of Economics.

The second group, which are financial analysts, detect crimes by being experts in the industries or fields they are analysing. They are able to notice outliers and other anomalies in reports or other analyses they are conducting. They are usually a more neutral party if they are not employed by the company as they do not have interests in them as they don't gain anything from reporting them and do it for the better good. They have a lower cost of reporting than employees with very low chances of getting let off by their firm. But they could potentially indirectly benefit from exposing fraud by increase in reputations and better career opportunities as you are seen as being good at your job as it takes skill. They might not necessarily get promoted but might be less likely to get demoted or fired as they have proven to be a valuable asset to the company. Since they have such expertise and little possibility of side effects of reporting, we could argue that they should be the ones reporting if they detect fraud. Then again, the incentive to report is reduced or increased if you have a bias towards the company. There are also less chances to report if others do not (bystander effect) unless they belong to top tier companies.

If we look at the third group, the media tends to get information by third parties and by looking for people with inside information. They do not usually have direct access to the information. They rely on sources. They also have a much lower probability of suffering from repercussions. They have an incentive to report as they can get career prospects or even become famous if the case becomes of public interest. This is why they are usually very open about revealing their identity. In the same paper we can see that after revealing fraud, whistleblowers were promoted 18% of the time and none were demoted in the next three years. Three years later, the chance of being demoted happened again with a 6% being demoted. The chances of getting promoted were higher at 24% of better jobs but that can be due to being promoted due to years of experience as it was a similar level of non whistleblowers at 22%. Those who decided to report were a lot less likely to be demoted even after three years with 28% of non whistleblowers being found in a lower level job. This could mean that reporting does not necessarily increase your position but does help in securing your livelihood. A big bias to take into account is the fact that some media corporations are sponsored or get direct payments from certain companies which can then apply pressure while being investigated. An example of that was during the Enron case when they were being investigated by Fortune and started trying to apply pressure. This is more efficient in smaller journals or privately owned ones. This is why a lot of fraud uncovered by journalists has been done through bigger journals or government funded ones that do not rely on advertising and sponsorship. They could also attract more trust from possible tipsters as the perception of the story coming out fairly is higher. If we compare it to the previously referenced 2022 survey of the Association of Certified Fraud Examiners (2022), we can see that the main tipsters were employees at (55%), customers (18%), anonymous reporters (16%) and vendors (10%). We can see from these numbers that a lot more employees reported than in the previous paper. This could be due to the fact that they either feel more comfortable reporting or the fact that

the sample size was a lot bigger in this survey. In this report, they explain that in companies where employees that were trained on methods of reporting were more likely to report wrongdoing. They said that 45% of cases detected by tips were done by trained workers and 37% for non-trained workers.

## **1.5. Consequences of Whistleblowing**

As we have explained beforehand, blowing the whistle has costs and consequences. We will now be analysing potential costs to whistleblowers then to companies.

### *1.5.1. Consequences to the whistleblower*

Even though whistleblowing has some positive aspects, it also involves relevant risks and costs. Nonetheless, we saw beforehand that the repercussions are not the same depending on the type of person reporting. We explained beforehand that journalists and external analysts did not suffer much negative consequences from reporting and rather gained notoriety if they did so. The group that is most negatively affected by whistleblowing are employees. They can face retaliation such as backlash from the company, professional isolation, discrimination or public scrutiny. They can also face financial problems including expensive defamation suits. In the worst case scenarios, they can even face threats to their safety or their family members'. Whistleblowers can also face a lot of emotional damage so it is important to have a strong support system (might it be therapy, friends or family). In the article "Who Blows the Whistle on Corporate Fraud?" by Dyck, A., Morse, A., & Zingales, L.(2007), they explained that in 82% of cases where employees were not anonymous, the individual alleged having faced scrutiny such as being fired, quit under pressure or had significantly altered responsibilities. Some even had to take refuge in other companies, industries or even towns due to the harassment they were subject to. Honest behaviour tends to be penalised in some cases as employers value loyalty more than fairness. In cases where the whistleblower was named, they tend to also be labelled as a whistleblower or other more derogatory words. These words tend to have a negative connotation that could affect your work life. Not only does that label exist in one company but may follow you in the whole industry. The existence of such potentially high consequences explains the need for policy makers to create laws protecting whistleblowers. If the protection policies are effective, then more people might be willing to blow the whistle. Nonetheless, as we have seen that different reporters have different repercussions, it insinuates that different policies should be put in place.

### *1.5.2. Consequences to the companies*

### 1.5.2.1. Performance impact to companies

Whistleblowing is expected to have an impact on the organisation carrying out unethical behaviour, or individuals within them. The most immediate one, and probably the one that companies care the most: the price of their stocks in the market (Ben-Nasr & Ghouma, 2018; Lin *et al.*, 2022). The impact comes via reputation damages, as the market (*i.e.* stakeholders) penalises the company on their behaviour (Erin and Bamigboye, 2020).

An indirect impact to the company performance comes via job satisfaction of the employees. Some previous studies find that lower job satisfaction may increase reporting intentions (Cassematis & Wortley, 2013). But the effect may also go the other way around. A whistleblower, after reporting the unethical behaviour (no matter the mechanism) could suffer from internal retaliation, such as isolation among colleagues or any other type of hidden penalties. This would decrease job satisfaction and increase turnover intentions. Eventually, this is something not wanted within organisations, as it might have a negative impact on their financial performance.

In that vein, some of these studies encourage companies to increase their whistleblowing channels, as it would create a more ethical climate at the workplace, which eventually fosters stakeholders' trust and company's reputation. They focus their analysis on the internal mechanisms. In the following subsections we explain some effects of external whistleblowing, making use of well-known cases.

### 1.5.2.2. Case studies: Enron and Theranos

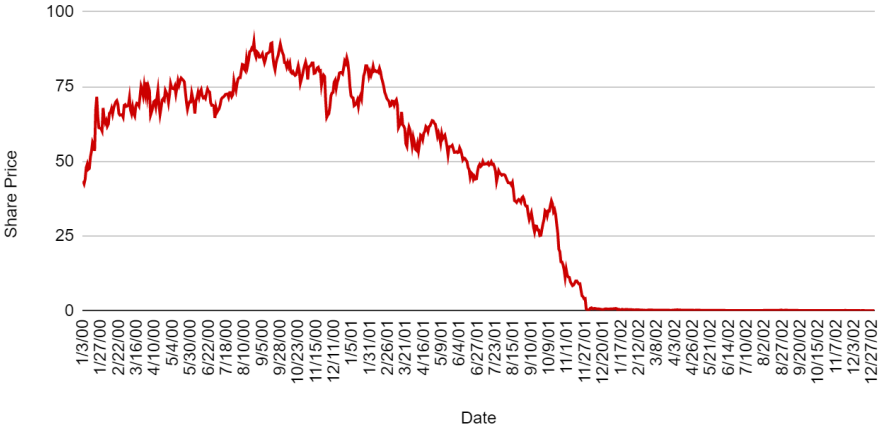
In this part of the study we will look at two different cases. We will explain the scandals and how a whistleblower brought them to light. Later on, we will look at how the companies' stock prices (Enron) and funding & valuation (Theranos) might have been affected.

#### **Enron**



Enron Corporation was an American energy, commodities trading, and services company founded in 1985 based in Houston, Texas. It was formed from a merger between Lay's Houston Natural Gas and InterNorth. What is now referred to as the Enron scandal is the revelation of the misconduct the company partook on. Enron changed its culture to an aggressive trading method which put a lot of strain on employees. They wanted to close as many profit generating trades as quickly as possible. After some years facing competition they took some trading contracts and decided to write unrealized future gains from them into other current income statements. This was done in order to give the illusion of higher current profits.

Additionally, trades and operations that were negative to the company were abusively transferred to special purpose entities (SPEs) and were then not on Enron’s books. This also created an illusion of higher profits. The whistleblower in this case, Carrie Cabral, wrote an article called “*How did Enron get caught?*” explaining that even expert financial analysts did not understand how Enron made money. This all led to other investigations by authorities such as the SEC. This scandal also led to the former CEO and other members to get sentenced to prison.



**Figure 6:** Enron share price vs Date (January 2000-December 2002)

Source: own elaboration; Investopedia

We have graphed the share price of Enron from January 2000 to December 2002. We can see from January 2000 to around March 2001 that we have an increasing trend. From then on the trend seems to be steeply decreasing.

Looking at a timeline of the scandal might explain the graph. In 2000 analysts were starting to get suspicious about the cash flows and revenues. In March 2001, the whistleblower Bethany McLean published an article that explains that professional analysts did not know how Enron made money. This fits exactly with when the stock prices started decreasing on the graph. On October 19th 2001, the Securities and Exchange Commission launched an inquiry into Enron’s finances. Enron was almost bought by Dynegy Inc. but after exposing on November 19th 2001 that they had debt amounting to \$690 million the acquisition was halted. From then, Enron’s stock decreased to \$1 when its peak used to almost reach \$100.

On December 2nd 2001, Enron went bankrupt, which we can clearly see on the graph. In January of the next year the Justice department began a criminal investigation of Enron. The former head of trading unit and vice president of Enron was then found dead by suicide on January 25th 2002. In June 2013 the former CEO of Enron was sentenced to 168 Months for fraud, and conspiracy.

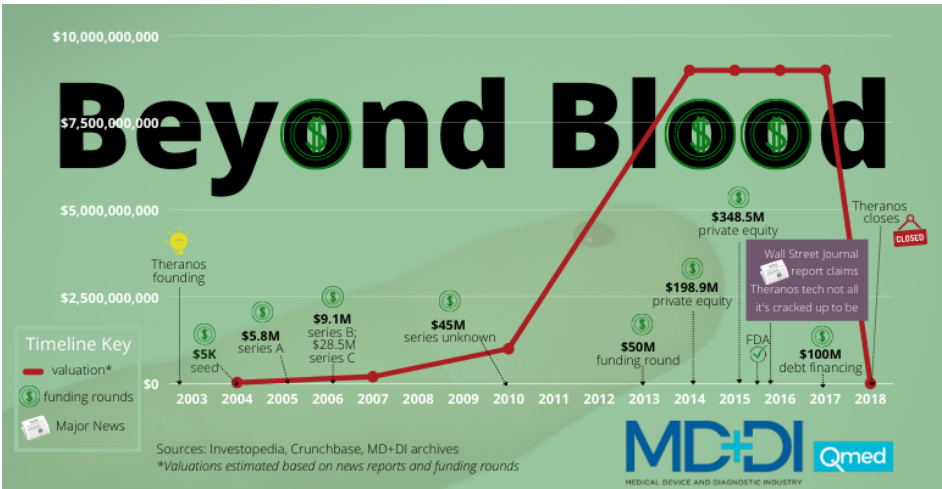
In this case, we can conclude that the whistleblower had an immediate effect on stock prices of the company and had a direct effect on the bankruptcy and disappearance of the company

**Theranos**



Theranos<sup>4</sup> was a privately held company that was thought to be a revolutionary health company. The company was funded with US\$700 million from investors and had a valuation peak of \$10 billion. The company was founded by Elizabeth Holmes who dropped out of Stanford University to then create Theranos. The company claimed that they had invented a machine (the Edison) that could execute a blood test with just a prick of blood. This was then proven to be false.

In 2015, the whistleblower journalist John Carreyrou of The Wall Street Journal along with medical research professor John Ioannidis, and Eleftherios Diamandis, a professor of clinical biochemistry, brought to light the discrepancies of the technology. John Carreyrou wrote a series of articles for the Wall Street Journal and later on a book called “Bad Blood” exposing the scam. This eventually led to the dismantlement of the company and the arrest and sentencing of Elizabeth Holmes and former company president Sunny Balwani. Elizabeth Holmes is set to go to prison on April 26th for a period of 11 years. Balwani was sentenced for 13 years to the penitentiary.



**Figure 7:** Graph depicting valuations and funding rounds of Theranos

Source: MD+DI

Theranos was not publicly listed so the analysis we can do is to analyse funding they have received through time and the valuation of the company. As we can see on the graph, through time the funding Theranos received increased in value until 2017 where it crashed. The

<sup>4</sup> Picture taken from Forbes

valuation increase seems exponential before stagnating at an all time high before the crash. From 2010 to 2014, we have a huge jump which shows the trust investors had in the Edison project and the importance the device had in their eyes. This is also the period where the company had a partnership with Walgreens (2013). The investigation on Theranos by the whistleblower working for the Walls Street Journal started in October 2015. As we can see on the graph the company's value remains stable for a few more years. Nevertheless, this still had an effect as a day after the report, Theranos stopped the use of its blood-collection vials due to pressures from the FDA. Later on, during 2015 and 2016, Theranos started losing a lot of their partnerships and started catching the eye of federal investigators. Then, the Centers for Medicare & Medicaid Services (CMS) decided to ban Theranos from the lab. In 2016, Holmes had her net worth changed to \$0. The same year, the company got sued by investors and Walgreens. In 2017, they failed a lab inspection but settled with the CMS to keep their lab for two more years. The next important moment in the graph is in 2018 when Holmes and her partner get charged and indicted with fraud. In September of that year, Theranos was dissolved. The same year, the same whistleblower, John Carreyrou wrote a book, "Bad Blood", explaining the fraud further. Holmes was found guilty in 2022 on 11 federal charges and has been sentenced to 11 years in prison for which she turned herself in on May 30, 2023.

In conclusion, we can say that the whistleblower in this case had immediate effects on the company which led to its dissolution in 3 years. Nonetheless, the graph does not completely expose the effects as funding is not a constant flow of earnings.

## **1.6. Whistleblowing Types: Internal vs External**

There are two main types of whistleblowing that are found, internal and external. It is important to understand them to be able to then adequate possible policies to them. They refer to the method used to carry out the report.

### **1.6.1. Internal Whistleblowing**

Internal whistleblowing involves reporting in the company internally. In this situation, reporting is done to a fellow employee or to a superior or through channels and websites the company makes available. Most whistleblowing cases are done internally (83%). The problem with complaining directly to a colleague is the lack of anonymity which makes workers less likely to report wrongdoings. This is why confidential channels provided by the company are important. The potential risks and costs of whistleblowing can be very high including a hostile work environment or even getting fired. The problem with internal reporting is that it can be swept under the rug and even hidden.

In this case, we will not be analysing a real life case as a lot of internal information is not made public. This being said, policies for this type of whistleblowing needs to be developed and potentially improved not only because it is the most used method but because it is also the one with the most cost to the whistleblower.

#### *1.6.1.1. Advantages of Internal Whistleblowing*

Internal Whistleblowing has a few advantages. First of all, it might be easier to do as you can just directly speak to a person in the company. The procedures can sometimes be easier for a person to carry out reports. It can also be faster to resolve the cases. Additionally, as the process is faster, it's easier to prevent escalations of the problem. This is due to the possibility of finding out about it in earlier stages and preventing further harm. Furthermore, according to Whistlelink (2023), it helps avoid damaging the company reputation by avoiding public scrutiny. In this case, the company would have to resolve the problem to avoid external reporting by the whistleblower which would then show the violation in the public eye. For internal whistleblowing to be effective, a company should have secure channels to permit workers to bring violations to light. As explained before having internal channels available in a company helps build a culture of trust and transparency. This helps your company be seen as an open and ethical business and improve its image to stakeholders. As we have also explained beforehand, fraud costs a lot of money to companies. This implies that if they are able to avoid or tackle it they can avoid financial or even human resources losses and other problems such as legal prosecution.

#### *1.6.1.2. Disadvantages of Internal Whistleblowing*

Some disadvantages of internal whistleblowing include the fact that it happens inside a company so it is easier for companies to sweep the reports under a rug and for unethical behaviour to be hidden. Another problem is that unless it is done through anonymous methods, whistleblowers can face retaliation a lot more easily. If a whistleblower did face retaliation, it is a lot harder for them to prove as well if the report was done inside the company. The person they report to might use it against them and try to make them suffer secondary effects. Furthermore, even if action is taken and a crime was committed, the companies might not send the information to law enforcement as some action is done in the company and without penalties or settlements. That is not to say that some companies would refer to the justice system to minimise consequences if the story did indeed come to light.



### *1.6.2. External Whistleblowing*

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External whistleblowing involves reporting misconduct to an external party, such as government bodies, lawyers, law enforcement or the media. This method usually reaches more people and can make a case viral which can lead to a faster resolution potential due to peer pressure. Another factor that would push someone to whistleblow are potential rewards and monetary gains. We will also include third party whistleblowing in the external method. Third party whistleblowing involves the use of external agencies. This is used to permit reporters to remain anonymous and secure. This can be done with an organisation hiring a third party or reaching out to websites such as Wikileaks. Hotlines are also a popular method of third party whistleblowing.

#### *1.6.2.1. Advantages of External Whistleblowing*

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The advantages would be the fact that it is easier to remain anonymous. This avoids potential retaliation. Furthermore, it is easier to regulate and make sure that your protection and the procedures are followed. External channels tend to also have a lot of experience and can help you proceed with your claim with a robust system. The handlers are experts in whistleblowing so they know exactly how to deal with certain situations. You would not have to do much apart from gathering evidence. This is especially true if you use a government led reporting channel. They also tend to not have interest in the company itself unless they are sponsored like some media. This provides a neutral party to the case. External cases can also garner a lot of public interest which means that if a company is dealing with illegal activity, the public can learn about it. This is good for public safety and to also add pressure thanks to public interest which assures action is taken. Reporters also could get compensation.

#### *1.6.2.2. Disadvantages of External Whistleblowing*

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The disadvantage of external whistleblowing is the fact that it can take longer for the case to be taken care of as the justice system takes a long time to get cases to resolve. The other problem is that a lot more evidence must be gathered for anything to be done. Furthermore, you do not necessarily trust the external channels to actually carry out an investigation. A reporter would also need to get familiarised or hire someone that is to know in which situations they would be protected. If the report is not carried out correctly a whistleblower's protection might not be valid. The House of Representatives' Code of Conduct in the US prohibits from publicly identifying a whistleblower without consent. This however does not guarantee confidentiality as you can discover someone by visual clues, electronic traces, signatures etc...

### *1.6.3. Chosen Channels*

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As we have seen before, 83% of reports are done through internal channels. This also explains why most policies should be put in place to regulate them. In the 2022 survey of the Association of Certified Fraud Examiners (2022) they explain that training on whistleblowing hotlines and reporting increased the use of hotlines by 16%. The use of hotlines increased dramatically since 2012 (16%). The survey explained that in 2022 the main reporting mechanisms were 40% by email, 33% by websites and 27% by tip hotlines. They also explained that the whistleblowers mostly reported to: direct supervisors (30%), executives (15%), internal audit (12%) and fraud investigation teams (12%). Law enforcement was only reported to first for 8% of cases.

## **1.7. Rights and Protection: The EU vs The USA**

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Whistleblowers need to make sure to look up the procedures and definition in the law for their specific type of exposure for the complaint to be formalised. Every country and region has their own laws that regulate whistleblowing and potential protection. In this paper we will compare the USA and the EU. Some things to note are that the EU is not one country but a group of countries. The EU does not have a law per say but a directive. The EU defines a directive as: “legislative act that sets out a goal that all EU countries must achieve. However, it is up to the individual countries to devise their own laws on how to reach these goals.”. The EU implemented this directive in 2019 and all member countries had to develop their version of the law in 2021 but that has not been the case. The USA has a lot older and more developed laws. It is important to know that both legislations have very similar ideas relating to whistleblower protection. This could be due to the fact that whistleblowers have similar needs and worries. It could also be due to the fact that the EU might have also learned from other legislations, such as maybe the USA and the UK that have had them implemented for a while.

The Stockholm Institute of Transition Economics working paper by Nyrreröd, T. & Spagnolo G. (2021) explains that the EU directive was inspired by other whistleblower protection laws. They explain that there is not much evidence to prove that these policies have been able to reach zero-sum action, which would mean no costs or benefits. They have explained that in a lot of cases reporters are actually left in a worse position.

**Table 1:** Some chosen differences between the EU and US legislation

	<b>The EU</b>	<b>The USA</b>
<i>Protection</i>	Specifically written, highly developed directive that the independent countries need to implement	Already developed in multiple laws
<i>Mechanisms</i>	Companies with more than 50 employees have to have an internal reporting channel	In most of the states, listed companies need to have an internal reporting channel
<i>Options</i>	Encouraged to report internally	Encouraged to report externally
<i>Retaliation</i>	A broad definition of retaliation. Protected against direct and indirect retaliation unless there is no work-related power imbalance.	More specific retaliation definition so the different sectors and types of reporters are specified.
<i>Regulation</i>	One specific legislation defining whistleblowing as a whole	Over 20 legislations of different specific whistleblowing protections
<i>Proofs</i>	Motives of the whistleblower less important; wrongdoer should prove whistleblower is not right	Whistleblowers need to prove their beliefs; wrongdoers should prove their actions were right

## **2. METHODOLOGY: SURVEY AND RESULTS**

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### **2.1. The Sample**

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One of the objectives of this work is to understand the profile of whistleblowers. However, it goes beyond what other studies have proposed by analysing the individual characteristics of whistleblowers under different contexts. Once we have understood and defined some key differences between the EU and US policy frameworks, we assess whether the individual characteristics affect the alignment that these individuals have with each one of the contexts. In other words, we assess which parts of the regulation are preferred.

An online-based survey was carried out over a one-week period in June 2023 (See *Annex 1*, for the questionnaire). Concretely, a Google Forms questionnaire was launched in several social networks and digital platforms. The survey was sent in English and there was no specific limitation to be part of it, except for being over 18 years old. The final sample contains 100 observations from individuals, from a variety of origins and backgrounds. The sample, while being modest, still allows for some basic generalisations. The questionnaire has several sections. First of all, we asked for some general demographic questions on origin, age, gender and education. The next sections were aimed at understanding the knowledge that individuals have about whistleblowing, and the mechanisms behind it. Then, a follow-up group of questions present different types of unethical behaviours to assess the reporting intentions of individuals. Finally, we dedicate a section where we compare two different regulation frameworks, while asking individuals which alternative they tend to prefer. Namely, on the one side we describe an EU context and on the other side an US context. Thus, our unit of analysis is the individual. The main variable of interest will be the reporting or whistleblowing intentions, while relating them with other demographic or behaviour-like variables.

### **2.2. Methodology**

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This study mainly uses descriptive statistics to analyse the results of the survey. Given that we have 100 observations, descriptives are good enough to infer some conclusions. Thus, for most of the methodological process, we construct new variables (*e.g.*, dummy) based on the original variables we collected in the survey. However, some econometric techniques may need a higher sample size to run appropriate models. For example, regression analyses, after some attempts, did not find any significant results. One reason, aside from the small sample size, could be the fact that groups in the sample are often too similar between them (*e.g.*, female vs. male or younger vs. older).

To build one specific variable used below we use an exploratory technique: a cluster analysis. As explained above, there is a group of questions where respondents are asked about their intention to report upon several wrongdoings in their potential companies (*i.e.*, environmental, financial, etc.). As we found that respondents were quite divergent among them, we ran this analysis to create two groups of individuals based on their answers.

## 2.3. Results

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This section describes the main results found in this study, based on the carried out survey. It starts by describing the sample and the main variables. We then show the main findings on reporting intentions, reasons and individuals alignment with regulation frameworks.

### 2.3.1. *Descriptive Statistics*

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It is important to mention that this survey was carried out via social networks and it is dominated by the author's contacts' profile. In that sense, a big portion of respondents are European students. *Table 2* shows the descriptive statistics of the important variables for the 100 participants in the survey, which we deem an acceptable number for the type of analysis we were conducting. We first explain the demographic characteristics of our sample. Notice that some of them, for presentation purposes, were transformed into binary variables (*e.g.*, 6 different origins were classified into 2, as most of our sample concentrated in one of them):

- *Origin*: the big majority of our participants came from Europe (66,7%). We can then assume that a big portion of the answers are very European centred and that the answers might have differed if we had more North American participants or participants from other parts of the globe. In this case only 10,1% of participants came from North America.
- *Age*: most of our participants were under 26, with the age with a significant number of participants being 23 (20%). This can make us assume that most of our answers would be tailored towards the point of view of the younger workforce and that their relationship to work might be different to more mature workers.
- *Gender*: we have a very similar number of women (49.5%) and men (45.5%) with a small percentage of people that identify as non binary (4%). This implies that we can neglect any bias between men and women as one was not significantly more represented than the other.
- *Education*: most of your participants have obtained a bachelor degree or equivalent (48%) with another big part having obtained a master degree (27%) or secondary

education (16%). To a lesser degree we also had participants that obtained a doctorate (4%) or that finished early childhood or primary education (5%).

**Table 2.** Descriptive Statistics (n = 100)

		Type	Mean	Median	Min.	Max.
<i>Demographics</i>	Origin	<i>dummy (1, European)</i>	0.67	1	0	1
	Age	<i>continuous</i>	26.33	24	18	69
	Gender	<i>dummy (1, female)</i>	0.49	0	0	1
	Education	<i>ordinal</i>	3.09	3	1	5
<i>Intention</i>	Reporting	<i>dummy (1, Yes)</i>	0.84	1	0	1
	Know the term?	<i>dummy (1, Yes)</i>	0.74	1	0	1
	Whistleblowing *	<i>dummy (1, Yes)</i>	0.83	1	0	1
	Mechanism	<i>dummy (1, internal)</i>	0.85	1	0	1
<i>Intention to whistleblow if wrongdoing is related to</i>	Environmental	<i>Likert</i>	2.93	3	1	5
	Financial	<i>Likert</i>	3.34	3	1	5
	Business Practices	<i>Likert</i>	3.07	3	1	5
	Falsification	<i>Likert</i>	3.60	4	1	5
	Bribery	<i>Likert</i>	3.57	4	1	5
	Cyber Security	<i>Likert</i>	3.59	4	1	5
	Advertisement	<i>Likert</i>	3.09	3	1	5
	Employees	<i>Likert</i>	3.65	4	1	5
<i>Preferred</i>	Anonymity	<i>Likert</i>	3.89	4	1	5
	Firm protection	<i>Likert</i>	3.63	4	1	5
	Law protection	<i>Likert</i>	3.58	4	1	5

Education: 1 = Primary; 2 = Secondary; 3 = Bachelor; 4 = Master; 5 = Doctorate

\* Control variable to be compared to “reporting” intention, once respondents know the exact term.

We find that a vast majority in our sample agree to report any unethical behaviour they would potentially find in their organisations. In fact, 83% of respondents would be willing to whistleblow, either internally or externally, to disclose any wrongdoing occurring in their

workplace. Another strong result is that 85% of them would prefer to whistleblow it internally, rather than choosing external mechanisms. This goes in line with previous studies that explains that 83% of whistleblowing is done internally. We also found that 74% of participants admitted to knowing about the term whistleblowing but only 49,5% were familiar with the mechanisms to do so.

### 2.3.2. *Whistleblowing Intentions*

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We also measure the intention to whistleblow depending on different types of situations that could take place. Surprisingly, environmental wrongdoings are the ones generating lower willingness to whistleblow among respondents (2.93). A majority of respondents were on the “unlikely” attitude to whistleblow. This seems counterintuitive to us, because of the increasing attention that is being paid to the environment. However, we may also argue that the environmental effects are not directly perceived sometimes and are more long-term, so that individuals are not willing to report about a fact that is not immediately perceived. Business practices and false advertisement are also quite neutral (3.07 and 3.09), as the average intention is very close to 3 (middle point in our Likert scale). The rest of the variables show much higher values, being the unethical behaviour related to the employees, the one with the highest score (3.65). It seems that respondents in our sample are very concerned about this fact and they would not doubt reporting it. We will further explore these responses, by groups of demographics, in *Table 3*.

Additionally, for *Table 3*, we can observe that respondents were very concerned about the type of retaliation that whistleblowing could bring for them. In that sense, the questions about protection (either law or the firm itself) or being able to report it anonymously reach very high values. For the latter, almost half of our sample (48 individuals) choose the maximum value (5). Consequently, anonymity seems to be a valuable aspect to increase the whistleblowing intention.

*Table 3*, shows the whistleblowing intentions per groups of individuals, based on the demographic variables used in our survey. We did not find very strong differences based on these variables but only some minor deviations.

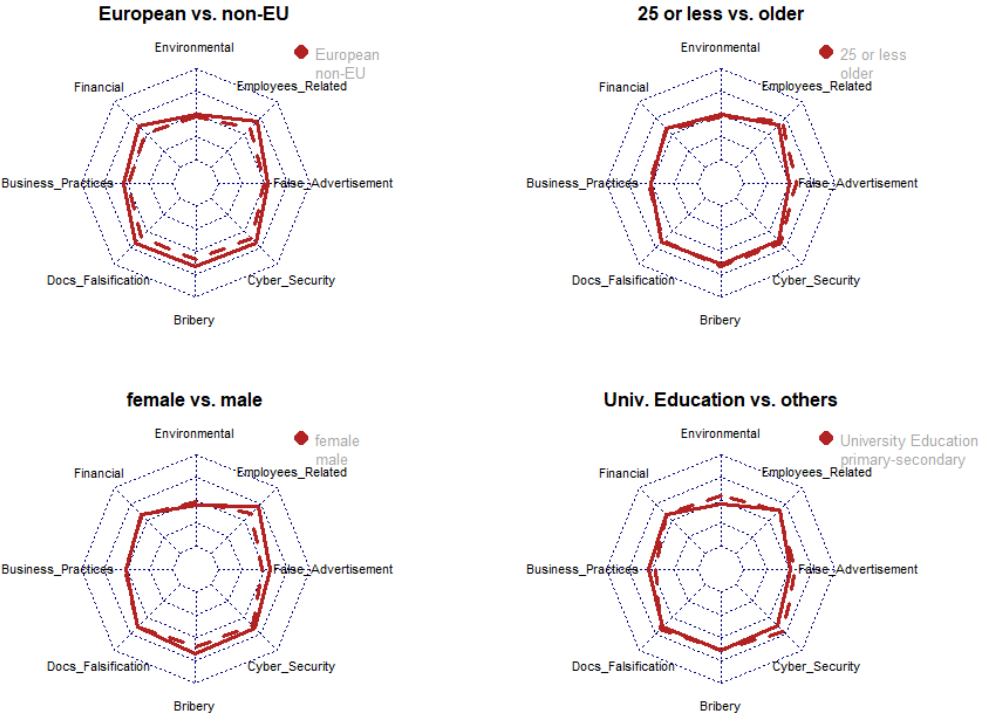
**Table 3.** Whistleblowing intentions per groups of respondents

			Wrongdoing related to (Likert, 1-5)								
			[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
			Whistleblow intention %)	Env	Fin	Pra	Fal	Bri	Cyb	Ads	Emp
	n										
	Overall	100	0.84	2.93	3.34	3.07	3.60	3.58	3.60	3.09	3.65
<i>Origin</i>	Africa	8	0.88	2.62	2.88	2.62	2.62	3.12	3.29	3.00	2.75
	Asia	7	0.50	2.57	3.29	3.29	3.29	3.14	3.14	3.14	3.57
	Europe	66	0.88	2.98	3.50	3.15	3.76	3.67	3.70	3.14	3.77
	North America	10	0.80	3.40	3.30	3.10	4.10	3.50	3.80	3.10	3.70
	Oceania	2	0.50	3.00	3.50	3.50	3.50	3.50	3.50	3.00	3.50
	South America	6	0.83	2.67	2.50	2.50	3.00	3.60	3.33	2.40	3.33
<i>Age</i>	25 or less	64	0.79	2.98	3.39	3.06	3.64	3.56	3.56	3.00	3.59
	over 25	35	0.91	2.88	3.31	3.14	3.57	3.66	3.71	3.29	3.83
<i>Gender</i>	Female	49	0.88	2.78	3.37	3.02	3.61	3.71	3.69	3.24	3.84
	Male	45	0.80	2.95	3.29	3.09	3.60	3.39	3.51	2.91	3.44
	Non-binary	4	1.00	4.50	3.75	3.50	3.75	4.25	3.75	3.25	4.00
	Not saying	1	1.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
<i>Education</i>	Primary	5	0.80	3.00	3.00	2.60	3.20	2.60	3.40	2.20	2.80
	Secondary	16	0.81	3.25	3.44	2.94	3.94	3.88	4.00	3.56	3.81
	Bachelor	48	0.81	2.85	3.29	2.94	3.44	3.45	3.53	2.83	3.58
	Master	27	0.89	2.81	3.41	3.44	3.63	3.78	3.52	3.31	3.81
	Doctorate	4	1.00	3.33	3.50	3.25	4.50	3.75	3.50	4.00	3.75
<i>Clusters</i>	1. willing	50	0.94	3.76	4.18	3.82	4.52	4.38	4.40	3.78	4.62
	2. unwilling	45	0.73	2.02	2.42	2.24	2.62	2.69	2.62	2.33	2.64

**Env:** Environmental; **Fin:** Financial; **Pra:** Business Practices; **Fal:** Falsification of documents; **Bri:** Bribery; **Cyb:** Cyber Security; **Ads:** Advertisement falsity; **Emp:** Employees-related  
Some subgroups sum a total value lower than 100 due to missing values.



Generally, we find that Europeans and Africans, older, female and with higher education levels are more willing to report (column 1) than their counterparts. It is important to say that these groups are not mutually exclusive. However, it allows us to derive important implications. Beyond the willingness to whistleblow, when it comes to specific situations, we can also find some differences. We explain results within groups. Europeans seem to be quite concerned for all the items proposed in our survey, being Financial (3.50), bribery (3.67) and employees-related (3.77) wrongdoings, the ones with the highest scores. On average, younger people would be more inclined to whistleblow for environmental (2.98), financial (3.39) and documents falsification (3.64). They seem less worried than older counterparts for the other items. Female respondents are generally more intended to report, except for environmental and business practices wrongdoings. Employees-related intention to whistleblow reaches the highest difference between males and females in our sample (3.44 and 3.84, respectively). This allows us to infer that women could want to report employee wrongdoings more because women may feel undervalued themselves in the workforce and want to change that. Finally, less educated individuals tend to show lower intentions than those with higher studies. *Figure 8* shows graphically all the previous interpretations derived from *Table 3*. Notice that plots are built upon dummy variables, instead of the original ones reported in the table.



**Figure 8:** Radar plot - whistleblowing intentions per groups of respondents

Source: own elaboration; Rstudio

As explained in the methodological subsection, we did a very simplified cluster analysis aiming to build two groups of individuals. We did so upon the variables in types of wrongdoing (columns 2 to 9 in *Table 4*). Obviously, group means per item are importantly

different. We labelled the cluster with highest intentions to whistleblow as “willing”, whereas the other one was labelled as “unwilling”. In general, 94% of the respondents in the “willing” group show intention to whistleblow, and only 73% do so in the second group.

**Table 4.** Demographic characteristics of the clusters

	N	European	Age	Female	Education level
overall	100	0.67	26.33	0.49	3.09
Cluster 1: willing	50	0.74	26.34	0.56	3.14
Cluster 2: unwilling	45	0.64	25.32	0.45	2.98

But it is important to observe where we find the highest distances. Falsification (4.52 vs. 2.62) and employees-related (4.62 vs. 2.64) show the highest dispersion. Contrarily, the one for false advertisement (3.78 vs. 2.33) shows the lowest distance. We also wanted to explore the composition of these two clusters, to see whether any of them deviates from the average characteristics of the sample. *Table 4* profiles these two clusters, as compared to the global sample. We can observe that it is composed by a higher proportion of Europeans, slightly older, with a higher portion of females and slightly higher educated. This goes in line with some of the findings explained before.

### 2.3.3. Mechanisms and Reasons

Once we understand the profile of respondents according to their intention to whistleblow, our next step is to analyse their response to the preferred mechanism to whistleblow and the reasons to do so either internally or externally. This analysis is based on an open-answer question where respondents had the space to explain the reasons to whistleblow and the mechanism chosen.

*Table 5* shows the analysis for the “how” question. This was presented to the participants before they were given any definition about the whistleblowing term and the main options to carry it out. Thus, we fully rely here on the personal preferences of respondents about the procedure they would follow to report unethical behaviours. Even though everyone could answer this question, we kept only responses for those willing to report (if the reporting

intention was “no” they were not taken at this step). In the table we show the demographic characteristics, as well as the cluster classification explained above, for the different groups of answers found.

The answers, after an initial reading to understand common trends, were manually classified by the authors of this study. It is fair to say that individuals seemed to focus on unethical acts coming from other colleagues, rather than the company itself. Additionally, at this point, they were not asked any question about the internal/external options, and they mostly described internal mechanisms. We decided to group individuals into five mutually-exclusive groups, as follows (groups sorted on importance):

- *Manager or Department*: this group, which represents more than half in the subsample, would choose to report the unethical behaviour to a superior in the company, such as managers, HR departments or superiors. In general, they want to follow a more “formal” approach, rather than creating a bad situation within the workplace.
- *Procedure*: in this group, participants state that they would get information about the right procedure to follow within the organisation before making any action. They trust companies to have protocols to act depending on the situation (*e.g.*, how to report, who to report, etc.)
- *Anonymous*: respondents express their preference to carry out anonymous reporting channels, with superior in the organisation. Some say to trust the individuals in charge within the entity.
- *Direct*: a few respondents said their first choice would be to confront the wrongdoer personally, before trying other internal or external channels.
- *Case-specific*: they would choose the way to report depending on the case under analysis, as well as its severity. For very light cases they would probably find the way to confront the wrongdoer, whereas for strong cases they would go for superiors in the company.

**Table 5.** Reporting mechanism preferred [if reporting = “yes”]

Groups	n	Origin <i>EU = 1</i>	Age <i>young = 1</i>	Gender <i>female = 1</i>	Education <i>degree = 1</i>	Willingness <i>“willing” = 1</i>
Manager	46	0.64	0.58	0.61	0.74	0.56
Procedure	10	0.70	0.30	0.40	1.00	0.78
Anonymous	9	0.67	0.89	0.44	0.67	0.78
Direct	9	0.78	0.78	0.44	0.78	0.44
Case	8	0.62	0.62	0.25	0.75	0.29

N < 83 upon NA omitted observations for the “how” question.

Although the number of cases for some groups is rather limited, we can still draw some conclusions on the “how” individuals would report (before being given any options). From *Table 5*, we can infer some interesting findings for each one of the created groups:

- *Manager or Department*: this group has a big proportion of highly-educated individuals (0.74).
- *Procedure*: all of the individuals in this group are highly-educated (1.00) and they are mostly older (0.30). They are also willing to report (0.78).
- *Anonymous*: they are predominantly younger (0.89) and willing to report (0.78).
- *Direct*: mostly individuals from the EU (0.78) and younger (0.78). However, this group has a higher portion of respondents unwilling to report (0.44).
- *Case-specific*: their main feature is that they are mostly male (0.25), highly-educated (0.75) and mostly unwilling to report (0.29).

Following up, we asked participants whether they would report the unethical behaviour internally or externally. We posed this as a dichotomous question, after explaining what these alternatives meant and implied. As before, although all of them could answer this question, we only focus here on respondents willing to whistleblow (whistleblowing = “yes”). From a subgroup of 83 (as we saw in the descriptives section), 73 would choose to whistleblow internally, within the organisation. That represents almost 88%; the other 12% would prefer doing it externally or they omitted the answer. In *Table 6* we use that subsample to understand, as we did before, types of responses. Again, we manually assigned individuals to different groups depending on their preferences, as follows (groups sorted on importance):

### **Internal preferences:**

- *Impact*: this group argues that the impact would be rather stronger if they report it internally. They expect to not be considered important outside so the measures implemented internally would have stronger effects preventing unethical behaviours in the future.
- *Mixed approach*: they prefer to solve things internally and, in case it does not work or not being taken seriously, then find external mechanisms to whistleblow.
- *External Fear*: in this group several arguments were found. First, individuals that show personal fear about how the market would perceive their action and how it would personally affect them in the future (*e.g.*, finding a new job, media pressure, etc.). Second, individuals who would not like their organisation to have a bad reputation outside, as they are still part of it. They prefer exploiting internal mechanisms to their best.
- *Case-specific*: they would likely choose internal options but their final choice would definitely depend on the severity of the act and the people implied.
- *Procedure*: they trust their company to have an internal procedure and they would follow that.

### **External preferences:**

- *Impact*: in parallel to the internal reason, this group states that external whistleblowing would have a stronger and faster effect on solving the whistleblowing. It is fair to say that some would also like to know the facts first.
- *Internal Fear*: Contrary to the internal case, this group is afraid of internal retaliation. That is, how the company and their colleagues would react to their whistleblowing, making them look like a “snitch”. They want to keep their internal reputation.

**Table 6.** Reasons to whistleblow internally or externally [if whistleblowing = “yes”]

	n	Origin <i>EU = 1</i>	Age <i>young = 1</i>	Gender <i>female = 1</i>	Education <i>degree = 1</i>	Willingness <i>“willing” = 1</i>	
	Impact	21	0.60	0.52	0.52	0.76	0.58
	Mixed	14	0.50	0.77	0.71	0.71	0.50
INT	External Fear	13	0.69	0.69	0.46	0.85	0.75
	Case	11	0.91	0.36	0.45	0.73	0.80
	Procedure	3	0.67	0.33	0.33	0.67	0.67
	Impact	7	0.71	0.71	0.43	0.86	0.43
EXT	Internal Fear	4	0.75	0.50	0.50	0.75	0.50

N < 83 upon NA omitted observations for the “internal/external” and “why” questions.

From *Table 6*, we find the following conclusions:

- *I - Impact*: this group has a bigger portion of high-educated individuals (0.76).
- *I - Mixed*: the main characteristic of this group is that the majority are younger individuals (0.77), whereas they are equally distributed in terms of origin (0.5).
- *I - External Fear*: this group reaches one of the highest proportions of educated respondents (0.85), and we could also state that they show a high willingness to report wrongdoings (0.75).
- *I - Case-specific*: most of the respondents come from the EU (0.91) and, interestingly, most of them are older respondents (0.36). Although having only a group of 11 individuals, we could still argue whether older people express a more moderate reaction and they want to know the situation well before acting accordingly.
- *I - Procedure*: (too small group).
- *E - Impact*: in this group we find younger Europeans (0.71) with a high level of education (0.86).
- *E - Internal Fear*: although a small number, the main feature is that they are mostly Europeans with higher education (0.75).

#### 2.3.4. Legal Frameworks: EU vs. US

The last part of our survey asked respondents to align with a given context. We simultaneously provided two, more or less different, alternatives on the regulatory context they would like to find to carry out whistleblowing. We have already defined above some important differences found between the EU and US system. While having some important

convergences, they still show some specific features making them different. While the US framework has a longer history, is more specifically developed and there are many external institutions that serve as whistleblowing mechanisms, the European one is less developed, but shows important advancements in the internal types of whistleblowing.

Thus, respondents were offered a Likert-like scale where 1 meant to be fully comfortable with the “European” option and 5 meant to be fully comfortable with the “US” option. At any moment participants were told anything about where that policy was coming from. They could only see the description of the context.

Making use of similar groups that we have used before, we analysed which alternative respondents preferred. *Figure 9* displays these findings. On the vertical axis, we show the Likert-like values. For simplicity, we reduce the table to the values 2-4 as no group reported any average value below or over these values. The value of 3 (highlighted) is meant to be the inflexion point between the two alternatives. On the horizontal axis we have the five questions that the survey included: in order, retaliation, whistleblowing options, whistleblower protection, whistleblowing mechanisms encouraged and regulation scope. The legend shows ten groups based on five dummy variables. The groups are non-exclusive.

Results are very consistent, as we can see in the graph. All groups of individuals, on average, tend to prefer the US system when it comes to retaliation (column 1) and protection (column 3). For the former, they like a “more specific retaliation definition”, even sector-specific, instead of a “broad definition of retaliation”. For the latter, they prefer a framework where “protection is already developed in multiple laws”, instead of the European system that is less developed and it relies on recommendations (“specifically written, highly developed goal”).

Alternatively, respondents also agree about two other dimensions, but with the EU perspective. In fact, they are rather similar, as they both refer to the reporting options (columns 2 and 4). Consistently, every group prefers internal mechanisms of whistleblowing, instead of external ones. This goes in line with our previous findings where a vast majority of our sample said they preferred internal options. More specifically, the EU proposes that “companies with more than 50 employees have to have internal reporting channels”, whereas in the US “no forced internal reporting channels” are requested “but several (external) organisations are available”. It is important to mention here the difference found upon

education, as low-educated respondents strongly prefer internal mechanisms, whereas higher-educated ones do not show such a strong effect.

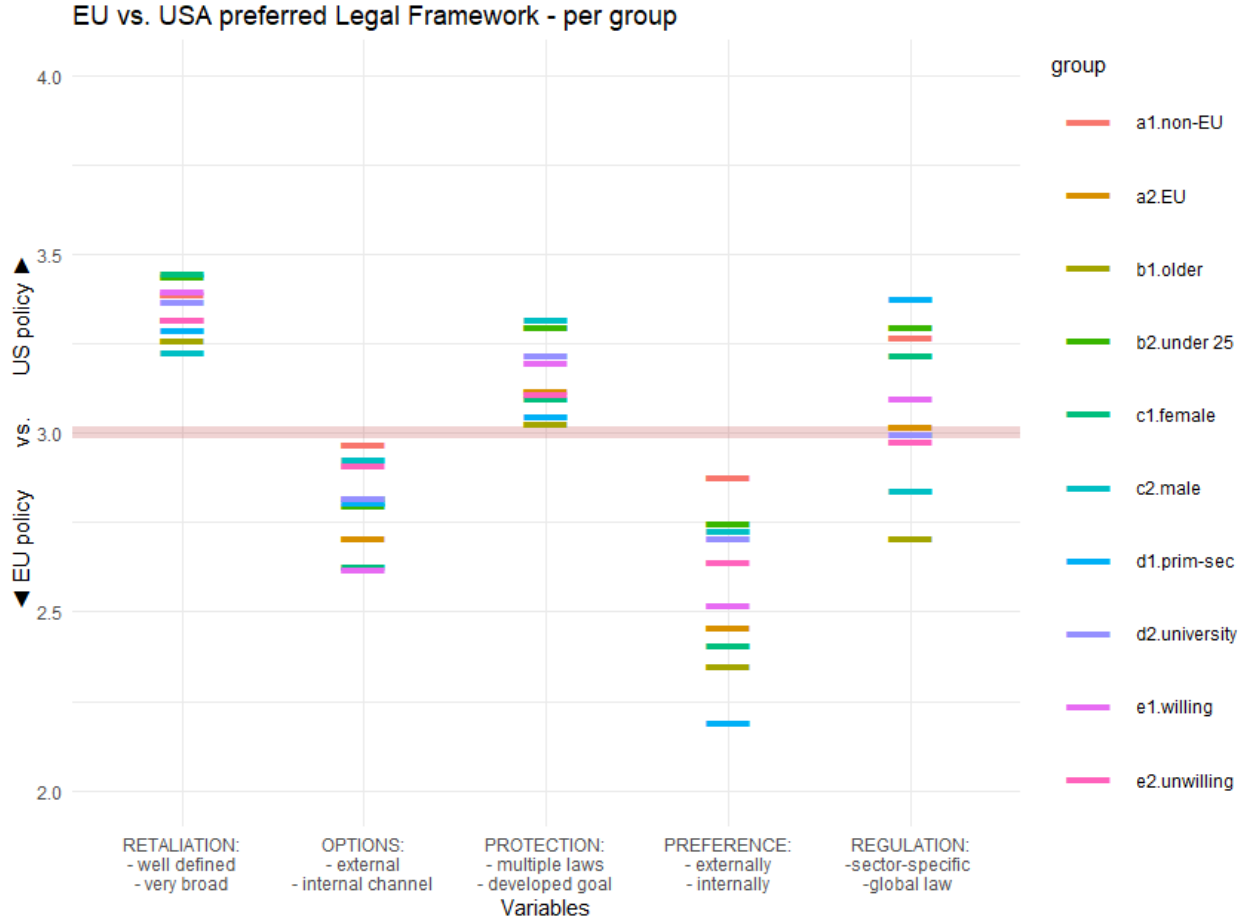


Figure 9: EU vs USA: Preferred Legal Framework per Group

Source: own elaboration

Lastly, how legislation itself is framed (column 5) creates more divergence. Whereas some groups are more aligned with the EU approach (“one specific legislation defining whistleblowing as a whole”) others prefer the US one (“over 20 legislations of different specific whistleblowing protections”). Concretely, age generates the highest difference: younger individuals are clearly in the US-like system, whereas older ones rely on the EU. Gender and education also generates differences: male and higher-educated respondents prefer the EU system. Origin does not appear as an important variable to differentiate.



## 2.4. Discussion

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Our results agree with prior findings, such as in a working paper written by the Stockholm Institute of Transition Economics by Nyrreröd, T., & Spagnolo, G., (2021) where they found that 83% of respondents reported internally before going to the SEC. In our survey we found that 85% would do it internally. They also explain in their paper that 90% of those who filed claims had firstly contacted a supervisor. This goes hand in hand with our survey where we have found that a significant amount, even if a lot smaller (42%), of people would report to a manager. Our value of 42% is actually quite similar to that of the 2022 survey of the Association of Certified Fraud Examiners (2022). They found that 30% of reports were first done to direct supervisors.

Furthermore, Kar, J (2022) at Baker McKenzie explained that out of all the whistleblowing cases the main complaints received was about bullying, discrimination and/or harassment (72%). This corroborates the results we have received with our survey where we found that the area respondents said that they would be more willing to report was employee related.

From our research we can see that there are areas of the EU law that are appropriate for Europeans but that some areas where we could learn from the USA. This includes a better defined definition of retaliation in every area that applies and the fact that the US has many laws for different specific scenarios. In Europe, we do have countries with more developed whistleblowing laws. An example of this is the Public Interest Disclosure Act 1998 in the UK.

One area of discrepancy in our survey was the fact that 83% of responders say they would whistleblow. It seems like a very high number.

Finally, we saw that the protective measure that respondents cared about the most was being anonymous. This goes in line with the 2019 whistleblowing report by EQS that explains that 58% of responses were done anonymously.

### 3. IMPLICATION: WHISTLEBLOWING AND SUSTAINABILITY

#### 3.1.1. Making whistleblowing sustainable

To make whistleblowing sustainable throughout time, you need to make sure there are safe and accessible channels for people to be able to report wrongdoings. Not only that, as we have explained beforehand existing policies do not necessarily work in increasing the amount of whistleblowing. Therefore, new techniques should be implemented to increase this method of detection. We have seen that rewards increase the incentives of whistleblowing greatly but the problem lies in then having a potential increase in false claims and ulterior motives.

#### 3.1.2. Enforcing sustainability with whistleblowing

Figure 10 exposes some of the SDGs directly affected, that are explained here:

- SDG 16 [Justice and Strong Institutions]: by reporting illegal activities, whistleblowing would contribute to enforce the regulation and create a more just environment. Whistleblowing goes hand in hand with the law and the justice system. Whistleblowers expose illegal activities that can happen in companies. A lot of white-collar crime involves illicit financial flows in one way or another that we strive to avoid. Whistleblowers might reduce the cases of corruption by increasing the risks of getting caught. This all promotes transparency and accountability in companies. For whistleblowing to be done effectively and safely we need to work on institutions that help promote it and help the people reporting to stay safe. This will help combat crime and fight discrimination.
- SDG 12 [Responsible Consumption and Production]: on the one hand, it would help improve the sustainable production by companies, as any unethical or illegal practice would be reported. Also, it would improve the sustainable consumption, as consumers would be better informed but also increase the expansion of the circular economy (e.g., a whistleblower could report wasteful consumption - still legal but unethical).
- SDG 10 [Reduced Inequalities]: it would help to detect and prevent discriminatory practices against groups of individuals.
- SDG 8 [Decent Work]: work-related practices by companies would be in the spotlight, in case workers had a clear mechanism on how to report wrongdoings. That act may not only come from the company but also from workmates. Whistleblowing helps expose problems that happen in a corporation and institution. This is in hopes those corporations change their way of acting and to act as a deterrent to other institutions partaking. This helps maintain and assure decent work for all. Whistleblowing also makes sure labour rights are followed and helps expose if a situation is unsafe.

Indirectly, whistleblowing would affect many other goals. For example, it is clear to see that increasing sustainable production would have a positive impact on the environment, mitigating adverse climate effects. Whistleblowing could be a useful tool to report any wrongdoing that could affect reaching the SDGs by the year 2030.



**Figure 10:** Sustainable Development Goals more affected

Source: The United Nations

Another part of sustainability to speak about with whistleblowing are the Environmental, Social, and Governance (ESG) frameworks. Whistleblowing in this area is very important as it affects all three of these themes. When it comes to the environment, whistleblowing can be used as a method to detect companies and industries that do not follow the rules of the game. This could be for example a situation of greenwashing where the company’s actions do not align with the image they show. A case that happened as an example was the Volkswagen emissions scandal of 2015 where the company violated the Clean Air Act by intentionally programming the diesel engines to activate their emissions controls only during laboratory emissions testing to make it seem like they followed US regulations when they actually emitted 40 times that. The social aspect refers to the relationships between people, labour standards, equality, diversity, and human rights. In this case whistleblowing helps by having the interest of bettering society as a whole by battling unethical behaviour and keeping the good of the community at heart. Governance refers to compliance with regulatory requirements, business ethics, corruption, and transparency. It is clear to see how whistleblowing is involved with this area. Whistleblowing helps keep transparency in entities and make sure regulations are followed. Whistleblowing in itself is a matter of ethics.

## Practical Recommendation for potential Whistleblowers on how to Whistleblow Safely

Throughout this paper, we have seen the potential risks whistleblowers face. This is why in this recommendation section we explain how to blow the whistle in the safest way. The best way to whistleblow is first of all by being anonymous<sup>5</sup>. This, as we have seen before, prevents a lot of the risks a whistleblower can face after the fact. The problem with being anonymous would be if some further proof needed. It is also advisable to seek potential legal and expert advice as they can guide people on what their rights are and how to avoid facing legal backlash. Lawyers can also help you understand the potential applicable laws. They are experts in the field and would be able to help in all the proceedings. Costs should be taken in mind as legal fees can be expensive. Planning out an investment plan would be advisable such as taking out loans, selling shares and stocks and others. It is important to make sure to read the laws on financing in your country before doing so.

Contacting institutions that are specialised in whistleblowing would also bring insight on how to report or even help expose the fact for you. It is therefore extremely important to plan out a strategy you are going to employ to reduce the potential risk as much as possible and to keep yourself safe. A potential whistleblower should also make a copy of evidence before it can be destroyed or hidden. Staying at the workplace for the longest possible, if it does not harm you, without being suspicious gives you more access to evidence to then prepare your case. This also helps you have the most accurate information possible without needing to embellish and keep to hard facts. Another thing to keep in mind is to make sure that you are not the only person with access to this information. Make sure at least three people do. This is due to the fact that if you are the only person that can access this information, it makes it easy for your employers to know that you were the one that blew the whistle.

A good channel to pursue your report are websites that allow you to do it anonymously. An example would be wikileaks, available at <https://wikileaks.org/> or ICIJ, available at: <https://www.icij.org/leak/>. To be the safest it is recommended to use the Tor browser or Tails operating system running from a USB. Some clear examples of cases that were successful in remaining anonymous and having a great impact were the Panama Papers and # metoo. We still don't know who blew the whistle in those cases, which implies that they can then not face retaliation.

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<sup>5</sup> Some ideas inspired by Gavrilova-Zoutman, E. (2022). Chapter 2.4, Whistleblowing. Class presentation: BUS465: Detecting Corporate Crime, . Norwegian School of Economics.

## 4. CONCLUSIONS

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Throughout this paper we have seen that unethical behaviour is widely spread. We have also explained that law enforcement is only responsible for around 2% of fraud detection. Fraud cannot be combatted and the justice system cannot do its work if they cannot detect crime. We saw that the best mechanism for detecting unethical behaviour was whistleblowing with 42% of fraud detection cases. The problem with whistleblowing is that it can lead to retaliation. In order to combat that, policy makers, knowing that they need this tool, have to develop protection laws for the whistleblowers. Whistleblowing regulation is growing. More laws are being put in place and research has grown exponentially. Nonetheless, even though some regulations are in place, whistleblowers still suffer retaliation in the workplace.

A whistleblower is an individual that reveals private or classified information about an organisation's activity that can be deemed illegal, unethical or unsafe. They can also prevent damage and reveal threats or harm to the public interest. The main types of reporters are employees, analysts and media. They have two mechanisms that allow them to report wrongdoings which are internal channels (anything inside the company such as reporting to a manager) or external channels (outside the company such as such as government bodies, lawyers, law enforcement or the media). We explained that external channels are the ones that are easier to remain anonymous in. Whistleblowing does have advantages for society. It can help in crime detection and make society better as a whole. This in turn reduces costs lost from fraud. Furthermore, it can deter others from committing fraud in the future. It also increases transparency and trust among workers and for the company itself.

We conducted a survey to analyse the attitude of individuals to whistleblowing and understand some personal characteristics that may affect their intention to whistleblow. We obtained a final sample of 100 participants, mostly young Europeans with an equal distribution of gender and varying levels of education. The survey findings tell us that a significant majority of participants (83%) were willing to whistleblow unethical behaviours within their organisations. Specifically, Europeans or Africans, older, female and with higher levels of education were more willing to whistleblow. As well, there was a vast majority preferring internal mechanisms to whistleblow (85%), rather than external options. The intention to whistleblow, however, was not the same for every type of wrongdoing. Meanwhile, the employee-related, unethical behaviours achieved the highest reporting intention levels, the acts related to the environment obtained the lowest score.

In the second part of the analysis, we surveyed participants about their preferences about the legal framework, without actually mentioning it. That is, we just described a fact about the regulation in the EU, confronted with a similar one in the US. We found that respondents

preferred the European approach when it comes to the options to whistleblow: basically, the encouragement to do it internally, rather than external. However, they preferred the US framework about retaliation and protection, that is objectively more developed than the European one where the main policy is a recommendation, not a well developed law. This tells us that, while having some virtues, the European regulatory framework would have things to learn about the US approach to reach higher whistleblowing effectiveness.

Whistleblowing is important to be able to make sure society and companies can achieve sustainability in the future. It plays a big hand in 4 SDG goals and in the ESG. The 4 goals affected are: SDG 16: Justice and Strong Institutions, SDG 12: Responsible Consumption and Production, SDG 10: Reduced Inequalities, and SDG 8: Decent Work. For whistleblowing to help sustainability we have to in turn make sure that it is sustainable. This is where policy comes in. Policy should protect and incentivize more people to report. All this to live in a more ethical society.

In conclusion, we can say that the EU has a younger legislation that took inspiration from others. And we have indeed seen that for a lot of cases the EU directive is appropriate for the residents but that there are some areas such as specificity that the EU could learn from the USA. If regulation improves and helps people feel more secure in reporting, whistleblowing could then become sustainable enough to help sustainability. Not all member countries have implemented the directive as of now. Therefore, it would be interesting to see if future research could develop this hypothesis with a more mature regulation in place. We could then see if the EU directive indeed makes potential whistleblowers feel safe and want to report. We would then have made the cost and benefit analysis of whistleblowers and white-collar criminals easier to develop. Whistleblowers would hopefully decide to report and white-collar criminals would think twice before acting.

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# ANNEXES

## **Annexe 1. The Survey**

### **REPORTING**

This research aims to assess the willingness of reporting unethical behaviour in the workplace.

Rest assured that the data collected from this survey is totally anonymous, will be kept confidential and used strictly for our research purposes. For any questions and/or concerns, please feel free to reach out through this email: \_\_\_\_\_@alumnes.ub.edu

Thank you for your participation!

(Estimated completion time: 4-5 minutes)

### **ABOUT YOU**

#### **Where are you from?**

North America

South America

Europe

Asia

Africa

Oceania


**How old are you?** \_\_\_\_\_ years old

#### **What is your gender?**

Female

Male

Non-binary


Other


Prefer not to say

**Your Education Level**

Early childhood or primary education


Secondary Education

Bachelor degree or equivalent

Master's Degree or equivalent

Doctorate

**REPORTING**

**Imagine the situation: you find out that someone in your company has been acting unethically.**

**Would you report it?**

Yes


No

**How would you report it?**

---

**WHISTLEBLOWING**

**Do you know what the term “whistleblowing” refers to?**

Yes


No

**DEFINITION OF A WHISTLEBLOWER**

***Definition:***

A whistleblower is an individual that reveals private or classified information about an organisation’s activity that can be deemed illegal, unethical or unsafe. They can also prevent damage and reveal threats or harm to the public interest.

**Do you know any mechanisms to carry out whistleblowing?**

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**WHISTLEBLOWING MECHANISMS**

***Mechanisms:***

The two main ways to whistleblow are internally or externally:

**Internally:** involves reporting in the company itself. In this situation, reporting is done to a fellow employee, superior or through channels the company makes available.

**Externally:** reporting to an external party, such as government bodies, lawyers, law enforcement or the media.

**Imagine the situation: You find out someone in your company has been acting unethically. Would you whistleblow?**

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

**Would you do it internally or externally?**

Internally (inside the company)	<input type="checkbox"/>
Externally (outside the company)	<input type="checkbox"/>



Why or why not? Briefly explain

---

**SOME SITUATIONS**

Unethical behaviours could be related to the following categories. For each one of them, how likely would you be to report it? (1, very unlikely; 5, very likely)

	1	2	3	4	5
Environmental (e.g., pollution)					
Financial (e.g., profits' manipulation)					
Business practices (e.g., collusion)					
Documents' falsification (e.g., for public aids)					
Bribery (e.g., to public entities)					
Cyber Security (e.g., hacking)					
False advertising (e.g., media ads)					
Employees-related (e.g., bullying)					

Would you report under the following circumstances? (1, very unlikely; 5, very likely)

	1	2	3	4	5
If it was fully anonymous					
If I would be more protected by the company					
If I would be more protected by the law					

**WHISTLEBLOW FRAMEWORK**

*Please choose the option that best relates to you.*

**If we told you, in terms of protection, that:**

	1	2	3	4	5	
Protection is a specifically written, highly developed goal						Protection is already developed in multiple laws

**If we told you that your reporting options are:**

	1	2	3	4	5	
Companies with more than 50 employees have to have an internal reporting channel						No forced internal reporting channels but several external organisations available

**Which do you prefer?**

	1	2	3	4	5	
Encouraged to report internally						Encouraged to report externally

**If we told you that, in case of retaliation protection, you had:**

	1	2	3	4	5	
A broad definition of retaliation. Protected against direct and indirect retaliation unless there is no work-related power imbalance.						More specific retaliation definition so the different sectors are specified.

**Do you prefer:**

	1	2	3	4	5	
One specific legislation defining whistleblowing as a whole						Over 20 legislations of different specific whistleblowing protections